To contents

ORDINA

Ahead of change

ANNUAL REPORT **2021**

CONTENTS

European single electronic reporting format (ESEF) and PDF version
This copy of the Annual Report is the PDF/printed version of the 2021 Annual Report of Ordina N.V. This version has been prepared for ease of use, and does not contain ESEF information as specified in the Regulatory Technical Standards on ESEF (Delegated Regulation (EU) 2019/815). The official ESEF reporting package is pursuant to section 5:25c of the Dutch Financial Supervision Act made generally available on our website at https://www.ordina.nl/investors/jaarverslag/ESEF-package. In case of discrepancies between this PDF version and the ESEF reporting package, the latter prevails.

Chapters marked with 1 are part of the annual report pusuant to Section 391 of Book 2 of the Dutch Civil Code
Chapters marked with 2 contain the parts of the other information pursuant to Section 392 of Book 2 of the Dutch Civil Code

ORDINA AT A GLANCE

Ordina is the digital business partner that harnesses technology and market know-how to give its clients an edge. We help our clients to stay ahead of change, sustainably. With digital end-to-end solutions. By being distinctive and by adding value in the (value) chain. By anticipating and responding to new digital ecosystems. And first and foremost, through co-creation with our clients in high performance teams. We call this Ahead of change.

We do this by using smart solutions to connect technology, business challenges and people. We help our clients to accelerate, to develop smart applications, to launch new digital services and ensure that people embrace those services. This is how we give our clients a digital edge and help them stay ahead of change.

VISION

Ahead of change

MISSION

Partnerships in sustainable innovation

BEING AHEAD OF CHANGE HAS ITS ADVANTAGES

At Ordina, staying Ahead of change is the core of what we stand for and of everything we do. Every single day.

In this annual report, we use a number of client contracts and the 'Being ahead of change has its advantages' section to demonstrate how you can get ahead of change as an organisation. You can be ahead of the game in a whole host of ways. For instance, how can your company stay ahead of change by adjusting your business model, but how do you tackle such a business transformation? How do you deal with the digital transition and become a data-driven organisation? You can also take the lead as an organisation on the environmental front. And as an employee, you can excel in your profession and build in-depth expertise.

Client cases

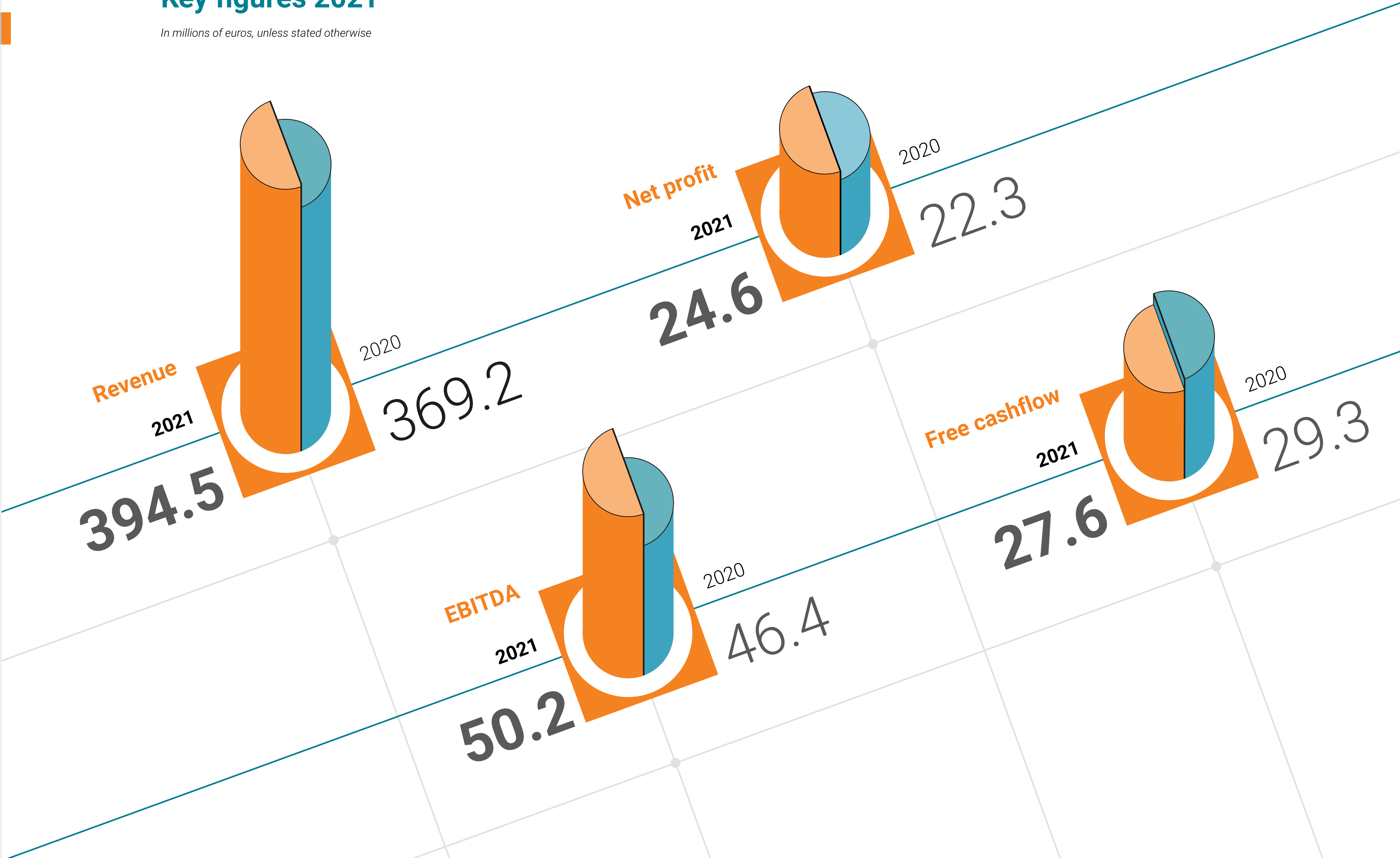
Being ahead of change has its advantages

Section

Projects

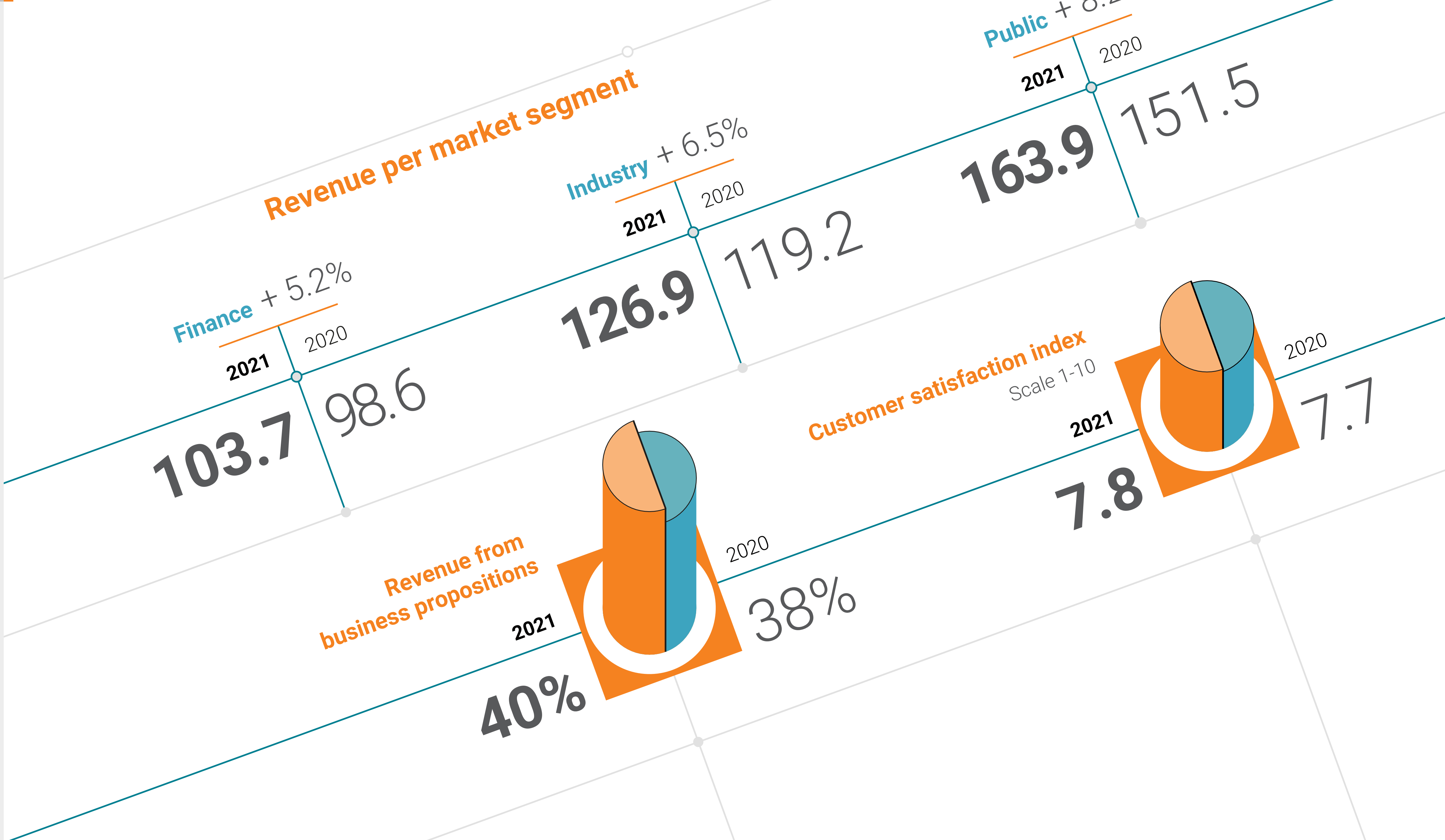
Key figures 2021

In millions of euros, unless stated otherwise



Key figures 2021

In millions of euros, unless stated otherwise



Five-year overview

Key figures[1] *In millions of euros, unless stated otherwise*	**2021**	2020	2019[2]	2018	2017
Result					
Revenue	394.5	369.2	372.3	358.5	344.9
EBITDA	50.2	46.4	36.7	18.7	14.5
EBITDA margin as a % of revenue	12.7	12.6	9.9	5.2	4.2
Net profit	24.6	22.3	14.9	6.9	3.1
Net profit margin as a %	6.2	6.0	4.0	1.9	0.9
Cashflow					
Net cash position (year end)	43.6	44.4	24.6	18.5	10.9
Free cashflow	27.6	29.3	10.9	9.5	11.2
Balance					
Equity	178.9	177.8	163.5	153.0	147.8
Solvency as a % of total assets	61	62	59	66	64
Average DSO (Days Sales Outstanding)	48	49	53	55	54
Average DPO (Days Payable Outstanding)	50	47	54	55	59
Shares					
Number of shares outstanding at year-end (in millions)	93.3	93.3	93.3	93.3	93.3
Free cashflow per share	0.30	0.31	0.12	0.10	0.12
Profit per share	0.26	0.24	0.16	0.07	0.03
Dividend per share	0.16	0.24	0.10	0.05	0.02

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[1] Data based on the published annual reportsof the relevant years, including the associated level of assurance.

[2] As of 2019 figures based on IFRS 16 'Lease accounting'.

Ordina at a glance
Foreword
A look back at 2021
Client cases
Who we are and what do we do?
Strategic pillars, goals & results
Being ahead of the game has its advantages
Risks
Governance
Composition Management Board and Supervisory Board
Report of the Supervisory Board
Remuneration report
Provisions of the articles of association
Financial Statements
Other information
Contents Annual report
Contents Financial statements

Key figures[1]

In millions of euros, unless stated otherwise

	2021	2020	2019	2018	2017
Staff members					
Average number of staff (FTE)	2,583	2,572	2,573	2,542	2,560
Average number of direct staff (FTE)	2,299	2,286	2,286	2,251	2,263
Average number of indirect staff (FTE)	284	286	287	291	297
Number of staff at year-end (FTE)	2,715	2,586	2,629	2,647	2,559
Number of direct staff at year-end (FTE)	2,428	2,298	2,340	2,345	2,276
Number of indirect staff at year-end (FTE)	287	288	289	302	283
Productivity	72.1%	70.1%	69.3%	68.6%	68.0%
Scores HRM targets:					
Employee engagement survey	7.6	7.5	7.1	7.1	6.8
Inclusiveness (score on question employee engagement survey)	7.6	7.5	7.3	7.3	7.1
Other					
Ordina Promotor Score (NL and BE)	72.0 and 70.0	66.0 and 76.0	62.0 and 88.9	69.8 and 72.2	65.3 and 54.0
Scores Environmental targets ESG plan					
CO_2-emission in tons	6,315	6,786	13,036	12,917	13,621
Fuel reduction in liters per car[2]	-5.7%	-48.5%	1.7%	-2.6%	-3.8%
CO_2-reduction per FTE[2]	-7.2%	-47.0%	-0.3%	-4.0%	-5.7%

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[1] Data based on the published annual reportsof the relevant years, including the associated level of assurance.

[2] Negative % is a reduction compared to previous year.

FOREWORD

"We can look back on a successful year for Ordina, with growth in the Netherlands, Belgium and Luxembourg. We increased both our revenues and our profit, as well as the number of employees. Thanks to our high performance teams, we also managed to have strategic impact at our clients, which made it possible for our clients to embrace digital acceleration and focus completely on their future challenges. Thanks to our flexibility, we have been able to anticipate changing market conditions, putting us ahead of schedule with our Ordina 2022 strategy, and we are looking to the future with confidence."

CFO JOYCE VAN DONK-VAN WIJNEN, CEO JO MAES

"We have noted that both IT and business executives see us as a partner, thanks to our solutions and our high performance teams. And we make the difference at our clients thanks to our business propositions, because they anticipate and respond to the themes that create unique challenges for each organisation. Of course, our success depends on the quality of our people and the diversity of our teams. This is why we target diverse and inclusive teams and link this with team performance. This puts our teams truly ahead of the game.

Our employees are satisfied with their work at Ordina, especially working in teams, because they can see that this helps them having strategic impact at our clients. And it enables them to learn and exchange know-how more quickly. We were given a score of 7.6/10 in our employee engagement survey. Thanks to our eNPS score, which rose significantly to 20.4 from 11.6 a year earlier, we know they also recommend us to their friends and acquaintances. Although we have recorded growth with our own employees, we also acknowledge that it is still challenging to recruit and retain IT and business professionals. This is why we are doing our best to make it as attractive as possible for our employees to continue working at Ordina, by offering them a work environment that combines professionalism, personal development and entrepreneurship.

Of course, we had hoped to put Covid-19 behind us in 2021. The sad reality is that this pandemic is still having a major impact. As a result of Covid-19, our clients are facing digital challenges, which we can luckily help them resolve. Working remotely is also challenging for our employees. It requires a great deal of creativity to remain connected with each other and with our clients. Because working remotely also has its advantages, we are looking to eventually introduce a hybrid working system, in which our employees work partly from home and partly at our office or at our clients. We have already made changes at our Nieuwegein head office to accommodate this new system.

Our Ordina 2022 strategy has been successful, but of course, we see room for improvement. For instance, the revenue from our business propositions has somewhat lagged our expectations somewhat. We underestimated the time it would take to convince our clients of the advantages of working with high performance teams as an alternative to more classic forms of cooperation. Our business platforms & cloud business proposition has also lagged expectations. This is because, in the first period of the Covid-19 pandemic, our clients temporarily postponed investments in major backend systems and business platforms. We are now seeing that investments are once again higher on their agenda.

Another point of attention is the tightness of the labour market. Due to the enormous client demand for our services combined with the scarcity on the labour market, we were forced to say no to our clients more frequently in 2021. That is something we deeply regret and we want to prevent this in the future. We want to do everything we can to help our clients with added value solutions. We are well aware that the scarcity of IT talents is set to continue. And this is not just a regional or European phenomenon, but a global issue driven by the acceleration in digitalisation. On top of this, the increase in remote working will lead to changes in the location of manpower, and this itself may provide part of the solution.

> “Our employees are satisfied with their work at Ordina, especially with working in teams, because they can see that this helps them to have **strategic impact** at our clients”

Looking to the future, we see a number of trends in the market that we continue to respond to effectively. These include the increasing pressure from stricter legal and regulatory requirements, for instance in the financial sector. Banks now have to pull out all the stops to screen their clients to prevent fraud. On a broader front, we have noted that cyber security and data privacy require a more integrated approach.

As Ordina, we are part of society and we want to give something back. It is not for nothing that we made corporate social responsibility a separate strategic pillar in our strategy. We go further than legal or regulatory requirements. For instance, we have expressed our ambition to be a climate-positive company. Our focus on that front is primarily on a sharp reduction of the CO_2 emissions related to our mobility. And we will have to offset the rest of our emissions, which is why we are planning to create an Ordina forest. This will help us to solve a part of the CO_2 emissions problem and simultaneously create new nature.

Of course, we are keen to meet all of these challenges head on. We have all the ingredients we need to be and remain successful. We have an attractive employee value proposition for our current IT and business professionals, giving them the opportunity for real growth and development. The diversity of our high performance teams gives us the opportunity to stand out in a tight labour market. And our business propositions provide a response to the challenges faced by our clients, today and in the future. We are also in a position to integrate cyber security and compliance in our end-to-end solutions. We are ready to embark on the road to 2026, with a refined strategy that equips us to deal with the developments we will face in the future.”

Jo Maes, *CEO*
Joyce van Donk-van Wijnen, *CFO*

Ordina at a glance
Foreword
A look back at 2021
Client cases
Who we are and what do we do?
Strategic pillars, goals & results
Being ahead of the game has its advantages
Risks
Governance
Composition Management Board and Supervisory Board
Report of the Supervisory Board
Remuneration report
Provisions of the articles of association
Financial Statements
Other information
Contents Annual report
Contents Financial statements

A LOOK BACK AT 2021

January 2021

Appointment of CFO Ordina Group and CEO Ordina the Netherlands

Effective 1 January 2021, Joyce van Donk-van Wijnen was appointed as the CFO of the Ordina Group. In addition, Joost de Bruin was appointed as CEO of Ordina the Netherlands to manage Ordina's next growth phase.

Ordina Top Employer for 2021

Ordina was once again certified as a Top Employer for 2021, both in the Netherlands and in Belgium. This showed that Ordina invests heavily in our employees and in an attractive and inclusive corporate culture.

March 2021

March 2021

Partnership agreement with Everyday Heroes

Ordina and Everyday Heroes signed a partnership agreement, under which Ordina uses its expertise to help Everyday Heroes on a voluntary basis in the fields of IT and digital acceleration. Everyday Heroes makes it possible for people to find work by removing barriers. They do this by creating opportunities for education, in the form of guidance, but also by paying for driving lessons so someone can get their driving licence.

Ordina helps Prenatal in lockdown

Like many companies, Prenatal was affected by the consequences of the lockdown. When the shops were allowed to reopen their doors by appointment in March of last year, they needed a way to make appointments digitally. Our digital experts managed to realise a solution in little more than a week, and clients were able to make an appointment to shop in one of Prenatal's Dutch shops via the company's website.

March 2021

April 2021

Online business lunches

If you cannot meet each other face to face, then why not simply organise an online business lunch? This was a great way to stay in touch with our Belgian clients for a personal chat about digital themes and their challenges.

Ordina winner of ESET Champion Awards

In early April, IT security firm ESET the Netherlands announced the winners of the 2020 Champion Awards. Ordina emerged as a clear winner. Not only did we win the ESET onboarding partner award, but also the Growth Star business award: a great double victory.

April 2021

June 2021

Tomorrow's Boss

In early June, Ordina in the Netherlands once again took part in the Tomorrow's Boss (Baas van Morgen) initiative. Zakaria and Safae were the bosses at Ordina for a day. Baas van Morgen is JINC project. JINC strives for a society in which a child's background does not determine their future and in which every child is given opportunities. As part of Ordina's ESG strategy, Ordina and JINC have been partners for two years.

Launch of Belux podcasts

Our Belgian colleagues launched a series of podcasts about working in the Business consulting, Data driven, Mendix and Security business units in Belgium/Luxembourg. In the first podcast, they explained the latest developments in their professional field and what they do in their day-to-day work.

June 2021

June 2021

Saskia Groenewegen receives MVP Award

Our colleague Saskia Groenewegen is an expert in the field of Mixed Reality and Microsoft showed how much they appreciate that expertise by giving her the MVP Award in the Windows Development category. You receive a Microsoft Most Valuable Professional (MVP) Award when you have demonstrated your leadership in the Microsoft community. Saskia is now one of a select group of 154 professionals with this status in the Netherlands.

Ordina and Siemens partnership

Ordina and Siemens expanded their cooperation in the field of Mendix to cover the entire Benelux region. Via this partnership, they offer a solution for clients that really do want to accelerate digitally. The Mendix low-code platform is the perfect response to meet those needs. Low-code is an ideal way to realise a business idea in a quick, safe and low-threshold manner. Ordina ran a campaign to inform, inspire and advise clients for the entire autumn of 2021.

July 2021

SIEMENS

mx mendix

September 2021

Ordina acquires IFS Probity

Ordina has taken another step in its growth strategy and acquired IFS Probity. IFS Probity specialises in complex high-volume billing processes, enabling company to control and maintain oversight on their complex payment processes. The acquisition of IFS Probity strengthens our position in the utilities and mobility markets.

Plenty of room for talent

At Ordina, we want to grow with our own colleagues. In addition to senior and medior professionals, we also want to create opportunities for young talents. For instance, in September a total of 113 young professionals in the Netherlands, Belgium and Luxembourg started their training at Ordina.

September 2021

October 2021

Aswin van Braam recognised as Mendix MVP

Aswin van Braam joined the select group of Mendix MVPs, or Most Valuable Professionals. There are just 41 Mendix MVPs worldwide. The MVP programme recognises Mendix professionals for their distinctive contribution to the low-code community. Aswin has been working with Mendix in a number of capacities since 2012, and is one of the pillars of Ordina's fast-growing cross-border Mendix unit in the Netherlands and Belgium.

Ordina drive-in

The Ordina parking lot in Nieuwegein hosted an actual drive-in for three days in October. The participants - in their cars - were given headphones so they could listen to a number of speakers talk about open source, Microsoft and Oracle on a life-size 60 m² screen. The aim was to share know-how in the field of software and software development

October 2021

October 2021

High performance teams offer significant advantages

The Ordina Digital Monitor revealed that 52% of IT decision makers believe that you get the best results in IT projects by working in multidisciplinary teams. People who work with these teams are more positive than those who have not yet tried it; the main advantages they see are faster results due to working in short cycles, higher client and employee satisfaction, shorter time to market and greater adaptability.

Herculean Alliance

October 2021

Engaged digital workplace

Ordina and Herculean Alliance launched the 'engaged digital workplace' in the market. This solution is response to the demand for hybrid forms of collaboration between employees and the need to monitor the engagement between employees and employers.

Top 10 gender equality

Ordina is one of the top 10 publicly listed companies in the Netherlands on the gender equality front. On top of this, Ordina is one of just four companies that have achieved a gender balance at the level of both the Supervisory Board and the Management Board. This emerged from a report by Equileap, which conducted a study into the treatment of male and female employees at companies in the Netherlands.

November 2021

November 2021

In talks with DiZa MPs

In late November, our CISO Vincent Meijer talked to several members of the permanent parliamentary committee for Digital Affairs (Digital Zaken - DiZa) during the final edition of the ESET Security Days 2021. During these discussions, Dutch business and political representatives talked about cybersecurity.

Digital transformation at Elia

Elia, the Belgian high-voltage network manager, is renewing its transmission infrastructure and processes. This is a complex process and the company has called on Ordina to help with its digital backbone, the foundation of innovation initiatives. As the first step, Ordina has created an integration hub that enables all systems and data to interact.

December 2021

December 2021

Computable 100 2021

Ordina is now ranked fourth in the Computable 100 2021 as a business partner. This emerged from an image survey Computable had carried out among IT and non-IT organisations in the Dutch IT market. If we look at the overall score, Ordina rose seven places when compared with the previous year.

CLIENT CASES

Blokker

ProRail

NN Insurance

FOD Mobiliteit

Advanced Power Solutions

Blokker

“Ordina contributes to the **digital transformation** of Blokker”

Dutch firm Blokker boosts commercial effectiveness with new e-commerce platform

Armed with its brand new e-commerce platform, Blokker is ready for the future. The retail chain with some 400 stores right across the Netherlands has deliberately chosen a strategy in which its physical stores and its digital platform complement each other. Blokker called on Ordina to help build the platform.

Online visibility

According to John de Keuning and Martin van Velzen, IT director and Marketing & E-commerce director at Blokker, physical retail has been under pressure for years due to online competition. "Retail organisations also have to be visible online. If your brand does not have an online presence, you have no right to exist. This is why we opted for an omnichannel strategy several years ago, bringing the physical and online worlds much closer together. We were seriously behind on the online front, not just in terms of our website, but also on the e-commerce front. With the new platform, in combination with a CRM system and a new loyalty programme, we have laid a solid foundation, so now we can build the

house, so to speak. That will help us set the example of a successful omnichannel retailer", says Martin van Velzen.

Digital transformation

The new platform, in combination with omnichannel idea, is part of the digital transformation Blokker is currently undergoing. The company took the first steps in this direction a couple of years ago. John de Keuning: "If you want your digital transformation to be successful, first you have to make sure your information landscape is in good shape. Until recently, Blokker still had numerous legacy systems that were not linked to each other. On top of that, processes were not sufficiently aligned with each other. The necessary expertise was not sufficiently embedded in the organisation and our data wasn't unequivocal. Specifically for the customer-facing digitalisation, we made sure that the landscape was in good order and we created a framework we can use to change the organisation. We were also able to offer our people digital solutions, so they can work more effectively. We've since made major progress on that front."

Ordina's Digital commerce team

For the construction of the new platform and the implementation of the Salesforce CRM system, Blokker brought in an Ordina digital commerce-

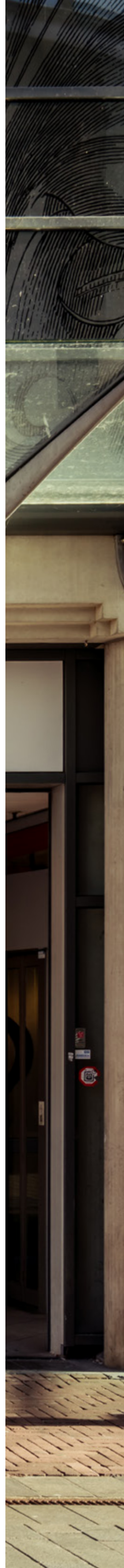
team with lots of experience with this kind of project. John de Keuning: “The aim was to renew the current website, and then refine and optimise the site, so we could move along quickly. The most complex part of the operation was the integration with the rest of the landscape. At the same time, we also had to implement a new ERP system and a loyalty programme. Ideally, you would execute these kinds of projects one after the other, but we simply didn’t have the time for that. So it got pretty hectic at times, and this led to problems during the development of the platform. At a given moment, we were both finding it difficult to maintain control of the project, simply because everything was happening at once, and we were not sure whether we’d be able to have the website ready on time. It was a steep learning curve for us all. Thanks to tighter planning and clear process agreements on the agile approach we were using, we managed to get everything back on schedule. The agile approach can work really well, but the line between agile and chaos is a very thin one.”

Collaborating in teams

Martin and John are very enthusiastic about the collaboration between Blokker and the Ordina team. Martin van Velzen: “I’m really impressed. I could feel that everyone in the team was really engaged in the project. People worked long days without a word of complaint and were all looking to achieve the best result. I really admire that spirit, and it definitely contributed to the success of the project. There was and still is enormous personal engagement.” John de Keuning says that you need a certain level of collaboration to achieve a good result. “And that collaboration was the most important aspect in this project. With every contract you enter, you only find out how well you’ll work together when problems arise. We did encounter some problems, in terms of both planning and costs. I think that both parties saw the collaboration as a partnership, and that paid off. We now have a platform that is not only future proof, but is also more cost efficient.”

Major ambitions

Blokker may have its new platform up and running, but that does not mean that the project is finished. Martin van Velzen: “On the contrary. We have major ambitions and we plan to continue to develop the website and unlock all kinds of digital options that we simply haven’t had time to work on so far. If it’s up to me, the website will look completely different a year from now, certainly in terms of its look and feel, but also in terms of the customer journey. We will continue to develop the website. And when we have the data we need, we can also use that to improve the website. Plus, we have to move ahead on our loyalty programme, because that also needs to be fleshed out. In short, this is just the start.”



ProRail

“Ordina responsible for **acceleration, development** and **management**”

ProRail works smarter with data infra projects thanks to digital planning tool

Dutch rail operator ProRail is responsible for the maintenance, renewal, expansion and safety of the Dutch railway network. ProRail uses countless applications for his work, including Plandix, an application that Ordina is developing and managing in Mendix.

Product owner Cliff Bos says that rail transport involves a lot more than you might think when you step onto a train. Cliff works for RIGD-LOXIA, a partnership between ProRail (RIGD) and the engineering firms Movares and Arcadis (LOXIA). They are involved in every single infrastructure and IT-related change on the rail network. RIGD-LOXIA is responsible for the management and engineering of infra configuration data for train security and train management. This configuration data also forms the basis for applications used to plan rail capacity for the future, both for the daily transport of travellers and the maintenance of freight transport.

Plandix is the application plan coordinators use to plan and direct the exchange of drawing, configuration and data sets. The main Plandix data clients within ProRail are capacity

management and traffic control. Plandix has more than 100 active spread across various disciplines and companies. In addition to planners, this includes rail system engineers, project coordinators, project leaders, building managers, team leaders and engineers.

Ordina high performance team

ProRail has been using the Plandix application since 2014. In 2019, RIGD-LOXIA commissioned an Ordina multidisciplinary high performance team to take on responsibility for the continuous optimisation, development and management of the application. This high performance team includes people with a variety of roles, such as a Mendix consultant, a Mendix architect, a scrum master, a tester and a BI consultant. All of these team members can take on several roles and always complement each other. In addition, the team can fall back on the know-how and expertise within Ordina and gets support from Ordina when necessary.

Taking application to a higher level

The Ordina high performance team works intensively with ProRail to improve the continuous development of the application. The team does this on the basis of a roadmap with a management and development plan. Cliff Bos: “Since Ordina came on board we have been able to really take the application to a higher level. The team first looked at the quality of the application and focused on a number of quick wins. They also optimised the code, which led to a significant improvement in the performance of the application. We’ve also upped the development speed, which in turn has helped us to improve the predictability of when we can deliver something. The application now delivers on time, which has improved its image within the organisation. We’re recording really good results. And that is reflected in the assessment of the application. We assess all applications every month and each one is given a score between -2 and +2. Over the past few months, Plandix has regularly received a score of 1.4 or 1.5, which is extremely high. The team is currently spending 20% of its time on management and the remaining 80% on development. By making flows more logical and cutting out any redundancies, we expect to spend less time on management in the future, so we can spend even more time on development.”

Brainstorming on transformation from a business perspective

ProRail has since asked Ordina to take a look at the architecture of Plandix and to come up with a vision and strategy on how best to use the application in the future and how to add more business value. What needs to be done on the architecture and business fronts? How can we make the team even more professional? What sources do we need to connect to, and what sources should we avoid? Monique de Wit, RIGD-LOXIA Development IT Manager at ProRail, says it is valuable that Ordina, with its know-how and expertise in Mendix, thinks like a partner and looks at how we can improve the functionality and efficiency of the application, so it can serve the business. “As an organisation, we have various business goals and at the same time we’re in the midst of a digital

transformation, with data becoming more and more important. How does the planning of projects fit into that? And what role can Plandix play in those plans?” Monique de Wit expects Plandix to play a more and more important role in the digital transformation in which ProRail will switch from ‘drawing to data’. The more accurate and complete the design information, the more effectively the data of the infra projects can be exchanged. Ordina has a lot of expertise in Mendix and they really manage to make that expertise relevant and to use it, giving them added value to our organisation as a business partner.”

Collaboration

Monique de Wit is enthusiastic about the collaboration with Ordina: “Working inside or with RIGD-LOXIA means working with various parties. This makes close collaboration a high priority and Ordina recognized that immediately. We’re both well aware of what phase we are in and steps that are needed to take Plandix to the next phase in its development. Ordina is happy to brainstorm with us on what we as an organisation need to do to be prepared for the future, so we can achieve our business goals. The chemistry is good and that makes our collaboration extra special. We have a shared interest and we support and complement each other, and that pays off.”

NN Insurance

"Ordina provides **know-how for data visualisation**"

Ordina at a glance
Foreword
A look back at 2021
Client cases
Who we are and what do we do?
Strategic pillars, goals & results
Being ahead of the game has its advantages
Risks
Governance
Composition Management Board and Supervisory Board
Report of the Supervisory Board
Remuneration report
Provisions of the articles of association
Financial Statements
Other information
Contents Annual report
Contents Financial statements

Data visualisation boosts client satisfaction and adaptability at life insurer NN

Looking to the future: that is something NN Insurance is really good at. The insurance firm helps private individuals, the self-employed and companies build a worry-free financial future. And NN is increasingly internally looking to the future, too. How can they provide their clients with even better service levels, work more efficiently and optimise their range of services? Where are the opportunities, both for NN and for every team and every employee? To find clear answers to these questions, NN Insurance Belgium is making increasing use of data visualisation – with Ordina's help.

In 2018, NN Belgium's Customer Care team set up the Performance Management Office (PMO). The goal: greater insight into the department's performance, with the aim of improving its services. "Customer Care has a direct line to our clients, the brokers. Those clients are crucial to the success of NN Belgium", says Bart De Man, PMO manager. "PMO is looking for ways to offer even better service to those clients and partners."

Data visualisation is an end-to-end process

It has been a long time since gut feeling was enough to thoroughly understand a department or organisation and to make the right decisions. You need data for that. Bart De Man: "NN Belgium has access to huge amounts of data, but that's not enough for real insights. You have to be able to define the right data, then analyse it and combine it to see the links and trends. You can do that using data visualisation, but that is an art in itself. Our team was pretty familiar with Power BI, but we didn't have enough know-how to develop relevant reports." Ordina's experts do have that know-how. They have been working with Bart De Man and his colleagues regularly since 2019 to build new dashboards and scorecards.

Co-creation and agile approach

Data visualisation is an end-to-end process. It requires technical expertise, knowledge of data science, but most of all insight into the business. This makes each project a perfect example of co-creation. And it is an agile process, explains Ordina expert Joris Klerkx. "We deliberately work in short sprints of a couple of weeks and

involve both the client and the end users in the process."

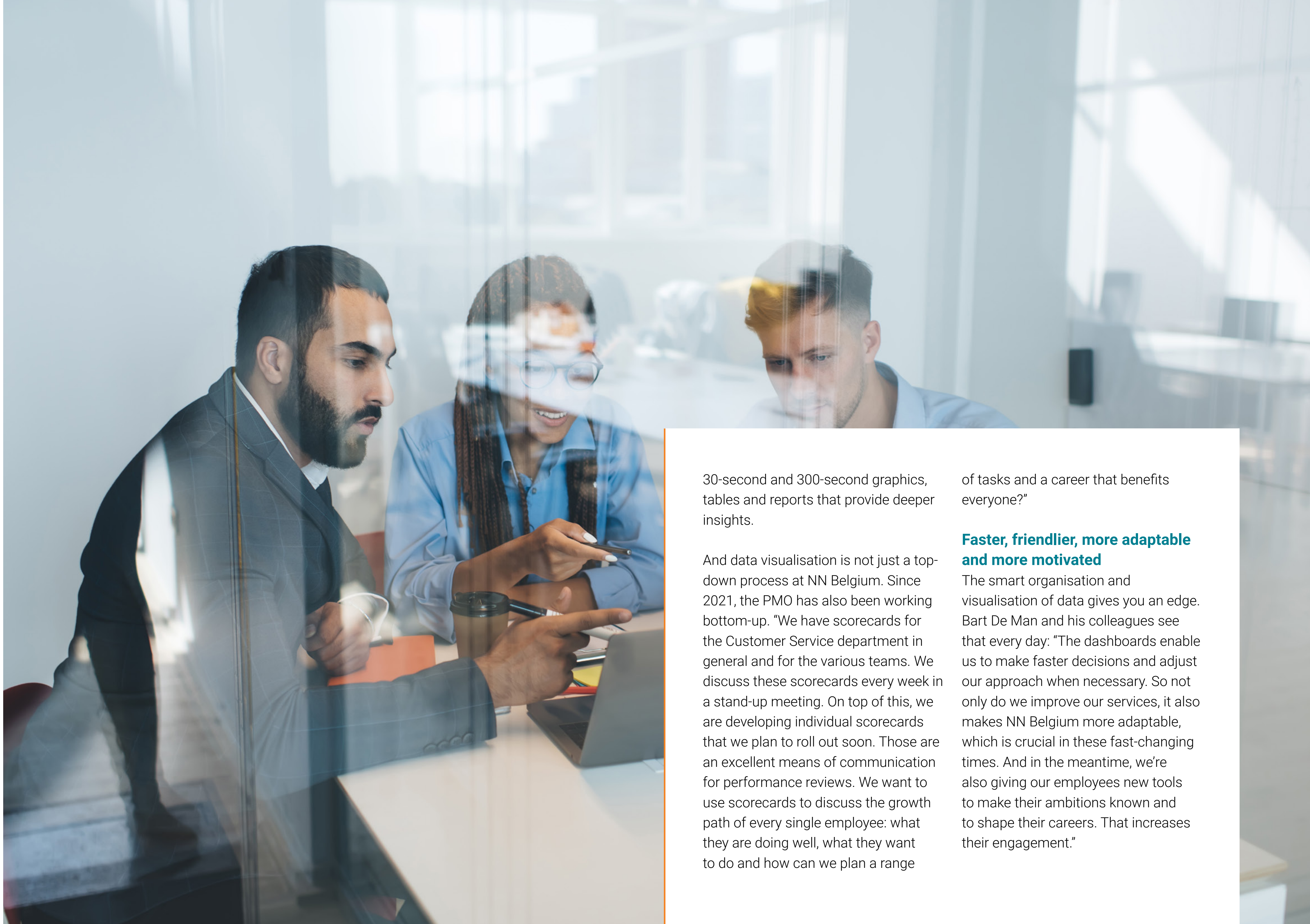
"That approach is remarkably refreshing and enlightening for us", says Bart De Man. "If we need a new dashboard, Ordina organises a design workshop where we and the Customer Care team map out any wishes and processes. They always ask very concrete questions: "What do you need to know to manage your team efficiently? Who will be using the solution? How do they work? What are their greatest challenges?" On the basis of those insights, Ordina works out a prototype that all users can test and check against reality. This provides them with concrete feedback very quickly. If we give the green light, Ordina then develops the definitive dashboards in the software."

Crucial strategic value due to Covid-19-crisis

The PMO team and Ordina initially developed a number of general dashboards for Customer Care. The Covid-19 pandemic made the collaboration and the work of the PMO team even more important and urgent. "Data and dashboards were more strategically important to our business than ever", says Bart De Man. "We used data from our operational system to visualise the impact of the crisis on our workload, sales volumes, premium income, etc., including simulations for the future. Those dashboards provide our management team with valuable insights."

Team and individual scorecards

NN Belgium is still using the management dashboards. In addition to these, the company is developing a growing number of different types of report: from a 3-second dashboard that users can understand at a glance to



30-second and 300-second graphics, tables and reports that provide deeper insights.

And data visualisation is not just a top-down process at NN Belgium. Since 2021, the PMO has also been working bottom-up. “We have scorecards for the Customer Service department in general and for the various teams. We discuss these scorecards every week in a stand-up meeting. On top of this, we are developing individual scorecards that we plan to roll out soon. Those are an excellent means of communication for performance reviews. We want to use scorecards to discuss the growth path of every single employee: what they are doing well, what they want to do and how can we plan a range of tasks and a career that benefits everyone?”

Faster, friendlier, more adaptable and more motivated

The smart organisation and visualisation of data gives you an edge. Bart De Man and his colleagues see that every day: “The dashboards enable us to make faster decisions and adjust our approach when necessary. So not only do we improve our services, it also makes NN Belgium more adaptable, which is crucial in these fast-changing times. And in the meantime, we’re also giving our employees new tools to make their ambitions known and to shape their careers. That increases their engagement.”

FOD Mobiliteit

“Ordina advises and supports in development of **Mendix applications**”

Belgian FOD Mobility accelerates software development

From self-driving cars and drones to mobility-as-a-service: the world of mobility domain has never been more dynamic. What's more, citizens keep raising the bar in terms of (digital) services and administrative simplification. The Belgian Federal Government Agency (Federale Overheidsdienst - FOD) for Mobility and Transport, which is responsible for the country's mobility, has responded innovatively and creatively to this societal trend. Software development using a low-code platform? The FOD Mobility and Transport made the switch to Mendix and is clearly a fan.

Digital transformation is not just empty words at the FOD Mobility and Transport. The agency is keen to be a trendsetter on this front. For instance, it has been using Azure cloud and Microsoft Teams for a number of years. “Recently, we also took a long, hard look at our software development”, says ICT Director Jorgen Colsoul. “We develop most of our applications internally, with a 100-strong team of IT specialists. In addition to custom-made software using Java, the agency has also developed hundreds of smaller applications in Lotus Domino. When it turned out that this application platform was no longer good enough, we started looking for a worthy and future-proof alternative to this technology.”

Test: how adaptable is low-code?

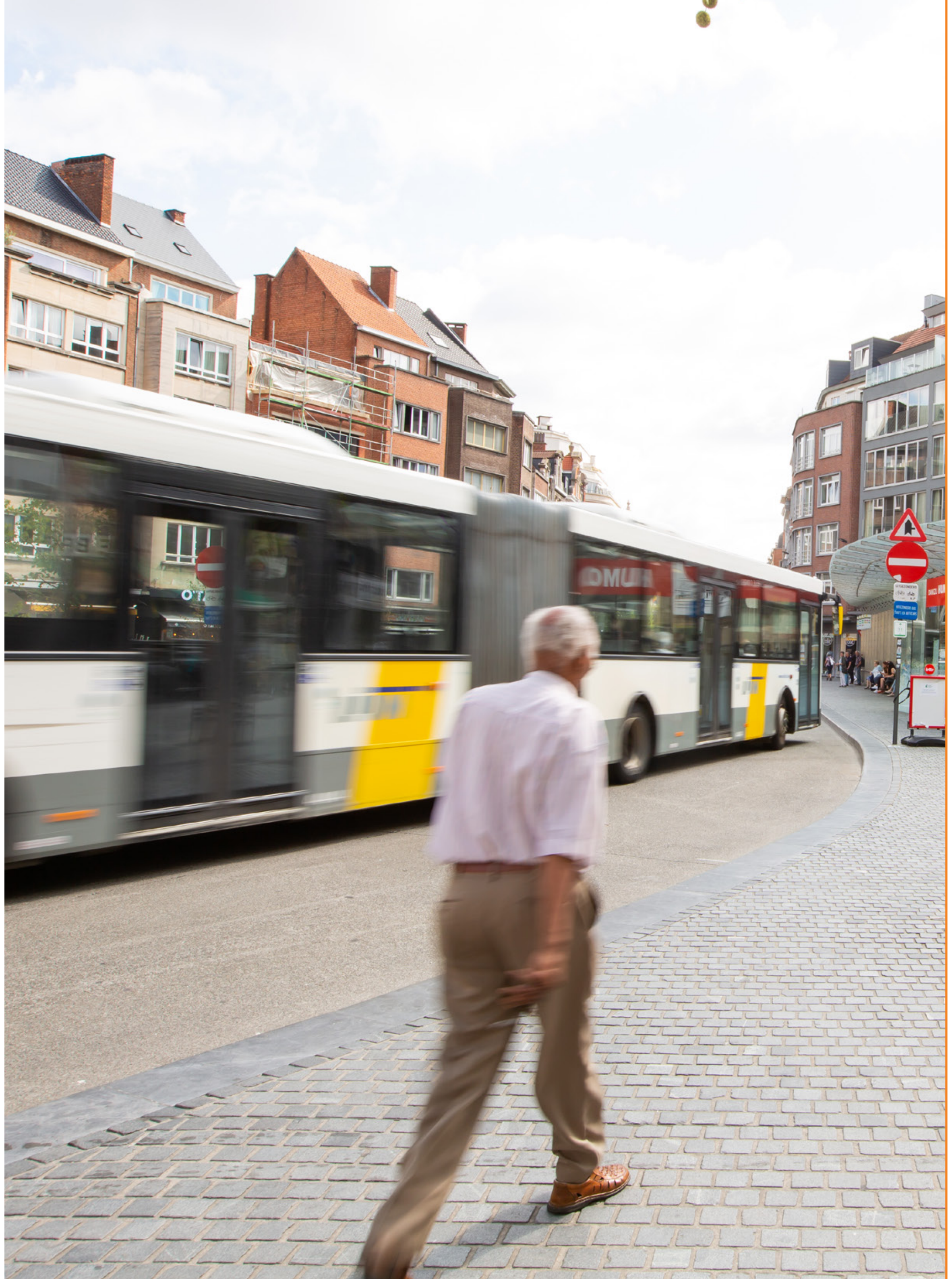
The FOD Mobility set off in search of a successor to these Domino applications, and discovered low-code software development. “Following some market research and demos from 10 suppliers, we had a shortlist of five platforms”, says Jorgen Colsoul. “We decided to challenge them during a workshop. We gave them a concrete assignment 24 hours before the workshop, but then changed our requirements and wishes a number of times during the workshop to test the flexibility of the platform. The adaptability of the app developed using Mendix was pretty impressive. The platform also proved to be a very mature solution that was a good fit with our needs.”

Technical design and governance

The FOD Mobility and Transport decided to launch a year-long pilot project. The introduction of technology like Mendix involves a lot more than building applications. They also used that year to get their entire environment up to scratch: buying licences, getting the IT team ready to work with Mendix, developing best practices and preparing for integration with other systems. Governance was also on the agenda: determine which applications they wanted – and did not want - to build using low-code, prioritise requests, and decide whether they would take care of development themselves.

Do we need an implementation partner?

“Obviously, a low-code platform is intuitive, but you really do need the support of a partner who knows the platform, especially in the start-up phase”, says Jorgen Colsoul. “Ordina helped us get started. Building the first application with the Ordina consultants helped familiarise our team with Mendix. What’s more, we were able to get started quickly thanks to the application templates that Ordina developed for us. This meant that all



applications were in line with our house style and the templates also included a number of reusable standard integrations. These included the likes of a link to our invoicing system or logging in with eID, the electronic ID card – that is crucial for government applications.”

Fast development, less maintenance and infrastructure

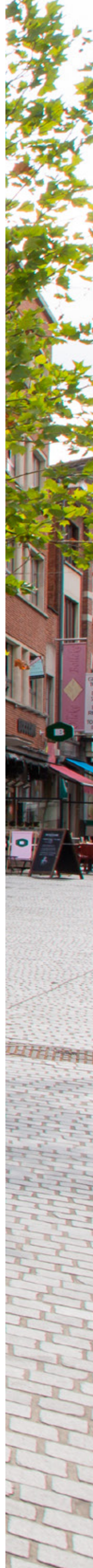
In just six months, the team built a great range of applications that immediately proved their worth. A certificate of medical fitness for seamen or a permit for a train driver? Until recently, all of these had to be arranged on paper or via a complex legacy application. Now they can be arranged via user-friendly Mendix apps.

“The gain in development time is abundantly clear: Mendix allows you to quickly develop custom-made and user-friendly business applications”, says Jorgen Colsoul. He also points to the savings in maintenance and infrastructure costs. “The Java environment and the other platforms we used require a fair amount of technical maintenance, owing to the likes of upgrades of the frameworks used. Each update may require adjustments to the software and they had to be tested. With Mendix, we don’t have to worry about that at all. This complexity is absorbed by the platform. That saves us time and money. Moreover, we run the Mendix apps in a Kubernetes environment, which saves us capacity – and therefore costs – in Azure.

So is Mendix the holy grail of software development? “Low-code certainly has a number of major advantages”, says Jorgen Colsoul with a smile. “But obviously there are also a number of stumbling blocks. We thought we’d be able to keep the architecture simpler in the pilot phase, but we’d underestimated the complexity of the integrations. So we didn’t entirely succeed on the ‘keep it simple’ front. Another point of attention for us is the potential vendor lock-in. We shouldn’t be too difficult about that: migrating applications in Mendix to other platforms is no simple matter. This makes good governance and a strategic positioning of low-code development essential.

Inspiring example

Jorgen Colsoul is happy for the time being: “Initially, everyone was sceptical about the low-code approach – me too. But the results don’t lie: the speed at which you can develop new apps is phenomenal. And there’s more: thanks to the new approach, your IT team plays a much more proactive role and the business is really involved. Of course, that requires engagement from both parties, but there was no lack of willingness on that front. So Mendix is a very valuable addition to our Java portfolio.”



Advanced Power Solutions

“Ordina is **fast and effective** and that’s exactly what we need right now”

Ordina at a glance
Foreword
A look back at 2021
Client cases
Who we are and what do we do?
Strategic pillars, goals & results
Being ahead of the game has its advantages
Risks
Governance
Composition Management Board and Supervisory Board
Report of the Supervisory Board
Remuneration report
Provisions of the articles of association
Financial Statements
Other information
Contents Annual report
Contents Financial statements

Advanced Power Solutions opts for digital acceleration with switch to SAP S/4 HANA

At Advanced Power Solutions (APS), previously known as Panasonic Energy Europe and then part of the Japanese Panasonic group, they are on the brink of a new adventure. The company is one of Europe's biggest suppliers of consumer batteries. In the summer of 2021, ASP was acquired by investment firm Aurelius and will continue as an independent company. To improve the efficiency of the new organisation and to optimise and accelerate its business processes, APS is investigating switching to a new ERP system and Ordina is taking care of the implementation.

As Business Applications manager at APS, Tommy Leirens is responsible for the ins and outs of the ERP project. “As Advanced Power Solutions, we are now standing on our own two feet and in fact we’re making a completely fresh start. And everyone finds that exciting, but at the same time it’s a great challenge”, he says enthusiastically. “In addition to our head office near Brussels, we have two production facilities - one in the Belgian town of Tessenderlo and the other in Gniezo in Poland – with a combined production volume of more than 1,800 million units in 2020. In addition to our Panasonic and eneloop brand names, we also sell batteries under a number of private labels.”

Switch to SAP S/4 HANA

Following the takeover, it was clear that the company had to do something about its existing ERP system, and quickly. Leirens: “Our ERP package is the major challenge right now. We’re currently using the old SAP R3, but we know that SAP will no longer continue to support this system in the future and that there’s a new system, SAP S/4 HANA. When we were still operating under the Panasonic banner, we already had plans to move in that direction, but that process gained a lot of momentum once we were acquired. The initial plan was to continue using the old SAP system temporarily and disconnect it from Panasonic, but in the end we decided to make the switch to the new SAP S/4 HANA. In practical terms, the first step will be to migrate the administration at our three locations to SAP 4 /HANA. In the second phase, we’re planning to roll out SAP S/4 HANA for production and switch to a single operational SAP system. This is because you can’t simply steamroll SAP into the production facilities. Lots of processes are run on other systems that you can’t just replace with SAP.”

Tight deadline

APS ultimately opted for a SAP S/4 HANA Greenfield implementation for a number of reasons, Leirens says. "The SAP environment we're currently still using dates back to early 2000. That environment is completely modelled according to a Panasonic blueprint. It's a multiclient environment we share with a number of other Panasonic firms, while those firms have no shared activities. A lot of things had already been determined by other Panasonic firms that had been linked up to this system before us, so all we could was fall in line. On top of that, there's a lot of customised systems operating alongside the SAP system. These are all good reasons for choosing the latest SAP version. Now we can carve out our own path. This is something we've always dreamed of, but we do have a very tight deadline, because we need to complete the switch by the end of March 2023."

No-nonsense style

APS picked Ordina to make that switch as smooth as possible. And of course APS already works with Ordina, Leirens notes. "We've managed a SAP APO (Advanced Planner and Optimizer) BI system in house for years. That runs on our own servers and Ordina takes care of the basic SAP activities. When we decided to go for SAP S/4 HANA, we contacted a number of suppliers, including Ordina. The talks we had with Dominique Moons from Ordina went really well and the service Ordina provided was outstanding. We then asked two parties to present their plans and in the end we chose Ordina. This was mainly down to their directness, their no-nonsense style. We are a company that will now have to respond to the market a lot more, as our name itself will no longer open as many doors. So we need a supplier that is agile and that can actively brainstorm with us."

SAP blueprint

Once APC had decided to switch to SAP S/4 HANA and had set a deadline of March 2023, it made sense to get a move on. In early October 2021, APS asked Ordina to conduct a deep-dive AS analysis of the current situation at the three locations. In November, APS and a number of Ordina consultants visited the locations for a thorough inspection. They then presented these findings to the Aurelius board, after which they gave the green light for a SAP blueprint. Ordina also helped APS to get the required SAP licences and the company bought licences for IBP (Integrated Business Planning, the successor to the old SAP APO system). Leirens: “Right now, we’re working on the SAP blueprint. And we have a clear direction. We’re going for a standard SAP implementation and we will not deviate from that path. On top of this, we’ll be putting together a change board. Ordina will build and manage the new SAP environment.”

Collaboration between APS and Ordina

Leirens is really enthusiastic about the collaboration with Ordina. “I’m feeling really positive. Ordina is fast and effective and that’s exactly what we need right now. Not once have I had to call Ordina to ask why I’m waiting for something. In this phase, in which we are rediscovering ourselves, Ordina is the right partner to guide us and support us in this voyage of discovery. We are at the start of a complete transformation, and as far as IT and ERP systems go we could really use Ordina’s help.”

WHO ARE WE AND WHAT DO WE DO?

Our vision and mission

Digitalisation helps organisations to remain relevant and agile. Now and in the future. This allows you to anticipate and respond more quickly to changes and ensures that you are able to gain and maintain a sustainable competitive edge, by working together in new digital ecosystems or making use of the power of disruptive technologies.

Staying ahead of change, sustainably. That is the core of what we stand for and everything we do. We are the business partner that uses digital strategies based on high performance teams to help our clients realise sustainable business transformations. And by doing so, remain ahead of change. We do this by connecting technology, business challenges and people. We help our clients to accelerate, develop smart digital applications and launch new digital services. This is how organisations stay ahead of change.

We see digitalisation as an enabler and game changer that gives organisations a long-lasting edge. This is why we provide innovative solutions that help people, society and companies move ahead. And we do this by forging partnerships in sustainable innovation with our clients.

What do we do?

As a digital business partner, we offer our clients a wide range of smart and innovative solutions for challenges in the fields of strategy, organisation and digitalisation. We do this by providing advice on the right digital end-to-end solutions, the development and implementation of sustainable software solutions, and by designing and managing IT landscapes. In short, we provide optimum solutions and platforms and the design and management of digital landscapes to help our clients stay ahead of change.

In other words, we help our clients in every phase of their transformation process. Using a clear and simple approach, so our clients know exactly what they can expect from Ordina, in every phase of our partnership.

We focus on the creation of added value for our clients. To deliver this, we use technology as the response to organisational challenges and we anticipate future challenges. We support our clients in their transformation on five fronts, which are our business propositions: high performance teams, data-driven, business platforms & cloud, digital acceleration and cybersecurity & compliance. You will find a more detailed description of our business propositions further on.

We provide our consulting, technology and outsourcing by deploying teams or individual employees. We prefer to work in multidisciplinary teams that we put together on the basis of the needs and goals of our clients and on the basis of the nature and complexity of the assignment. We bring the best people to the table. This is why these high performance teams consist of both IT and business professionals with a wide range of expertise. What they have in common is a uniform way of working and Ordina-wide systems and tools. This brings out the best in our people and ensures better results at our clients.

We are active in the Netherlands, Belgium and Luxembourg. This means that we are close to our

We discover

At Ordina, we believe it is important that we are ahead of the game in our profession. We are curious and open to new things.

This attitude, combined with our business and domain expertise, helps us to understand and explore the business goals of our clients and to identify problems that are worth solving.

Every single day, we discover new ways to learn and new ways to create impact for our clients.

We connect

We work with our clients in high performance teams on the basis of our own best practices. We take responsibility for the results we achieve and we co-create in an open-minded and inclusive manner.

This helps us to really understand our clients, to build relationships and to make connections. We bring context and experience to the table.

We work with our clients in high performance teams on the basis of our own best practices. We create win-win results for all our stakeholders.

We accelerate

We have in-depth knowledge of the business of our clients, which enables us to give them a digital edge. We are client centric, enterprising and we always look to have an impact.

We are proud of the fact that we can solve our clients' problems faster than anyone thanks to the power of our collective know-how, experience and teamwork.

We realise ambitious solutions that make a difference, that exceed the expectations of our clients and help them to stay ahead of change.

customers and really understand their business. We understand the impact technology can have and know how to use it to improve processes and create new business models. And even more importantly: we know what is needed to achieve a successful combination of business and IT. This enables us to advise our clients on the best roadmap for the future.

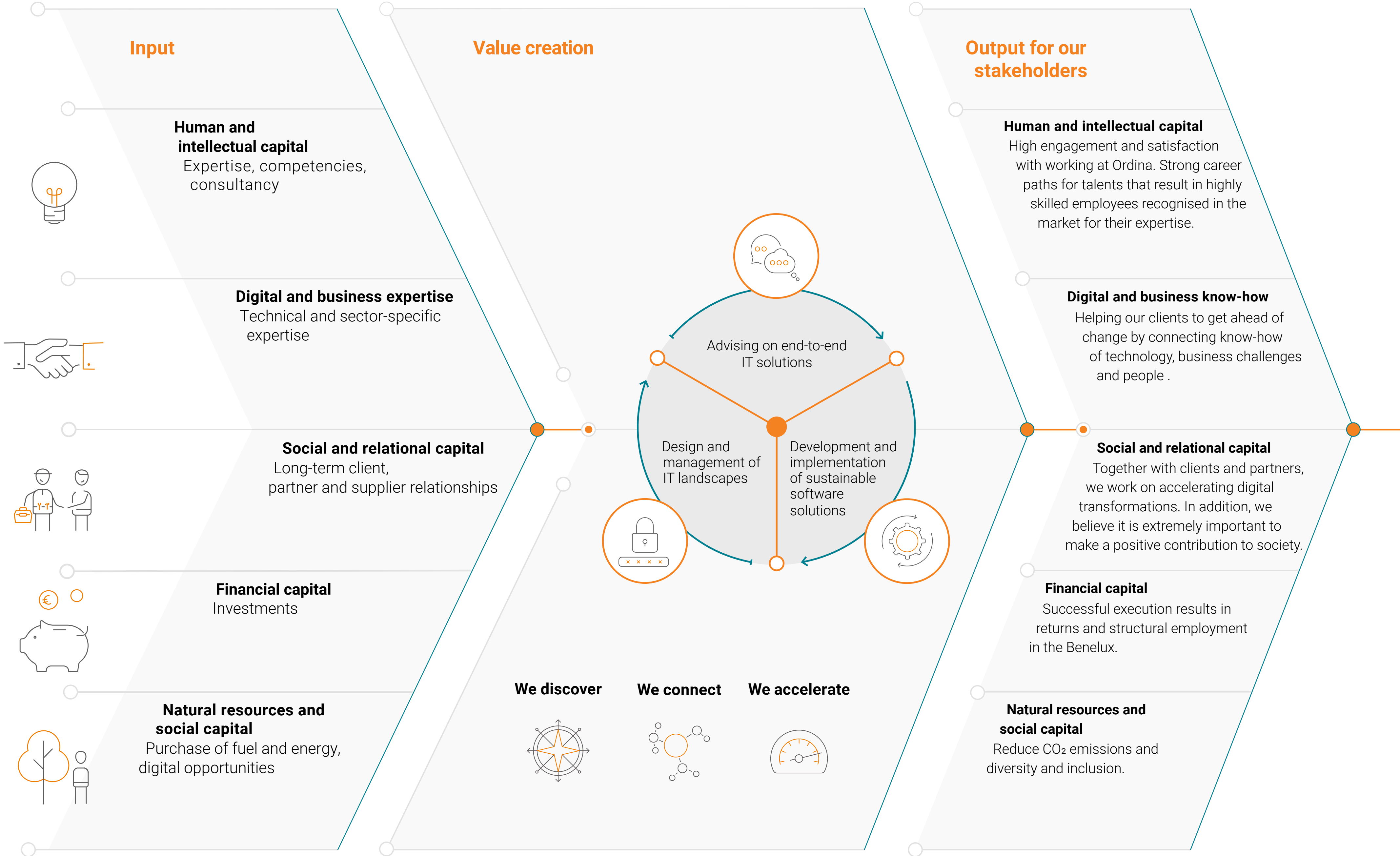
What do we stand for?

Our core values inform everything we do. They sum up what we stand for and how we do things at Ordina. This Ordina DNA is in every Ordina professional and ensures that we know our clients inside out and that we use our expertise, professionalism and talent for their benefit.

Our value creation model

In our value creation model, we show how we use every form of capital to realise our strategic goals. We also provide insight into how we add value to these and what this means to our stakeholders. We do this by providing advice on the right digital end-to-end solutions, the development and implementation of sustainable software solutions, and by designing and managing IT landscapes. This produces the right outcome for our stakeholders, and we take into account the strategic context to achieve the desired objectives and results. We built this model on the basis of our strategy, sustainability themes and materiality matrix and taking into account the United Nations' Sustainable Development Goals (SDGs).

The value creation model



Input

Human and intellectual capital
Expertise, competencies, consultancy

Digital and business expertise
Technical and sector-specific expertise

Social and relational capital
Long-term client, partner and supplier relationships

Financial capital
Investments

Natural resources and social capital
Purchase of fuel and energy, digital opportunities

Value creation

We discover

We connect

We accelerate

Output for our stakeholders

Human and intellectual capital
High engagement and satisfaction with working at Ordina. Strong career paths for talents that result in highly skilled employees recognised in the market for their expertise.

Digital and business know-how
Helping our clients to get ahead of change by connecting know-how of technology, business challenges and people .

Social and relational capital
Together with clients and partners, we work on accelerating digital transformations. In addition, we believe it is extremely important to make a positive contribution to society.

Financial capital
Successful execution results in returns and structural employment in the Benelux.

Natural resources and social capital
Reduce CO_2 emissions and diversity and inclusion.

The value creation model

Strategic context

Digital business partner
- High performance teams
- Digital and market themes
- Business propositions
- Data-driven ecosystems
- Cloud (of trust)

Stakeholder dialogue
- Employees
- Clients
- Partners and suppliers
- Shareholders
- Society

Strategic position of IT in the organisation

The world around us
- Tight labour market
- Global competition
- Niche players

Sustainable Development Goals

Strategic pillars

Engaged and driven employees
Recruit, develop and retain employees, which results in the growth of the organisation.

Satisfied and loyal clients
Satisfied and loyal clients we work together with on their digital transformation.

Sustainably distinctive profile
Expansion into specific niches with our business propositions.

Excellent financial performance & accelerated growth
Realisation of above-average financial returns.

Environmental, social and governance
Reduce our CO_2 emission and offer equal opportunities to everyone on the labour market by providing access to digital tools and know-how.

Objectives and results

Engaged and driven employees
Employee engagement:
Objective: > 7,0
Result 2021: 7,6
Inclusivity measurement:
Objective: > 80%
Result 2021: 73%

Satisfied and loyal clients
Ordina Promotor Score:
Objective: > 70
Result 2021: 71

Sustainably distinctive profile
Revenue business propositions:
Objective 2022: 65%
Result 2021: 40%

Excellent financial performance & accelerated growth
EBITDA margin:
Objective 2022: 10%-12%
Result 2021: 12,7%

Environmental, social and governance
Objective: -30% CO_2-reduction per FTE relative to 2019
Result 2021: -52%

Value creation model
Strategic context

Digitale businesspartner

The world around us is digitalising rapidly. Technology is having an ever greater impact on our lives and we can see this reflected in how we work and live. That requires adjustment from everyone, because changes are happening so quickly. Particularly in the face of the Covid-19 pandemic, because this resulted in an all-out acceleration in digitalisation. Organisations want to know how they can accelerate sustainably, which technology they need to use and the best way to organise the process.

Today, IT is a strategic asset that adds value. Business and IT are rapidly converging. Organisations that embrace digital acceleration are in a better position to meet and overcome future challenges. Ordina considers digitalisation as the decisive success factor in staying ahead of change, using technology to respond to organisational challenges. We use our business propositions and digital and market themes to respond to the needs in the market and at our clients.

If we zoom in on technology, we see that many organisations are now looking at how they can become a data-driven organisation. In addition, companies are devoting more and more attention to cybersecurity & compliance to increase their digital resilience. Companies are also switching to cloud services and are expanding smart platforms by adding low-code apps. In the longer term, Ordina sees a movement towards data-driven ecosystems, cloud of trust, composable enterprises, and hyperconnected autonomous systems. We have also noted that BizDevOps trend is increasing the need for local business and compliance expertise.

As a local player, we are close to our clients and our people understand digital developments, so we can respond quickly to market demand.

If we look at ways of working, we also see a number of trends on that front. Over the past few years, an increasing number of companies have switched to agile ways of working with the help of multidisciplinary teams that offer clients added value. Thanks to this unique way of working, in which we collaborate with our clients, primarily in high performance teams, we stand out in the market and we can deliver added value quickly and effectively.

We focus primarily on the business and IT sectors, where we can make a difference with our business propositions and high performance teams; cybersecurity & compliance, data, cloud business platforms and digital change with agile transformation.

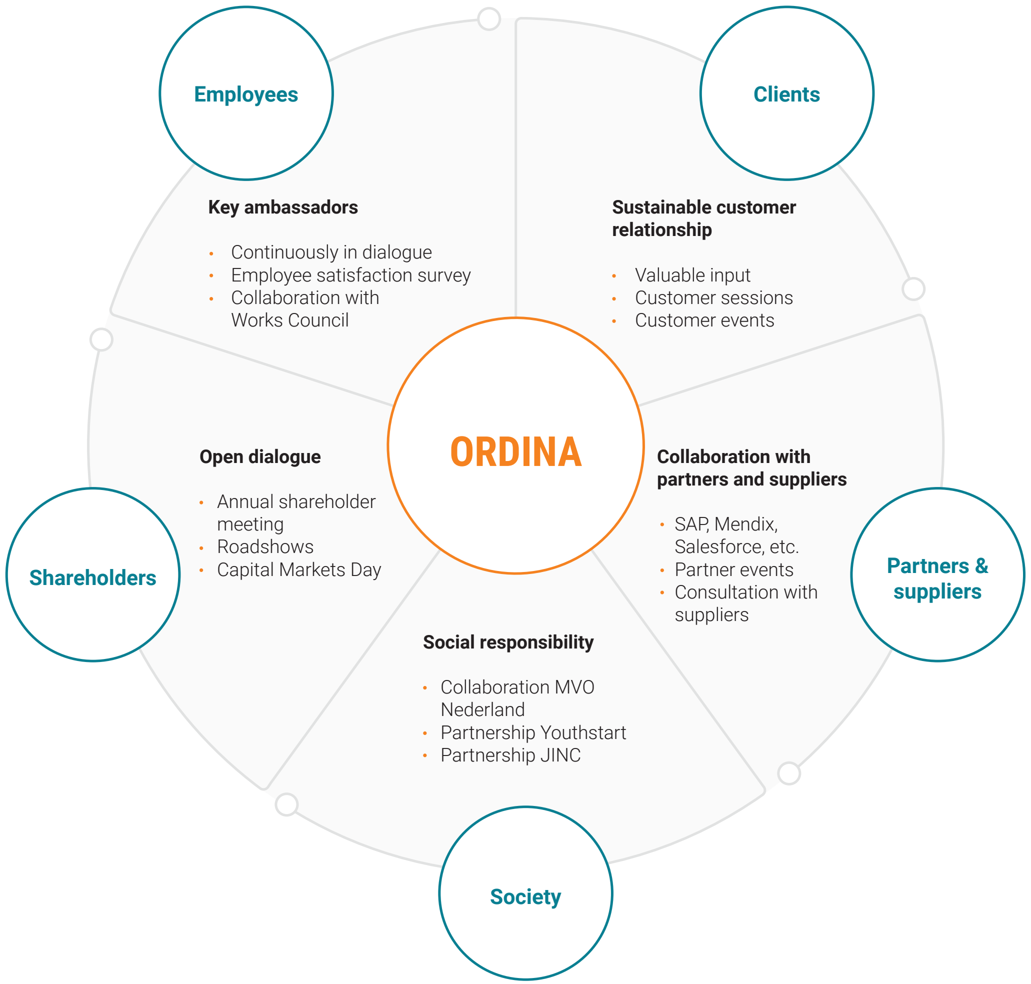
Stakeholder dialogue

To understand the world around us and the changes in that world, we are in constant dialogue with our stakeholders to achieve our shared goals. With our clients, our employees, our partners, our suppliers and of course our shareholders. We make sure we understand what moves them and we are genuinely interested in the importance they attach to the joint creation of long-term added value. And we are ahead of change in terms of the new challenges they face in their environment. So we can continue to offer sustainable added value in every part of the value chain. We consider input from our environment to be crucial to our collaboration with stakeholders, also because stakeholders provide us with insights and opportunities to improve future collaborations.

The main focus of the dialogue with our stakeholders is on the added value they can expect from us in the short, medium and long term. And on the matters they feel are important to communicate to Ordina. The results

Ordina at a glance
Foreword
A look back at 2021
Client cases
Who are we and what do we do?
Strategic pillars, goals & results
Being ahead of the game has its advantages
Risks
Governance
Composition Management Board and Supervisory Board
Report of the Supervisory Board
Remuneration report
Provisions of the articles of association
Financial Statements
Other information
Contents Annual report
Contents Financial statements

Stakeholder dialogue



ORDINA

Employees

Key ambassadors

- Continuously in dialogue
- Employee satisfaction survey
- Collaboration with Works Council

Clients

Sustainable customer relationship

- Valuable input
- Customer sessions
- Customer events

Shareholders

Open dialogue

- Annual shareholder meeting
- Roadshows
- Capital Markets Day

Partners & suppliers

Collaboration with partners and suppliers

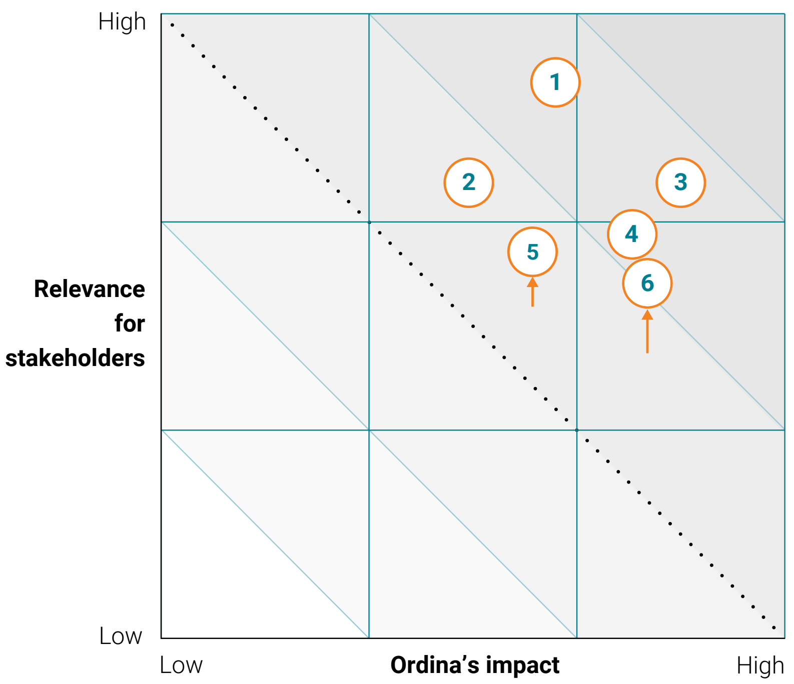
- SAP, Mendix, Salesforce, etc.
- Partner events
- Consultation with suppliers

Society

Social responsibility

- Collaboration MVO Nederland
- Partnership Youthstart
- Partnership JINC

Materiality matrix



1	Recruitment, retention and development of talent
2	Innovation and digital transformation
3	Excellent services
4	Interest rate growth
5	Diversity and inclusiveness
6	Impact on the environment (direct and indirect)
↑	Arrow indicates movement relative to 2020

Value creation model
Strategic context

of these dialogues help us to understand the material aspects they feel are important. We use this as input for the development and execution of our strategy and it presents us with opportunities to make adjustments to our strategy. We have combined the various topics of discussion with our stakeholders in our materiality matrix and assess these aspects in a variety of ways. For example, we regularly speak with shareholders and suppliers. We also organised a Capital Markets Day, which we used to explain our strategy. In addition, our customer satisfaction survey and our employee engagement survey confirmed that our existing materiality matrix still reflects the right aspects for Ordina. The Ordina Management Board assesses the aspects and the weighting of those aspects upon a proposal for same from the ESG Board. The aspects are part of our strategy and related governance (see page 87). Several stakeholders are asking more questions about diversity and inclusion and our impact on the environment. So we have raised the importance of these topics and adopted ESG as a separate strategic pillar from 2021 onwards.

Sustainable Development Goals

Ordina is part of society and that is a factor in how we view sustainability. We want to have a positive impact on society as a whole. By doing business in a sustainable manner, we want to use our high performance teams and solutions to help our clients realise their digital transformation, our people can truly develop and we also have a positive impact on society. This creates value in both the short and long term. Of course we include employment and the like, but we also include the climate. In this way, we contribute to three of the United Nations' Sustainable Development Goals: Decent Work and Economic Growth (SDG 8), Industry, Innovation and Infrastructure (SDG 9) and Climate Action (SDG 13).

	SDG	Ordina's contribution
8 DECENT WORK AND ECONOMIC GROWTH	SDG 8 'Decent work and economic growth': promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	Ordina seeks organic growth as a local player. We want to grow with our own employees, help them develop substantively and aim for high engagement with Ordina. We also focus internally on diversity and inclusion, while the diversity of our high performance teams helps us to stand out in the labour market.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	SDG 9 'Industry, innovation and infrastructure': build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation	Increasing revenue from our business propositions, with our high performance teams and innovative Ordina solutions that help our clients stay ahead of change.
13 CLIMATE ACTION	SDG 13 'Climate action': take urgent action to combat climate change and its impacts.	Improve the quality of life and the world around us by reducing CO_2 emissions. Ordina has committed to the CO_2-neutral goals for 2030, but we ultimately want to be climate positive.

The world around us

The rapid digitalisation of our society has increased the importance of IT, and this is now an indispensable part of the core processes within an organisation. Business and IT are cooperating more and more closely, and are no longer seen as separate silos. Both realise that collaboration is crucial to realise agreed business goals and for digital acceleration. In the coming years, IT will become a critical factor in the success of companies in the digital age. New IT can help companies to realise their strategic targets. The IT services market is expected to record significant growth, driven by the growing demand for digital transformation. However, the tightness of the labour market will make it a challenge to meet growth ambitions in the IT market.

In the coming years, Ordina wants to maintain and strengthen its position as a reliable business partner for large local companies and public sector organisations for client-specific IT services. This is why we are expanding our services to include distinctive niche solutions for specific sectors and client groups both within and outside Ordina's current client portfolio.

Ordina 2022 strategy – what have we achieved so far

Staying Ahead of change, sustainably. That is the core of what we stand for and everything we do. In line with our Ordina 2022 strategy, we help our clients to meet and overcome their digital and business challenges, today and in the future. We do this by combining technology, business challenges and people.

Over the past few years, we have transitioned from a reliable IT partner to a digital business partner with a clear focus on five business propositions in three markets. This is how we offer a sustainable response to future challenges. With distinctive niche solutions for our existing and new clients.

These business propositions and underlying solutions have given us a highly recognisable profile in the market, with a focus on the client challenges of the future: data, (cloud) platforms, digital acceleration, cybersecurity & compliance and high performance teams for agile transformations. We also stand out thanks to our unique way of working, in which we collaborate with our clients in high performance teams and rapidly deliver added value.

In addition, we have continued to improve our core processes and made sure we work both efficiently and effectively, which has in turn improved our operational excellence. We also managed to accelerate our growth, driven by organic growth strategy and targeted acquisitions to expand our portfolio by adding niche solutions. Thanks to this, we achieved our 2022 goals in terms of returns and revenue growth in 2021. However, the revenue from our business propositions is lagging expectations. We need more time to achieve this goal, but it will remain one of our top priorities. We have realised all of this, while also meeting expectations on the client and employee satisfaction fronts, both of which improved in the year under review.

We have also devoted a great deal of time and energy to the improvement of our employee journey, which has made us an attractive organisation for IT and business talents. Thanks to our efforts on the career development front, we have seen a clear increase in our employee engagement. We have also noted that our employees really appreciate working in performance teams.

This has helped us to lay a solid foundation for growth in the coming years.

Our road to 2026

We are seeing that change is now being driven more and more by business and IT, rather than just IT. And the pace of change remains fast as ever. On top of this, Ordina is facing a number of other challenges that require us to refine our strategy.

First and foremost, the scarcity on the labour market. This is a significant factor that is putting a brake on our growth. It is becoming increasingly difficult to find and retain the right people. And this is not just affecting us, but also our competitors and our clients. Our high performance teams, business solutions and attractive career prospects are essential ingredients in the recruitment and retention of top talents.

A second challenge is the increase in remote working triggered by the Covid-19 pandemic. If this trend continues and becomes more standard, it will increase competition on a global scale. This will make offshoring and nearshoring attractive options to accelerate.

Finally, our clients will expect us to come up with unique solutions for their specific challenges more and more quickly. To support our clients on that front, we offer domain and market-specific solutions that can be reused. Thanks to our standard process or digital solutions, we can create immediate added value and we are more efficient for our clients. This is how we can make a difference for our clients.

In the year ahead, we will incorporate these changes in our 2026 strategy, which we hope will make us the business transformation partner for our clients. In the following strategic pillars, we indicate for each pillar our road to 2026.

BEING AHEAD OF CHANGE HAS ITS ADVANTAGES

Can we remove the **waste from the chain**?

If you can remove the waste from the chain, you can focus on making a difference. With this in mind, Ordina developed the PortXchange Synchronizer for the Port of Rotterdam. This optimises vessels' port calls, which shortens the time they spend in the port, and reduces CO_2 emissions.

STRATEGIC PILLARS, GOALS & RESULTS

Value creation model
Strategic pillars, goals & results

1 Engaged and driven employees

As outlined our Ordina 2022 strategy, to help our clients to get ahead of the changes in their sector we need engaged and driven employees, as well as growth with new employees. This requires employees who are always ahead of the game in their profession and who add value for our clients by working in teams. This means we will continue to invest in our employees, because they are our most valuable capital.

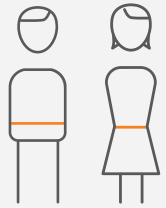
At the same time, our clients are demanding more and more from us and the market is changing. Assignments are becoming more complex and more strategic and a growing number of companies are building their own digital expertise. To stay ahead of change, in the coming years we will make the transition from a digital partner to the strategic transformation partner for our clients. That step will also demand more from our people. We will help them make this transition from professional to authority in their field, so we can play a proactive role in our clients' digital strategy. We believe collaborating in teams is the future.

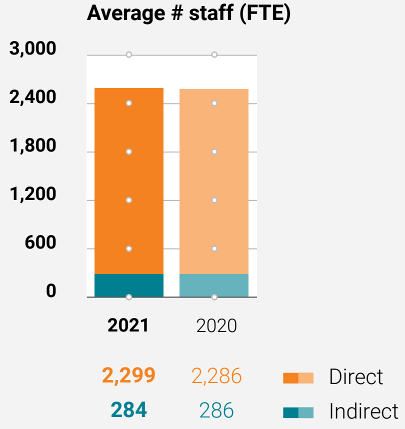
We invest heavily in our talent in a variety of ways, such as career paths that produce IT and business consultants who are recognised in the market for their expertise. We also create a working environment in which professionals enjoy substantive and inspiring work, collaborate intensively with colleagues and clients and motivate each other, which helps them to grow and develop. We are stimulating this movement by also aligning our organisation to facilitate it. We are creating new network roles, with people who – depending on their particular responsibility – will add focus on the client, operations and portfolio fronts.

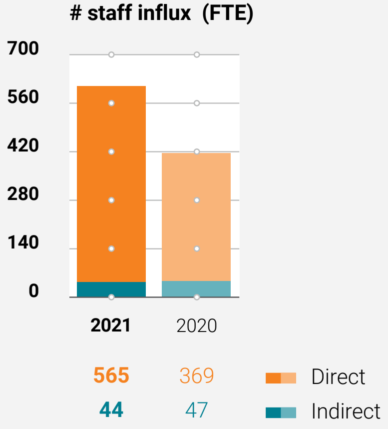
Ordina believes in a culture of entrepreneurship, in which we make use of our collective strength and a uniform way of working. It is precisely this combination that leads to the best results. To recruit the most talented people, we invest in an excellent employee journey, guided by the values discover, connect and accelerate. This helps us to generate more engagement and retain more people. Working in high performance teams makes a major contribution to the effort.

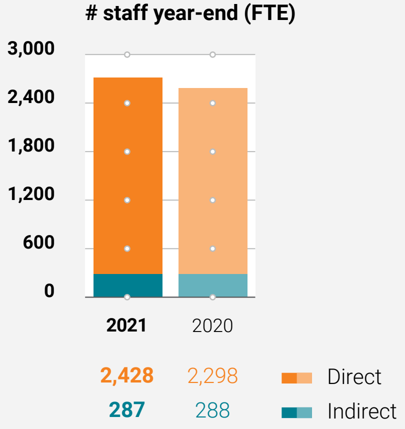
In 2021, we devoted a great deal of attention to the Ordina DNA, our people-oriented culture. In addition to the necessary substantive investment, these times also call for attention to connection and personal enrichment. We did this in a number of ways. We had already replaced the performance management cycle in the Netherlands with a continuous dialogue, with an emphasis on development and feed-forward marked by growth rather than the evaluating and retrospective nature of the previous system. We also adjusted the range of training courses in line with this new approach. Mapping out the employee journey from the perspective of employees has helped Ordina to improve its reboarding process, how we find a suitable new assignment and internal mobility. The main priority here is communication, as both our employees and our managers take responsibility for the result.

Our employees







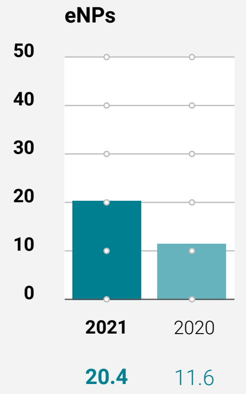


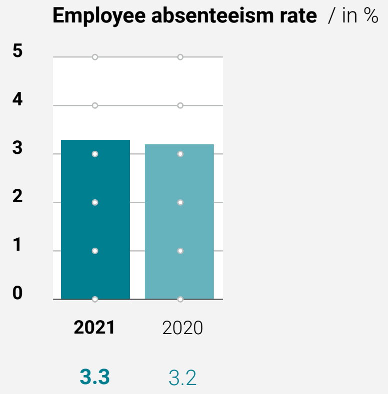
Average number of staff (FTE)

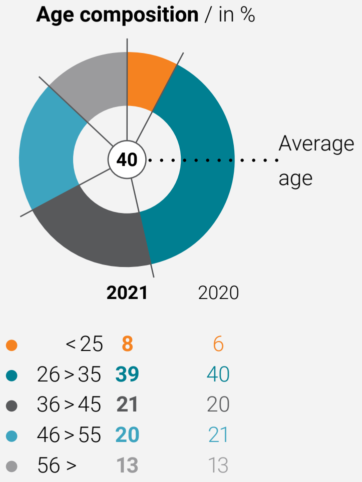
2,583

Number of staff at year-end (FTE)

2,715





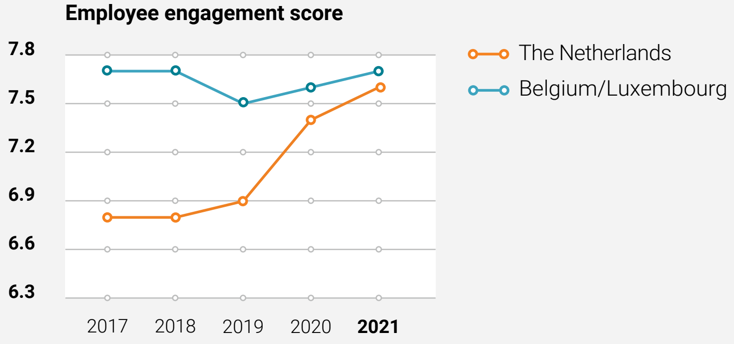


Employees with a permanent contract

99%

Employees with a full-time contract

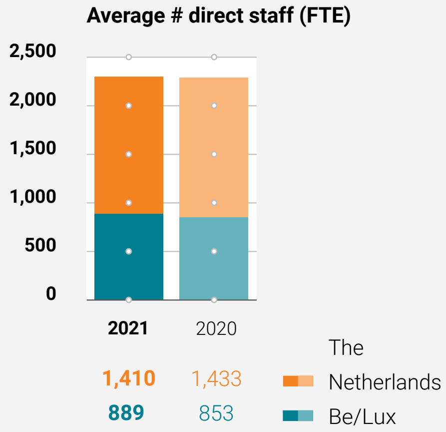
78%

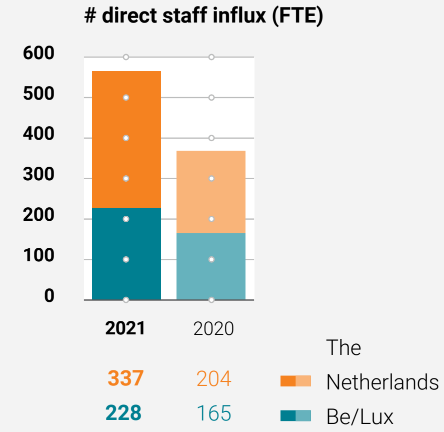


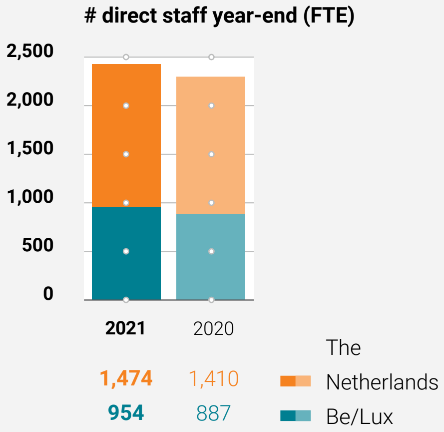
Our IT and business professionals

Productivity 2021
72.1%

Productivity 2020
70.1%







Growth & teams

Our employees say that they really appreciate working in high performance teams. Rather than spending time alone at a client when working on a project, they now work on challenging projects in a team. This increases the connection with Ordina, which is an important factor in staff retention. However, we are still feeling the effects of the scarcity on the labour market. The demand for IT professionals has been greater than the supply for several years and that is not going to change in the years ahead. The scarcity of IT talents is a major factor that is putting a brake on our growth. It is becoming more and more difficult to find and retain the right people. This is not just affecting us, but also our competitors and our clients.

Ordina will therefore continue its efforts to recruit new colleagues with Benelux-wide labour market campaigns. Thanks to our strategic focus on collaboration in high performance teams, we can offer our employees a challenging perspective.

Ordina recorded growth as an organisation in 2021. This growth is important if we are to realise our strategy. In the coming years, Ordina wants to grow organically. Our acquisition strategy, with a focus on the expansion of our portfolio in specific niches, will supplement our growth. In 2021, we acquired IFS Probity, which added around 40 new employees to Ordina's workforce. We are growing across the full breadth of our company and focus on talented digital and business professionals at junior, medior and senior levels. In 2021, Ordina recruited 578 (565 FTE) new direct employees in the Netherlands, Belgium and Luxembourg. These new employees included 182 young professionals and 396 medior and senior IT professionals.

At year-end 2021, Ordina had 2,519 direct employees, 2,428 FTEs (2020: 2,386 employees, 2,298 FTEs). The average number of direct FTEs stood at 2,299 (2020: 2,286 FTEs). On an underlying level, Ordina recorded growth in all countries. In the Netherlands, we added 64 direct FTEs and we added 66 FTEs in Belgium and Luxembourg. See also the table 'Our employees'.

At year-end 2021, Ordina had 287 indirect FTEs (2020: 288 indirect FTEs). Our staff departments in the fields of HR, finance, communications, facilities, IT and legal support and advise the organisation on numerous fronts. At group level, these numbers are comparable to 2020.

Labour market and referrals

We will realise growth through a smart combination of business, recruitment and labour market communications. Working in teams will pay a central role in this effort. For instance, in 2021 we launched a labour market campaign focusing our teams. The campaign was aimed primarily at experienced business consultants and IT professionals. In addition, our website is proving a successful recruitment channel along with our referral system – our own employees, who put forward new colleagues. Thanks to the engagement of our employees, a third of our new colleagues joined Ordina via referral.

Employee satisfaction

In April and October 2021, we asked our employees for their opinion on working at Ordina. We asked for their opinion on matters such as their work, development opportunities, client assignments and whether they were proud of Ordina. We use the feedback from these surveys to improve the employee journey within Ordina. Once again, we saw an improvement on the previous year and emerged with a score of 7.6. In addition, our eNPS score has risen to 20.4 in October. This score measures how likely it that employees would recommend Ordina to their friends and acquaintances.

Top Employer 2021

The fact that we invest heavily in our employees and in an attractive, inclusive company culture has also been noted outside Ordina. For instance, both Ordina the Netherlands and Ordina Belgium were certified as a Top Employer for 2021. Ordina was selected on the basis of a good score for various phases of the employee journey. The Top Employers Institute conducts international research into HR policies and working conditions. The organisation only awards certification if a company meets high standards.

Engagement and loyalty

Ordina actively invests in engagement and loyalty. For instance, in 2021 we organised a number of Ordina Connect Coffees, in addition to all our community meetings and meet-ups. Connect Coffees are online meetings that are an easy and accessible way to meet colleagues from right across the company and from all the regions in an informal setting. In the summer of 2021, we also organised the Ordina Parade, an online event for our colleagues in the Netherlands, Belgium and Luxembourg, with a focus on commitment, pride and fun. Then in October we organised a family day for all our colleagues in Belgium and Luxembourg. Ordina colleagues and their families got to spend the day at a well-known zoo in Belgium.

We also seek to make connections on a social level. For instance, Joost de Bruin and Lieven Verhaevert, de CEOs of Ordina the Netherlands and Ordina Belgium/Luxembourg respectively, took part in a cooking workshop with two Ordina high performance teams. During the workshop, they prepared a meal from the Zero Waste cookbook, a book all Ordina employees later found in their Christmas hamper.

The Proud of Ordina (Trots op Ordina) community also organised a number of events last year, such as a drive-in cinema, which saw the Ordina parking lot transformed into an open-air cinema. They also organised online pub quizzes and an online escape room.

Balance of home working and office

In 2021, Covid-19 once again had a major impact on how we all worked. At Ordina, we had been working from home en masse since the start of the pandemic. It was easy for our employees to switch to online meetings, chats, calls and digital cooperation. This demonstrated the robustness of our business model as a digital player and the potential of our organisation to adjust quickly if the situation requires it.

Ordina followed the government's Covid-19 guidelines. In 2021, this gave our employees the option of switching between working either more or less at the office or at our clients. We also looked at the best ways of finding a balance between home working and working at the office or at our clients in the future. This resulted in the so-called location-independent working: employees are free to determine where they work from in consultation with the client and their colleagues on the basis the particular activity required. In the future, this will mean about 50% of an employee's time working from home and 50% at the office or at a client. Due to the surge in Covid-19 infections in November and the spread of the Omicron variant in mid-December, Ordina asked its employees to once again work from home as much as possible.

The physical and mental well-being of our Ordina employees is always our first priority. We have seen that the Covid-19 pandemic has demanded a lot from our employees, especially on the mental front. Precisely because of the Covid-19 conditions, Ordina has taken extra care to help safeguard the mental and physical health of our employees. For instance, we made sure our employees had a safe and responsible workplace both at the office and at home. More than 1,000 employees made use of these facilities. And because Covid-19 meant many of our employees were working from home and spending a lot of time at their laptops and screens, we developed a special online Fit@home programme. Twice a week, Ordina physiotherapists spend 15 minutes demonstrating useful exercises and giving tips on how to stay healthy.

Vitality

Healthy and fit employees are important to Ordina. In 2021, absenteeism stood at 3.3% (2020: 3.2%), which was slightly higher than in the previous year. To keep our people fit, we offer a wide range of vitality programmes.

Our employees can follow various online programmes, in which we draw attention to a number of vitality-related themes, such as sleeping and eating habits and mental resilience. Via the Prevent desk, colleagues also have quick access to various care providers, from physiotherapists to psychologists.

Investing in development

It is important for us to invest continuously in the know-how and expertise of our employees. That is the only way we will stay ahead of change, sustainably. This is why we encourage employees to participate in training courses and gain know-how, and why we promote internal growth opportunities and mobility. In 2021, the total number of training hours came in at 119,826 hours (2020: 103,948 hours). Participation came in at 73% in 2021, a rise on the 69% recorded in 2020. However, we did not make our target of 80% participation. With the launch of our new Learning Management System, we are hoping to gain more insight into our total range of training courses so we can monitor our progress on this target more effectively. We actively stimulated internal mobility with the Benelux Ordina Career Weeks, which gave employees the chance to see whether there were any opportunities to switch to another position to take the next step in their career.

Ordina believes is essential that our people stay ahead of the game in their profession, and not just from our perspective, but also from the perspective of social responsibility. This is why as part of our ESG strategy we measure the outflow percentage of employees who leave the company at our request. This should always be below 4%. In 2021, this was 1.9% (2020: 3.0%).

In addition to the development of skills and know-how, Ordina also devotes attention to the personal development of our employees. In the Continuous Dialogue, we continuously encourage Ordina the Netherlands employees and management to work on this aspect of development. To provide support in their growth and development, all employees have access to external coaches. The coaches work on various aspects: Sales, Personal development, Vitality and Being Ahead of change. Due to the fact that we make the coaching easily accessible via a LearningKit, employees can book growth in a number of ways, which increases the added value for our clients.

Strong leadership is essential for the future of our company, which is why we invest heavily in leadership development. For example, we launched the second edition of Ordina Talent Accelerator Programme for young, up-and-coming talents. This is a two-year programme that challenges young talents and prepares them for key positions in the future. We also have several specific talent development programmes aimed at our managers and other employees.

Our road to 2026

Our 2026 strategy builds on our unique people-oriented Ordina DNA. We continue to invest in an attractive working environment based on knowledge exchange, collaboration in teams and fun. For instance, we offer broader career perspective and increase the engagement of our employees.

In the coming year, Ordina wants to become the business transformation partner of our clients. To respond to the expectations of our clients and to add value as a strategic adviser, it is essential that we know our markets well, but also that we know the business of our clients inside out.

Among other things, this means we need to increase our business expertise. This requires our employees to understand our clients, to know what their challenges are and to know the best technology to solve their problems. Due to the ongoing digital transformation trend, business and IT are converging and becoming interdependent.

In addition to this, the Ordina organisation is going through a transition in our culture, including working increasingly in high performance teams. In the past, our employees worked on assignments at our clients individually, but more and more frequently we are now putting together complete teams to solve a specific digital challenge. That calls for team players: employees who prefer to work in a team rather than alone and who complement each other's strengths. Working in a high performance team also increases the engagement of employees. To recruit those driven team players, we need to invest in an attractive working environment for our employees. With truly challenging work that requires know-how and expertise.

And precisely because we advise and help our clients through multidisciplinary teams focused on their market challenges, Ordina is moving towards becoming a network organisation. Within this network organisation, we focus on substantive leadership, client-driven working and collaboration. This will put us in a better position to respond to the demands of our clients.

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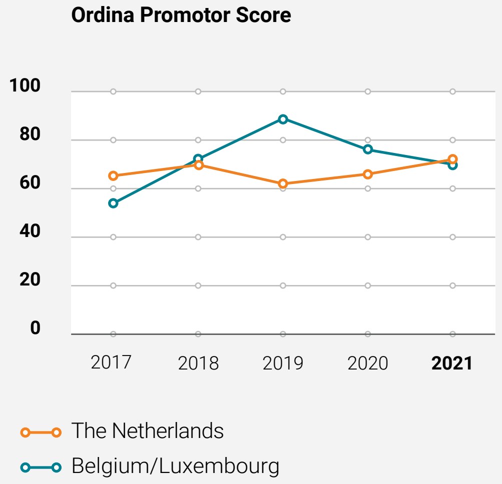
Ordina at a glance
Foreword
A look back at 2021
Client cases
Who we are and what do we do?
Strategic pillars, goals & results
Being ahead of the game has its advantages
Risks
Governance
Composition Management Board and Supervisory Board
Report of the Supervisory Board
Remuneration report
Provisions of the articles of association
Financial Statements
Other information
Contents Annual report
Contents Financial statements

Value creation model
Strategic pillars, goals & results

2 Satisfied and loyal clients



One of the pillars of our Ordina 2022 strategy is satisfied and loyal clients. This means that we make our clients the number one priority in everything we do. That sounds simpler than it is. If you want to really know and understand your client, their business, their processes, but also their people and their corporate culture, that requires engagement and empathy. This is why it is essential that have an in-depth understanding of the issues and problems our clients face. That we understand our clients' business and the external developments they need to respond to.

Thanks to the way we work, we build in-depth business and industry know-how related to general digital themes and market themes that are specific to a particular business sector. Our clients benefit directly from this collective knowledge. And it helps us to understand our clients more quickly and provide them with a better level of service.

Due to the nature of our services and the way we work, we are becoming more successful at initiating discussions at C-suite level. This is happening spontaneously, and also because we invest in the creation of informal interactions, in which we advise our clients on their strategy, but also because we raise this as a topic of discussion if the situation requires it.

To deliver that added value to our clients, we make frequent use of high performance teams. These are multidisciplinary teams that we put together to address a specific client objective. Our high performance teams have an optimum balance of disciplines and personalities with specific technology and business know-how to deliver impact at a strategic, tactical or operational level. To guarantee the success of the collaboration, we work in a uniform manner, and we ask for feedback at every level. This helps us to book results better, faster and more effectively.

Online business lunches

In 2021, building on the success of the previous year, we restarted our online business lunches in the Netherlands and Belgium. The aim of these lunches is to get together with clients to discuss the trends and challenges in the market and to look at potential opportunities or solutions. Due to Covid-19, the online business lunches are an original way to make and maintain contact with our clients. Our clients have said they really appreciate these online business lunches.

Workshops and roundtables

In addition to this, in 2021 we hosted a number of workshops and roundtable discussions. These included workshops and roundtable discussions with Dutch government organisations, in which we helped our clients to design their organisations in line with the 'self-managed teams' model. Our Belgian colleagues organised a roundtable for 20 clients in the industrial sector, which looked at how you can use data and analytics to turn useable insights and decisions into a competitive edge. We also held a wide range of know-how sessions and webinars with clients.

OPS and CSI

Each year, we measure to what extent our clients appreciate our services and their general satisfaction using the Ordina Promotor Score (OPS) and our client satisfaction index (CSI). We aim for an OPS at least 70.0 and a CSI of 7.0.

We achieved our OPS target in 2021, with a score of 71.0 (2020: 70.2). In 2021, our OPS score in the Netherlands rose to 72.0 (2020: 66.0). In Belgium/Luxembourg, we achieved our target, but the OPS did fall to 70.0 from 76.0 in 2020.

Jaarverslag 2021

Ordina at a glance
Foreword
A look back at 2021
Client cases
Who we are and what do we do?
Strategic pillars, goals & results
Being ahead of the game has its advantages
Risks
Governance
Composition Management Board and Supervisory Board
Report of the Supervisory Board
Remuneration report
Provisions of the articles of association
Financial Statements
Other information

Contents Annual report
Contents Financial statements

Markets

In the Benelux, Ordina works for local clients in three markets: financial services, the public sector and industry. In these three markets, we have built lasting client relationships and we have a balanced client mix across the various sectors. Because we work with local people, we can add value for our local clients. We are close to these clients.

Public sector

A well digitalised government is essential for society and its citizens. The Dutch government's Digitalisation Strategy (NDS) brings together the ambitions and objectives for successful digital transition in the Netherlands. Each year, the government looks at whether there have been any new developments that require them to adjust their strategy. The Belgian government is also fully invested in digitalisation. Ordina offers solutions that are safe, agile and robust and that improve the interaction between citizens, the public sector and organisations.

Financial services

The importance of IT is constantly increasing in the financial services industry. Due in part to the Covid-19 crisis, the digital acceleration trend has itself accelerated. We are seeing growth in the availability and use of data. Ordina is responding to this trend with solutions that improve performance and client experience by optimising processes and information, and with solutions in fields such as data-driven working and fraud detection and compliance.

Industry

Intelligent operations and uniform processes are vital in this sector. To stay ahead of the game, it is vital to accelerate investment in IT and new product technology. Ordina is active in a number of subsectors, such as manufacturing & services, pharmaceuticals & life sciences and in energy, utilities & natural resources. We focus on themes in the fields of business platforms & cloud, digital acceleration, cybersecurity & compliance and data-driven.

We also achieved our CSI target in 2021, with a score of 7.8 (2020: 7.7). In the Netherlands, we scored 7.8 (2020: 7.7) and in Belgium/Luxembourg we scored 7.7 (2020: 7.7). We will use the results to initiate a discussion with our clients with the aim of continuously improving our services.

Revenue per market segment *In thousands of euros*	**2021**	2020	Development in 2021 compared to 2020
Public	163,853	151,485	8.2%
Finance	103,699	98,558	5.2%
Industry	126,919	119,190	6.5%
Total	**394,471**	**369,233**	**6.8%**

Revenue per market

In the public sector, revenue increased by 8.2 % to EUR 163.9 million in 2021 (2020: EUR 151.5 million). We increased the number of high performance teams in the public sector, as this way of working is increasingly seen as the best way to accelerate digitalisation. The revenue growth in the public sector was partly driven by an increase in the use of external employees as a result of contractual 'must offer' obligations.

Revenue from the financial services sector increased by 5.2% to EUR 103.7 million (2020: EUR 98.6 million). Financial services providers also made greater use of Ordina's high performance teams. They are targeting improved performance and client experience with solutions in fields such as data-driven working, fraud detection and compliance. Additional growth was driven by digital acceleration, as Ordina helped healthcare insurers to develop low-code apps for their end customers.

Ordina is active in the industry market in a number of subsectors, such as energy, water and waste processing (utilities), transport and logistics, pharma, telco and media. Revenue in the industry market increased by 6.5% to EUR 126.9 million in 2021 (2020: EUR 119.2 million). Revenue was partly lifted by the acquisition of IFS Probity in the Netherlands, with strong positions in the utilities and mobility markets. In addition to this, we saw revenue growth primarily in the pharmaceutical industry and with a number of clients in the logistics and transport sector. There is broad demand for solutions for business platforms & cloud, data-driven and cybersecurity & compliance.

Our road to 2026

In our journey to become a business transformation partner, our high performance teams will play an even more prominent role. Over the past few years, we have already been making more frequent use of high performance teams. Now we are planning to make our high performance teams the way we work at our clients. By reaching clear agreements with our clients, we ensure a consistent, unique client experience, one in which we deliver on our promises. We are constantly looking for improvements, using objective metrics that help us to collaborate faster, better and more effectively. We also use best practices and standards, equipping our high performance teams to achieve client objectives even more effectively.

Our ultimate goal is to transform Ordina into a network of high performance teams.

Ordina will continue to operate in its existing markets: financial services, the public sector and industry. On top of this, we will expand in specific niche markets with added value services using our business propositions and solutions for our local clients. Because we have been active for many year in the Netherlands, Belgium and Luxembourg, we are fully aware of local legal and regulatory requirements and can respond effectively to compliance requirements. We can also deliver the required expertise and we have necessary know-how of existing legacy environments.

Value creation model
Strategic pillars, goals & results

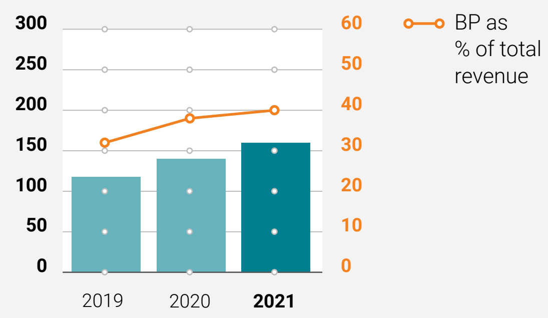
3 Distinctive profile, today and in the future

Based on the Ordina 2022 strategy, acting as a digital business partner, we have structured our services in such a way that they help our clients realise their business transformation. Armed with our five business propositions, we offer a sustainable response to the issues our clients face, working in high performance teams. This distinctive profile allows us to operate closer and closer to the core of our clients' digital strategy and objectives.

We want to see a major increase in the share of the revenue that we realise via our business propositions to 65% of our revenue in 2022. In 2021, this share came in at 40% (2020: 38%). This means the growth of our business propositions is lagging our ambitions. We have set ourselves a challenging target, and we will continue to aim for that target. However, we have noted that our clients need time to get used to our new way of working with high performance teams. Another factor is that investments in large-scale systems and platforms initially lagged somewhat due to Covid-19.

Ordina's business proposition revenue increased to 40% in 2021 (2020: 38%). The high performance teams business proposition in particular recorded strong growth in 2021. At year-end 2021, we had around 170 teams working at our clients (2020: around 100). We also saw growth in the digital acceleration, cybersecurity & compliance and data-driven business propositions. As we have stated above, the impact of the Covid-19 pandemic have caused revenue growth to lag in business platforms & cloud.

Business propositions revenue / In millions of euros



At year-end 2021, we had **around 170 teams** working at our clients

Business propositions

Based on the Ordina 2022 strategy, we have structured our services in such a way that they contribute to a successful future for our clients and give us a more clearly defined profile in the market. To strengthen our position in the market we conduct regular market research at our clients. We use the feedback we get from them to improve our services and to increase our brand recognition.

Ordina Digital Monitor

The Ordina Digital Monitor (ODM) provides insight into current trends and digital developments that help companies to determine their direction. We use the ODM to conduct Benelux-wide market research among more than 1,700 IT decision makers in the public sector, industry and the financial markets. In 2021, we conducted three

High performance teams

Whoever can achieve real collaboration across traditional boundaries can truly accelerate. Ordina's multidisciplinary high performance teams give our clients a digital edge. We put together our high performance teams on the basis of a tried and tested approach. They work in sprints on a shared objective for our clients. These teams are able to achieve their goals quickly because our employees are perfectly attuned to each other, coach each other and work effectively as a team. As a result, the teams develop rapidly and team performance improves continuously. This puts us in a position to immediately help an organisation to accelerate the creation of client value. We do this by developing digital solutions, raising the quality of IT applications or optimising processes. At the end of 2021, approximately 170 teams were active at our clients (end of 2020: around 100 teams).

Digital acceleration

We help clients tackle their digital and business transformations. In doing so, we not only look at the business and technology side, but also investigate what this means on a human level. We connect organisations in the digital world with clients or employees via a range of technical possibilities. By making smart use of new technologies such as virtual reality, augmented reality and artificial intelligence, and by responding to the needs of the target group, we improve service levels and increase client satisfaction.

Business platforms & cloud

Business platforms support an organisation's physical and digital processes. Whether this is operations, planning, finance or sales, they must be available 24/7 and offer scope for improving performance and effectiveness. Ordina maximises the effectiveness our clients' business platforms to guarantee the continuity of processes. We ensure the technical continuity of the platform, guarantee the availability of know-how and target satisfaction. We also realise that the demand for new functionalities always exceeds available budgets, manpower and know-how. This is why we provide advice on priorities and smart alternatives. We strike a balance between investing in reliability and investing in innovation. On top of this, we ensure that our clients' platforms are agile enough to move with the organisation and its future.

Data-driven

A data-driven organisation is able to actively combine know-how from the organisation with know-how derived from data, to make sure that organisation is prepared for the future. Using this data intelligently in an organisation and in all its business processes makes the organisation agile and able to excel in a digitalising world. The result: more decisiveness, an excellent client experience and the ability to anticipate future developments with a modified business model.

Cybersecurity & compliance

Our cybersecurity & compliance teams make our clients' businesses safe and resilient against attacks, something that is becoming more important by the day. We minimise the chance that hackers can gain access. And if our clients are actually attacked, we ensure that they can respond quickly and effectively, to limit damage and make sure they can quickly get their systems up and running again. We focus on the most relevant security risks, plotted against an organisation's primary processes. Ordina uses an integrated approach, which includes technology, organisational issues and human aspects.

market surveys. The resulting reports focus on themes that play a role in digitalisation of companies. The first survey focused on cybersecurity and it emerged from the survey that almost all companies acknowledge that their organisations run the risk of encountering cyber threats due to suppliers and software. Only one in five sees this as a high risk or very high risk.

The second ODM survey focused on multidisciplinary teams. The survey explored the use multidisciplinary teams and primarily the difference in expected advantages and results between respondents and organisations that do or do not already work with teams. It emerged from the survey that 52% of the IT decision makers polled, believed that you book the best results with multidisciplinary teams in IT projects. It is generally true that the use of teams is popular and this is expected to remain so.

The final ODM survey focused digital acceleration. The survey revealed that six out of 10 decision makers say that, due to Covid-19, the business focus of their organisations has shifted to another client segment or another end-client. The investment in new technology was the main factor in their ability to realise the shift.

Brand recognition campaign

In early 2021, we set to work armed with the results of our Benelux-wide brand recognition survey. This revealed that we needed to work on wider brand recognition for Ordina in Belgium and Luxembourg. Ordina is known in the Netherlands, but we want to put our expertise in the spotlight among IT decision makers. This was why in 2021 we launched broad campaign in Belgium to increase our brand recognition. We launched this campaign in the Netherlands in early 2022. The campaign slogan is 'Being ahead of change has its advantages' (Voorlopen heeft zo z'n voordelen), which shows that we give our clients a digital edge.

Our road to 2026

Our 2026 strategy continues to build on our proven business propositions. In the next step, we will distinguish between various digital themes and market themes in our five business propositions.

Distinguishing between digital and market themes will enable us to respond even more effectively to market demand and our clients' needs. Our digital themes, such as business automation or the digital workplace, provide a response to the digital issues organisations will face in the next four to five years as they look to realise their digital roadmap to the future. In addition to this, Ordina distinguishes between specific market themes that address market challenges our clients in specific sectors will face in the coming years. One example of such a market theme is de digital supply chain in the industry sector. This is always a combination of digital and market know-how with digital expertise. Together, we will combine our know-how and excel in niche markets.

An increasing number of our clients are looking for fast time-to-value solutions for their business challenges. Speed of delivery and adaptability are significant differentiating factors for our clients in times of change. Ordina is responding to this need by building applicable and useable solutions that can be used by multiple clients to address shared business challenges. For instance, we have a great deal of experience in the claiming of healthcare costs via a claim app at a healthcare insurance company. The basis of this solution can easily be used for other healthcare insurers. This enables us to radically shorten the time-to-value. We create these solutions in collaboration with our clients to make sure they are fit for purpose.

Value creation model
Strategic pillars, goals & results

4 Outstanding financial performance & accelerated growth

Our goal is to have a sustainable positive impact on all our stakeholders. This is why in our Ordina 2022 strategy we aim for above average financial returns.

We will achieve this primarily by delivering added value to the strategic agendas of our clients. This will result in different kinds of assignments for our teams. In addition, we have got our operation in good order thanks to the careful execution of our strategy. We are also looking to achieve a balanced cost structure with a low overhead. Thanks to this, our net profit rose to EUR 24.6 million in 2021.

Accelerated growth

Ordina is aiming primarily for organic growth and is targeting annual growth of 3% to 6% in 2022. On top of this, we want add to our portfolio with targeted acquisitions and expand into niche markets. In 2021, we acquired IFS Probity, a Dutch IT services provider offering solutions for complex, high-volume billing processes. These give companies an overview and control of complex payment processes. The acquisition of IFS Probity strengthens Ordina's position in the utilities and mobility markets.

Ordina's revenue increased by 6.8% to EUR 394.5 million in 2021 (2020: EUR 369.2 million), with growth in all our markets. The organic revenue growth of 6.1% was at the upper end of our target of 3-6% for 2022. Our new reference point for the medium to long term is 2026, with an increased annual growth target of 5-8%. Our main focus will be on organic growth, complemented with acquisitions in niche markets to enhance our portfolio.

Revenue per segment *In thousands of euros and %*	**2021**	2020	Development in 2021 compared to 2020
The Netherlands	259,195	245,569	5.5%
Belgium/Luxembourg	135,276	123,663	9.4%
Total	**394,471**	**369,233**	**6.8%**

EBITDA per segment *In thousands of euros and %*	**2021**	**2021**	2020	2020
The Netherlands	28,061	10.8%	24,648	10.0%
Belgium/Luxembourg	22,128	16.4%	21,714	17.6%
Total	**50,189**	**12.7%**	**46,362**	**12.6%**

Ordina's business proposition revenue increased to 40% of our total revenue in 2021, from 38% in 2020. The growth of our business proposition revenue lagged our target of 65% in 2022. We underestimated the time our clients need to be convinced of the advantages of working in high performance teams, plus large-scale investments initially lagged due to the impact of Covid-19. We are maintaining the above target, but we will need more time

EBITDA rose by EUR 3.8 million to EUR 50.2 million in 2021 (2020: EUR 46.4 million). The EBITDA margin increased to 12.7% (2020: 12.6%). The improvement in our result was driven by an increase in team-based assignments with our professionals, more client contracts based on our business propositions, improved rates and improved productivity, which increased to 72.1% in 2021 (2020: 70.1%).

In the Netherlands, EBITDA increased by EUR 3.4 million to EUR 28.1 million, while the EBITDA margin rose to 10.8%. This improvement was the result of an improvement in productivity, higher business proposition revenue, and improved rates. In addition, operating costs were lower as a result of home working, including lower fuel costs, as well as lower social premiums in the second half of the year.

Ordina therefore managed to absorb rising inflation and salary pressure. In the first half of the year, our result was impacted by a provision (around EUR 1.6 million) set aside for a dispute from the past with one of our suppliers.

In Belgium/Luxembourg, EBITDA came in EUR 0.4 million higher at EUR 22.1 million and the EBITDA margin came in at 16.4%. The high margin was driven by the growth of the organisation with our own employees, higher business proposition revenue and lower operating costs as a result of home working, including lower fuel costs. Rising inflation and salary pressure did result in higher personnel expenses in Belgium/Luxembourg in 2021.

Ordina's net profit rose by EUR 2.3 million to EUR 24.6 million in 2021 (2020: EUR 22.3 million), fully in line with the increase in our EBITDA. The revaluation of our tax-loss carry-forwards in both 2020 and 2021 had a positive impact on net profit. These revaluation were the result of the adjustments to future nominal corporate income tax rates in the Netherlands.

Ordina's cash position

At year-end 2021, Ordina's net cash position stood at EUR 43.6 million (year-end 2020: EUR 44.4 million).

Ordina's free cash flow declined to EUR 27.6 million in 2021 (2020: EUR 29.3 million). This drop was the result of a higher investment cash flow in 2021.
As at 31 December 2021, Ordina had not drawn on its financing facility. At year-end 2021, Ordina's leverage ratio stood at a negative 1.1 and the Interest Cover Ratio stood at 223.1, which meant that Ordina easily complied with the covenants included in its financing agreement.

Financial position

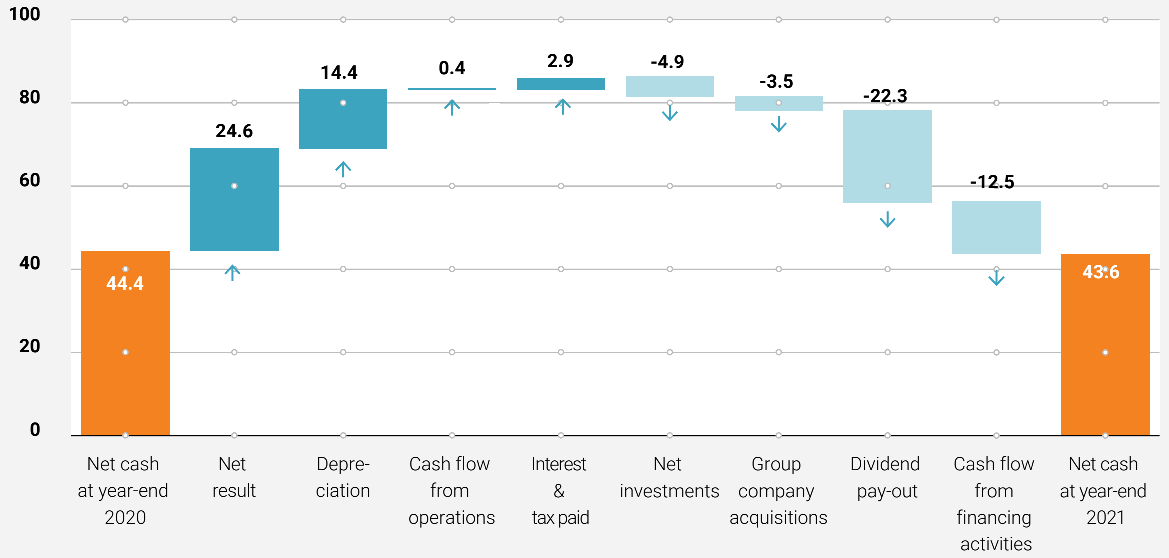
Our strategic choices in the past few years have resulted in improved returns and a positive free cash flow. We have also reduced our long-term debt, and Ordina has a positive cash position.

We use our positive cash position for Ordina's working capital requirements and targeted investments in growth in the short and medium term. Due to our business model, Ordina takes a conservative approach to adding long-term debt to its balance sheet.

The aim of our strategy is to refine our profile in the market, to accelerate our growth and to continue to improve our returns by being the digital business partner for our clients and offering high-quality services. Ordina's priority is organic growth, supplemented with selective acquisitions. Our goal is to integrate these acquisitions. So when we are contemplating potential transactions, we take a very critical look at the optimal fit, which can vary from size to various aspects of business and culture. Our current financial position allows us to make targeted acquisitions if the opportunity arises.

Net cash development full year 2021

Rounded, in millions of euros



In addition, Ordina has a dividend policy based on the pay-out of 40-60% of its net profit to our shareholders.
If we have sufficient cash and if the business outlook and the expected investment agenda justify this, we may consider using our cash position for other purposes, such as an extra dividend or a share buy-back programme.

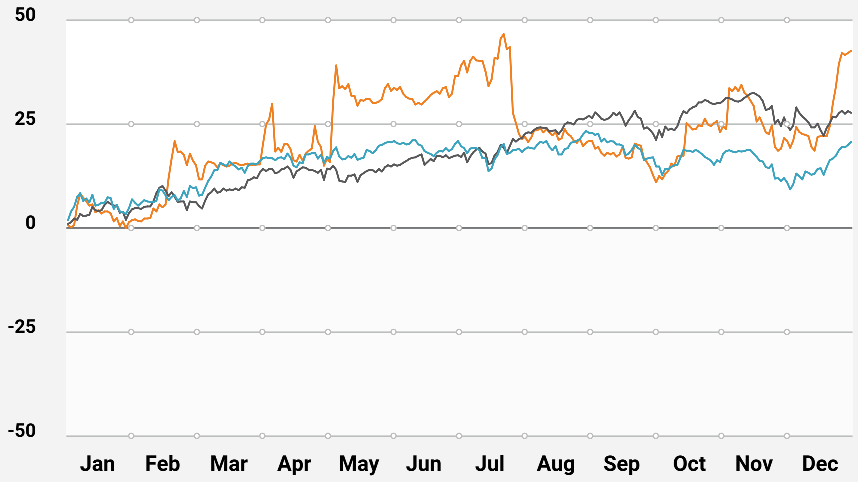
Share buy-back programme

The net cash position stood at EUR 43.6 million at year-end 2021. Thanks to this position, the business outlook and the investment agenda, Ordina feels able to start a share buy-back programme, in addition to our regular dividend payment for 2021. The goal of the share buy-back programme is to further optimise our balance sheet (capital reduction), plus it allows us to efficiently distribute a portion of our cash position not required for the business to our shareholders.

The programme starts 1 May and Ordina has maximised the size of the programme at EUR 15 million. Ordina has the option to discontinue the programme on an interim basis if there is any significant change in the circumstances that led to this decision.

Share Price Development 2021

Change in % compared to December 31 2021



	31 Dec 2020	31 Dec 2021	
Ordina	2.875	4.100	42.6%
AEX	624.61	797.93	27.7%
AScX	1154.80	1393.66	20.7%

Results per share *(In euros)*	2021	2020	2019	2018	2017
Per-share information					
Equity	1.92	1.91	1.75	1.64	1.58
Free cashflow per share	0.30	0.31	0.12	0.10	0.12
Net earnings per share	0.26	0.24	0.16	0.07	0.03
Net earnings per share fully diluted	0.26	0.24	0.16	0.07	0.03
Dividend per share	0.16	0.24	0.10	0.05	0.02

Ordina share price movements

In the course of 2021, the Ordina share price rose by 42.6% (2020: a rise of 41.3%). The Ordina share price stood at EUR 4.10 on 31 December 2021 (year-end 2020: EUR 2.875). The SmallCap Index recorded a rise of 20.7% compared with 31 December 2020. The trading volume in Ordina shares came in at a daily average of 350,714 shares in 2021 (2020: 378,573). In June 2021, Ordina hosted a Capital Markets Day, at which we explained our Ordina 2026 strategy and announced new revenue and ESG target.

Our road to 2026

In the coming years, we want to accelerate our growth to increase our profit and our margin. We are fully equipped to meet the changing demands of our clients thanks to the expertise we have combined in our five business propositions, which create greater added value for our clients. The transition to added value activities should result in excellent returns.

We have raised our annual revenue growth target to 5-8% and adjusted our EBITDA margin target to 12-14%. These new targets take into account market conditions, a continued tight labour market, rising inflation and increasing salary pressure. We are also raising our target for the revenue share from our business propositions to 75% in the period to 2026.

Our priority for the period to 2026 will be organic growth, supplemented with selective acquisitions aimed at adding to and expanding our portfolio in niche markets.

Value creation model
Strategic pillars, goals & results

5 ESG (Environmental, Social and Governance)

Socially responsible or sustainable business (ESG) is becoming increasingly important for our clients, our employees, our shareholders and our other stakeholders. Over the past few years, we have devoted a great deal of attention to corporate social responsibility and reported in detail on our efforts and progress on that front in previous annual reports. In 2021, we went a step further and embedded ESG in Ordina's corporate strategy, as a separate strategic pillar. Because we have revised this, we will not go into more detail on the 2026 strategy, as we did in the other strategy sections. We accept our responsibility for a better world on the basis of our intrinsic motivation. That motivation is based on the fact that we are a part of society and on our Ordina DNA: the fact that we work with people and for people.

Our ambition goes further than sustainable financial returns. We want to achieve a lot more. We see it as our moral duty to accept our social responsibility. We want to deal sustainably with our own people, people in vulnerable positions and our planet. This is why our operations are geared towards the creation of long-term financial, social and environmental value.

What is more, by practising corporate social responsibility, we strengthen our own (future) position. It offers us the opportunity to continue to be successful in the future and to attract talented employees. In addition to this, we also meet the wishes and demands of our stakeholders. But this theme is also becoming increasingly important to our clients, employees, partners and other stakeholders themselves. We are keen to act together to contribute to solutions for the social challenges we are all facing today.

We have deliberately chosen not to purchase certificates, which would allow us to buy off our social and environmental impact. Nor do we donate money to good causes. We have our own targets and initiatives, which we use as much as we can in the countries where we operate: Belgium, Luxembourg and the Netherlands. In addition, we primarily make use of our own know-how, expertise and specialisations to have an impact. In our view, this is the way to have an actual impact, certainly in the long term.

Our ESG strategy is based on three pillars: 1) environment 2) society and 3) governance.

Environment

In this pillar, we focus our efforts on the reduction of our CO_2 emissions. Ordina complies with national and international (European) legal and regulatory requirements and recognised certification programmes. We have committed to strict targets and transparent reporting on the progress we make. Ordina wants to be a trendsetter on the CO_2-reduction front. We will offer our expertise to our clients, to help them reduce the CO_2 emissions in their chains.

The Covid-19 pandemic has had a major impact on how we work and how we think. It has reduced the number of travel movements to and from our offices and our clients, and it has also reduced electricity and gas consumption at our offices. This new mindset will help us achieve our targets. We encourage our employees to work and hold meetings in a 'smarter' fashion from locations, using technical support.

Our total CO_2 emissions fell once again in 2021, thanks to less travel by our employees due to Covid-19 measures, as well as to the (partial) closure of our offices during (partial) lockdowns. A portion of our emissions consequently moved to home offices, but it is difficult to measure this reliably.

Our total emissions declined by 7% in 2021 compared with 2020. This drop was largely due to the Covid-19 situation last year. As a result of the Covid-19 restrictions, our offices were either closed or set up to meet the 2020 1.5-metre distancing rules, plus we did everything we could to help our employees work from home as much as possible. We therefore adjusted our CO_2 reduction target to this situation to reflect the new way of working. So instead of CO_2 reduction per workstation, we are now targeting a CO_2 reduction per square meter, which we believe gives a clearer picture.

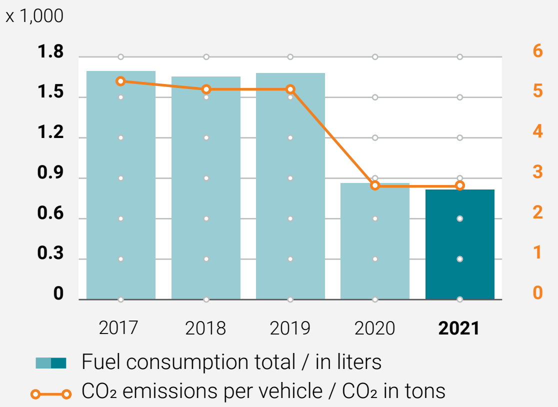
Ordina is also devoting a great deal of attention to making its car fleet more sustainable. We are still looking to switch to a fully electric car fleet in the Netherlands in the short term. We have also ordered our first electric lease cars in Belgium. In 2021, Ordina had around 2,000 lease cars, and 381 of these were fully electric cars at year-end 2021 (year-end 2020: 301). This means that around 20% of our total fleet is fully electric. We reduced our fuel consumption by 5.7% in 2021.

All of this combined led to a 52% reduction in our CO_2 emissions per FTE, compared with 2019. We therefore also met our target of 30% less CO_2 emissions per FTE compared with 2019.

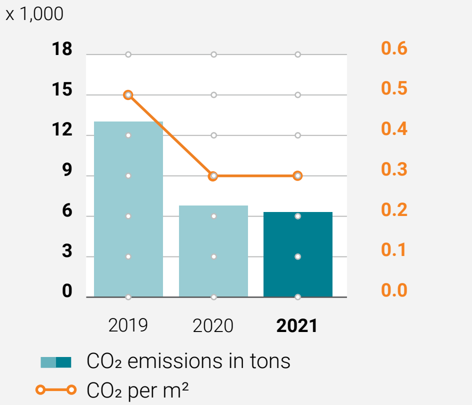
Finally, via our services we also helped our clients to reduce their CO_2 emissions at our clients, for instance via a migration to a cloud environment. This gives us an opportunity to have an even greater positive impact on the environment via our clients. However, it is difficult to measure the full impact of this.

Our footprint

Fuel and CO₂ emissions per vehicle



CO₂ emissions per square meter/ in CO₂



CO₂ emissions

2021

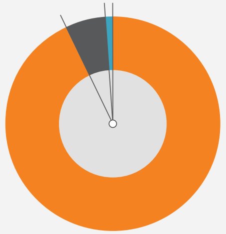
6,315

Electric vehicles

2021

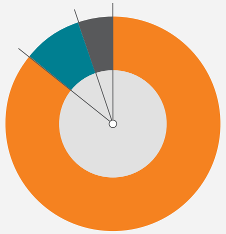
381

Distribution of CO₂ emissions per category / in %



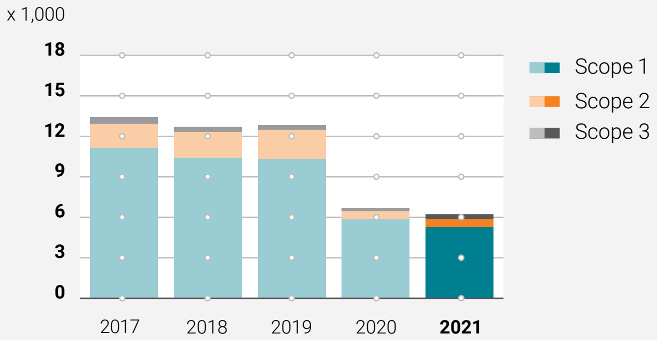
	2021	2020
● Fuel	92	92
● Electricity	0	1
● Gas	6	5
● Others	1	2

Distribution of CO₂ emissions per scope / in %

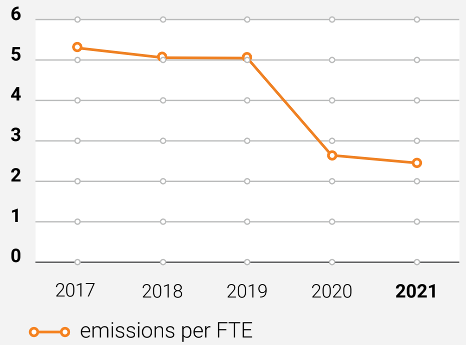


	2021	2020
● Scope 1	85	87
● Scope 2	9	10
● Scope 3	5	4

Total CO₂ emissions / CO₂ in tons



CO₂ emissions per FTE / CO₂ in tons



EU taxonomy

In March 2018, the European Commission unveiled its action plan for the financing of sustainable growth. A significant part of this plan is to provide incentives for financial institutions to make the transition to financing a climate-neutral economy.

To help investors to identify investments that contribute to this objective, the EU drew up a taxonomy regulation. This taxonomy is a classification system that tries to define the environmental impact of economic activities and to make these transparent. The aim of the taxonomy is to make a significant contribution to the realisation of the objectives laid down in the European Green Deal.

For the 2021 financial year, we report on the activities that could contribute (i.e. Taxonomy Eligible) to two objectives:

1. Climate Change Mitigation
2. Climate Change Adaptation.

If we translate this into an example: Ordina's entire car fleet could contribute to Climate Change Mitigation, by reducing greenhouse gas emissions. Only fully electric cars actually contribute to this objective and are referred to as taxonomy-aligned. The EU will report on the taxonomy-aligned section over 2022.

The IT sector is seen as a significant enabler in the ongoing effort to improve sustainability in the EU taxonomy. This based on the premise that the IT sector's economic activities can contribute to improved sustainability in other sectors, such as more efficient planning of traffic movements using software, which will in turn reduce greenhouse gas emissions.

Taxonomy-Eligible 2021	Eligible	Non-Eligible	Notes in annual accounts
Revenue	100.0%	0.0%	6
CAPEX	100.0%	0.0%	8, 9, 10
OPEX	100.0%	0.0%	22, 23

We have assessed which of Ordina's economic activities could contribute to the above-mentioned objectives. We report on revenue, investments (CAPEX) and expense (OPEX). The EU taxonomy includes a context for each objective in which these activities are taxonomy-eligible.

Ordina's activities qualify as information and communications services. In the Climate Change Adaptation objective, the taxonomy defines the economic activities that are taxonomy-eligible in very broad terms; namely as computer programming, consultancy and related activities. Almost all of Ordina's revenue qualifies as taxonomy-eligible under this objective.

The activities that do not fall under this objective are our hosting services and the platforms we work with. These qualify as taxonomy-eligible under the Climate Change Mitigation objective. This means that all of Ordina's revenue qualifies as taxonomy-eligible.

If we look forward on the basis of our current interpretation of taxonomy-aligned activities, we note that - unlike the taxonomy-eligible section - the taxonomy-aligned section is defined in very narrow terms for computer programming, consultancy and related activities. On the basis of this interpretation, we expect to report very limited taxonomy-aligned revenue for the Climate Change Adaptation objective in 2022.

To be able to report investments and expenses, we will first look at the definition of total investments and expenses included in the EU taxonomy. The total CAPEX and OPEX, as defined in the EU taxonomy translates as follows for Ordina:

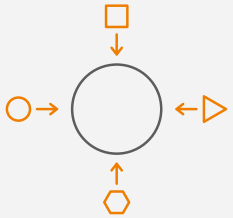
1. CAPEX pertains to investments in intangible fixed assets (IAS 38), excluding goodwill, property, plant and equipment (IAS 16) and leases (IFRS 16).
2. OPEX pertains to research and development costs, the renovations to buildings, short-term leasing, maintenance and repair costs and other direct costs related to the day-to-day maintenance of property, plant and equipment.

Based on our current interpretation, this means that according to the EU taxonomy OPEX is less than 7.5% of total operating expenses, excluding depreciation, as we report this in the income statement. The biggest difference with our total operating expenses is due to the fact that expenses such as salary expenses do not fall under the EU taxonomy definition of OPEX.

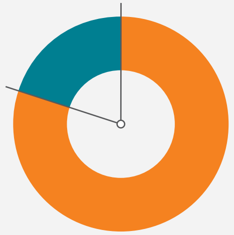
To determine the taxonomy-eligible share of investments and costs, we once again look at the economic activities to which these are related. Given that 100% of our revenue comes from taxonomy-eligible activities, we also report on the basis of 100% taxonomy eligibility for our CAPEX and OPEX.

Ordina applies the EU taxonomy for the first time this year. We have noted that there is still no market consensus on how this should be applied. The legislation is new, not entirely complete and there are no examples to assess its application. In the coming year, we will define our interpretation of the taxonomy in greater detail, which could have impact on the share and how we report in the future on the taxonomy-eligible share of our revenue, CAPEX and OPEX.

Diversity and inclusion

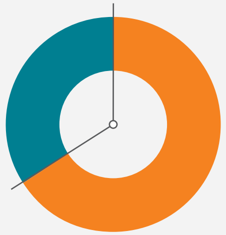


M/F ratio / in %



	2021	2020
● Male	80	80
● Female	20	20

M/F ratio in managerial positions / in %



	2021	2020
● Male	66	69
● Female	34	31

Inclusiveness culture score

7.6

I can express a deviating opinion at Ordina (scale of 1-10).
Source:
Employee engagement survey

Society

The second pillar in our ESG strategy is society. Our ambition is to give everyone equal opportunities, both on the labour market and in terms of access to digital tools and digital know-how. We do this primarily through local initiatives. For instance, we support computer sciences education in secondary schools. We participate in the CO-Teach project that was set up by NL Digital and the Dutch Ministry of Education.

Diversity and inclusion

To realise our ambition, we first need to look at ourselves. We are firmly convinced that our success depends entirely on the quality of our people and the diversity of our teams. Internally, we therefore focus on diversity and inclusion. Diversity with regards to the ratio of men to women, but also in terms of people with varied cultural backgrounds, people with a disadvantage on the labour market and our LGBTIQ+ colleagues. One of our main objectives is to make sure at least 30% of our employees are women by 2030. We are working hard to achieve that goal, currently 20% of our employees are women.

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To create awareness about this topic within Ordina, we did several things in 2021:

- In our employee engagement survey, we asked for input on how employees experience diversity and inclusion in the Ordina organisation, as well as where we could improve.
- We organised a management meeting for our Benelux managers to inform them about the power of diversity and inclusion. This was led by an external authority.
- We launched an unconscious bias e-learning cause for all Ordina employees. We gave all our managers a work book explaining how they can discuss this subject in their teams.

We also took the first steps towards optimising our (HR) processes for diversity and inclusion.

- When we are recruiting senior managers, the shortlist must include at least one female candidate.
- At Ordina, we ensure that we are Ahead of change in everything that we do, what we stand for, who we are and the message we convey. We have a distinctive story and an appealing brand, but now we also have a diverse and distinctively strong language. Our job vacancy texts and employment terms and conditions are screened for inclusive language use and changed when necessary.
- Our recruiters started a course in inclusive recruitment in early January of this year.

Ordina's Diversity and Inclusion community offers a platform for the promotion of diversity and inclusion within Ordina. For instance, during Ramadan in 2021, we published articles on the Ordina intranet about Ramadan and many Ordina colleagues took part in Ramadan-for-a-day. We also set up a workshop on Dutch sign language and we devoted attention to Pride Month, with personal and informative stories on our intranet. In November, several Ordina colleagues with their own diversity issues also shared their stories on our intranet. The series of stories about things like blindness and deafness were closed with the 'Experience the power of diversity' event.

Ordina's various formal and informal communities play an important role in forging shared connections and enrich our employees. These communities are set up by our employees and Ordina facilitates their gatherings and meet-ups. People use these communities to connect with each other, in both online and face-to-face meet-ups, on a particular subject, a shared passion or sport.

We use our annual employee engagement survey to measure the extent to which people ‘feel free to express their opinion’. This is an important part of feeling at home in an organisation. The score on this question was 7.6 in 2021 (2020: 7.5).

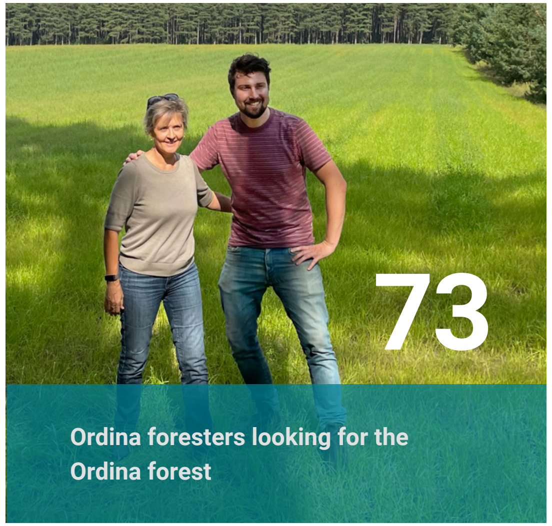
In addition to devoting attention to personal characteristics, connecting subjects and freedom of expression, we also measure diversity on a quantitative level on the basis of the ratio of men to women. In 2021, the ratio was 80% men versus 20% women. However, our aim is to achieve a more balanced division of our workforce.

At management level, the ratio is 66% men versus 34% women. This male/female ratio is therefore more balanced at this level, but we would like to have people from a more diverse range of backgrounds, cultures and religions.

Governance

The third pillar of our ESG strategy is Governance. Our code of conduct and related guidelines define how we would like both our management and our employees to act and behave. We run our company on the basis of healthy economic principles, we are a loyal partner, a reliable supplier, a socially responsible employer, and we take our social responsibility seriously. You will find more information on our governance policy in the Governance chapter.

BEING AHEAD OF CHANGE HAS ITS ADVANTAGES



Ordina at a glance
Foreword
A look back at 2021
Client cases
Who we are and what do we do?
Strategic pillars, goals & results
Being ahead of change has its advantages
Risks
Governance
Composition Management Board and Supervisory Board
Report of the Supervisory Board
Remuneration report
Provisions of the articles of association
Financial Statements
Other information
Contents Annual report
Contents Financial statements

ROSAN DEN HOLLANDER
PRINCIPAL BUSINESS
TRANSFORMATION
CONSULTANT

“There is no one-size-fits-all model for business transformation”

Because the world is changing so rapidly, organisations need to be able to adapt their business quickly to stay ahead of change. But how do you tackle such a business transformation and what obstacles do you come across once you start the process? Rosan den Hollander, Principal business transformation consultant at Ordina, lays it out for us.

What is business transformation and why do organisations need to do it?

“A business transformation is a fundamental reorganisation of how an organisation executes its own strategy and realises its ambitions. This is sometimes referred to as change management: the implementation of innovations and changes to execute a company’s strategy along the axis of people, processes, data and/or technology. Organisations need to adapt because the world is changing so rapidly. The rapid development of technology means that organisations are moving closer and closer to being IT organisations. And their clients and other stakeholders expect to be provided with fast and custom-made services via digitalisation. The fact that huge swathes of people across the world are now working from home due to Covid-19 is also forcing organisations to change ever more quickly.”

> “Make use of the **collective wisdom** of all employees”

“Companies that are ‘ahead of change’, so-called High Performance Organisations, realise that they can create value by making fundamental changes to how they organise their business. They do this making the shift from predictability maximum adaptability. They have the ability to change continuously, depending on what the outside world expects from them as an organisation. What you also see is that these organisations abandon traditional hierarchical, top-down and silo-driven ways of working and switch to higher levels of self-organisation and horizontal collaboration. Rather than placing responsibility high in the organisation, they manage to make use of the collective wisdom of all their employees. This is how you encourage employees to operate as autonomously as possible and to experiment and learn continuously. A third significant change is sharing information rather than simply possessing information. They use the right technology to share any available data with everyone in the organisation. This helps organisations to develop new, smarter solutions that are rapidly scalable.”

What role do you play as a business transformation consultant?

“I guide and work with our clients to realise their business transformation and make changes a sustainable success. This is why we work at every level of an organisation: strategic, tactical and operational. Ideally, we also help make our clients more adaptable, so they have that potential moving forward. The greater an organisation’s ability to execute changes successfully, the better the basis for other Ordina colleagues and high performance teams to do their work successfully. In the end, we want to deliver effective and long-lasting solutions to the organisation we are helping.”

How can companies accelerate?

“You require a number of conditions to be able to accelerate. For instance, companies have to be very aware of their origins and their purpose. That goes for the entire organisation, from management to the work floor. Why do we exist as an organisation and what is the essence of the added value we want to create together, for our clients and stakeholders? That gives you the strongest connection and gives people something to hold onto during the transformation. Because that’s something that always stays the same. The second condition is that it’s important that you make the shift towards becoming a High Performance Organisation with the ability to change and improve continuously.

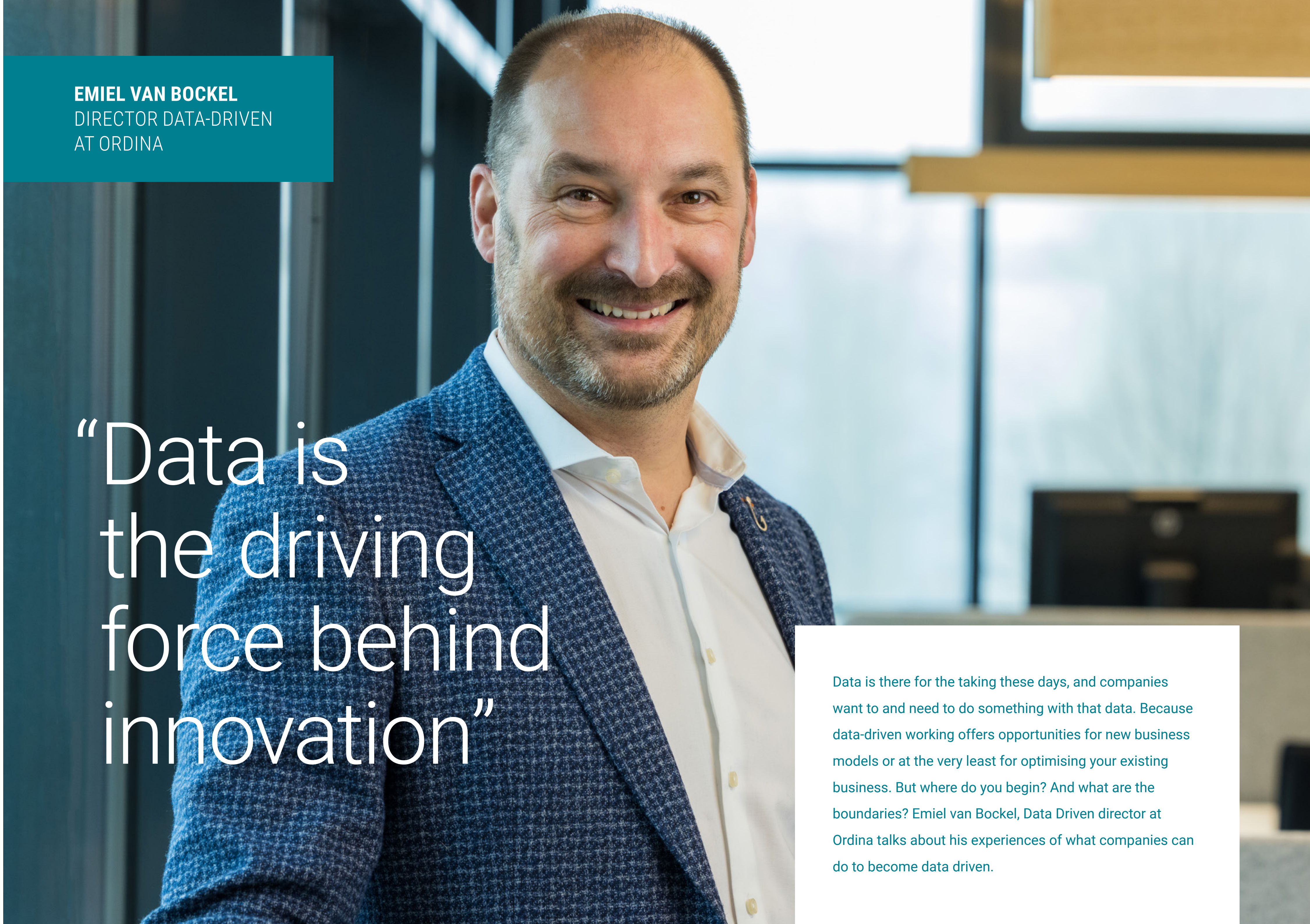
On top of that, companies need to work with a clear transformation vision and make use of specific cases to build evidence that the planned transformation is actually possible and will deliver the desired results.”

What obstacles to companies encounter when they are looking to accelerate?

“Acceleration goes with change and there’s often resistance to change. We’re doing okay as we are, no? People don’t like change much. So the question is often how do we get people moving in the right direction? How do we break away from the status quo? The existing culture has developed over many years and is now putting a brake on acceleration. People in organisations are used to doing things their own way or used to working in silos, and see those as the most important parts of the organisation. To realise change, you need collaboration from every part of the organisation. How do you make that happen? How do you make sure that your employees are ahead of change and always ready for the future? To accelerate or to change, you need a new leadership style. How do you organise that? And also: how do we become digital leaders? How do you encourage old hands, often with lots of expertise and know-how, to work with their new colleagues who have just joined the organisation and have a fresh new way of looking at things and new know-how and experiences?”

How do you get employees on board if you want to change as an organisation?

”There is no one-size-fits-all model, so you have to find the best approach for each organisation, but generally you have to follow the following seven rules: 1. Be clear about the why and the urgency of the change, as well as about the goals and what exactly will change. 2. Involve employees as early as possible and include them in every phase of the journey, from start to finish. Give them responsibilities in the change, but be clear about the parameters and the limits. In short, do it together. 3. Question and listen to your employees and show them that you use their feedback. This in a safe context: trust and a judgement-free dialogue are essential. 4. Be open and transparent, communicate with and inform your employees frequently via various channels and media. 5. Be clear about what you expect from everyone and show your appreciation when they do it. And set an example as a leader! 6. At the right moments, go with the flow and don’t fixate too much on mistakes and things that go wrong. 7. Make sure the change is embedded: evaluate and improve openly, celebrate successes, share stories, and align remuneration with the goals of the change.”



EMIEL VAN BOCKEL
DIRECTOR DATA-DRIVEN
AT ORDINA

“Data is the driving force behind innovation”

Data is there for the taking these days, and companies want to and need to do something with that data. Because data-driven working offers opportunities for new business models or at the very least for optimising your existing business. But where do you begin? And what are the boundaries? Emiel van Bockel, Data Driven director at Ordina talks about his experiences of what companies can do to become data driven.

Enormous challenge

“For many companies and organisations, making the digital transition can be an enormous challenge. The desire to transform into a digital business results in employees being unable to maintain their know-how and anticipate the changes ahead. You need expertise in data and the right way to use that data to excel. The world is simply too complex to operate without data. This is why at Ordina, we talk about intelligent and data-driven organisations. Because it affects your entire organisation.”

Data is the driving force behind innovation

“Those kinds of organisations multiply their own know-how with know-how from data. This gives them an easy way to respond to complex business issues, to improve their client experience and to introduce new business models. Organisations that are not yet at that point, now really need to start making the transition, because data is the driving force behind innovation. Organisations that fail to make smart use of data will either be overtaken by their rivals or replaced by new entrants that do offer low-threshold solutions. And this goes for every company: you either have to innovate at an incredible pace or gradually become less relevant. And no, just having a few dashboards and KPIs does not make you data driven. Data affects your business culture and all the processes within your organisation, so it is vital that you have a clear goal in mind and don’t simply start gathering data.”

Data journey

“This is why at Ordina we combine experts in the fields of data, technology and business in so-called high performance teams. These teams help our clients to become more data driven. Armed with insight into the current and desired situation, we work with our clients to draw up a roadmap that plots out various initiatives. We do this on the basis of a so-called data journey. This a fixed approach in which we look at data from seven different organisational perspectives. We conduct a number of interviews and use this information to map out the current and desired way of working with data on the basis of these seven perspectives. The interviews are with various stakeholders in the organisation, which creates broad support across the organisation. This gives us a total overview of all the initiatives that are needed to arrive at the desired situation. In our experience, this can easily result in some 150 ideas that can be combined in around 35 worthwhile initiatives. We can then make an immediate start on the most worthwhile initiative that is the simplest to realise.”

Drastic reduction in costs

“And what’s really great: the latest technologies no longer require enormous levels of investment. The costs of gathering data are much lower than they used to be. This has resulted in exponential growth in the potential to use data and technology to accelerate your organisation. So, get started, take small steps and dare to learn. Start today!

> “Organisations that fail to make smart use of data, will be **overtaken by their rivals**”

EMIEL VAN BOCKEL
DIRECTOR DATA-DRIVEN AT ORDINA

ASWIN VAN BRAAM
NAMED MENDIX MVP

> “Mix and match, that is the future”

When Mendix itself names him ‘Most Valuable Professional’, you know it’s true: Aswin van Braam breathes Mendix, and has done since 2012. The low-code platform he got to know back then in a basement in Rotterdam is now conquering companies across the globe – from the Netherlands and Belgium to Australia and the Middle East. Aswin himself currently heads Ordina’s Mendix department. How did he end up in the world of low-code? Why is he such as big fan? And how will Mendix evolve in the future?

ASWIN VAN BRAAM
MANAGEMENT CONSULTANT

From consultant to project manager

“I started my career as a functional consultant with a supplier of document management systems”, says Aswin. “After a number of years, I switched to project management, first in the Netherlands and later abroad. Until a burn-out forced me to take a step back. I gave myself plenty of time to rest and think about my future.” Seemingly by coincidence, it was then that he came across Mendix: “My previous employer had become a Mendix partner and wanted me to join as a business engineer.”

Intersection of business and IT

A business engineer operates at the intersection of business and IT. “That was a good fit with my education and experience. I knew a quite bit about processes, systems and communication, and I’d been guiding clients in their switch to new IT system for years. The only thing I didn’t have any experience in was developing my own software.”

But it turned out quite quickly that he didn’t need that experience. After all, Mendix was set up with the vision of making software development easier, so business people could also build applications. “After one day’s training, I could already build an app, without any experience. ‘Wow, developing software is so simple’, I thought. It had triggered my curiosity and my enthusiasm. And it still does.”

From the basement to foreign shores

Aswin felt like a pioneer back in 2012, during his training in the basement of Mendix offices. But the platform really took off very quickly in the Netherlands. Still working at his employer at the time, Aswin was able to convince a growing number of clients from a whole range of sectors – from energy companies to major corporations and law firms – to use Mendix in their digital transformation. “When I was made head of the Dutch-Belgian Mendix team at Ordina in 2019, Mendix was fairly unknown in Belgium. In the meantime, low-code has been gaining a lot of ground.”

> “After one day’s training, I could already build an app, without **any experience**”

Building six to eight times faster

Was that due to the initial reluctance? “Low-code is for hobby projects. Low-code is only for front-end development. If you use low-code, you create unmanageable application spaghetti. I’ve heard all the arguments of low-code sceptics”, Aswin says, laughing.

“One one level, I do understand. The combination of visual software development and an open platform is new. And people don’t like what they don’t know. But it really does work. Developing with Mendix is simply six to eight times faster than with traditional technology. We built a platform for pension calculations in just eight weeks. That’s more than impressive, no?”

Low-code arrives at the perfect time

The global need for software is five times greater than the number of developers needed. Low-code has therefore arrived at the perfect time, Aswin adds: “IT has been in charge of everything that involved software for decades. But now that we are seeing an acceleration in digitalisation, business simply wants more applications.

IT can no longer keep up. Business people can now use Mendix to build their own applications. And Mendix makes sure your application runs in every browser and every mobile device."

It's a mix and match story

Of course, it's not as simple as that sounds. "There's not a single company that runs solely on Mendix. Traditional development in Java or .NET is useful for highly complex applications. And sometimes no-code, a purely graphic platform, is an option. For instance, a company's marketing team can develop a registration form using no-code software. But if you need to integrate that in the HR system or the ERP system, you have to call in a low-code developer or even a Java developer."

Four reasons to opt for Mendix

"Mix and match is the future", Aswin confirms. "You can even combine various low-code platforms in one application landscape, because every platform – and there so many these days – has its proven advantages. But if I'm allowed to do a little promotion: Mendix offers an incredible number of possibilities. For instance, Mendix works seamlessly with every single cloud platform. What's more, it combines the full spectrum: from no-code and low-code to professional code. Very recently, Mendix even launched sector-specific solutions. For us here in Belgium and the Netherlands, the local presence of Mendix is a major asset. And not unimportantly: the much bigger Siemens is behind Mendix. That guarantees continuity and a lot of potential."

Mendix Most Valuable Professional

Aswin no longer develops software himself, but he is very closely involved in projects as a strategist and consultant. Clients such as FOD Mobility and ASG Expert recently made use of his experience and expertise. "I frequently work with enterprise architects. Their work is technology based, and I can make the link to the business", he says. "In addition, I support clients in the development of a vision and a strategy for the use of low-code. We also jointly set up competence centres, and I like to get involved in training Mendix users, both at our clients and at Ordina."

Aswin is also a respected speaker, advisor and coach in the wider Mendix community. In October 2021, he even joined the 'cream of the crop'. Mendix awarded him the title 'Mendix Most Valuable Professional'. MVPs are given greater visibility, support and insight into the Mendix product roadmap. This is a triumph that will also benefit Ordina, and its clients.

> "Everything will get even simpler, **better and brighter**"

A very promising future

To conclude: how does the Mendix expert see the future of the low-code platform? "Everything will get even simpler, better and brighter", he says. "Mendix will prioritise IoT, AI and machine learning, to automate the development process even further. In October 2021, Mendix also launched its first ready-to-use solution for specific sectors."

Ordina foresters looking for the Ordina forest

In the summer of 2021, Ordina's job vacancy site included a highly unusual vacancy. *Ordina is looking for foresters (m/v)!* It was quite a striking vacancy among all the IT positions on offer. And there was a lot of interest in the forester position. Following a selection round, Ordina picked sales manager Hilde Heylen and software engineer Michael Schooleman as the new Ordina foresters.

Ordina forest

Hilde is incredibly enthusiastic about the idea of an Ordina forest. She is very keen to help in the fight against global warming, and to create a carbon-neutral society and a liveable planet. Michael thinks it is a great idea for Ordina to plant its own forest and help create a better future for our planet.

"As an Ordina employee from the very beginning, this position could have been created for me", says Hilde. "Together with Michael, I want to roll out this initiative with the same level of energy as I devote to my normal work. I'm an account manager for the energy sector and that's also why I want to take on the role of forester, because I can connect my clients with this wonderful new project at Ordina, the planting of a forest. When I tell my clients I'm now a forester, they think it's great. By giving my creativity free rein in all kinds of sustainability concepts, we want to make this forest attractive to all our colleagues and clients."

Michael says he and Hilde want to do their best to make everyone enthusiastic about this project. "As a company, we are doing something truly brilliant. By planting a forest, Ordina is setting an example, one I hope other companies will follow. Trees are our allies in the fight for a better climate: while they're growing, they absorb CO_2 and store it in their leaves and branches and in the soil. The more trees we have, the less CO_2 in the atmosphere. We have big plans to make the forest attractive to everyone."

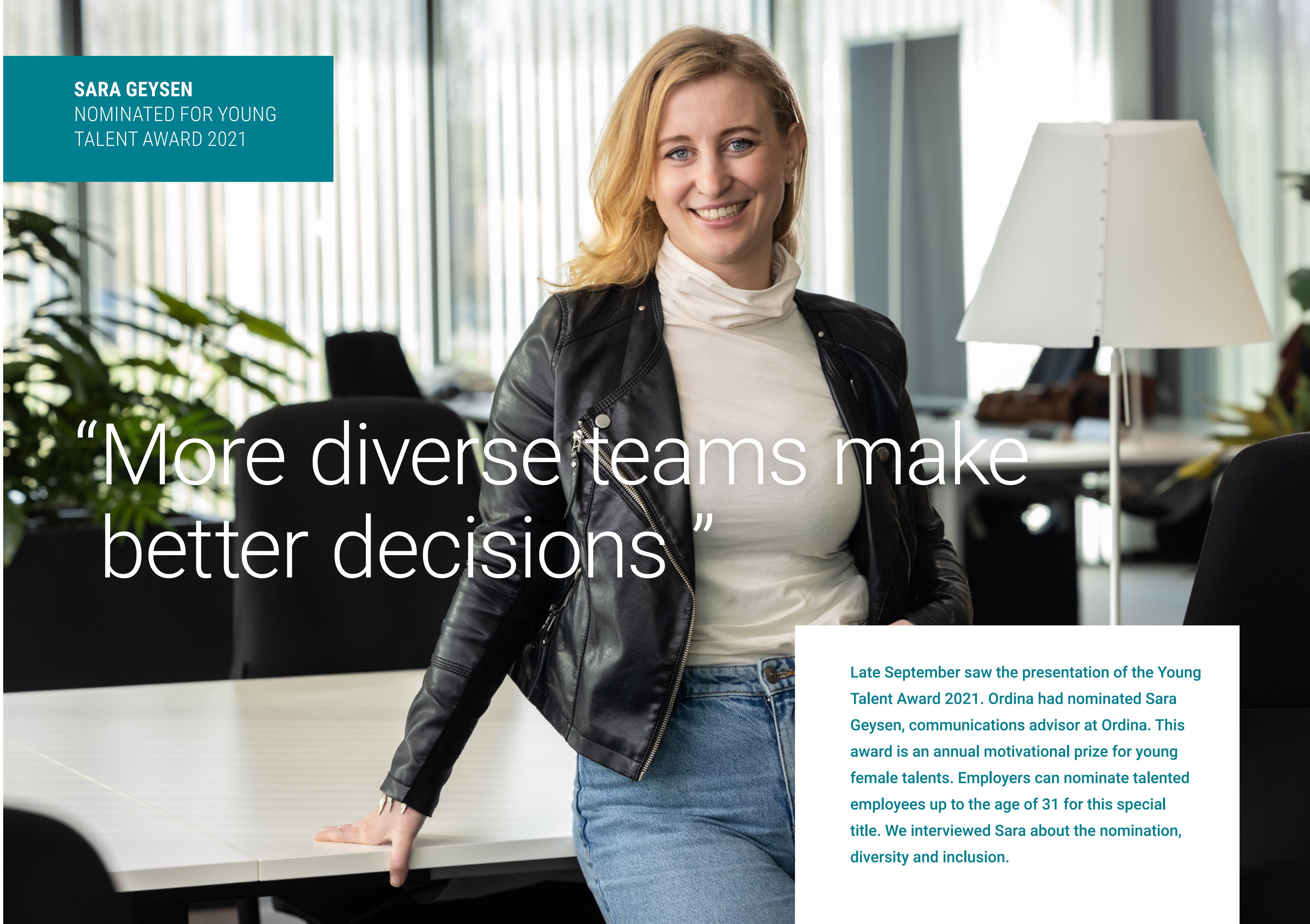
CO_2 neutral

The forest is fully in line with Ordina's strategy to be a true trendsetter on the corporate social responsibility front. Michael: "Ordina's ambition is to be CO_2 neutral in 2030 and ultimately to be climate positive. For instance, we're already taking various measures such as making our buildings more sustainable, and we will eventually switch to fully electric lease cars. And we are promoting other forms of transport to reduce our own carbon footprint. But that's not enough to reduce our total CO_2 emissions to zero. We want to offset the rest by planting a forest."

> "Trees are our **allies** in the fight for a better climate"

To make that possible, Ordina wants to plant a forest in two locations, one in the Netherlands and one in Belgium. So with the motto 'forester seeking forest', Hilde and Michael are searching hard for locations where Ordina can plant a forest. Hilde: "We're looking for a large parcel of land of between five and 10 hectares. This could be land owned by a farmer or another owner who wants to sell land potentially zoned for forest. Once we've found a location, we want to start with planting as quickly as possible. It has to be a forest with lots of diversity, including the likes of European oak, sessile oak, rowan and birch."

HILDE HEYLEN
SALES MANAGER
MICHAEL SCHOOLEMAN
SOFTWARE ENGINEER



SARA GEYSEN
NOMINATED FOR YOUNG TALENT AWARD 2021

“More diverse teams make better decisions”

Late September saw the presentation of the Young Talent Award 2021. Ordina had nominated Sara Geysen, communications advisor at Ordina. This award is an annual motivational prize for young female talents. Employers can nominate talented employees up to the age of 31 for this special title. We interviewed Sara about the nomination, diversity and inclusion.

What is your main take-away from your experience on the selection day?

“Getting to know so many like-minded women was wonderful. Even today, you run up against certain barriers as a women in business, and it’s great to see that lots of female talents want to shake things up a bit. The selection day didn’t feel like a competition at all. It was mainly about sharing experiences and getting to know each other, because that’s what the Stichting Topvrouw is all about. I talked to a number of women who were already actively working to create more equal opportunities in their companies. That’s really inspiring!”

To what extent has your perspective on women at Ordina changed?

“There are quite a few women working at Ordina who I look up to. The fact that that’s even possible, having a female role model, is not something you can take for granted in our fairly male profession. And although we’re not yet at 50/50 in terms of men and women, I think we’re doing pretty well! The more women we have in the organisation, the more we’ll talk about diversity and inclusion and equal opportunities. When our CFO recently posted an item on her blog about her pregnancy, it really touched me. I recognised the issues she described, as did lots of women in the organisation. Finally we’re talking about it! That’s brilliant. And now that I’m sitting here myself, I realise it can be quite daunting to seize that role, to say ‘this is what I’m going to talk about’. And I think that’s something all women – and men, and everyone else – at Ordina could be doing: talking about diversity. If things go wrong, raise the alarm. And celebrate your victories. And this is not about women versus men. It’s about everyone walking around this company, coming at their work with their own experience and identity.”

Now that you have this experience, is there something at Ordina you would like to stand up for?

“I’m lucky that part of my job is already about working with others on diversity. We’re currently looking at how we can make job vacancy texts more inclusive. On top of that, this experience has made me more aware of different leadership styles. On the whole, women and men are quite different on that front. In 2020, Ordina launched an empowered leadership training course that deals with this theme. Of course I want to help roll out this kind of programme and help raise awareness about feminine leadership, and of course the power of diversity.”

If you dreamt of an Ordina with as many women as men, how would our organisation be different?

“Research shows that more diverse teams make better decisions and are more innovative, so you can fill the rest in yourself. We know this and we want it, but the biggest challenge I think is finding female talent. You can compensate for that a little through internal mobility, and I’m seeing great things happening on that front.”

What call to action would you like to make to your colleagues at Ordina?

“If you can, try to make people aware of, say, micro-sexism. You see that among both men and women. And if you want to write or talk about diversity and inclusion, do it. We certainly have platforms for that at Ordina. And it’s not just our female colleagues who can make a difference on this front. Men don’t have to blindly fall into certain gender roles either. There are lots of ways fill a role and everyone has to be given the chance to do that based on their own personality. I think every one of our colleagues has a duty to ensure that we are an inclusive and safe company.”

SARA GEYSEN
COMMUNICATIONS ADVISOR

Diversity and inclusion

Ordina sees diversity and inclusion as an important issue. It is not for nothing that it is a spear-point in our strategy. We are convinced that our success is at least partly down to the quality and diversity of our people. This is why we are keen to increase the percentage of women and non-binary colleagues. This is currently 20%.

RISKS

Risk management

Risk management is an important part of Ordina's corporate governance, our way of working (our digital management system) and our business principles.

The risk assessment describes the risks that could jeopardise the achievement of our strategic objectives or our continuity. The risks are directly related to market developments, our market positioning and our business operations. We have drawn up the analysis on the basis of our strategic pillars: Engaged and driven employees, Satisfied and loyal clients, Sustainably distinctive profile, excellent financial performance and accelerated growth, plus Environmental, Social and Governance. These topics correspond directly with our materiality matrix. The sustainability risks are an integral part of our risk management.

Risk management is an integral part of our business planning and review cycle. As part of its business planning, Ordina draws up a bottom-up risk assessment in the Netherlands and Belgium/Luxembourg. The management also performs a top-down risk assessment. We assess all relevant risks for likelihood and impact according to a fixed pattern. We subsequently discuss these during the periodic reviews, in the management of the countries and with the Supervisory Board.

When determining risks, we have assessed both the impact they may have on the implementation of our strategy and estimated the impact they may have on our continuity (returns). The latter estimate serves as the basis for the heatmaps (pages 79 and 80) we use to show the movement compared with the previous year and our ambition level (page 81).

We determine our risk appetite as part of our risk assessment. Risks exceed our risk appetite when:

- they threaten our continuity
- they threaten our reputation in the field of compliance and integrity
- they have a significant impact on our revenues or a material impact on our profitability.

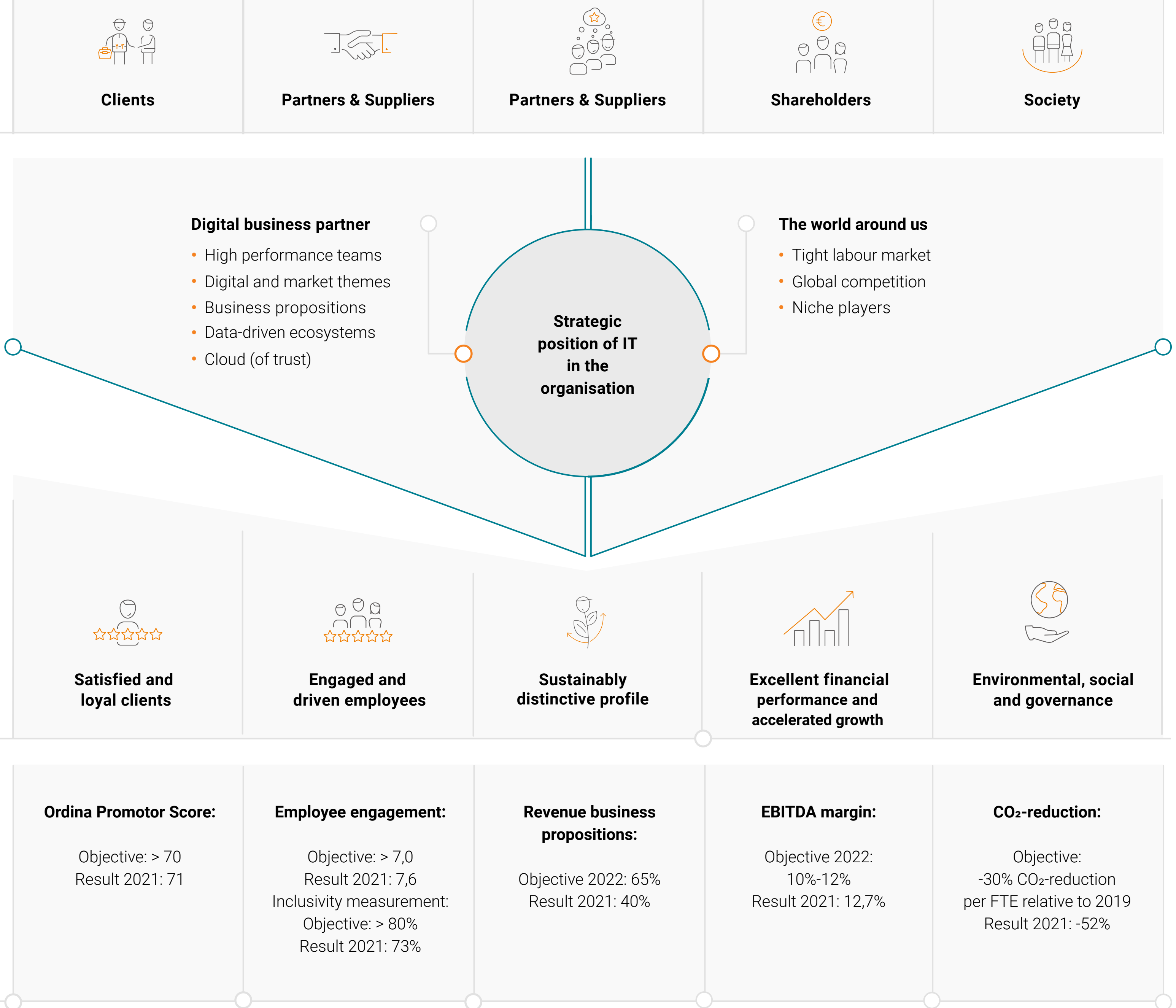
In addition, we have also determined a risk management ambition per risk on the basis of our strategy, the extent to which we can influence a risk and the developments in the year under review. In this context, we also take into account any opportunities that may be associated with a risk, which may mean that fully mitigating a risk may not always be desirable. The measures we describe are designed to move the risks towards the ambition level we have set. The pace at which we achieve this ambition depends on the risk and on market developments.

The heatmap on page 81 shows the risks on the left, positioned in line with our assessment of said risks at the end of the year. This shows which risks (could) have the greatest impact on our business operations should they materialise and the extent to which we expect the risks to materialise. The movement of the risk compared with the previous year (shown by the arrow) shows how the risk manifested in the year under review. On the right, the direction of the arrow shows our ambitions for the risks. We then describe this ambition for each risk, the developments in the past year and the measures we are taking to limit the likelihood of that risk materialising or to mitigate the impact of same. The measures also aim to move the risk in the direction of our ambition.

We have concluded that the impact of climaterelated risks on our business is limited. As a result, they have not been included in our heatmaps. However, to provide sufficient insight into the sustainability risks, we have included them in a separate table on page 85.

Ordina at a glance
Foreword
A look back at 2021
Client cases
Who we are and what do we do?
Strategic pillars, goals & results
Being ahead of the game has its advantages
Risks
Governance
Composition Management Board and Supervisory Board
Report of the Supervisory Board
Remuneration report
Provisions of the articles of association
Financial Statements
Other information
Contents Annual report
Contents Financial statements

Connectivity matrix



Who do we create value for?

- **Clients**
- **Partners & Suppliers**
- **Partners & Suppliers**
- **Shareholders**
- **Society**

Digital business partner

- High performance teams
- Digital and market themes
- Business propositions
- Data-driven ecosystems
- Cloud (of trust)

Strategic position of IT in the organisation

The world around us

- Tight labour market
- Global competition
- Niche players

Our strategic pillars

- **Satisfied and loyal clients**
- **Engaged and driven employees**
- **Sustainably distinctive profile**
- **Excellent financial performance and accelerated growth**
- **Environmental, social and governance**

Objectives

Ordina Promotor Score:	Employee engagement:	Revenue business propositions:	EBITDA margin:	CO₂-reduction:
Objective: > 70 Result 2021: 71	Objective: > 7,0 Result 2021: 7,6 Inclusivity measurement: Objective: > 80% Result 2021: 73%	Objective 2022: 65% Result 2021: 40%	Objective 2022: 10%-12% Result 2021: 12,7%	Objective: -30% CO₂-reduction per FTE relative to 2019 Result 2021: -52%

Jaarverslag 2021

Ordina at a glance
Foreword
A look back at 2021
Client cases
Who we are and what do we do?
Strategic pillars, goals & results
Being ahead of the game has its advantages
Risks
Governance
Composition Management Board and Supervisory Board
Report of the Supervisory Board
Remuneration report
Provisions of the articles of association
Financial Statements
Other information
Contents Annual report
Contents Financial statements

Risk overview

Impact on non-realisation of strategy
▬ **high** ▬ medium — low

Impact on returns
▬ **high** ▬ medium — low

	Impact of risk on strategic pillars	**Satisfied and loyal clients**	**Engaged and driven employees**	**Sustainably distinctive profile**	**Returns[1]**
R1	Sensitivity to economic cycles	Clients expect Ordina to respond flexibly in the event of a recession (decline in demand and/or pressure on rates)	Employees are aware of Ordina's revenue model and experience growing uncertainty	Clients are stricter in terms of costs/investments but are open to creative solutions	Returns under pressure due to decline in demand and/or lower rates.
R2	Competition and rate pressure	See R1	See R1	Opportunity to show added value	Returns under pressure due to lower rates
R3	Effects pandemic	Different approach to engagement with Ordina. Opportunity due to acceleration in digitalisation	Different approach to engagement with Ordina. Absenteeism at pre-pandemic levels		If work has to be stopped (due to high absenteeism or cost cuts at clients), this will have a high impact.
R4	Cybersecurity incidents	Incidents at clients result in loss of trust		Incidents (internal or at clients) has an impact on external communications with respect to our expertise. (C&C-proposition)	**Greater duty of care may result in extra costs or claims. Costs may be high in the event of an incident.**
R5	Tight labour market	Not enough professionals to perform assignments or high staff turnover creates dissatisfaction	More opportunities for employees at competitors and clients because of a tight labour market	War on talent (recruiting and retaining the right people)	**Reduced growth in FTEs restricts the growth of the company and pushes up personnel costs**

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1 This column only addresses the impact on our returns and not on accelerated growth.

Risk overview

Impact on non-realisation of strategy
high medium low

Impact op rendement
high medium low

Impact of risk on strategic pillars		**Satisfied and loyal clients**	**Engaged and driven employees**	**Sustainably distinctive profile**	**Returns[1]**
R6	Risk profile conttracts	Failure to deliver the promised project result			Extra costs (provisions)/claims
R7	Valuation of deferred tax assets				Non-realisation of required returns to utilise tax loss carry forwards
R8	Impairment of goodwill				Goodwill impairment results in lower returns
R9	Credit risk				Payment problems clients result in higher costs/write-offs
R10	Liquidity risk				Late or limited availability of financing and possibly higher financing costs
R11	Compliance risks and negative reports	Negative image as supplier	Negative image as employer	Ordina (branding) is seen in a negative light	Claims, fines, sanctions or other financial damage

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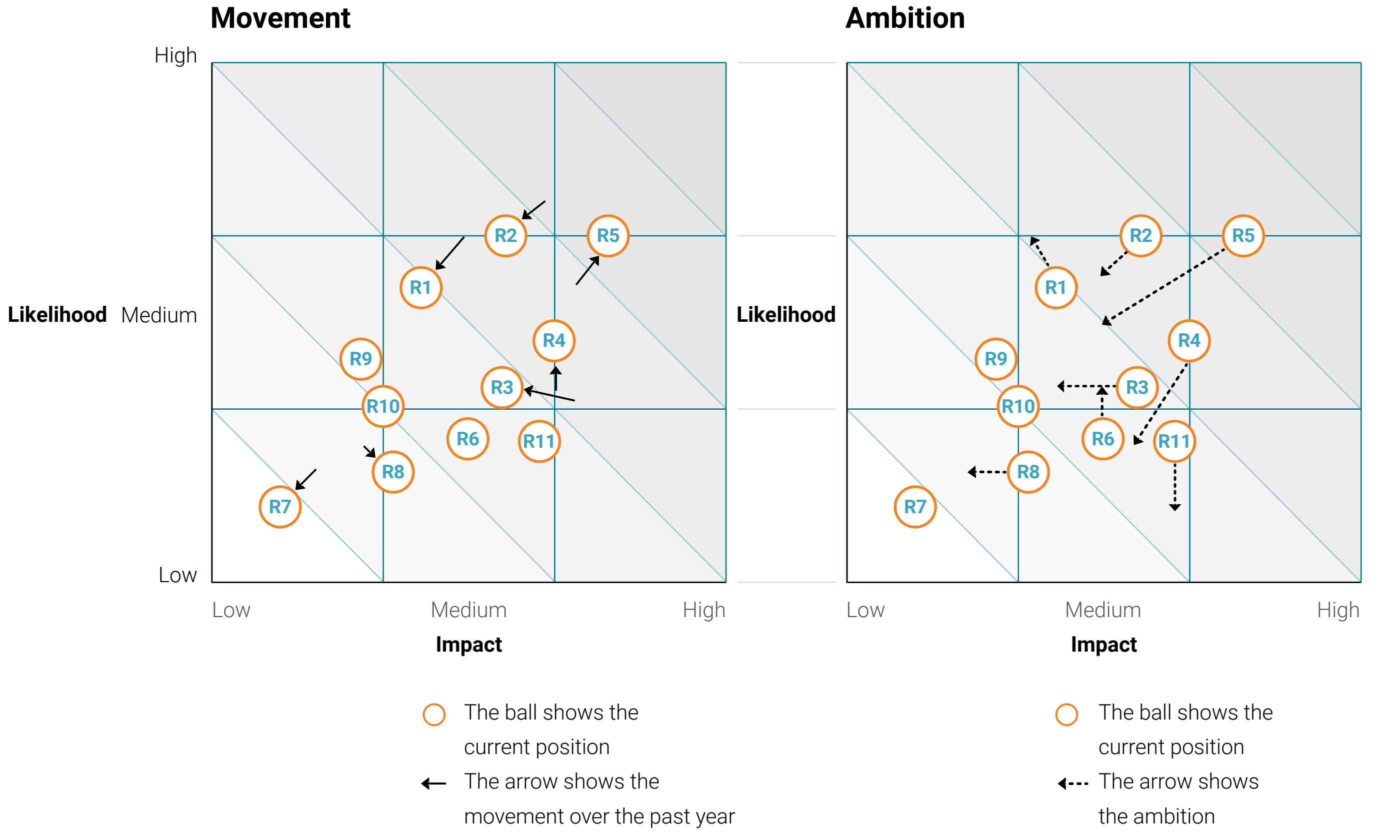
[1] This column only addresses the impact on our returns and not on accelerated growth.

Heatmap movement and ambition risks (year-end 2021)



	Risks
R1	Sensitivity to economic cycles
R2	Competition and pressure on rates
R3	Impact of pandemic
R4	Cybersecurity incidents
R5	Tight labour market
R6	Risk profile contracts
R7	Valuation deferred tax assets
R8	Impairment of goodwill
R9	Credit risk
R10	Liquidity risk
R11	Compliance risks and negative reporting

Explanation of the risks

Sensitivity to economic cycles

Economic fluctuations, due to factors such as inflation and an unstable (geo)political situation, in combination with a relatively fixed cost structure, will have a direct impact on our results.

Development: The likelihood of this risk materialising has declined slightly due to an improvement in the macro-economic outlook. The pandemic has increased the demand for digitalisation and this has had a positive effect with respect to this risk. This effect combined with the growing share of our revenue from our business propositions and teams has slightly reduced the impact of this risk.

Measure: We aim to create more added value in our services by focusing on our five business propositions, plus we look to forge long-lasting partnerships to maintain and strengthen our client relationships. In addition, we are aiming to achieve a manageable cost structure and an increase in revenues from long-term contracts, including the deployment of teams. Revenue is also spread across various markets.

Ambition: The measures we take are aimed at reducing the impact of this risk to just below the medium end of the scale. We do not consider a reduction to a low impact and/or low likelihood feasible, nor do we consider it desirable to mitigate this risk to low, as our services are sensitive to economic fluctuations, which also creates commercial opportunities. This risk has moved in the direction of our ambition level.

Competition and pressure on rates

Capacity is becoming more and more of a commodity, with brokers and freelancers putting pressure on rates. There is strong competition from niche players and large, established companies in the area of added value contracts.

Development: The likelihood has declined and the impact has declined slightly. This risk is linked to R1 and R5; due to the improved macro-economic conditions and the shortages on the labour market we can pass higher rates onto our clients more frequently. It is not possible to charge on the higher wage costs (see R5) in the case of long-term, fixed-price contracts and this puts pressure on margins. However, the overall impact of this is limited. Due to digitalisation and remote working, we have not yet seen any signs of a wider shift towards low-rate countries as a result of the Covid-19 pandemic (R3), which is positive for us as a local player.

Measure: See Sensitivity to economic cycles

Ambition: We aim to reduce both the likelihood and impact of this risk to the medium end of the scale. We do not expect the likelihood or impact to fall to 'low': we operate in a competitive market, so this risk also presents commercial opportunities.

Impact of pandemic

The pandemic can affect our employees. The engagement of our employees requires different methods than before the pandemic. High levels of absenteeism could jeopardise staffing/operations.

Development: The effects of the pandemic have lessened in terms of both likelihood and impact. The pandemic has accelerated the digitalisation trend. Our contact with employees and clients has resulted in a different kind of connection than before the pandemic. With a great deal of energy and creativity, we have found various ways to maintain contact and engage with both groups. At the same time, we have realised that digital contact is not the same as meeting each other in person. Absenteeism increased compared with the previous year, but is still lower than before the pandemic. There is also less uncertainty regarding the effects of the pandemic.

Measure: We follow the guidelines of the authorities to minimise the risk of infection. We also invest in the health of our employees through a vitality programme and social engagement activities, both physical and digital. We offer facilities that enable employees to make maximum use of the option of working at home and remotely. Finally, we help our clients to accelerate their digital transformation.

Ambition: By adapting to remote working and seizing the opportunities Ordina has to help our clients manage the consequences of the pandemic, we want to continue to reduce the impact on Ordina.

Cybersecurity incidents

There are cybersecurity risks for Ordina itself, as well as cybersecurity risks in its projects for clients. The demands on the cybersecurity front are increasing, often implicitly. As one of the market players that claims to be able to help others, there is also a risk of reputation damage in this specific area.

Development: No significant change compared with the previous year. We limited the increase in this risk through our own measures. However, we are seeing a greater role being played by chain parties, such as SAAS services, and Ordina can exert varying degrees of influence on this front.

Measure: We are constantly building our security organisation and raising awareness. We also take steps to secure our own and our clients' information and information systems. Ordina is certified in accordance with the requirements of ISO 27001, supplemented by NEN 7510 certification. When delivering to clients, we are aware of our duty of care and continuously improve on this front.

Ambition: We believe it is feasible to further reduce the impact of this risk. Our measures are also aimed at further reducing the likelihood of this risk materialising.

Tight labour market

The tight labor market for IT professionals makes clients and niche players attractive to our employees. In addition, it is also difficult to recruit experienced professionals. This situation can also lead to rising personnel costs.

Development: There is a shortage of well-trained IT professionals. This is due to the low supply (and the relatively low inflow into the sector from colleges and universities) on the labour market compared with the high demand for digitalisation. The likelihood of this risk materialising and the impact is therefore increasing. This is directly related to R2. The ability to recruit and retain the right professionals is vital our future growth.

Measure: To improve our ability to recruit and retain employees, we have brought our Employee Value Proposition in line with our strategy. Our employee journey is now focused on having an impact for all our stakeholders, including the labour market. In this context, our ESG strategy plays a prominent role, with sustainability, diversity and inclusion important themes. We emphasise this and our unique market positioning as a local player in our recruitment efforts. This has helped us to increase our presence on the labour market and at educational institutions, plus we are making use of our successful referral channel.

Ambition: We aim to reduce this risk to 'medium', both in terms of likelihood and impact.

Risk profile contracts

Ordina's shift towards more added-value contracts generates higher risks, to the extent that this includes more responsibility for results. This is certainly the case when combined with the increasing duty of care as a professional service provider.

Development: The risk is unchanged from 2020. The nature of the obligation and the controls we apply compensate for the increase of risk by the increase of business propositions revenue.

Measure: Our high performance teams approach ensures control and also support and commitment from all involved. In addition, we work continuously to improve our way of working. In our contract acquisition process, our Deal Review System assures us of a critical assessment of opportunities and risks, and the involvement of the appropriate management level.

Ambition: The measures we take on this front aim to manage the impact of this risk and keep it in the medium range of the scale. We consider this range acceptable because we want to expand our project portfolio, as we see it as a valuable part of our revenue model. Because we are looking to expand our project portfolio, we would consider an increase in the likelihood of this risk materialising acceptable.

Valuation deferred tax assets

At year-end 2021, Ordina had tax loss carry-forwards totalling EUR 4.8 million. In the context of these tax loss carry-forwards, Ordina recognised a deferred tax asset of EUR 1.2 million. There is a risk that it will not be possible to offset these loss carry-forwards quickly enough, as a result of which we will have to depreciate (a part of) the deferred tax asset.

Development: Ordina results have led to a reduction of our fiscal losses. In addition to this, the first half of 2021 saw the approval of legislative changes, under which tax loss carry-forwards in the Netherlands will no longer be diluted, although there is now a limit on the timing of the measurement of the tax loss carry-forward. Due to the adoption of the legislative changes in the first half of 2021, Ordina considers the likelihood of this risk materialising to be lower.

Measure: We strive for growth in all our markets and deliberately monitor our cost structure to improve our returns. For more information, please see note 12 on page 160 of the financial statements.

Ambition: This risk is at our ambition level and we will no longer include this in our explanation.

Impairment of goodwill

Market circumstances and forecasts may sometimes necessitate the impairment of goodwill on acquisitions.

Development: The likelihood and impact of this risk have declined due to the improvement in returns and the higher share price in 2021. The likelihood and impact of this may increase if the market outlook and the share price deteriorate. We will reassess this estimate at year end. However, the impact is increasing slightly due to potential future acquisitions and the recent acquisition of IFS Probity. However, our potential growth via acquisitions is lower than our organic growth, which means the risk of impairment remains limited.

Measure: We are targeting growth in all our markets and we continue to strictly monitor our costs to improve our returns. For more information, please see note 8.6 on page 154 of the financial statements.

Ambition: we aim to continue to reduce the impact of this risk.

Credit risk

Due to market circumstances and the effects of the pandemic, clients, suppliers or vulnerable groups could experience liquidity, solvency or continuity issues.

Development: This risk is unchanged. The type of clients Ordina serves remains unchanged.

Measure: We report internally on a regular basis on payment behaviour and the outstanding invoices sent to (vulnerable) partners in the chain. We periodically assess the creditworthiness of our partners and apply strict limits.

Ambition: This risk is at our ambition level.

Liquidity risk

Market developments and/or a critical attitude among financiers limit the available financing options in the market.

Development: This risk is unchanged. Given the developments in the (capital) markets and Ordina's net cash position, we see no reason to change our estimates

Measure: We strive for a healthy cash balance by monitoring our working capital intensively and keeping our overhead structurally low. Wherever possible, we will also take measures to further optimise our liquidity.

Ambition: This risk is at our ambition level.

Compliance risks and negative reporting

Ordina has to comply with legal and regulatory requirements in its business operations. In addition, Ordina's reputation may be harmed by unfavourable reports in the press and on social media.

Development: No change compared with 2020

Measure: We use a multidisciplinary approach to monitor existing and changing legal and regulatory requirements and the associated risks. We are constantly looking for ways to make everyone aware of the importance of a good reputation. For example, we organise awareness sessions for new employees and others. It is a standard part of our considerations when entering into new contracts via our Deal Review System and the measures and procedures described in our Risk Control Framework, including those relating to integrity.

Ambition: We aim to further reduce this risk. We consider our ability to influence the impact limited. The likelihood that this risk will materialise is still low and we strive to make incremental improvements.

Sustainability risks

We currently consider the risks on the sustainability front to be low in terms of any impact on Ordina's business operations.

Our business is not classified as a company subject to additional guidelines, as described by the Task Force on Climate-related Financial Disclosures (TCFD). However, in this assessment we have considered the sustainability risks as described by TCFD (transition risks and physical risks). In the context of the subjects described, we are more inclined to see opportunities for our professional field than any risks to our business operations. As a services provider, the transition risks, in combination with the measures we take, are not significant. Of the physical, chronic risks, rising sea levels is the most relevant to Ordina due to the geographical location of the Netherlands. We currently assess the likelihood that this will affect Ordina to be very low.

As described earlier, we have cited a number of risks on the Environmental, Social and Governance (ESG) fronts.

We also assessed these risks for their potential impact on our strategic pillars (see table on page 85). These risks fall outside the parameters of the heat map. Below you will find a description of the risks, as well as the related developments over the past year and the measures we have taken to mitigate these risks.

Insufficient diversity in teams

Insufficient diversity, including the proportion of men to women, results in less effective teams..

Development: Ordina has committed itself to the target of having 30% of its employees be women by 2030. The number of women in the IT sector is low when compared to other sectors. This risk increases or decreases in line with the risk of a tight labour market. Diversity is also becoming an important issue among our competitors on the labour market.

Measure: By conducting specific recruitment campaigns, we recruit a diverse cross-section of employees. We devote constant attention to increasing diversity and inclusiveness. In 2021, we held a management meeting to raise awareness of diversity and inclusion. We also measure these via our Pulse measurement. We also launched an unconscious bias elearning course for all Ordina employees, together with a work book to encourage a company-wide dialogue on the theme diversity and inclusion. In addition, we have a methodology to ensure that we deploy diverse teams on all our clients' projects. Finally, we undertake various activities to make children enthusiastic about IT, and Ordina has made a start on deploying people with a disadvantage on the labour market.

Rapid developments in technology

Rapidly evolving technology can mean that our employees are not sustainably deployable and that clients may not get the best solution to their problem. This makes it essential for our people to keep up with developments in their professional field and that they can offer distinctive consultancy skills.

Development: We have opted for a hybrid approach for our training courses. Most training courses are given digitally, but when it is possible or useful, we also offer face-to-face training. This helped increase the number of training courses taken and the level of participation compared with the previous year.

Measure: The Ordina Academy offers our employees an extensive and varied programme that enables them to continue their professional and personal development. Many of these training courses are available in digital format. We strongly encourage the use of the academy. On this front, see also the level of participation in the Strategic pillars, targets & results chapter.

CO_2 emissions and energy consumption

CO_2 emissions and energy consumption are less sustainable than desired.

Development: Our employees have worked more from home during the pandemic, which resulted in lower emissions. In 2021, Ordina engaged with its clients regarding the balance between working from home working at our clients. However, the extent to which we can achieve this balance does vary from client to client.

Measure: The travel movements of our employees are Ordina's biggest source of CO_2 emissions. This is why Ordina implemented a new leasing policy in 2020 to arrive at a cleaner fleet. We are also planning to consult with our clients to find a new optimal way of working, in line with the lessons we have learned from the pandemic. We have also made preparations for the acquisition of a parcel of land on which we will plant a new forest to offset our CO_2 emissions. In addition to this, we have seen a rise in the number of electric cars in our fleet. In Belgium we have made a start on the conversion of our fleet to electric cars.

Risk overview – ESG risks

Impact of risk on strategic pillars		Sustainably distinctive profile	Engaged and driven employees	Satisfied and loyal clients	ESG
ESG 1	Insufficient diversity in teams	Insufficient diversity impacts the effectiveness of our teams	Engagement employees and attractiveness on the labour market under pressure due to lack of diversity	Clients requesting commitment to diversity goals	Failure to comply with social benchmarks in terms of diversity. As an employer, offering too few opportunities to people with a disadvantage on the labour market
ESG 2	Expertise lags in the face of rapidly changing technological developments	Ordina lags on the innovative solutions front	Sustainable employability of employees	Clients do not get the best solution for their business problem	Investments in education and training increase to get expertise back to the desired level
ESG 3	CO_2 emissions and energy consumption less sustainable than desired		Employees are increasingly looking for a company with a social impact	Remote working can differ for each client	Measures / offsetting are not implemented quickly or effectively enough

We concluded that the impact of climate-related risks on our business operations is limited. The risk analysis is included for this purpose in the Risk overview on page 79

BEING AHEAD OF CHANGE HAS ITS ADVANTAGES

Keeping the lights on, **at all times and everywhere**

The energy sector is in the midst of a major transition. To make sure that 'the lights stay on at all times and everywhere', Ordina is helping high voltage grid manager Elia to renew its transmission infrastructure and processes. This will enable the company to steadily increase the combination of traditional and renewable energy sources.

GOVERNANCE

The Governance chapter includes detailed information on our operational governance. This is followed by the Management Board's in control statement, the composition of the Management Board and Supervisory Board and the report of the Supervisory Board.

We attach a great deal of importance to our internal controls, which we assess and professionalise continuously. We also devote systematic attention to our governance structure, processes, systems and control. Our internal governance consists of the following elements:

Our culture & values	Our controls	Our transparency
Themes • We discover, We connect, We accelerate • Risk appetite • Diversity and inclusiveness • Integrity and confidentiality • ESG	**Themes** • Strategy and objectives • Clear tasks and responsibilities • Clear process for dealing with incidents • Regular reviews of risks • Attention for privacy and security • Acquisition and execution of contracts	**Themes** • Clients • Investors • Tax authorities • Regulators • Employees
Supported by • Ordina DNA • Diversity and inclusion policy • Code of conduct and suppliers code • Data security policy • Sustainability policy	**Supported by** • Policy on various themes • Risk managemtent and control systems • Organisational structure and consultative structures • Management system and audits • OGSM • Reports and analyses and forecasts	**Supported by** • Annual report • Financial reporting and communications • Transparency benchmark • Tax policy • Certifications and verification statements • Internal communication

Our culture and values

You will find a detailed description of what Ordina stands for and our DNA in the 'Who are we & what do we do' chapter. Our culture and our values serve as the basis for everything we do and the decisions we make.

Business principles

Ordina wants to be an honest and trustworthy company. Integrity should be woven into the very fabric of the Ordina organisation. Acting with integrity lies at the heart of every relationship and every contact. It creates trust and it determines our success. Any lack of integrity could undermine the continuity of our business.

Our code of conduct and the related guidelines provide guidance for the actions and conduct of both management and employees. We operate our company according to sound economic principles, we are a loyal partner, a reliable supplier, a socially responsible employer, and we take our corporate social responsibility seriously.

Ordina also believes it is important to maintain stable and honest relationships with its business partners. Ordina therefore expects its business partners to act with integrity and honesty and to abide by legal and regulatory requirements, such as OESD standards. To safeguard this, Ordina has drawn up a suppliers code, which suppliers must abide by. The obligation to do so is part of Ordina's contracts and purchasing conditions. The above-mentioned suppliers code covers subjects such as human rights and anti-bribery, and is available on Ordina's website.

We advocate fair and open competition in all markets and countries in which we are active. We refrain from closing agreements with other players in our sector that might have a deleterious effect on a client's freedom of choice.

Risks

Risk management is an important part of Ordina's corporate governance, of how we work (our digital management system) and of our business principles. You will find more information on this on page 77.

Taxes

Ordina believes that ethically responsible conduct with respect to the payment of taxes is an essential part of good citizenship. Our tax policy helps us to achieve our ambition to be a reliable and stable organisation, to meet our short-term and long-term obligations to all our stakeholders and by doing so creating long-term value.

We endorse the tenet that taxes should be paid on the basis of the fair share principle. The result of this tax policy is that we contribute our fair share as a member of society.

Our tax policy applies to all Ordina group companies.

Tax strategy

Ordina's aims to be a socially responsible tax payer on the basis of professional tax accountability, transparency and auditing.

We do not apply any fiscally aggressive standpoints. Any action with respect to the planning of tax positions should be related to normal business operations and in line with our business principles.

The Management Board has approved and endorsed our tax strategy. The audit committee supervises Ordina tax strategy in line with the Dutch Corporate Governance Code. The audit committee discusses the tax policy and tax-related risks on an annual basis.

In line with our tax strategy, we have the following objectives:

- we act according to both the letter and the spirit of the law in the countries in which we operate;
- we act in accordance with all applicable legal and regulatory requirements;
- in line with our business principles, we see ethically responsible conduct with respect to taxes as a given;
- our tax position is consistent with our normal business operations and is based on our business strategy, our business principles and the geographical distribution of our activities;
- we do not make use of any structures designed to evade taxes, do not allocate profit to any countries with low tax rates and do not make use of tax havens;
- we do not deliver and products and/or services that enable clients to avoid or evade taxes;
- we ensure the timely payment of our tax obligations;
- we communicate with the tax authorities on the basis of mutual trust and transparency.

ESG

Ordina is aware of its role in society. Partnerships in Sustainable Innovation and Corporate Social Responsibility (CSR) are embodiments of the same principle: using know-how and expertise sustainably for the benefit of people and society. We have embedded the various sustainability objectives in our strategic pillars. We monitor the diversity and inclusiveness of our employee population as part of the 'Engaged and driven employees' pillar. And we focus on our contribution to society and impact on the environment as part of the 'Returns and social responsibility' pillar.

We have embedded our sustainability strategy in the organisation via the ESG Board, which is chaired by our group CEO. This board appoints project leaders for various initiatives and a programme manager to monitor the cohesion across the various activities. The board supervises the execution of the strategy and monitors progress. Compliance and transparent reporting on the sustainability front are part of our governance structure.

We have chosen to certify sustainability aspects and we aim to achieve the highest scores generally prevailing on this front. Each year, our Management Board assesses whether the set of certificates and statements meet the wishes and requirements of our stakeholders. For instance, we have committed to the Science Based Targets initiative (SBTi), the international standard for emissions reduction to limit global warming to below 2°C or 1.5°C.

Information security

Ordina believes in delivering reliable services and its importance to its clients. This is why Ordina does not consider (information) security, business continuity management and privacy to optional extras and why we have implemented a baseline of measures.

We plan to expand this base, by adding client-specific requirements and wishes. Information security is an integral part of a business operations, as well as the services to our clients. Ordina consults with its clients on risks for client-specific measures. The nature of the information and the requirements related to Confidentiality, Integrity and Availability (CIA) play a major role in these decisions.

Our controls

Strategy

Ordina's Management Board scrutinises our strategy and the related targets and ambitions on an annual basis. Where necessary, we make adjustments based on market developments and the opportunities and threats we have identified. We conduct a strengths and weaknesses analysis and a strategic risk assessment to identify any potential need for adjustments. The Management Board also discusses Ordina's strategic direction extensively with the Supervisory Board at least once a year.

Our strategic targets and the various business units' contributions to achieving one or more of those targets serve as the basis for our business plans and long-term plans. Our long-term planning is based on estimates of the assumed market developments in the Netherlands and Belgium/Luxembourg.

Ordina's business plan includes a financial budget per business unit, as well as concrete business targets that have been translated into several Key Performance Indicators (KPIs), which we monitor for progress continuously throughout the year. In addition, Ordina uses the OGSM (Objective, Goals, Strategies and Measures) method to translate our goals and ambitions into concrete and measurable actions and to monitor the progress.

Organisation

The Management Board comprises the CEO and CFO, who together form the statutory management. The Management Board is responsible for the strategy and management of Ordina. Ordina has a Strategy Committee and an Operations Committee to ensure that the company's day-to-day operational management is organised as efficiently and effectively as possible. Ordina is active in the Netherlands, Belgium and Luxembourg. The services we provide to clients in the three countries are comparable. Both in the Netherlands and in Belgium/Luxembourg, the Ordina organisation consists of Commerce, Delivery and Portfolio management. These business departments are supported by various staff departments.

At Ordina, we have laid down processes, responsibilities and mandates, the division of tasks, policies and guidelines, administrative requirements and controls in a clear and accessible manner in the Ordina way of working, in combination with our Risk Control Framework. The management of our business units are responsible for the correct application of processes and systems.

Business control supports the management in the application and continued development and professionalisation of the management system as a risk management tool. The Business Assurance department monitors the correlation of the management system with Ordina's goals right across the Ordina organisation. Our management system is an integrated system, incorporating the requirements for quality (ISO 9001), business administration (AO), the environment (ISO 14001), sustainability and CSR (ISO 26000) and information security (ISO 27001) set by international norms and legal and regulatory requirements. An external independent certified body assesses Ordina for compliance with these norms and standards.

Ordina's financial administration runs on SAP, which is the primary system for the administration and business operations in our organisation. The continued optimisation and implementation of the operational management remained on schedule in 2021.

Reporting cycle

The management and the business controllers of the various business units submit monthly written progress reports. They report to the Management Board on the progress in the realisation of their business plan, the related KPIs and financial performance and related risks. Based on these reports, we hold monthly review meetings to discuss at the very least the following subjects:

- actions agreed upon during prior reviews;
- relevant commercial developments;
- significant client developments;
- the financial performance over the past month and updated forecasts;
- progress in terms of the risks identified;
- turnover and recruitment of staff;
- progress and risks in the execution of key contracts.

Risk management and control systems

Our internal risk management and control systems are designed to help ensure that we have sufficient certainty at all times regarding the extent to which we are achieving our strategic and operational goals. The systems are also designed to guarantee the reliability of our financial reporting, to ensure that we act in accordance with the laws and regulations that apply to our organisation.

The systems are based on our business principles (see page 87), our general risk management (see page 77) and our financial risk management (see page 81). This takes a more concrete form in our Risk Control Framework, which comprises nine subjects: procurement, sales, hours, personnel, project management, financial reporting, taxes, legal & compliance and information supply. Every aspect is subject to an annual internal audit and they are updated every year. However, these systems can never provide absolute certainty, and it is possible that Ordina's reporting contains material errors.

Taxes

Ordina's tax function at group level (Group Tax) plays a central role within Ordina and therefore plays an important role in embedding our tax strategy in our day-to-day business operations. Group Tax is responsible for the creation and maintenance of the parts of the Ordina Risk Control Framework related to taxes. The Ordina Risk Control Framework includes the various processes, risks and control measures with a tax element. Compliance with fiscal legal and regulatory requirements is seen as a compliance risk and is part of the Ordina Risk Control Framework. As a part of our risk management, tax risks and tax positions are discussed on a regular basis with the Management Board and the audit committee of the Supervisory Board.

Group Tax is the central contact point for the tax authorities and consults with said authorities on a regular and an ad hoc basis. External tax advisors are only consulted after the involvement and/or approval of Group Tax.

Group Tax is consulted on significant aspects, such as internal transfer pricing, acquisitions and internal reorganisations. These consultations safeguard compliance with our tax strategy. Group tax discusses tax issues with the CFO on a regular basis.

We use technological solutions, such as data analysis, to control tax risks.

Relationship with the Dutch tax authorities

Ordina communicates with the Dutch tax authorities on the basis of mutual trust and transparency. We consult regularly with the tax authorities to discuss important tax aspects and developments. We also hold preconsultations with the tax authorities on important tax aspects if this proves necessary.

We do not currently have any agreement with the tax authorities in the context of so-called horizontal supervision, but we do work in line with the main principles of same.

Integrity

We monitor risks in the fields of business integrity (including anti-corruption and bribery) and personal integrity (including human rights) on the basis of our integrity policy. This integrity policy is based on three pillars: policy, integration in the organisation and the knowledge and development of our employees. We devote a great deal of attention to the development, awareness and knowledge of our employees on this front. Our code of conduct lays down the ethical behaviour Ordina expects and the appropriate attitude to same. In addition to the code, we have a broad range of interrelated guidelines that also offer concrete guidance on subjects such as anti-bribery, gifts and business entertainment, the prevention of fraud, the prevention of conflicts of interest, fair competition and the handling of confidential information.

In 2021, we received no reports in the context of the Code of Conduct reporting scheme. We include the subjects of any reports in the annual update of the code of conduct, internal training courses and the related guidelines. This update enables us to safeguard these norm-setting parameters. We also evaluate suggestions made by employees. In addition to this, we conduct biennial risk assessments that provide insight into whether extra control measures are required with respect to a number of relevant themes, including anti-corruption and bribery. In the context of the OECD guidelines (in the chain), Ordina received no reports of abuses, so measures and follow-up are not applicable on this front.

In the context of our integrity policy, in 2021 we once again organised a brief workshop for new employees on their first day, during which the Compliance Officer explained how we handle integrity issues. Ordina has embedded the integrity policy in the organisation in a number of ways, including via reports and regular consultations:

- we have a clear procedure for dealing with incidents;
- we organise interdisciplinary consultations between the Compliance Officer, the Internal Auditor, the Privacy Officer and the Corporate Security Officer;
- we have consultations on the compliance function with local Compliance Officers and the Compliance confidential counsellor;
- we have mandatory internal reporting lines from the Compliance Officer to the Management Board and the Supervisory Board.

Social policy

The aim of our HR policy is to find a good balance between the interests and opportunities of the company and those of its employees. We offer employees equal opportunities for personal growth and career development and strive for fair treatment in the event of any conflicts. We do our utmost to promote the well-being of our employees through an active vitality policy and we provide good working conditions.

Privacy & security

Ordina sees privacy and security as major priorities, given the importance of privacy laws and the increase in threats and risks in digital environments. Our primary focus is on subjects that are directly related to:

- the continuity of our services and our internal business-critical IT systems;
- the quality of the services we deliver to our clients, how we handle confidential information and private data of employees and clients;
- our reputation in the event of negative publicity, for instance following a data breach or a ransomware attack, or our failure to meet our contractual agreements with respect to information security.

Ordina has set up a support organisation for security. This is based on our information security policy. The aim of this is to:

- maintain continuous insight into the current status with regards to risks on the information security front, in both our internal organisation and our services to our clients;
- have appropriate preventive measures so we can continue or make adjustments;
- have detective measures in place that will quickly identify any threat or risk;
- have an effective incident response in place, so we can act quickly and minimise business interruptions;
- execute and maintain recovery processes and procedures to ensure the timely recovery of systems affected by cybersecurity incidents.

Each quarter, we report to the Management Board and (the audit committee of) the Supervisory Board on the current state of affairs and any priorities. In addition, we use a variety of methods to stimulate awareness among our employees. Our internal Privacy Officer actively monitors our compliance with European privacy law (the General Data Protection Regulation - GDPR).

Incidents

We have a transparent process for incidents in the fields of security, privacy, integrity and compliance. All incidents are registered and the designated member of staff monitors the resultant procedures. We apply a limited number of potential scenarios, and we devote attention to potential improvements to reduce the likelihood of such incidents in the future.

For instance, in the event of a report via one of the channels cited in the Speak Up policy in our Code of Conduct, we first look for independent verification of the issue cited in the report, after which we conduct a preliminary investigation of the facts. Depending on the outcome of such an investigation, the Management Board decides whether an investigation is required. We then take measures based on the outcome of such an investigation. These can be measures against people or measures aimed at making improvements or the tightening of policy and/or guidelines.

We also have a data breach procedure in place for (potential) data breaches, in which the designated members of staff ensure the correct procedures are followed and (if necessary) the required reports are made. These reports, investigations and the outcome of same are compiled in quarterly reports. These reports are discussed in the Management Board and (the audit committee of) the Supervisory Board. The Management Board receives weekly progress reports from the investigator during any investigations.

Projects

Acquisition

The sound control of projects starts with a critical review of opportunities and risks during the commercial process. We also review the mandatory involvement of the right level of management, depending on the size and the risk of a potential contract. We implemented the Deal Review System (DRS) to safeguard this process. This system enables us to make well-informed decisions at every stage of the tender process with respect to whether or not it is advisable to submit a bid for a project.
Key elements of the DRS include the assessment of risks, as well as the control measures we can take to mitigate those risks. Of course we accept a certain level of risk when we accept projects and management contracts. However, we believe these risks have to be manageable and transparent. A combination of our track record, experience, strict project management and contractual agreements with our clients, including a realistic division of liability, are all key factors in this. Our Business Assurance department monitors the consistent application of the DRS

Execution

Ordina has developed its own approach and tooling with respect to the delivery of high performance teams. We have an approach for the execution of projects based on Prince2. For contracts with a managed service component, we have a comprehensive approach that is ISAE 3402 certified.

Ordina sees sound project control as a key condition for the realisation of our targets. We want to help our clients achieve their own business goals. We do this by continuously focusing on those goals and by making sure that our services continue to be aligned with those goals. The progress of key projects is discussed in the business units' monthly review meetings, together with the main conclusions in the findings of the internal audit function.

Audits

The internal auditor reports directly to the Management Board and conducts independent audits of the correct application of and compliance with internal procedures and guidelines. These audits focus on both financial and operational aspects. The internal auditor reports its activities to both the Management Board and the Supervisory Board's audit committee on a quarterly basis. The goal of these activities is to use the audit findings as a basis for the continuous professionalisation of our internal control structure. In addition, these instruments also help us to continuously increase risk awareness within Ordina. The external audits are conducted by organisations such as DNV-GL (Det Norske Veritas-Germanischer Lloyd) and our external auditor EY.

The external audits cover the management system used, the administrative organisation, the Risk Control Framework and the financial results. In its audit of the annual financial statements, the external auditor assesses the design, the existence and – in part – the operation of internal control procedures that are key when drawing up the annual financial statements. The external auditor reports the findings of their audits to the Management Board and to the (audit committee of the) Supervisory Board, both orally and in writing.

Our transparency

Client services

Thanks to our high performance teams approach, we involve our clients at various levels during the execution of projects. This includes a joint team canvas, regular dialogue on the performance of the team, the discussion of any obstacles and providing insight into value through dashboarding.

Employees

We keep our employees and the managers of the various parts of our company informed via our internal communications. This uses channels such as our intranet, various newsletters and quarterly reports. Additionally, we organise unit meetings, management meetings, pizza sessions with senior management and theme-based information meetings, face-to-face if possible and digital if not.

Taxes

Ordina is transparent about its approach to the payment of taxes and its tax position. We report our tax position in line with applicable national and international regulations. Intra-company services are settled on the basis of the at arm's length principle. Ordina meets all its obligations in transferpricing documentation. We closely monitor all new developments in the field of relevant documentation obligations.

We recognise results where Ordina is legally registered, as a result of which Ordina pays tax in the Netherlands, Belgium and Luxembourg. Our tax payments are primarily corporate income tax, dividend tax, sales tax, payroll tax and social premiums. The table below provide an overview of the taxes Ordina has paid per country in the years shown.

The external auditor determines whether the tax position presented in the financial statements is a true and fair representation of same. Ordina and the external auditor consult with each other in this context, and discuss any relevant transactions and the communications with the tax office.

Certification

In addition to the risk management and control systems referred to above, Ordina has several externally verified certifications and internal guidelines with operational controls to ensure compliance.

				2021				2020
Tax payments (In thousands of euros)	the Netherlands	Belgium	Luxembourg	Total	the Netherlands	Belgium	Luxembourg	Total
Corporate income tax	1,722	4,879	491	7,091	-	4,659	632	5,291
Payroll tax (employer and employee part)	57,120	29,105	1,375	87,601	55,420	25,190	1,231	81,842
Value added Tax (net)	34,561	12,126	1,438	48,125	34,242	12,962	1,054	48,257
Dividend tax	2,393	-	-	2,393	797	-	-	797
Other tax payments	122	80	-	202	124	64	-	188
Total of tax payments	**95,918**	**46,189**	**3,304**	**145,411**	90,583	42,875	2,917	136,374

ISO

Ordina has a number of ISO certifications: ISO 9001:2015 (for quality), ISO 14001:2015 (for the environment), ISO 27001:2017 (for information security) and, in the Netherlands, NEN 7510-1:2017 (for Information security in healthcare). In addition to sector-related developments, the context of the organisation plays a significant role in these standards. We also take into account the wishes and requirements of stakeholders. All of these are managed through an integrated, risk-focused approach, aimed at continuous improvements.

EcoVadis

EcoVadis is a sustainability rating platform for global supply chains. EcoVadis makes it easy for buyers to assess their suppliers on sustainability criteria in four areas: the environment, employment and human rights, ethics and sustainable procurement. Ordina Belgium and Ordina the Netherlands have both received the Silver certificates. In early 2022, Ordina Belgium and Ordina the Netherlands obtained a gold certificate.

CO_2 Performance ladder

The CO_2 Performance ladder is an instrument that helps organisations realise a structural reduction in their CO_2 emissions. The ladder is the leading sustainability instrument in the Dutch market. Ordina the Netherlands has a level 5 certificate, the highest possible level. This shows that Ordina is making a demonstrable effort to reduce its CO_2 emissions, both in its own business operations and in the chain.

ISAE 3402

Our management activities are ISA3402 certified for the design, existence and operation of control measures related to application management and the management of data centre services and cloud services.

Transparency benchmark

The Transparency benchmark is a biennial assessment of the content and quality of information on the social elements of the operations of the 400 largest companies active in the Netherlands. In the Transparency benchmark for 2021, Ordina took second place in the services sector (2019: 7th place) and 26th place (2019: 61st place) in the overall rankings of companies and institutions in the Netherlands. This made Ordina the highest placed IT services provider in the rankings.

Communications

Ordina's annual and interim reports, plus trading updates, are publicly available and are published on our website. In these reports, we report our performance faithfully, scrupulously, transparently and in a timely fashion. We draw up our annual and interim reports in accordance with the principles for financial reporting and any legal requirements. Except in those instances when the company has just reason to delay the publication of such information, the company will publish any information that qualifies as share price sensitive immediately in a press release.

We report the results of our sustainability strategy in our annual report. Our external auditor provides a reasonable assurance statement for the chapters: Ordina at a glance, A look back at 2021, Client cases, Who are we and what do we do, Strategic pillars, targets & results chapters of the annual report, except for the EU taxonomy, starting at page 62 and Being ahead of change has its advantages.

Investor Relations

The Management Board, together with the Investor Relations Officer, maintains contact with shareholders and analysts. We provide our shareholders with all the relevant information they need through our annual report, interim reports, trading updates, the General Meeting, press releases and our website. We also publish our presentations for analysts on our website: www.ordina.com, and we organise analyst meetings twice a year. This is how we ensure that we provide the most complete picture possible of the developments at Ordina.

General meeting

The General Meeting was held on 8 April 2021. For an overview of the resolutions of this meetings, we refer you to the minutes for the meeting on Ordina's website.

Financial calendar

7 April 2022	General Meeting
26 April 2022	Trading update Q1
2 Augustus 2022	Publication first-half results 2022
3 November 2022	Trading update Q3
16 February 2023	Publication annual results 2022
6 April 2023	General Meeting
25 April 2023	Trading update Q1

Dutch Works Council

The Work Council is an advisory body for the Management Board that consists of Ordina employees. Due to natural turnover, the membership of the Works Council elected in March 2020 fell to 13 employees in 2021 from 15 employees the previous year. New Works Council elections were due to be in February 2022. The Works Council presumes it will then return to 15 members.

In 2021, Covid-19 once again had a major impact on working at Ordina and on the work of the Works Council. Contact was almost completely confined to online, which made communications more difficult. Despite this, the cooperation between the Works Council and the management was once again productive and constructive in 2021. The Works Council's main contact was Joost de Bruin, the CEO of Ordina the Netherlands. In consultation with the Management Board, the Work Council arrived at temporary and definitive arrangements for home working during and after the Covid-19 pandemic. The post-Covid-19 arrangement is based on the expectation that Ordina employees will spend around 50% of their working hours at home and the other 50% at Ordina or onsite at our clients.

The items addressed by the management and the Works Council were in line with the Ordina 2022 strategy. The Works Council supported the management in its redesign of Ordina's organisational structure, by issuing positive recommendations on the introduction of the position of Client Engagement Lead and the Fit for Future programme, which will enable Ordina to accelerate the realisation of its strategic goals for 2022 and beyond. Ordina has now implemented the organisational changes related to Fit for future within our Digital department. The Works Council was closely involved in the implementation and will continue to be involved in 2022 when the other parts of the organisation will follow.

In addition, the Works Council was appraised of the continued development of Ordina's internal process related to acquisitions and was involved in the acquisition of IFS Probity.

In 2020, the Works Council agreed to the revision of the mobility scheme. In 2021, this led to a number of discussions regarding the switch to a fully electric car fleet. This has not yet happened, but 'fully electric' will continue to be a topic of discussion in 2022.

Belgian Works Council

In 2021, Ordina started with newly elected employees representatives in the Works Council and the Committee for Prevention and Protection in the workplace (Comité voor Preventie en Bescherming op het werk - CPBW). They received additional information on the ins and outs of how these advisory bodies work in the Ordina context.

The Works Council provides advice on social, financial and economic issues. The Committee devotes attention to ergonomics, prevention and psycho-social aspects of work.

The cooperation between the Works Council and the Committee has been constructive, and they have devoted attention to the interests of employees, the employer and shareholders. The meetings in 2021 were largely digital and were online or face-to-face (hybrid) from September onwards.

The newly elected Works Council has received basic economic and financial information on Ordina Belux. This information will be updated and discussed every three months. In 2021, the Works Council also devoted attention to the introduction of electric cars at Ordina Belgium/Luxembourg and the situation of our consultants during the Covid-19 pandemic, with a great deal of attention for the well-being of our colleagues. In addition, we also worked on the more traditional topics, such as the follow-up to the employee engagement survey and the availability metrics.

The Committee also deals with several recurring items each month, such as the results of Satisfaction barometer of our employees and the follow up to prolonged absenteeism. The Committee is also devoting a great deal of attention to psycho-social and ergonomic well-being of our employees during the Covid-19 pandemic, our return to the office and hybrid working.

In control statement

The Management Board is responsible for Ordina's internal risk management and control systems and the assessment of the effectiveness of same. The systems are designed to control the main risks that could prevent Ordina from achieving its business objectives. However, these systems do not provide complete certainty that all material inaccuracies can be prevented.

In the year under review, Ordina evaluated the (effectiveness of the) design and functioning of our existing internal risk management and control systems. We discussed the findings of this evaluation, including an evaluation of our risk profile, with the audit committee and the full Supervisory Board.

On the basis of this evaluation, it is the Management Board's opinion that, in the year under review, the internal risk management and control systems functioned properly, and that they provide a reasonable level of assurance that the financial reporting is free from material misstatements.

In line with the above and in accordance with best practice 1.4.3 of the Dutch Corporate Governance Code, the Management Board hereby declares that, to the best of its knowledge:

- the annual report provides sufficient insight into any shortcomings in the operation of the internal risk management and control systems (more information is available in the chapter Governance of this report, which describes the (structure and operation of the) existing internal risk management and control systems);
- the aforementioned systems provide a reasonable level of certainty that the 2021 financial reporting does not contain any inaccuracies of material significance (more information is available in the chapter Governance of this annual report);
- it is justified in view of the current situation that the financial reporting is drawn up on a going concern basis (more information is available on page 121); and
- that the report states the material risks and uncertainties that are relevant to the expectation of continuity of Ordina's operations for a period of twelve months after the date of the report (more information is available in the Risks chapter on pages 77 through 85 of this annual report).

In addition to this, the Management Board hereby declares, in accordance with section 5.25c of the Dutch Financial Supervision Act, that to the best of its knowledge:

- the financial statements as per 31 December 2021, presented on pages 121 through 198 of this annual report, and which have been drawn up in accordance with IFRS EU, give a true and fair account of the assets and liabilities, the financial position and results of Ordina N.V. and its consolidated entities;
- the annual report gives a true and fair account of the position of Ordina N.V. as per 31 December 2021 and the course of events during the 2021 financial year and that of its affiliated entities whose financial information has been consolidated in the company's financial statements, and that the annual report describes the material risks that Ordina N.V. faces (see the Risks chapter on pages 77 through 85 of this annual report).

Nieuwegein, 16 February 2022

Management Board Ordina N.V.
Jo Maes, *CEO*
Joyce van Donk-van Wijnen, *CFO*

BEING AHEAD OF CHANGE
HAS ITS ADVANTAGES

Prepared for the **future** – training in **virtual reality**

Military nurses in training at the Ministry of Defence's Healthcare Training Centre (Defensie Gezondheidszorg Opleidings- en Trainingscentrum - DGOTC) and the Landstede MBO vocational college are currently using virtual reality healthcare scenarios in war situations. Thanks to these virtual training courses, the nurses are better prepared for their work and the method improves motivation during the training.

COMPOSITION MANAGEMENT BOARD AND SUPERVISORY BOARD

Composition of the Management Board

The Ordina Management Board consists of CEO Jo Maes and CFO Joyce van Donk-Van Wijnen.

Ir. Jo Maes
(1968, Belgian) has been a member of the Management Board since 1 January 2017 and was appointed as CEO as per 1 April 2017. He was reappointed for a four-year term on 30 June 2020. In his capacity as CEO, Jo Maes is responsible for general operations, communications & marketing, HR, sustainability, commercial affairs and portfolio, and business development.

MSc. Joyce van Donk-Van Wijnen RC
(1984, Dutch) has been the CFO since 1 January 2021 and a member of the Management Board since 8 April 2021. In her capacity as CFO, she is responsible for general business affairs, finance & control, information management and security, group legal & compliance, business assurance & quality, internal audit, M&A and investor relations.

Composition of the Supervisory Board

The Supervisory Board's primary task is to supervise Ordina's Management Board, from both a strategic and an operational perspective. The role, tasks and composition of the Supervisory Board are described in the Supervisory Board rules of procedure.
The members of the Supervisory Board are:

Johan van Hall
(1960, Dutch) was appointed as member and chairman of the Ordina Supervisory Board as of 1 January 2019 Mr van Hall's first term of office will expire in 2022. He has been a member of the Supervisory Board of Rabobank since 8 December 2021. He is also a senior advisor at the Boston Consulting Group. His previous positions include vice-chairman of the Management Board of ABN AMRO, Chief Innovation & Technology Officer and member of the Management Board of ABN AMRO.

Caroline Princen
(1966, Dutch) joined the Ordina Supervisory Board in April 2018. She acted as chair of the board from April 2018 through December 2018, but stepped down as chair following her appointment as the CEO of Nuts Groep effective 1 January 2019. She has been vice-chair/member of the Supervisory Board since 1 January 2019. In addition to this, she is chair of the Supervisory Board of teaching hospital UMC Utrecht, and chair of the Supervisory Board of Perspectief. Her previous positions include member of the Management Board of ABN AMRO and member of the Supervisory Board of Royal Flora Holland. Ms. Princen's first term is set to end in 2022.

Dennis de Breij
(1971, Dutch) joined the Ordina Supervisory Board on 8 April 2021 for a term ending in 2025. He is also non-executive director at Quin, and was appointed (temporarily) as director and/or supervisory director by the Enterprise Chamber.
Mr. De Breij's previous positions include founder and partner of law firm deBreij (previously: De Breij Evers Boon), and lawyer at De Brauw Blackstone Westbroek and CMS Derks.

Thessa Menssen
(1967, Dutch) was appointed as a member of Ordina's Supervisory Board on 30 June 2020. Her first term ends in 2024. She is also member of the Supervisory Boards of Alliander, as well as a member of the Supervisory Board of Stichting Topvrouw van het Jaar, the Scheepvaartmuseum (maritime museum) and the Kröller Müller Museum. Her previous positions include CFO and member of the Management Board of BAM Groep and CFO/COO of the Port of Rotterdam.

Bjorn Van Reet
(1977, Belgian) was appointed as a member of Ordina's Supervisory Board on 8 April 2021 for a term ending in 2025. Mr. Van Reet is the CIO of Kinepolis Group and member of the board at BELTUG. His previous positions include CIO and member of the Management Board of Adecco Group Belgium and Managing Director at Modis.

You will find the rules of procedure for the Supervisory Board at www.ordina.nl/en.

Composition Supervisory Board in numbers

Supervisory directors

5

Number of committees

2

Ratio Male/Female

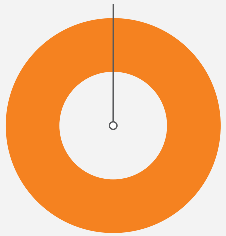
Male

60%

Female

40%

Independent / in %



● Independent 100

Number of meetings

6

Average of years in position

2.1

Nationality / in %

Dutch

80%

Belgian

20%

REPORT OF THE SUPERVISORY BOARD

The report of the Supervisory Board provides information on how the Supervisory Board carried out its supervisory tasks and the various issues that arose in the year under review.

Meetings and agenda

Supervisory Board

In the year under review, the Supervisory Board held six regular meetings with the Management Board, all according to a prearranged schedule. Members of the Operations Committee and the Strategy Committee also attended a number of these meetings. Outside the regular meetings, the Supervisory Board also met with Management Board on a regular basis for additional meetings when this proved necessary.

With respect to the meetings of the Supervisory Board and its committees, the table below gives the (rounded off) percentages of the meetings the members attended in 2020:

Johan van Hall	100%
Caroline Princen	90%
Dennis de Breij	100%
Thessa Menssen	92%
Bjorn Van Reet	88%

Supervisory directors who were not present at one of the meetings were involved in the deliberations and decision-making associated with the meeting in question, both before the meetings and immediately afterwards. In the aforementioned meetings, the Board devoted attention to:

Strategy

- Implementation strategy
- Long-term value creation
- Opportunities and risks
- Determination and assessment 2026 strategy
- Acquisition IFS probity
- Fit for Future

Performance

- Performance of the group, including financial performance, balance sheet and liquidity
- Management of impact Covid-19

Audit and risk management

- 2020 annual report
- 2021 quarterly and interim reports
- Management letter and auditor's report external auditor
- Risk analysis and effectiveness of internal controls
- Role of internal audit in the organisation

Cybersecurity

- Evaluation of cybersecurity dashboard
- Evaluation of cybersecurity risk analysis
- Information security policy and GAP analysis

Talent management and D&I

- Tightness of labour market
- D&I targets and plans
- Development FTE growth

Governance

- Changes in the composition of the Supervisory Board
- Self-evaluation effectiveness of Supervisory Board
- Culture and integrity
- Operation of and compliance with code of conduct

The external auditor also attended the meeting for which the agenda included the annual results. Topics discussed during the annual meeting with the Works Council included the evaluation of the relationship between the Management Board and the Works Council. Other topics of discussion included the conduct and culture at Ordina and the remuneration ratios within the company. The members of the Supervisory Board were in frequent contact with both the members of the Management Board and senior management outside the scheduled meetings.

The Supervisory Board met in the absence of the Management Board prior to each regular meeting. Additionally, the Supervisory met for at least one regular meeting in the absence of the Management Board according to a prearranged schedule. The subjects discussed in the aforementioned consultations included the composition of Supervisory Board, as well as the (out-come of the) self-evaluation. The Supervisory Board and the audit committee also met with the company's external auditor, both in the presence and the absence of the Management Board.

Supervisory Board committees

The Supervisory Board has two committees: an audit committee and a remuneration, nomination and HRM committee (RNH committee). The task of these committees is to prepare the discussions and decision-making processes in the Supervisory Board regarding certain specific subjects. The organisation, working methods, tasks and responsibilities of the committees are laid down in the rules of procedure, which, together with the rules of procedure of the Supervisory Board, are available on Ordina's website.

In the spotlight: Strategy and value creation

The Supervisory Board met with the Management Board and members of the Strategy Committee to discuss the (execution of the) current strategy, with a focus on long-term value creation, and the related opportunities and risks, as well as the resultant changes in the organisational structure. During these discussions, the responsible management member provided, among other things, an update on the progress and planned activities related to the various components of the strategy on the basis of concrete targets. The Supervisory Board was also extensively involved in the creation of the 2026 strategy. For instance, in May 2021 Ordina organised a session in which the Supervisory Board made suggestions on how to address the main risks and challenges involved in the execution of the long-term 2026 strategy. These risks and challenges included the net growth in employee numbers that Ordina would need to realise its growth ambitions, the tightness of the labour market and the related challenge of meeting Ordina's gender targets in the context of its diversity policy. Following this, Ordina drew up a concrete plan, which was then discussed in subsequent meetings. These meetings were used to discuss progress on the basis of concrete targets.

Audit Committee

The Audit Committee assists the Supervisory Board in its supervision of the Management Board with respect to subjects such as the (effectiveness of the) structure and functioning of internal risk management and control systems, the financial reporting process and the introduction and supervision of associated internal procedures, the financing of the company and the relationship with the internal and external auditors.

In the first meeting of the Supervisory Board following a meeting of the Audit Committee, the chairman of the Audit Committee reported orally on the meeting. In addition, the minutes of the meetings of the Audit Committee were on each occasion sent to all the members of the Supervisory Board and the Management Board.

In this context, the Management Board concluded that the internal risk management and control systems operated effectively in the year under review, and that they provide a reasonable level of certainty that the financial reporting does not contain materially significant errors (more information on this subject is available in the Governance chapter on pages 87 through 93 of this annual report).

The Audit Committee also discussed the functioning of the external auditor, as well as comments from the external auditor and Ordina's internal Auditor

Overview meetings Audit Committee

Members	Number of meetings	Independence
Thessa Menssen (chair) Dennis de Breij	5	100%

Officers invited	Specific areas of attention	Documents assessed
• CFO • Finance & Control Director (countries) • General Counsel & Compliance Officer • CISO • Internal auditor • External auditor • Group tax manager	• Effectiveness of the design and operation of the internal risk management and control systems • Financial reporting process • Application of the related internal procedures • Financing of the company • Relationship with the internal auditor and the external auditor	• Financial analysis and reports • Cybersecurity Dashboard • Press releases • Annual report • Management letter • Auditor's report

In the spotlight: Cybersecurity and day-to-day operations

The Supervisory Board and the Audit Committee discussed Ordina's approach to cybersecurity risk management and its cybersecurity measures. Ordina recognises the growing social importance of security and sees cybersecurity as an integral part of its day-to-day operations.

During these discussions, the CISO explained the approach designed to manage and reduce cyber risks Also discussed was an update of the corporate policy set for 2021, including the GAP analysis performed within the organization. The results of this were included in the roadmap for 2022 and reviewed with the annual risk analysis and external developments.

Remuneration, Nomination and HR committee

The RNH Committee prepares discussions for the Supervisory Board that relate to subjects such as performance criteria, remuneration and the employment terms of the members of the Management Board and current HR–related issues within the company. The RNH Committee assists the Supervisory Board in its supervision of the Management Board with respect to subjects such as the policy of the Management Board related to selection criteria and appointment procedures for senior management positions and management development. The RNH Committee has three members.

In the first meeting of the Supervisory Board following a meeting of the RNH Committee, the chairman of the RNH Committee each time reported orally on the meeting of the RNH Committee. In addition, the minutes of the meetings of the RNH Committee were on each occasion sent to all the members of the Supervisory Board and the Management Board.

Appointment, composition and retirement schedule Supervisory Board

The members of the Supervisory Board are appointed by the General Meeting upon nomination by the Ordina priority share foundation (Stichting Prioriteit Ordina Groep), which nomination is made on the basis of the profile outline drawn up by the Supervisory Board. The Works Council has an enhanced right of recommendation with respect to one-third of the members of the Supervisory Board. Appointments to the Supervisory Board are based on the premise that members are appointed for a term of four years with the option to reappoint once for a second four-year term. A member of the Supervisory Board can only be dismissed by the Enterprise Chamber of the Amsterdam Court of Appeal. The General Meeting can also pass a motion of no confidence in the Supervisory Board, but not before the statutory Management Board has informed the Works

Overview remuneration, nomination and HR committee meetings

Members	Number of meetings	Independence
Caroline Princen (chair) Johan van Hall Bjorn Van Reet	3	100%

Officers invited

- CEO
- CFO
- General Counsel & Compliance Officer
- HR Director

Specific areas of attention

- Management Board performance criteria
- Organisational structure
- Composition and self-evaluation Supervisory Board
- Succession planning

Documents assessed

- HR Dashboard
- Recruitment plan 2021
- Diversity policy
- Current developments and points of attention
- Variable remuneration Managerment Board

In the spotlight: Diversity and inclusion

The Supervisory Board devoted a great deal of attention to Ordina’s diversity targets and the inclusive culture that Ordina envisions. This includes inclusive leadership as an integral part of Ordina’s leadership vision. This also means that Ordina’s management needs to have and develop the skills to manage diversity. It is vital that this subject resonates across the entire organisation. To follow up on this subject, the Supervisory Board suggested that Ordina organise a theme lunch or session in 2022, with Ordina employees who find this subject relevant. In 2021, we started to increase awareness of this topic within Ordina.

Council of same and given it the opportunity to determine its standpoint on the issue. A motion of no confidence can only be passed by an absolute majority of the votes cast, representing at least a third of the issued share capital. The adoption of a motion of no confidence results in the immediate dismissal of the Supervisory Board.

The composition of the Supervisory Board meets the criteria outlined in the profile posted on Ordina's website. In addition, the composition of the Supervisory Board is balanced, within the meanings of article 2:142b section 2 of the Dutch Civil Code. The composition of the Supervisory Board is such that its members can operate critically and independently of each other, of the Management Board or any other interests, such within the meaning of the Dutch Corporate Governance Code (the 'Code'). All members of the Supervisory Board qualify as independent within the meaning of best practice 2.1.7 of the Code. With the current composition of the board, Ordina complies with best practices 2.1.7 through 2.1.9 of the Code. In the year under review, there were no transactions involving a conflict of interest on the part of the members of the Supervisory Board.

In connection with Mr. Van Hall's acceptance of a supervisory directorship at Rabobank, the Supervisory Board, both in the presence and in the absence of Mr. Van Hall, discussed (potential) conflict of interest situations and how to deal with same. In this context and in line with the provisions of article. 9.4 of the Supervisory Board rules of procedure, it was agreed that Mr. Van Hall would not take part in any consultations and decision making if these involved substantive discussions regarding Rabobank and/or if there were to be any question of a (potential) conflict of interest situation. Should Rabobank come up for discussion, Mr. Van Hall will be asked to leave the meeting before said discussion. This fact will be recorded in the minutes to the meeting.

The provisions of article 2:142b section 2 of the Dutch Civil Code and Ordina's diversity policy are taken as basic premises in the composition of Ordina's Supervisory Board. The latter policy was revised in 2021, and is now aimed at creating a diverse workforce in which differences are appreciated. The policy is also backed up by a diversity programme with concrete targets, workshops and network support for colleagues. Ordina also wants to be an organisation where everyone feels welcome and can get the best out of themselves and their teams. This is why Ordina is aiming to create an inclusive workplace by devoting attention to a safe culture and understanding for all. To this end, Ordina has formulated appropriate and ambitious goals, including a target percentage within the meaning of article 2:166 section 2 of the Dutch Civil Code with respect to the ratio of men and women in the Management Board and the Supervisory Board, plus senior management below the Management Board. For more information on the targets and the plan, see the Engaged and driven employees chapter on page 46 Because the policy was revised in 2021, with the addition of concrete goals and a target figure, Ordina did not draw up a progress report last year. This report will be drawn up from 2022 onwards. As at 31 December 2021, the composition of the Supervisory Board was balanced within the meaning of the Dutch Diversity Act and as of said date consisted of at least one third men and one third women.

On 8 April 2021, Dennis de Breij and Bjorn Van Reet were appointed as members of the Supervisory Board of Ordina N.V., for a term of four years to end at the close of the General Meetings to be held in 2025. As communicated in the press release dated 4 February 2021, Mr. Michiels stepped down from the board as of that date in connection with his appointment at the NRB Groep. From February 2021 to the General Meeting of 8 April 2021, Mr. Van Hall temporarily filled the vacant position on the audit committee resulting from the departure of Mr. Niessen.

Performance of the Board

In late 2021, with the assistance of an external party, the Supervisory Board assessed the performance of the Board as a whole, of its committees and of its individual members, as well as its interaction with the Management Board. The evaluation process included interviews with the members of the Supervisory Board, the Management Board and the General Counsel. The above-mentioned evaluation also included a collective discussion with all the members of the Supervisory Board.

The evaluation of the Supervisory Board members devoted attention to matters such as inter-personal relations, the members' level of relevant know-how with respect to Ordina, to their contributions in and outside meetings, to the reciprocal cooperation, and to the interaction with the Management Board. Another issue addressed was whether the members had sufficient time and the right facilities to carry out their assigned tasks effectively.

The evaluation showed that the shared image of the effectiveness of the Supervisory Board is positive. The cooperation between both boards was also found to be very positive. There is a great deal of mutual respect and openness and the members of the boards give each other space when needed. The combination of meetings, informal contacts and workshop-like sessions, including those in the field of strategy, provide direction and deepening where necessary and desirable, both in terms of substance and on the interpersonal front. This The manner of cooperation will continue in 2022, while a limited number of improvements will also be implemented.

In the context of the self-evaluation, the Board also determined that it sufficiently met the need for know-how about the operations of the company and the responsibilities of a member of the Supervisory Board, partly in view of the regular and informal contacts of the Supervisory Board members in their everyday activities and with the company.

With respect to the evaluation of the (individual members of the) Management Board, the Board found that both members performed well.

Corporate governance

This chapter, including references to other pages of this annual report, such as the remuneration report, the articles of association and other information, as well as Ordina's 'comply or explain' statement, together constitute the corporate governance statement as meant in article 2a of the decree on additional requirements for annual reports.[1]

General

The Supervisory Board and the Management Board bear joint responsibility for Ordina's corporate governance. The Supervisory Board and the Management Board evaluate Ordina Group's corporate governance structure and a number of related documents on an annual basis. Ordina uses the Dutch Corporate Governance Code as a basis for its corporate governance structure.

Ordina endorses all the points made in the Code and applies these in all relevant instances, with the exception of the best practice 4.2.3. Individual presentations to investors cannot be followed simultaneously by a broad audience via webcast, telephone or otherwise. During individual presentations, Ordina uses general presentations, which are or will be made available on the Ordina website. A number of principles and best practices are not applicable, due in part to the company's statutory structure. Instances of non-compliance are explained where applicable. Ordina's application of the Code is incorporated in the 'comply or explain' statement, which is available in the Corporate Governance section of the Ordina website. This document should be read in conjunction with this section of the annual report and is deemed to have been included herein by virtue of referral.

Management Board

The Management Board is the statutory board of Ordina N.V. and consists of the CEO and the CFO. The members of the Board have divided the various tasks between them.

As Ordina is a two-tier board company, the members of the Management Board are appointed by the Supervisory Board. The Supervisory Board also dismisses members of the Management Board. The Supervisory Board informs the General Meeting of any intended appointment or dismissal of a member of the Management Board. In accordance with the Code, members of the Management Board are appointed for a (maximum) term of four years on the basis of a management contract. There is no limit on the number of times members of the Management Board can be reappointed, each time for a new (maximum) term of four years. Said reappointments will always take into account the objectives of Ordina's diversity policy. If a new member is appointed to the Management Board, the key components of their contract are posted on Ordina's website at an appropriate time, in accordance with the Code.

In addition to its responsibility for the company's operational management, the Management Board is also responsible for defining a long-term vision on the value creation of the company and its associated enterprise and for defining an appropriate strategy for the realisation of same. The Management Board is held accountable for same by the Supervisory Board and the General Meeting. In performing its duties, the Management Board focuses on the long-term value creation of the company, taking into account the interests of various stakeholders.

Members of the Management Board will not hold more than two supervisory director positions with listed companies, nor will they act as the chairman of the supervisory board of a listed company. Acceptance by a Management Board member of a seat on a supervisory board is subject to the approval of the Supervisory Board. Other significant ancillary posts held by a Management Board member shall be reported in advance to the Supervisory Board.

The Supervisory Board determines the individual remuneration of the members of the Management Board in line with the Remuneration policy (more information on this subject is available in the 'Remuneration report' chapter on pages 109 through 118 of this annual report). In the year under review, there were no transactions involving a conflict of interest on the part of the members of the Management Board.

Additional information about the members of the Management Board is available on page 97 of this annual report.

Operations Committee and Strategy Committee

In the context of the execution of its 2022 strategy, as per 1 January 2021 Ordina has two distinct bodies: one is an informal forum that supports the Management Board in the operational management on the basis of a short-cyclical steering mechanism, while the other forum focuses on the execution of the strategic agenda. These fora, the Operations Committee and the Strategy Committee respectively, replaced the Executive Committee as of that date.

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[1] Staatsblad 2004, 747, amended with effective date 1 January 2018: Staatsblad 2017,332.

General Meeting

Ordina N.V. is a two-tier board company whose ordinary shares are listed on Amsterdam's NYSE Euronext stock exchange. The company does not have any provisions that restrict voting rights. No depositary receipts for shares have been issued with the cooperation of the company. The Articles of Association provide the option of issuing preference shares. In view of the above, a limited number of the Code's best practices do not apply.

The General Meeting is held annually in or around April. In accordance with the relevant legal provisions and the company's Articles of Association, notices convening shareholders' meetings, agendas of meetings and documentation for meetings are all duly published and posted on the corporate website. The agenda of a shareholders' meeting lists which items will be discussed and which will be subject to a vote. In the event that members of the Management Board and Supervisory Board are nominated for (re)appointment, said individuals will in principle be present at the General Meeting in question.

The company invites shareholders to submit questions prior to the meeting, so the company can answer said questions during the meeting.

Resolutions involving a major change in the identity or character of the company or its enterprise are subject to the prior approval of the General Meeting. This includes transferring virtually all or all of its operations, entering into a long-term partnership that is of great significance to the company, and acquiring or disposing of an equity interest worth at least one-third of the company's total consolidated assets. If a serious private bid is made for a business segment or an affiliate whose value corresponds to at least one-third of the company's total consolidated assets and this bid is made public, the Management Board will, at its earliest convenience, make public its position on the bid and the reasons for this position.

Resolutions to amend the company's Articles of Association can be adopted by the General Meeting by a simple majority of votes, at the proposal of the priority trust and subject to the approval of the Supervisory Board. Each material amendment to the Articles of Association will be submitted separately to the General Meeting, in which process different amendments to the Articles of Association can be tabled as a package if the Management Board feels that this is desirable with a view to the coherence of such amendments. This is subject to the approval of the Supervisory Board.

Shareholders have the right to place an item on the agenda of a shareholders' meeting, provided that they observe the relevant legal provisions. The Management Board can ask for a response time to comment on a request to propose a specific motion. Each year, a motion is put to the General Meeting to authorise the Management Board of Ordina N.V. to issue and/or grant rights to subscribe for shares. This is subject to the approval of the Supervisory Board. This authorisation is limited to a term of 18 months after the date on which the meeting granting the authorisation was held. In terms of scope, the authorisation is capped at a percentage of the share capital issued at that time. The meeting is also asked, subject to the approval of the Supervisory Board, to authorise exclusion or restriction of the pre-emptive rights upon the issuance or the granting of rights to subscribe for shares respectively. Each year, the General Meeting is also asked to grant authorisation to the Management Board, such for a period of 18 months, to purchase its own shares, within the boundaries of the law and the Articles of Association, and the bandwidth cited in said authorisation. Each motion to grant one of the above authorisations is submitted to the shareholders separately.

In accordance with the Code, shareholders are provided with reports of shareholders' meetings. The outcome of the votes held during a shareholders' meeting – for each agenda item separately – shall be published on the corporate website within 15 calendar days of the date of the meeting.

Details of major shareholders in Ordina N.V. are posted on its corporate website and published in its annual report, to the extent that Ordina is aware of same on the basis of notifications pursuant to the Dutch Financial Supervision Act (Wft).

More information regarding subjects including Investor Relations, (the current composition of) Ordina's share capital, and Ordina's dividend policy is available in the Provisions in the articles of association chapter, on pages 119 through 120 of this annual report.

The external auditor

The General Meeting held on 30 June 2020 reappointed Ernst & Young Accountants as external auditor for the financial years 2021 and 2022. Ordina endorses the Code's principles and best practice provisions with respect to the role and performance evaluation of the external auditor. Among other things, this means that the external auditor attends the General Meeting, so they can be questioned by shareholders regarding their opinion on the true and fair view given in the financial statements.

The company's external auditor attends at the very least those meetings at which the annual results and the interim results, plus the findings of the audit of the year-end and interim financial statements are discussed. The Supervisory Board meets with the external auditor at least once a year in the absence of the Management Board. The Supervisory Board is free to seek direct contact with the external auditor as often as the members of the

Supervisory Board deem this necessary. The external auditor receives all the financial information they need to carry out their tasks in good time, and is given the opportunity to respond to same.

Financial Statements and discharge
Ernst & Young Accountants LLP has audited the financial statements and issued an unqualified auditor's report. You will find this report from the independent auditor on page 203 of the Dutch annual report.

The Supervisory Board and the Management Board discussed both the financial statements and the external auditor's findings on the basis of their audit of the financial statements in a meeting in the presence of the external auditor. The members of the Supervisory Board have approved and signed the financial statements in accordance with the provisions of article 2:101, section 2 of the Dutch Civil Code. We propose that the General Meeting of Shareholders adopt the financial statements for 2021 as presented. We ask the General Meeting of Shareholders to discharge the Management Board for their management and, independently of same, also discharge the Supervisory Board for their supervision of said management.

Final remarks
The Supervisory Board wishes to note that given the extraordinary circumstances due to the pandemic, the year under review was once again an exceptionally challenging year. Thanks to their engagement and hard work, the Management and all Ordina employees managed to continue the positive trend, resulting in more satisfied clients, a pleasant working environment and strong financial results. We would like to thank the Management Board and all employees for that!

Nieuwegein, 16 February 2022

Supervisory Board Ordina N.V.
Johan van Hall, *Chairman*
Caroline Princen, *Vice-Chairman*
Dennis de Breij
Thessa Menssen
Bjorn Van Reet

BEING AHEAD OF CHANGE HAS ITS ADVANTAGES

Logging in to the app feels **'seamless'** and its gives users access to all their **care needs**

Ordina is helping healthcare insurer VGZ with its digital acceleration via a number of innovations, including the VGZ Zorgapp (healthcare app). This user-friendly app is helping VGZ to increase client loyalty, plus it saves costs because fewer people have to call VGZ for help or information.

REMUNERATION REPORT

Report for advisory vote at 2022 General Meeting.

Introduction

In this Remuneration Report, also the remuneration report within the meaning of Section 135b of Book 2 of the Dutch Civil Code, we look back at the year 2021 and explain the main features of the Management Board's remuneration policy. We also provide a summary of the performance of Ordina N.V. (the 'Company') and the remuneration partly related to this performance-based remuneration of the members of the Management Board. We also present the main features of the Supervisory Board's remuneration policy in this Remuneration Report, including an overview of the remuneration paid to the members of the Supervisory Board in 2021. In line with the provisions of the Corporate Governance Code, the remuneration paid to the Supervisory Board is not in any way related to the Company's performance.

Management Board remuneration policy 2021

Below is a summary of the current 2020 remuneration policy and an account of how this was applied in the year under review. The full remuneration policy is available on the Ordina website (www.ordina.com).

The 2020 Remuneration Policy was adopted by the General Meeting of 30 June 2020 by a majority of more than 99% of the votes cast. At the same meeting, the General Meeting issued a positive opinion on the 2020 Remuneration Report by a majority of more than 99% of the votes cast. The Supervisory Board sees this as confirmation that the shareholders approve of Ordina's current remuneration policy and how it is accounted for.

Ordina aims to have a remuneration policy that is in line with the market and that rewards Management Board members for meeting challenging operational and performance-driven targets in the short term and ambitious strategic and financial targets in the long term. The remuneration policy should help the company to attract and retain high-calibre qualified and expert directors who possess the orientation and background required to lead and manage a successful IT company.

Ordina takes into account its identity, mission and values when formulating the remuneration policy. This means that Ordina's efforts to create sustainable long-term value through innovative solutions that are relevant and attractive to a wide range of stakeholders, such as clients and employees, are aligned with its value creation model. The specific targets defined this way (in the areas of improved returns, revenue growth, growth in added value, employee engagement and corporate social responsibility) form the basis for the formulation of the performance criteria used to determine the remuneration of the Management Board.

Any determination of the total remuneration takes into account the remuneration ratios within the Ordina Group and the Group's policies at any given time with regard to employee remuneration. The same rules apply to members of the Management Board as to other employees, for instance with regard to mobility and pensions. Where appropriate, past conduct and the specific Ordina context/history are also taken into account. Alignment with social developments and public support are sought through frequent contacts with stakeholders. These contacts did not result in anything of note or specific points of attention in 2021. In addition, discussions are held annually with Ordina's Works Council on the level and content of employee benefit schemes.

The Remuneration, Nomination and HR Committee conducts an annual scenario analysis and, as such, has a clear picture of the possible outcomes of the various scenarios. The scenario analyses are mainly qualitative in nature. One factor in this is that the remuneration policy does not include any (share) options and that the variable remuneration is limited in various ways (for example, there are threshold values for the individual KPIs).

Another factor taken into consideration is whether the Company's strategic objectives are in line with the targets applied for the relevant reference year/period. For the year 2021, it was determined that this was the case, and the chosen targets were found to be appropriate.

Reference market

The Remuneration, Nomination and HR Committee evaluated the remuneration policy of the Management Board in early 2020. This evaluation was based on the results of a benchmark study, in which the remuneration was tested for market conformity. Particular attention was paid to the alignment with the business strategy and consistent internal pay ratios, in light of the statutory requirements in this regards. As part of the aforementioned benchmark study, in 2020 the Supervisory Board determined the reference market, which is unchanged and shown below. The relevant reference market was determined on the basis of size (market cap, FTEs and revenue). Companies active in the real estate sector and pharmaceutical industry are excluded, as these are subject to specific legislation and/or have a different dynamic.

Reference market

Accell Group NV
ForFarmers NV
Heijmans NV
ICT Group NV
Kendrion NV
Nederlandsche Apparatenfabriek Nedap NV
Neways Electronics International NV
Sif Holding NV
Brunel International NV
DPA Group NV
Basic Fit NV
Beter Bed NV
Hydratec Industries NV
Koninklijke Wessanen

The remuneration policy aims to position the total remuneration for the Management Board at a competitive level in the general market for directors in the Netherlands, assessed on the basis of job level. The Supervisory Board determined the relevant reference market in early 2020 (see above) and the basic premise is a positioning of the total fixed and variable remuneration package at around median level.

Elements of Management Board remuneration policy

In line with common practices in the market, the remuneration policy for the Management Board comprises the following elements:

- Base salary, including holiday allowance;
- Short-term variable bonus;
- Long-term variable bonus;
- Pension provision;
- Participation in the car lease scheme in place at Ordina and the use of a laptop and a mobile phone

Remuneration component	Policy level
Base salary, including holiday allowance	The level of the base salary, including holiday allowance, reflects the demands made on the CEO and other members of the Management Board. In principle, the various tasks and responsibilities of the CEO and the other members of the Management Board justify a remuneration difference of 20%-30% between the CEO and the other members (defined on the basis of the CEO). Salaries may be subject to annual indexation (taking into account the salary margin made available to the staff in the Netherlands).
Short-term variable bonus	On-target: 50% Maximum: 70% of the base annual salary plus holiday allowance (8%)
Long-term variable bonus	On-target: 50% Maximum: 85% of the base annual salary plus holiday allowance (8%)
Pension	Participation in capital insurance on defined contribution basis and maximum legal pensionable salary (2021: EUR 112,189) Pension premiums are for the account of the Company
Participation in the car lease scheme applicable at Ordina	Participation in the car lease scheme applicable at Ordina (the scheme that applies to all employees in the Netherlands).
Provision of laptop and mobile phone	Provision of laptop and mobile phone in line with the mobile phone scheme applicable at Ordina (the scheme applicable to all employees in the Netherlands).

Ordina at a glance
Foreword
A look back at 2021
Client cases
Who we are and what do we do?
Strategic pillars, goals & results
Being ahead of the game has its advantages
Risks
Governance
Composition Management Board and Supervisory Board
Report of the Supervisory Board
Remuneration report
Provisions of the articles of association
Financial Statements
Other information
Contents Annual report
Contents Financial statements

Base salary including holiday allowance

The Remuneration, Nomination and HR Committee shall determine at least every four years whether the base salary level needs to be adjusted. In principle, the committee performs this review in the first half of the year, also taking into consideration the relevant reference market and individual performances. In addition, salaries may be subject to (annual) indexation. In connection with the reappointment of the members of the Board of Management as of 30 June 2020, the policy level of the base salary including holiday allowance of the CEO and the then CFO at that time were redefined as of 1 January 2020. At that time and on the basis of a full year salary, this amounted to:

CEO	430,000
CFO	315,000

Variable bonus

The Management Board remuneration policy includes both short-term and long-term components with respect to variable bonuses. The aim of this is to realise both more short-term targets for the Company and long-term value creation. This is also taken into account in the annual determination of the performance criteria ('KPI') and their weighting. Claw-back clauses and a minimum holding period for unconditionally awarded performance shares also underline the importance attached to long-term value creation in the above.

Short-term variable bonus

Each year, a short-term variable bonus can be paid out. The amount of the bonus depends on the realisation of specific targets. The Supervisory Board's Remuneration, Nomination and HR Committee determines the relevant KPIs annually; some of these KPIs are linked to financial targets (minimum of 70%) and some to non-financial targets (maximum of 30%). KPIs include: (revenue) growth, improved returns (EBITDA margin), employee engagement, client satisfaction, growth in added value, resilience and corporate social responsibility.

At the start of each reference year, the Supervisory Board determines whether the (list of) KPIs needs to be adjusted, depending on current circumstances and (strategic) priorities. Each year, the Supervisory Board also determines the targets for that reference year, including the weighting. After the end of a reference year, the Supervisory Board assesses the extent to which the various performance criteria have been met. If, in the opinion of the Supervisory Board, all stated performance criteria have been met in a reference year (on-target performance), the members of the Management Board are awarded a short-term variable bonus for this reference year equivalent to 50% of their reference salary. An exceptionally good performance (max. above-target performance) may, under the policy, result in a maximum short-term variable bonus of 140% of the on-target short-term bonus awarded (70% of the reference salary). If the Management Board members fail to realise at least 80% of the relevant performance target (below-target performance), no short-term variable bonus is paid for that target.

Short-term variable bonus (STI) – pay-out range – amounts in EUR

	CEO	CFO
below target (minimum)	-	-
on target	215,000	157,500
above target	301,000	220,500

The level of the actual short-term variable bonus to be paid out - within the above pay-out range - is determined on the basis of a weighted average (sum of all weighted sub scores per KPI)

Long-term variable bonus

Each year, a number of Ordina N.V. long-term performance shares are conditionally awarded to the members of the Management Board. The realisation of the Management Board's long-term variable bonus is determined on the basis of a number of KPIs, both financial and non-financial, set by the Supervisory Board. A minimum of 70% of the long-term variable bonus is related to financial targets, the remaining maximum 30% is related to non-financial targets. The Supervisory Board's Remuneration, Nomination and HR Committee determines the relevant KPIs annually; some of these KPIs are linked to financial targets (minimum of 70%) and some to non-financial targets (maximum of 30%). KPIs include: (revenue) growth, improved returns (the EBITDA margin), employee engagement, client satisfaction, growth in added value, resilience and corporate social responsibility. KPIs are partly the same as those for the short-term variable bonus and each has its own dynamics, depending on the long-term or short-term horizon.

At the start of each reference year, the Supervisory Board determines whether the (list of) KPIs for the relevant reference period needs to be adjusted, depending on the current circumstances and (strategic) priorities. The Supervisory Board also determines the targets for the relevant reference period each year, including the weighting. When weighting the KPIs, the Supervisory Board takes into account the long-term nature of (this part of) the remuneration. The number of shares that can be obtained after the end of a reference period in the event of on-target performance is determined on the basis of 50% of the base salary (plus 8% holiday allowance: 'reference salary') paid to the Management Board member in the first year of the reference period, divided by the closing price on the last trading day of the previous financial year. An exceptionally good performance can lead to the unconditional vesting, after

Ordina at a glance
Foreword
A look back at 2021
Client cases
Who we are and what do we do?
Strategic pillars, goals & results
Being ahead of the game has its advantages
Risks
Governance
Composition Management Board and Supervisory Board
Report of the Supervisory Board
Remuneration report
Provisions of the articles of association
Financial Statements
Other information
Contents Annual report
Contents Financial statements

the end of the reference period, of 170% of the on-target number of conditionally awarded performance shares. If a member of the Management Board achieves 80% of the KPIs set for the relevant reference period, 50% of the on-target number of performance shares conditionally awarded will be vested unconditionally. If a member of the Management Board failed to achieve at least 80% of the relevant performance target, no long-term variable remuneration will be paid out for that target.

Long-term variable bonus (LTI) – pay-out range (amounts in EUR)

	CEO	CFO
below target (minimum)	-	-
on target	215,000	157,500
above target	365,500	267,750

The level of the long-term variable bonus to be granted - within the above pay-out range - is determined on the basis of a weighted average (sum of all weighted sub scores per KPI).

Pension

Members of the Management Board participate in the standard Ordina pension scheme, as outlined in the Insurances addendum of the General Employment Terms and Conditions and in accordance with the prevailing pension scheme. The pension basis used is the legally maximised pensionable salary less the franchise. The annual pension premiums for said scheme are for the account of the Company and will be paid by the Company.

Other benefits

The Company makes a car, a laptop and a mobile phone available to members of the Management Board.

Management agreement

- The members of the Management Board work on the basis of a management agreement. This agreement includes a notice period of three months (Director) and six months (Company) respectively.
- The management agreement is subject to a change-of-control clause (if the position or tasks of a member of the Management Board change significantly as a result of the acquisition of the Company, resulting in a change of control of the Company, a member of the Management Board will receive compensation equal to one year's base salary).
- In certain circumstances, members of the Management Board are entitled to a severance payment. This payment will not exceed one year's base salary.

Application remuneration policy in 2021

Base salary

The base salaries, including holiday allowance, of the members of the Management Board were unchanged as of 1 January 2021 and were EUR 430,000 (CEO), and EUR 315,000 (CFO) respectively, on a full-year basis. Both members of the Management Board at the time voluntarily forewent the salary increase granted for 2020. As per 1 January 2022, the base salaries of the members of the Management Board were indexed by 2.79%. This percentage is based on the average salary increase within Ordina the Netherlands in 2021. This means that of the aforementioned date, the salaries of the members of the Management Board are as follows:

Full-year annual salary

	Base salary	After indexation
CEO	430,000	441,997
CFO	315,000	323,789

The fixed salary of Ms. Joyce van Donk-van Wijnen is subject to incremental increase arrangement, with the above-mentioned salary of EUR 323,789 applicable from 1 January 2023:

Incremental increase arrangement Joyce van Donk-van Wijnen CFO

	Base salary
As per 1 Januari 2021	260,000
As per 1 Januari 2022	295,521
As per 1 Januari 2023	323,789

Short-term variable bonus

In accordance with the Remuneration Policy for the Management Board of Ordina N.V., the short-term bonus is based on financial and non-financial targets, with the financial targets carrying greater weight than the non-financial targets. The members of the Management Board have the same targets.
The ratio between financial and non-financial targets has been set as follows for the year under review: at least 70% of the short-term variable bonus is based on financial targets in the reference year. The chosen KPIs are revenue (30%) and EBITDA margin (40%). The remaining 30% of the short-term variable bonus for the year under review is based on non-financial targets. These include employee engagement, client satisfaction, ESG objectives, growth of added value services, house in order and resilience. The targets have been selected in such a way that they do not provide any incentive for a member of the Management Board to put their own interests above those of the company or to take risks that are not in line with the company's strategy.

The Supervisory Board has with some satisfaction determined Performed above target with respect to the financial targets for 2021. On an underlying level, the quality of the revenue also continued to improve, and

Ordina at a glance
Foreword
A look back at 2021
Client cases
Who we are and what do we do?
Strategic pillars, goals & results
Being ahead of the game has its advantages
Risks
Governance
Composition Management Board and Supervisory Board
Report of the Supervisory Board
Remuneration report
Provisions of the articles of association
Financial Statements
Other information
Contents Annual report
Contents Financial statements

STI – realisation of 2021 targets

Target	Nature of the target	Weighting	On target determination	Realisation absolute	Pay out factor	Pay out in % of weighting target
Revenue (in EUR million)	Financial	30.0%	382.0	394.5	1.20	36.0%
EBITDA margin (in %)[1]	Financial	40.0%	11.0%	12.7%	1.20	48.0%
Subtotal financial criteria		**70.0%**				**84.0%**
Client satisfaction	Non-financial		70.0			
Employee engagement	Non-financial		7.5			
Annual ESG targets	Non-financial		3.0			
House in order	Non-financial		80.0%			
Resilience	Non-financial		5.5			
Growth in added value	Non-financial		43.9%			
Subtotal non-financial criteria		**30.0%**	**3.0**	**3.0**	**1.00**	**30.0%**
Total		**100%**				**114.0%**

productivity and other benchmarks improved. The pay-out percentage for the revenue target has been set at 103.3%, or a weighted 120%. For the EBITDA margin target, this has been set at 115.5%, or a weighted 120%. The total weighted pay-out on the financial targets amounts to 120%.

The score for the non-financial targets has been set at three (on target). A number of the non-financial KPIs were achieved in 2021, such as client satisfaction and employee engagement, while some lagged the expressed ambition. The various indicators of client satisfaction and employee engagement confirmed the measures taken and the 2022 strategy had a positive impact and these will also serve as a basis for the 2026 strategy. In 2021, Ordina devoted a great deal of attention to growth of the business proposition revenue. Despite the fact the company took the correct steps on this front, it did not meet the target. The run-up to the effective start of the teams and assignments has taken longer than expected. Ordina also put its ESG strategy more firmly on its agenda. It also refined its strategy on this front and formulated a long-term target for 2030 and took various actions and drew up a number of plans. The house in order and resilience targets are now embedded in the management systems and are subject to constant attention. The pay-out percentage for the non-financial targets has been set at 100%, or a weighted 100%.

In view of the above, the Supervisory Board decided to award Jo Maes (CEO) a short-term bonus of EUR 245,100 and Joyce van Donk-van Wijnen (CFO) a short-term bonus of EUR 148,200. The short-term bonuses for both members of the Management Board are equivalent to a pay-out percentage of 114% of the on-target short-term variable bonus.

Long-term variable bonus

Like the short-term bonus, the long-term bonus is based on financial and non-financial targets, with the financial targets carrying more weight than the non-financial targets. These targets are also the same for both members of the Management Board and are determined at the start of every three-year period for the total duration of this performance period for the relevant (three-year) reference period.

If the targets defined as on-target are realised, the long-term variable bonus amounts to 50% of the gross annual base salary plus the prevailing percentage of holiday allowance. The long-term component of the variable bonus pertains to a payment in Ordina N.V. shares, and each current scheme has a term of three years. Pursuant to the remuneration policy, the value of the on-target number of shares to be awarded is equal to 50% of the fixed salary (including holiday allowance) payable to the directors in the first year of the three-year period. At the start of each three-year period, directors

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1 This pertains to a non-IFRS measurement. The 2019-2021 STI scheme is subject to an EBITDA target after the application of IFRS16 Leases.

LTI - realisation of 2021 targets (window 2019-2021)

Target	Nature of the target	Weighting	On target determination	Realisation absolute	Pay out factor	Pay out in % of weighting target
Revenue (in EUR million)	financial	30.0%	395.4	394.5	1.00	30.0%
EBITDA margin (in %)[1]	financial	40.0%	7.5 %	9.8 %	1.70	68.0%
Subtotal financial targets		**70.0%**				**98.0%**
Client satisfaction	Non-financial		70	-		
Employee engagement	Non-financial		7.0	-		
Annual ESG targets	Non-financial		3.0	-		
Development quality senior management	Non-financial		+5%	-		
Subtotal non-financial targets	**Non-financial**	**30.0%**	**3.0**	**3.0**	**1.00**	**30.0%**
Total		**100%**				**128.0%**

are conditionally awarded a number of shares on the basis of the closing share price of Ordina N.V. shares at the end of the preceding calendar year. At the end of the three-year period, shares are granted unconditionally on the basis of targets met measured against the targets set. Shares obtained this way are delivered in the year after the final year of the three-year period. Members of the Management Board are not permitted to sell their shares within two years of those shares being granted unconditionally, unless any sale of such shares is for the sole purpose of paying any levies and premiums due with respect to those shares. In view of this, unconditionally granted shares are delivered into a blocked deposit account.

The ratio of financial and non-financial targets for the 2019-2021 scheme is as follows: 70% of the long-term variable remuneration is related to the development of Ordina's results. The KPIs for this scheme are revenue (30%), EBITDA margin (40%). The non-financial targets for the long-term variable bonus are also: employee engagement, client satisfaction, growth in added value services and ESG targets. Achieving these objectives is crucial on both an operational and strategic level, which is why these objectives are partly used for both short-term and long-term variable remuneration. The chosen KPIs each have their own dynamics in these different time horizons and therefore have their own impact on the Management Board's performance.

As stated above, the Supervisory Board determined that the revenue target had been met. The EBITDA target was above target, due in part to a continued improvement in productivity. The pay-out percentage for the revenue target has been set at around 100%, or a weighted 100%. The pay-out for the EBITDA target has been set at around 129%, or a weighted 170%. The total weighted pay-out for the financial targets amounts to 140%.

The score for the non-financial targets has been determined at three (on target). As stated above, a number of the non-financial target were met while others lagged the expressed ambition, such as the target for growth in added value services. While this shift in Ordina's business model in 2021 did result in strong growth, this was not as strong as the target set for last year. At the same time, Ordina has now taken the right actions for the realisation of this target in the medium to long term. The pay-out percentage for the non-financial targets has been set at 100%, or a weighted 100%. The total weighted pay-out for non-financial targets amounts to 100%.

In view of the above, 173,727 (Jo Maes) and 23,357 (Joyce van Wijnen) performance shares respectively have been made unconditional. This is equivalent to a pay-out percentage of 128% of the on-target long-term variable bonus of the Management Board. The shares to be granted unconditionally in the context of the above will be delivered in the first quarter of 2022.

You will find the main aspects of the current variable bonus schemes for the members of the Management Board in the overview on page 115 of this annual report.

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[1] This pertains to a non-IFRS valuation. The 2019-2020 STI scheme is subject to an EBITDA target after the application of IFRS16 Leases.

Current long-term variable bonus schemes

	General terms share schemes				Information about the financial reporting year					
					Opening balance	In the course of the year				Closing balance
Reporting year 2021	Performance period	Conditional granting date	Unconditional granting date	End holding period	Number granted at the start of the year	Number of shares granted conditionally	Number of shares granted unconditionally	Number of shares dependent on performance targets	Number of shares vested at year-end	Number of shares dependent on variation criteria
J.G. Maes - CEO	2017-2019	1-05-17	12-02-20	11-02-22	-	-		-	-	105,278
	2018-2020	25-04-18	18-02-21	17-02-23	123,686	-	167,285	-	-	88,619
	2019-2021	22-03-19	Q1 2022	Q1 2024	135,724	-	-	135,724	135,724	-
	2020-2022	12-02-20	Q1 2023	Q1 2025	94,573	-	-	94,573	94,573	-
	2021-2023	18-02-21	Q1 2024	Q1 2026	-	74,783	-	74,783	74,783	-
J.F. van Donk-van Wijnen[1] - CFO	2018-2020	5-07-18	18-02-21	n.a.	11,057	-	14,955	-	-	-
	2019-2021	9-05-19	Q1 2022	n.a.	18,248	-	-	18,248	18,248	-
	2020-2022	22-06-20	Q1 2023	n.a.	12,714	-	-	12,714	12,714	-
	2021-2023	18-02-21	Q1 2024	Q1 2026	-	45,217	-	45,217	45,217	-

Outlook 2022

In the meeting of 16 February 2022, the Supervisory Board considered whether the targets set for last year, are appropriate for the year 2022. The Supervisory Board determined that it wished to maintain the list of targets for the short-term variable bonus. However, it does wish to adjust the list of targets for the long-term variable bonus and the weighting of same, to put more emphasis on (the implementation of) the 2026 strategy. For the long-term 2022-2024 variable bonus, the Supervisory Board will use the following financial targets: revenue growth (30%) and EBITDA margin (30%). Of the revenue growth target, 10% depends on revenue growth achieved through acquisitions For the non-financial targets (30%), the Supervisory Board will use the following targets: client satisfaction, employee engagement, ESG targets, net growth in direct employees and growth in added value. The realisation of these targets will once again be assessed on a combined basis. The targets deemed leading in the context of the Ordina 2026 strategy will generally have a greater relative weighting than the other targets.

Pension scheme

Both members of the Management Board participate in the pension scheme provided by the Company.

Other benefits

The company makes a laptop, a mobile phone and a car available to the members of the Management Board. The associated costs for these benefits for the Management Board members was around EUR 0.1 million in 2021. Said costs are included as part of the overall remuneration in the overview below. In addition to a car being made available to them, the Management Board members also have the option of hiring a driver in certain circumstances. The cost of same is not part of the other benefits and therefore not included in the overview above.

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[1] The 2018-2020, 2019-2021 and 2020-2022 schemes for J.F. van Donk-van Wijnen were awarded under the senior management bonus scheme.

Ordina at a glance
Foreword
A look back at 2021
Client cases
Who we are and what do we do?
Strategic pillars, goals & results
Being ahead of the game has its advantages
Risks
Governance
Composition Management Board and Supervisory Board
Report of the Supervisory Board
Remuneration report
Provisions of the articles of association
Financial Statements
Other information
Contents Annual report
Contents Financial statements

Compensation Board of Directors

			J.G. Maes			J.F. van Donk-van Wijnen
Amounts in euro 1,000, unless indicated otherwise	**2021**	2020	delta	**2021**	2020	delta
Base salary	430	387	11%	260	n.a.	n.a.
Other payments	46	43	7%	17	n.a.	n.a.
One-year variable	245	205	20%	148	n.a.	n.a.
Multi-year variable	337	349	-3%	78	n.a.	n.a.
Extraordinary items	-	-	0%	-	n.a.	n.a.
Pension expense	8	7	14%	7	n.a.	n.a.
Total	**1,066**	**991**	**8%**	**510**	**n.a.**	**n.a.**
Base compensation	45%	44%		56%	n.a.	
Performance related	55%	56%		44%	n.a.	

Severance pay

In the year under review, no severance pay was paid out to Management Board members. There were also no instances of a claw-back of a bonus as meant in article 2:135 section 8 of the Dutch Civil Code.

Share options

The Management Board members have not received any share options (share options are not part of the remuneration policy).

Personal loans, advances and sureties

No personal loans, advances or sureties were issued for the benefit of members of the Management Board.

Developments in remuneration

In accordance with article 2:135b section 2 sub e of the Dutch Civil Code, the table below shows the annual changes in the remuneration of the individual Management Board members over the past five financial years, the average remuneration of employees of the Company over the past five financial years on the basis of a full-time working week, and the development in the Company's performance based on the following KPIs: revenue, net profit and employee engagement. These targets were selected on the basis of their relevance in recent years and because they facilitate consistent reporting and comparison across the aforementioned years.

The amounts in the table below have been extrapolated and are presented on an annual (total) basis.

Pay ratio

Pursuant to best practice provision 3.4.1 sub iv of the Dutch Corporate Governance Code, each year Ordina determines the pay ratio between the Management Board and other employees in the Ordina Group. Ordina calculates this pay by dividing the average costs of the Management Board by the average costs per employee for the entire Ordina Group. The pay ratio calculated in this manner was 10.7 for 2021 (2020: 11.8). With effect from reporting year 2020 and in anticipation of developments, the ratio is also calculated by presenting the ratio between the total annual remuneration of the CEO and the average annual remuneration of the company's own employees. This ratio was 14.5 in 2021 (2020: 13.9). In view of the nature of the company (by virtue of which the costs for external hires would provide a different picture compared to the costs of Ordina's own employees and would thus distort the picture), and deviating from the provisional recommendation of the Monitoring Committee Corporate Governance, external hires have not been included. This is also in line with Ordina's strategy, which is targeting growth it the company's own employees. From a strategic perspective, excluding external employees from the calculation of the pay ratio therefore provides a more consistent picture than if they were included.
The changes in the ratios calculated in this manner were largely due to the lower salary costs for the current CFO on account of the incremental increase arrangement agreed with her for her base salary, and higher salary costs for the CEO in 2021, as a result of the salary increase of 11% he was awarded on 1 January 2020, which was voluntarily waived for 2020.

Development in remuneration

Directors remuneration(on a full-time equivalent basis) *Amounts in euro 1,000, unless indicated otherwise*	**2021**	2020	2019	2018	2017
J.G. Maes, CEO	1,066	991	891	747	638
J.F. van Donk-van Wijnen, CFO	510	n.a.	n.a.	n.a.	n.a.
J.W. den Otter, CFO	n.a.	692	609	515	435
S. Breedveld, CEO	n.a.	n.a.	n.a.	n.a.	792
Company performance					
Revenue (in miljoenen euro's)	394.5	369.2	372.3	358.5	342.0
Net profit (in miljoenen euro's)	24.6	22.3	14.9	6.9	3.1
Employee engagement score	7.6	7.5	7.1	7.1	6.8
Average remuneration (on a full-time equivalent basis)					
Directors of the company	788.0	841.5	750.0	631.0	565.0
Employees of the company	73.5	71.1	70.7	72.1	71.8
Pay ratio Directors	10.7	11.8	10.6	8.8	7.9
Pay ratio CEO	14.5	13.9	12.6	10.4	10.0

Supervisory Board remuneration

The aim of the Supervisory Board's remuneration policy is to enable Ordina to recruit competent supervisory directors. In accordance with best-practice provision 3.3.1 of the Dutch Corporate Governance Code, the remuneration of the Supervisory Board members reflects the time commitment and responsibilities of their position and does not depend on the Company's results. The remuneration is based on the current remuneration policy as adopted by the General Meeting of 30 June 2020. The RNH committee reviews the policy on an annual basis. The policy is reviewed and submitted for adoption to the General Meeting at least every time this is changed substantively or, in the absence of such a change, every four years. Various stakeholders are involved in determining the policy, such including in any case the Works Council.

In line with that policy, the fixed remuneration for a member of the Supervisory Board was EUR 40,000 in 2021. The remuneration for the chair of the Supervisory Board was EUR 60,000 in the year under review. In addition to the above remuneration, the chairs and members of the audit and RNH committees received an annual stipend of EUR 7,500 and EUR 5,000 respectively. The Supervisory Board members do not receive a variable bonus.

No personal loans, advances or sureties were issued for the benefit of members of the Supervisory Board in 2020.

Members of the Supervisory Board are permitted to hold shares in Ordina N.V. for long-term investment purposes (obviously with due observance of the prevailing laws and regulations in this area).

At both year-end 2021 and year-end 2020, the members of the Supervisory Board did not hold any Ordina N.V. shares.

Compensation RvC

(Amounts in euro 1,000)	**2021**	2020	2019	2018	2017
J. van Hall, chairman	66	65	65	n.a.	n.a.
C. Princen, vice chairman	48	47	47	44	n.a.
T. Menssen	48	24	n.a.	n.a.	n.a.
D.R. de Breij	33	n.a.	n.a.	n.a.	n.a.
B. Van Reet	33	n.a.	n.a.	n.a.	n.a.
F. Michiels	4	23	n.a.	n.a.	n.a.
J. Niessen	n.a.	32	45	45	40
D.J. Anbeek	n.a.	24	48	48	43
P.G. Boumeester	n.a.	n.a.	12	48	43
J.G. van der Werf	n.a.	n.a.	n.a.	20	57
A. Kregting	n.a.	n.a.	n.a.	45	40
Total	**232**	**215**	**217**	**250**	**223**

PROVISIONS IN THE ARTICLES OF ASSOCIATION

Protective measures and Stichting Prioriteit Ordina Groep

The priority share foundation Stichting Prioriteit Ordina Groep ('Stichting Prioriteit') is the bearer of the priority share issued by the company.

Pursuant to the best practice provision 4.2.6 of the Dutch Corporate Governance Code, the company must provide an overview of all outstanding or potentially applicable protective measures that are in place to protect the company from any acquisition of control over the company. The company must also state in which circumstances it expects such measures could be used. The priority share held by the Stichting Prioriteit may be considered such a measure.

The Stichting Prioriteit has a right of nomination in the appointment of members of the Supervisory Board and a right of approval on proposals to amend the company's articles of association. The Stichting Prioriteit has announced it intends to use these rights only in exceptional cases. These include instances in which the board of the Stichting Prioriteit believes that the continuity of the company and/or its strategy are at risk. This may be the case, for instance, if a public bid is announced or made for the ordinary shares in the company, or if there is a reasonable expectation that such a bid will be made, without sufficient prior consultation with the company on such a bid. Such a situation may also arise if one shareholder or multiple shareholders acting in a mutually agreed manner hold a considerable proportion of the outstanding share capital without making a bid. Another example is a situation in which, in the eyes of the board of the Stichting Prioriteit, one or more shareholders, who are acting in a mutually agreed manner, exercise their voting rights in a manner that constitutes a material conflict with the interests of the company.

In such or other circumstances in which the continuity and/or the strategy of the company are at risk, the board of the Stichting Prioriteit reserves the right to actively exercise its right of nomination in the appointment of members of the Supervisory Board and the right of approval with respect to proposals to amend the articles of association.

The rights and responsibilities of the Stichting Prioriteit do not prejudice the (statutory) responsibility of the Supervisory Board and the Management Board to investigate all options in the event that the continuity and/or the strategy of the company are at risk, such in order to ensure that the interests of the company, its shareholders and other stakeholders are safeguarded to the greatest possible extent. In the event, for instance, of a hostile takeover bid or other circumstances that the Management Board and the Supervisory Board consider harmful to the interests of the company, the Management Board and the Supervisory Board reserve the right to take all measures possible (including the right to claim a response period in accordance with provision 4.1.7 of the Code). The interests of the company, its group companies and other stakeholders will be taken into consideration in such an instance.

Provisions of the articles of association on appropriation of profits

If any financial statements submitted by the Supervisory Board and adopted by the General Meeting should disclose that Ordina has made a profit in the year under review, the General Meeting shall determine how that profit shall be appropriated. Dividends on preference shares shall not exceed the statutory interest rate prevailing at the date the dividends are declared. If applicable, dividends on preference shares are calculated on the basis of the paid-up amount of their par value.

Dividend policy

Ordina has a transparent dividend policy Ordina pays out between 40% and 60% of the net profit on the following conditions:

- a solvency ratio of at least 35% in past reporting year;
- the net debt/ EBITDA ratio for Q3 and Q4 of the past reporting year is less than 1.25;
- the expected net debt/ EBITDA ratio in Q1 and Q2 is less than 1.25, following the payment of dividend.

This is based on the premise that Ordina wants to safeguard healthy balance sheet ratios. The remaining net profit is added to the company's general reserves and used to finance our growth ambitions (combining both organic and non-organic growth). In the event of any surplus cash, Ordina will consider the pay-out of a variable extra dividend.

Appropriation of profits

In the year under review, Ordina recorded a net profit of EUR 24.6 million. The net earnings per share (EPS) amounted to EUR 0.26. The company will submit a proposal to the General Meeting, proposing the payment of a cash dividend of 15.8 eurocents per share to be charged to the net profit for 2021.

Purchase of treasury shares

The General Meeting held on 8 April 2021 authorised the Management Board – subject to the approval of the Supervisory Board – to purchase treasury shares as referred to in article 8 of the articles of association, such for a period of 18 months commencing on 8 April 2021. The treasury shares will be purchased on the stock exchange or otherwise, up to a maximum of 10% of the issued capital as at 8 April 2021 and at a price ranging between (i) the shares' par value and (ii) the share price plus 10%. The share price referred to above shall be equivalent to the average closing price of Ordina N.V. shares as stated in the Official List of Euronext Amsterdam N.V. for the five consecutive trading days immediately prior to the date of purchase

Significant agreements within the meaning of article 1 sub j of the Decree implementing article 10 of the Takeover Directive

The company has one contract within the meaning of article 1(j) of the decree implementing article 10 of the Dutch Takeover Directive. This involves the credit facility described in note 15 on page 166 of the financial statements. If, at any time, a shareholder or a group of shareholders acting jointly should acquire more than 50% of the total issued share capital, control more than 50% of the total number of voting rights or acquire the right to appoint the majority of the Management Board members, these credit facilities may be terminated. If the facilities are thus terminated, any unused borrowing capacity will lapse and any issued credit facilities will become payable.

Ordina shares

Ordina has been listed on the stock exchange since 1987. All outstanding ordinary shares in Ordina N.V. are listed on Euronext Amsterdam. Ordina N.V. shares are included in the Small Cap Index (AScX). We attached a great deal of importance to having a good relationship with our shareholders. We inform our shareholders, investors and the market in a transparent manner about our strategy, developments at our clients, staffing developments and our performance.

Transparency and accessibility is enormous importance, as this provides investors with the information, they need to estimate the value of our shares and our company. By maintaining an open dialogue with shareholders, analysts and banks, Ordina raises the profile of our shares among institutional and private investors.

Ordina organises regular roadshows in Amsterdam, London and Paris. In 2021, these roadshows were organised digitally.

Share capital

The number of outstanding shares stood at around circa 93,3 million at year-end 2021. No preference shares had been issued at year-end 2021. One priority share had been issued year-end 2021. In 2021, Ordina did not issue any new shares in 2021. Each listed ordinary Ordina N.V. share gibes the right to one vote. For an explanation of how the priority share works, we refer you to page 119.

Shareholdings members of the Management Board at year-end 2021

Jo Maes: 292,476 shares.
Joyce Donk-van Wijnen: 7,552 shares.

Financial Supervision Act

For the purposes of the Dutch Financial Supervision Act, the company has received the following notifications (situation at year-end 2021):

- Shareholder interest 15% to 20%: Teslin Participaties Coöperatief UA
- Shareholder interest 10% to 15%: Mont Cervin Sàrl,
- Shareholder interest 5 to 10%: Lazard Frères Gestion SAS
- Shareholder interest 3% to 5%: Dimensional Fund Advisors

For the most recent overview of notifications, we refer you to Ordina's website or the register of substantial holdings on the Financial Market Authority's website.

FINANCIAL STATEMENTS
2021

CONTENTS

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER (BEFORE APPROPIATION OF PROFIT)

(In euro thousands)	Notes	2021	2020
Assets			
Non-current assets			
Intangible assets	8	132,677	128,203
Right-of-use assets	9	32,613	35,491
Property, plant and equipment	10	7,058	4,697
Investments in associates	11	326	323
Deferred income tax assets	12	8,564	12,323
Total non-current assets		**181,238**	**181,037**
Total current assets			
Trade receivables and other current assets	14	68,029	60,652
Cash and cash equivalents	15	43,599	44,405
Total current assets		**111,628**	**105,057**
Total assets		**292,866**	**286,094**

The notes 1 through 32 are an integral part of these financial statements.

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER (BEFORE APPROPIATION OF PROFIT)(CONTINUED)

(In euro thousands)	Notes	**2021**	2020
Equity and liabilities			
Equity			
Paid-up and called-up share capital	16	9,326	9,326
Share premium reserve	17	136,219	136,219
Retained earnings	17	8,805	9,976
Profit for the year	17	24,598	22,290
Total equity		**178,948**	**177,811**
Liabilities			
Non-current liabilities			
Employee related provisions	19	912	1,015
Lease liabilities	9	24,018	26,885
Other provisions	20	1,481	-
Deferred income tax liabilities	12	525	-
Total non-current liabilities		**26,936**	**27,900**
Current liabilities			
Lease liabilities	9	10,503	9,807
Other provisions	20	2,391	939
Trade payables and other current liabilities	21	72,747	67,518
Current tax payable		1,341	2,119
Total current liabilities		**86,982**	**80,383**
Total liabilities		**113,918**	**108,283**
Total equity and liabilities		**292,866**	**286,094**

The notes 1 through 32 are an integral part of these financial statements.

CONSOLIDATED INCOME STATEMENT

(in euro thousands)	Notes	2021	2020
Revenue from contracts with customers	6	**394,471**	**369,233**
Operating expenses			
Cost of hardware, software and other direct costs		-5,832	-5,804
Work contracted out		-98,756	-89,059
Personnel expenses	22	-225,145	-215,084
Amortisation	8	-1,722	-1,673
Depreciation right-of-use assets	9	-10,648	-11,014
Depreciation tangible fixed assets	10	-2,069	-2,443
Other operating expenses	23	-14,549	-12,924
Total operating expenses		**-358,721**	**-338,001**
Operating profit		**35,750**	**31,232**
Finance income	24	-	-
Finance costs	24	-1,301	-1,234
Share of profit of associates	11	2	-17
Net profit for the year		**34,451**	**29,981**
Income tax expense	25	-9,853	-7,691
Net profit for the year		**24,598**	**22,290**
Net profit is attributable to:			
Shareholders of the company		24,598	22,290
Net profit for the year		**24,598**	**22,290**

(In euro's)	Notes	2021	2020
Earnings per share - basic	26	**0.26**	**0.24**
Earnings per share - diluted	26	**0.26**	**0.24**

The notes 1 through 32 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in euro thousands)	Notes	2021	2020
Profit for the year	17	**24,598**	**22,290**
Items not to be reclassified to profit or loss in subsequent periods			
Actuarial gains and losses on defined benefit plans	17/19	153	85
Tax related to actuarial gains and losses on defined benefit plans	12/17	-38	-21
Other comprehensive income for the year, net of tax		**115**	**64**
Total comprehensive income for the year		**24,713**	**22,354**
Total comprehensive income for the year is attributable to:			
Shareholders of the company		24,713	22,354
Total comprehensive income for the year		**24,713**	**22,354**

The notes 1 through 32 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		2021					2020				
(in euro thousands)	Notes	Issued capital	Share premium reserve	Retained earnings	Profit for the year	Total	Issued capital	Share premium reserve	Retained earnings	Profit for the year	Total
At 1 January		**9,326**	**136,219**	**9,976**	**22,290**	**177,811**	**9,326**	**136,219**	**3,077**	**14,875**	**163,497**
Profit for the year	17	-	-	-	24,598	24,598	-	-	-	22,290	22,290
Other comprehensive income											
Actuarial gains and losses on defined benefit plans	17/19	-	-	153	-	153	-	-	85	-	85
Tax related to actuarial gains and losses on defined benefit plans	12/17	-	-	-38	-	-38	-	-	-21	-	-21
Other comprehensive income for the year, net of tax		**-**	**-**	**115**	**-**	**115**	**-**	**-**	**64**	**-**	**64**
Total comprehensive income for the year		**-**	**-**	**115**	**24,598**	**24,713**	**-**	**-**	**64**	**22,290**	**22,354**
Transactions with owners											
Appropriation of profit previous year	17/27	-	-	22,290	-22,290	-	-	-	14,875	-14,875	-
Dividend distribution	17/27	-	-	-22,288	-	-22,288	-	-	-8,859	-	-8,859
Share based payments - treasury shares settlement	16/17	-	-	-2,602	-	-2,602	-	-	-673	-	-673
Share based payments - personnel expenses	17/22	-	-	1,314	-	1,314	-	-	1,492	-	1,492
Total transactions with owners		**-**	**-**	**-1,286**	**-22,290**	**-23,576**	**-**	**-**	**6,835**	**-14,875**	**-8,040**
At 31 December		**9,326**	**136,219**	**8,805**	**24,598**	**178,948**	**9,326**	**136,219**	**9,976**	**22,290**	**177,811**

The notes 1 through 32 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASHFLOWS

(in euro thousands)	Notes	**2021**	2020
Cash flows from operating activities			
Net profit for the year		24,598	22,290
Adjustments for			
Finance costs -net	9/24	1,301	1,234
Share of profit of associates	11	-2	17
Income tax expense	25	9,853	7,691
Amortisation	8	1,722	1,673
Depreciation right-of-use assets	9	10,648	11,014
Depreciation tangible fixed assets	10	2,069	2,443
Movements in provisions	19/20	560	17
Share-based payments	16/17/22/31	1,314	1,492
Working capital changes			
Movements in receivables		-6,302	6,775
Movements in current liabilities		4,870	-5,630
Cash generated from operations		**50,631**	**49,016**
Interest paid		-1,143	-1,157
Income taxes paid	7	-7,091	-5,291
Net cash from operating activities		**42,397**	**42,568**

The notes 1 through 32 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASHFLOWS (CONTINUED)

(in euro thousands)	Notes	**2021**	2020
Cash flows from investing activities			
Acquisition of group companies	8/30	-3,489	-
Purchases of intangible assets	8	-67	-125
Purchases of property, plant and equipment	10	-4,918	-2,351
Divestment of property, plant and equipment	10	104	74
Net cash used in investing activities		**-8,370**	**-2,402**
Cash flows from financing activities			
Lease payments	9	-9,943	-10,878
Share based payments - treasury shares settlement	16/17	-2,602	-673
Dividend distribution to shareholders	17/27	-22,288	-8,859
Net cash used in financing activities		**-34,833**	**-20,410**
Net movement in cash and cash equivalents		**-806**	**19,756**

(in euro thousands)	**2021**	2020
Net movement in cash and cash equivalents	-806	19,756
Cash and cash equivalents at beginning of year	44,405	24,649
Cash and cash equivalents at end of year	**43,599**	**44,405**

The notes 1 through 32 are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General information

Ordina N.V., a private limited liability company, was incorporated in 1973 in the Netherlands and has its registered office at RIngwade 1, in Nieuwegein, the Netherlands, under Trade Register number 30077528. Ordina is an independent IT services provider in the Benelux region. We focus on giving our clients a digital edge in the sectors: financial services, industry and the public sector. We do this by connecting technology, business challenges and people. Ordina wants to help its clients to stay ahead of the challenges and changes in their business.

The consolidated financial statements for 2021 pertain to Ordina N.V and all its group companies (referred to jointly as Ordina). The Management Board drew up the financial statements on 16 February 2022 and the statements were discussed in the Supervisory Board meeting of 16 February 2022. They will be submitted for adoption to the General Meeting of 7 April 2022. The Supervisory Board also approved their publication on 16 February 2022.

Ordina N.V. shares have been listed on the Euronext Amsterdam stock exchange since 1987 and are included in the Small Cap Index (AScX).

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. Ordina has applied these policies consistently to all periods presented in these financial statements.

As in 2020, 2021 was severely impacted by the Covid-19 pandemic. Ordina initiated measures in line with the prevailing government guidelines. Once again in 2021, our employees were forced to work from home for a large part of the year. Ordina did everything it could to help employees to work from home as effectively as possible. And as in 2020, we were very successful in continuing to provide services to our clients. In 2021, Ordina did not make any use of government financial support. Despite the occasionally unpredictable developments of the Covid-19 pandemic, on the basis of current developments we judge the impact of the Covid-19 pandemic in the immediate future limited for Ordina.

Ordina's revenue and result developed positively in 2021. The company's free cash flow was EUR 27.6 million in 2021 (2020: EUR 29.3 million). And once again we were also able to extend our financing facility by one year in 2021. Ordina will continue to monitor the latest developments closely and take measures when we deem this necessary. Based on the developments in 2021 and the current outlook for 2022, we expect the Covid-19 pandemic to have a limited impact on the key estimates and assumptions, as explained in Chapter 5. Based on the current developments, we believe that we are able to continue our operations as a going concern. We have therefore prepared the 2021 financial statements on the basis of the going concern assumption.

2.1 General

The consolidated financial statements of Ordina N.V. have been prepared in accordance with the International Financial Reporting Standards (IFRS), which have been accepted by the European Union, and their interpretations as adopted by the International Accounting Standards Board (IASB) and the legal provisions of Part 9, Book 2 of the Dutch Civil Code.

The financial statements are published in both Dutch and English. The Dutch version is leading.

The financial statements are denominated in euros (EUR). Amounts are in thousands of euros, unless otherwise indicated, as a result of which rounding differences may occur. The euro is the functional and presentation currency of Ordina N.V. The accounting policies are based on the historical cost convention. Personnel-related provisions ensuing from defined benefit plans are stated at actuarial value.

The preparation of the financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses. Estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis for making aforesaid judgments about the carrying amounts of the recognised assets and liabilities. Actual results and circumstances may differ from these estimates.

The estimates and underlying assumptions are continually evaluated and adjusted where appropriate. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Assumptions and estimates made by management in the application of IFRS that have a significant impact on the financial statements and future periods are disclosed in note 5.

Application of new standards

In the year under review, where applicable, Ordina applied new and amended IFRS standards and IFRIC interpretations relevant to the company.

The new standards and amendments to existing standards in 2021 have no material impact on Ordina’s capital and results, nor on the notes to the financial statements.

Published standards which have not yet come into effect

At year-end 2021, various new and amended standards and interpretations had been published but were not yet in effect at the time of publication of these financial statements. Ordina will apply these new and amended standards and interpretations, insofar as applicable, as soon as they come into effect.

Ordina at a glance
Foreword
A look back at 2021
Client cases
Who we are and what do we do?
Strategic pillars, goals & results
Being ahead of the game has its advantages
Risks
Governance
Composition Management Board and Supervisory Board
Report of the Supervisory Board
Remuneration report
Provisions of the articles of association
Financial Statements
Other information
Contents Annual report
Contents Financial statements

Any published, new and amended IFRS standards and interpretations that are not yet applicable to reporting periods commencing on 1 January 2021 have not been applied early. We do not expect new standards that become applicable after 2021 to have a material impact on Ordina's capital and results, nor on the notes to the financial statements. The published amendment of IAS 37 related to onerous contracts, which must be applied from 1 January 2022, does not have any material impact for Ordina, as Ordina already recognises this item in line with the amended standard.

2.2 Consolidation

Group companies are all entities over which Ordina can exercise decisive control. Control is effective if Ordina has the power, either directly or indirectly, to govern the financial and operating policies of an entity. The financial statements of such group companies are included in the consolidated financial statements of Ordina N.V. from the date Ordina gains such control until the date that it loses said control. All group companies included in the consolidated financial statements for 2020 and 2021 are wholly owned by Ordina. Consequently, there is no third party non-controlling interest.

The cost price of an acquisition is measured as the fair value of the current assets paid and due on the transaction date, as well as, if applicable, the fair value of equity instruments issued (i.e. shares) used to finance the acquisition.

Intercompany balances, transactions and unrealised gains on transactions between group companies are eliminated in drawing up the consolidated annual accounts. Transactions with associates are eliminated in the consolidation as far as Ordina´s share in the associate in question is concerned.

The accounting policies for the balance sheet and the income statement as included in these financial statements apply to the balance sheet and income statement of all consolidated group companies.

Other investments in associates all relate to minority interests in companies in which Ordina has significant control, but no decisive control. Significant control is generally assumed in the case of a shareholding of between 20% and 50%. These investments are initially recognised at cost price and subsequently valued using the equity method of accounting (see section 2.8).

2.3 Segment reporting

Information per segment is reported in line with how reporting lines and decision-making are organised within Ordina. The Management Board is identified as the highest body with regard to strategic decision making (the so-called chief operating decision maker). The Management Board comprises the CEO and the CFO.

See note 7 for a more detailed explanation of segment information.

2.4 Foreign currency

2.4.1 Functional and presentation currency

All group companies use the euro as their functional currency. Consequently, the consolidated financial statements are presented in euros, the currency of Ordina's primary economic environment.

2.4.2 Translation other currencies

Where applicable, foreign currency transactions and balances are translated into the functional currency (the euro) using the exchange rates prevailing at the dates of the transactions and at the balance sheet date respectively. Foreign exchange gains and losses are recognised in the income statement.

2.5 Intangible assets

2.5.1 Goodwill

Acquisitions are accounted for using the purchase method of accounting. Goodwill results from the acquisition of group companies. Goodwill represents the difference between the cost of an acquisition and the fair value of the acquired identifiable assets and liabilities, including contingent liabilities, at the date of acquisition. Payments related to the acquisition are stated on the basis of the paid and due current assets at the transaction date, as well as, if applicable, the fair value of the equity instruments (i.e. shares) use to finance the acquisition. Contingent elements in the purchase price are stated at fair value, and also carried as a liability upon acquisition, with variances due to value differences being recognised through profit or loss. Goodwill is stated at cost less accumulated impairment losses.

Costs pertaining to an acquisition are stated as a charge to the results at the time they are incurred.

Goodwill is allocated to groups of cash-generating units. Impairment of goodwill is recognised as an expense in the income statement where appropriate. Impairment losses recognised for goodwill will not be reversed in a subsequent period. If an entity in which control is exercised is sold, the carrying amount of the goodwill is recognised in profit or loss.

Any negative goodwill arising on an acquisition is recognised directly in the income statement.

Goodwill on acquisitions of associates is included in 'investments in associates'.

2.5.2 Software

Software licences are capitalised on the basis of the cost of acquiring and preparing the software for use. Internally developed software is capitalised insofar as the cost is the result of the development and testing phase of a project and if it can be demonstrated that:

- the project is technically feasible so that it can be put to use;
- there is an intention to complete the project and use the software;
- the software will generate demonstrable future economic benefits;
- technical, financial and other resources are available to complete and use the software;
- it is possible to reliably determine the expenditure that can be attributed to the developed software.

Directly attributable costs that are attributed to internally developed software comprise personnel expenses, as well as directly attributable external costs. The costs are capitalised at cost price. Other expenses relating to internally developed software that do not meet the aforementioned criteria are charged to the result at the time they are incurred.

Software has a limited lifespan and is capitalised at cost less amortisation and impairments. Amortisation is charged to the income statement using the straight line method on the basis of the estimated useful life. Internally developed software is amortised from the date it is taken into use.

2.5.3 Intangible assets related to customers

The intangible assets related to customers pertain to the intangible assets of acquisitions and include brand names, client lists and contract portfolios identified in accordance with IFRS 3 (Business Combinations) and are measured at fair value at the moment of acquisition. The fair value at the moment of acquisition is the cost price. The cost price of the identifiable intangible assets related to customers is amortised and charged to the income statement in line with the useful life of each individual component.

2.5.4 Amortisation of intangible assets

Amortisation is calculated using the straight line method to allocate the cost of intangible assets over their estimated useful lives. Goodwill is tested annually for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use.

The useful lives of the intangible fixed assets as estimated by the management are as follows:

- Software: 3-7 years
- Brand names: 3 years
- Client lists: 10 years

The useful lives of assets are reviewed annually and adjusted where appropriate.

2.6 Leases

2.6.1 Rights of use

Ordina recognises a right of use at the moment it enters into a lease contract and the asset in question is actively available for use. The right of use is measured at cost price, less cumulative depreciation and impairments, and corrected for adjustments as a result of the remeasurement of the lease liability. The carrying amount of the right of use comprises the amount of the recognised lease liability, initial direct costs related to the lease and lease payments made prior to or at the moment Ordina enters into the lease, less possible lease incentives. Rights of use are depreciated using the straight-line method over the useful life of the asset or, if shorter, the term of the lease contract, if it is not reasonably certain that Ordina will gain ownership of the leased asset at the end of the lease term. The lease contracts that Ordina enters into do not include a purchase option that can be exercised with any reasonable degree of certainty. Rights of use are assessed for impairment.

2.6.2 Lease liabilities

At the moment it enters into a lease contract, Ordina recognises a lease liability on the basis of the cash value of the future lease payments during the term of the lease. The lease payments comprise fixed lease payments, any incentives to be received, and variable lease payments that depend on an index or tariff.

If it is not possible to determine the interest rate, the cash value is calculated on the basis of an incremental interest rate on the commencement date of the contract, which is determined on the basis of the underlying asset and the term of the lease contract in question. Following the commencement of the lease contract, the lease liability is calculated plus interest and less the lease instalments already paid. In addition to this, the lease liability is adjusted if there is any amendment of the contract, adjustment of the term or changes to lease payments (for instance, changes in future payments as a result of an index or tariff). Interest related to the increase in the lease liability is charged to the result under financing expenses.

2.6.3 Short-term leases and low-value leases

When appropriate, Ordina makes use of the exemption for leases with a term of less than 12 months. These leases have a term of less than 12 months from the commencement date and do not include a purchase option. Ordina also applies the exception for leases with a low value (less than EUR 5,000). Lease payments related to short-term leases or leases with a low value are charged to the income statement evenly distributed over the term of the lease.

2.6.4 Significant estimates and assumptions when assessing options to extend a lease

Ordina views the term of the lease contract as the non-cancellable lease term, in conjunction with any potential option to extend the lease. Ordina has various lease contracts that include an extension option. Any measurement takes into account the extension option, in so far as it is reasonably certain that Ordina will make use of the extension option. When assessing whether to make use of the option, Ordina takes into account all relevant factors to realise an economic advantage from a potential extension. Ordina assesses whether it will make use of extension options at the commencement of the lease contract and subsequently each time there is a reason for such an assessment. Ordina has taken extension options into account for several rental contracts. A contract extension is judged to be reasonably certain for these contracts. The term of the extension options included in rental contracts varies between three and five years. Ordina does not take into account any extension options in the case of contracts for lease cars, as Ordina's policy is in principle to never allow car lease contracts to run for more than four years, regardless of any potential extension options.

2.7 Property, plant and equipment

2.7.1 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition or manufacture of the items. Subsequent costs are included in the asset´s carrying amount or recognised as a separate asset, as appropriate, if it is probable that future economic benefits associated with the item will flow to Ordina and the cost of the item can be measured reliably. Repair and maintenance costs are recognised in the income statement during the financial period in which they are incurred.

Gains or losses on the sale of property, plant and equipment are included in depreciation.

2.7.2 Depreciation

Depreciation on property, plant and equipment is calculated in the income statement using the straight line method on the basis of the estimated useful life of an asset as estimated by the management. The estimated economic life of the property, plant and equipment used to calculate the depreciation is as follows:

Equipment:	2-4 years
Fixtures and fittings:	3-5 years
Building alterations:	2-10 years

Building alterations are depreciated on the basis of the shorter of the remaining terms of the leases for the respective buildings and their useful lives.

The residual value, which is usually set at nil, and remaining useful lives of property, plant and equipment are reviewed annually on the balance sheet date and adjusted when appropriate.

2.8 Associated companies

Associates are all entities over which Ordina has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are recognised using the equity method and first recognised at cost at the time Ordina enters into the investment commitment. The valuation of investments in associates includes goodwill as determined on the acquisition date, net of any accumulated impairment losses.

Ordina's share of its associates' post-acquisition profits or losses is recognised in the income statement and its share of post-acquisition movements in reserves is recognised in Ordina's reserves, with the recognition in Ordina's reserves following the recognition in the reserves of the associate (e.g. a change recognised via the statement of comprehensive income). When its share of losses in an associate equals or exceeds the carrying amount of the associate, Ordina does not recognise further losses, unless it has issued guarantees for the associate, or incurred obligations or made payments on behalf of the associate. In the event of obligations not shown on the balance sheet relating to associates for which Ordina can be held liable, these are included in the contingent and contractual obligations not shown on the balance sheet (see note 29).

2.9 Trade receivables and other current assets

Trade receivables and other current assets are initially recognised at the transaction price and subsequently measured at amortised cost using the effective interest method, less provision for impairment. In line with the application of IFRS 9 'Financial instruments', a provision is taken for any expected credit losses on trade receivables, unbilled revenue and contract assets based on the expected settlement term of said assets. This provision is determined on the basis of historical credit losses on trade receivables, unbilled revenue and contract assets, adjusted for economic developments and future expectations relevant to the specific receivables. The amount of the provision for the doubtful debts is recognised in the income statement under other operating expenses.

Other current receivables include unbilled amounts related to contracts on the basis of retroactive costing, contract assets, other receivables and accrued income.

A contract asset is the right to payment in exchange for goods or services that have been transferred to the client. A contract asset is recognised if this right to payment arises before the client makes this payment or before payment is due. Contract assets are recognised under other current assets, insofar as these contract assets have already exceeded the amounts billed for these projects. A contract obligation is the obligation to transfer goods or services to a client, insofar as Ordina has received a payment from the client for same. Contract obligations are recognised as income when Ordina has met its contractual performance obligation.

If the contract obligations for current projects exceed the sum of the costs incurred and gains realised, the balance of these projects is recognised under current liabilities. In this regard, reference is made also to the accounting policies for revenue recognition (see section 2.17)

2.10 Cash and cash equivalents

Cash and cash equivalents are cash balances and balances in current accounts with banks. Current account receivables are presented in the cash flow statement as part of the cash and cash equivalents. Current account debts with banking institutions are recognised as bank debts under current liabilities.

2.11 Assets and liabilities held for sale

Non-current assets are classified as 'held for sale' if their sale is more likely than not and their carrying amounts will be recovered through this sale. For this to be the case, the assets must be available for immediate sale and their sale must be highly probable. Assets held for sale are presented separately in the balance sheet. Non-current assets held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The liabilities included within a disposal group classified as held for sale are also presented separately from other liabilities in the balance sheet.

2.12 Impairment of non-financial assets

Intangible assets that have an indefinable useful life, as well as assets that are not yet available for use are not subject to amortisation but tested annually for impairment. Assets that have a definable useful life are amortised and tested for impairment whenever there is an indication that their carrying amounts may not be recoverable. An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount.

2.12.1 Calculation of recoverable amount

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less cost to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. In assessing the value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2.12.2 Reversal of impairment losses

Impairment losses recognised for goodwill will never be reversed.
An impairment loss recognised for other assets is reversed if there has been a change in the estimates used to determine

the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. It is assessed at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset other than goodwill may no longer exist or may have decreased. If there is any such indication, the recoverable amount of that asset is re-determined and the impairment loss adjusted when such is warranted by the assessment.

2.13 Shareholders' equity

2.13.1 Share capital

The authorised capital of Ordina N.V. consists of 160,000,000 ordinary shares, 39,999,995 preference shares and one priority share. The issued and paid-up priority share and the issued and paid-up ordinary shares are classified as shareholders' equity.

Costs directly related to the issue of new ordinary shares are charged (after deduction of taxes) immediately upon issue as a correction to the proceeds of the issue and charged to the shareholders' equity.

2.13.2 Treasury shares

When Ordina N.V. purchases equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from shareholders' equity until the moment the shares are cancelled, re-issued or sold. In the event that such shares are subsequently sold or re-issued, any amount received, net of any directly attributable incremental costs and the related income tax effects is credited to the shareholders' equity.

2.13.3 Dividends

Dividend payments to Ordina N.V. shareholders are classified as liabilities as soon as the General Meeting passes a motion to make such payments.

2.14 Employee benefits

2.14.1 Pension plans

Ordina has both defined contribution and defined benefit plans. A defined contribution plan is a pension plan under which Ordina pays fixed contributions to an insurance company. Ordina has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, salary and years of service.

2.14.1.1 Defined contribution plans (based on the available contribution system)

Contributions to defined contribution plans on the basis of available contributions are recognised as expenses in the income statement in the period to which they relate. Ordina has no other obligations in relation to defined contribution plans.

2.14.1.2 Defined benefit plans

The liability recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses are recognised directly in the consolidated statement of comprehensive income. Pension costs incurred during the year (including costs, interest expenses and expected returns on plan assets) are charged to the statement of income.

2.14.2 Share-based payments

The members of the Management Board and the senior management are entitled to long-term profit-sharing and bonus benefits in the form of Ordina N.V. shares. For the purposes of these long-term benefits, performance criteria are determined annually for each upcoming three-year period. Based on these performance criteria, the number of shares in Ordina N.V. to be awarded is determined annually and for each individual three-year period.

The shares that are expected to be awarded are valued on the basis of the price of Ordina N.V. shares at the grant date. Any awarded shares will be subject to a lock-up period of two consecutive years. This lock-up period does not apply to the sale of part of the shares with a view to paying any taxes due on the grant of the shares.

The change in long-term profit-sharing and bonus benefits is recognised in the income statement at the reporting date based on current estimates. The total expense is recognised during the `vesting period´, the period during which certain vesting conditions must be met. As the liability by virtue of long-term benefits involving a payment in shares in Ordina N.V. is disclosed as an equity component, the expense recognised in the income statement results in a corresponding adjustment to equity.

In the event that new shares are issued upon settlement, the recognised value of the share-related remuneration is recognised as a payment on the newly issued shares. If previously issued shares are purchased to meet the obligations of the share scheme, this purchase results in an outgoing cash flow from financing activities (see also note 2.13.2).

2.15 Provisions

Provisions are recognised in the balance sheet when the following conditions are met:
- there is a question of a legally binding or actual obligation as a result of a past event;
- it is more likely than not that an outflow of resources will be required to settle the obligation; and
- the amount necessary to settle the obligation can be reliably estimated.

Provisions are measured at the current value of the expected expenditures required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

In addition to the provision for pensions referred to in section 2.14.1.2, provisions are recognised for restructuring costs, current warranty and project commitments, onerous contracts and unsettled earn-out obligations.

A provision for restructuring costs will be formed when Ordina has a detailed formal plan for the restructuring and has started to implement the restructuring or announced the restructuring publicly. Costs relating to future operating activities are not included in the restructuring provision.

A provision is recognised for warranty commitments pending at the balance sheet date. This provision is based on the activities that are expected to be associated with these commitments. The warranty provision is determined at the cost of the expected activities.

The provision for project commitments relates to activities expected to be performed with regard to onerous contracts. The amount of the provision corresponds to the excess of the unavoidable costs Ordina will incur to meet the obligations under such contracts over and above the economic benefits expected to be received from said contracts.

2.16 Trade payables and other current liabilities

Trade payables and other current liabilities are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method.

2.17 Revenue from contracts with customers

Ordina is active in the IT services sector. Revenue from contracts with customers is recognised at the moment that Ordina has met its performance obligation and has effectively transferred control of the goods or services to its client. Revenue is recognised in the amount that Ordina expects to receive in exchange for the delivered services and goods. With respect to the most important estimates and assumptions in the recognition of revenue from contracts with customers, please see note 5.

Ordina determines whether there is any question of separate performance obligations within a contract. A performance obligation is a promise to a client to deliver goods and/or services. A performance obligation may pertain to an individual service or good or to a series of separate individual services or goods, which are generally the same and are delivered according to a similar pattern. A performance obligation is determined at the commencement of the contract on the basis of the contractual conditions and agreements.

Revenue is recognised for each individual performance obligation in the amount that Ordina expects to receive for each individual performance obligation, and if applicable taking into account variable payments, significant financing elements, non-cash payments and payments that are made to the client.

When determining the transaction price, Ordina takes into account variable payments insofar as it is highly likely there will be no significant reduction in this variable payment in the cumulatively recognised revenue. Estimates with respect to variable payments are periodically re-evaluated and updated when necessary.

If there is any question of a significant financing element, the transaction price is adjusted by the value that can be attributed to the financing. If applicable, such amounts are recognised as financing costs. In the case of payment terms of less than one year, there is generally no question of a financing element ('practical expedient' IFRS 15.63). Ordina's contracts pertaining to the delivery of IT services and/or the sale of software do not include any material financing element.

Discounts are charged to the revenue on each reporting moment, unless it is highly likely that Ordina will not grant the discount to its client. Depending on the kind of discount, as laid down in the contract, the discount is determined on the basis of the revenue already recognised and the then current estimate of the total revenue to be recognised.

Compensation or a penalty payment is taken into account in determining the transaction price, unless it is highly likely that Ordina is not bound to pay the compensation to its client.

Ordina recognises revenue from IT services over time, given that the performance obligation is met during the term of the contract, subject to the condition that it is reasonably possible to make a sufficiently reliable estimate of the progress of the activities. The activities should also result in an asset that is controlled by the client during the activities, and/or the activities should result in an asset for which there is no alternative use. In addition, Ordina has an enforceable right to remuneration for the services already provided. In the case of fixed-rate projects, Ordina recognises revenue on the basis of the ratio of the costs already incurred to the total amount of costs it expects to incur.

Ordina recognises revenue from the sale of hardware and/or software at a point in time, given that the performance obligation has been met at the moment the hardware and/or software is delivered.

Ordina sometimes closes contracts with clients that involve Ordina, acting on behalf of its client, purchasing hardware, licenses or specific services from third parties. In these situations, Ordina determines whether it is acting in the role of principal or agent. Under these contracts, Ordina may facilitate the purchase of the goods or services, without bearing primary responsibility for the actual delivery of said goods or services. In this situation, Ordina does not run any inventory risk before or during the delivery. If Ordina has no control over the goods or services to be delivered it plays the role of agent and only recognises revenue for the margin realised. If Ordina does have control of the goods or services during the delivery, it plays the role of principal and recognises revenue for the gross amounts.

2.18 Costs

2.18.1 Costs of hardware, software, other direct costs and work contracted out

Costs of hardware, software, other direct costs and work contracted out are attributed to the period in which the corresponding income is recognised and recognised at historical cost.

2.18.2 Lease payments

Lease payments are primarily recognised in line with note 2.6 Leases. Lease payments that do not qualify as leases are charged to the income statement on a straight line basis over the period of the lease.

2.18.3 Government grants

Government grants are recognised when there is reasonable assurance that: i) Ordina will comply with all attached conditions and ii) that the grants will be received.

Government grants received that relate to study cost allowances are recognised in the income statement in 'personnel expenses'.

2.18.4 Finance income and costs

This item includes interest received for loans extended, on bank balances, as well as interest received in relation to the settlement of tax claims.

Finance costs include the interest charged by banks on withdrawals, commitment fees, interest charges incurred for the settlement of tax obligations and pension commitments, as well as the interest-related to movements in provisions due to the passage of time. In so far as applicable, the interest component of lease liabilities is also recognised under financing costs (see note 2.6.2).

2.19 Income taxes

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income) for the period under review. Current and deferred tax is recognised in the income statement, except to the extent that the tax is related to an item that is recognised directly in the consolidated statement of comprehensive income. In that case, the associated tax is also recognised directly in the consolidated statement of comprehensive income. Tax expense (income) for the period under review includes income tax on taxable profit, which is calculated on the basis of prevailing tax rates, taking into account tax-exempt profit components and non-deductible amounts, as well as any adjustments to the taxes paid for prior periods.

Deferred taxes are recognised for temporary differences arising between the fiscal values of assets and liabilities, and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither commercial nor fiscal results. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets for tax losses are recognised only when it is probable that taxable profits will be available against which they can be utilised.

Deferred income tax assets and liabilities that relate to the same taxable entity are offset in the balance sheet if Ordina has a legally enforceable right of set-off.

3 Presentation of the statement of cash flows

Ordina reports cash flows using the indirect method. The cash flow statement distinguishes between cash flows from operating activities and those from investment and financing activities.

Net cash flows from operating activities include income and expenses before taxes, as well as interest received and paid (including interest payments related to lease liabilities).

Cash flows arising from the acquisition or disposal of financial interests (participations and investments) are included in cash flows from investing activities; allowance is made for cash and cash equivalents embodied in such interests.

Lease payments (excluding the interest component) and dividends paid out are recognised in cash flows from financing activities.

4 Financial risk management

Ordina's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. Ordina's risk management falls under the responsibility of the Management Board and encompasses more than just financial risks. Risk management focuses on identifying key risks and managing these using guidelines, procedures, systems, best practices, specific controls and audits. Our financial risk management focuses specifically on risks that are relevant to Ordina in this regard.

The Management Board bears the ultimate responsibility for the design and the implementation of the supervision of the risk management within Ordina. Risk management policies and systems are evaluated regularly and if necessary adjusted to changes in market conditions and Ordina's activities.

4.1 Market risk

Market risk pertains to the risk that Ordina's income is influenced by changes in market prices, such as interest rates and exchange rates. The management of market risks is aimed at keeping market risk positions within acceptable boundaries while optimising returns.

4.1.1 Interest rate risk

Ordina is exposed to interest rate risk, which is limited to the Eurozone. Ordina's interest rate risk policy seeks to limit the entity's exposure to interest rate risk on borrowings. Interest rate risks may arise on both non-current and current borrowings. Ordina continually analyses developments in cash flows in relation to available financing facilities and interest rate fluctuations.

With the exception of its lease liabilities, at year-end 2021 and 2020, Ordina had no non-current interest-bearing borrowings.

With respect to the interest-bearing bank borrowings ensuing from the current account credit facility, Ordina is due a floating rate calculated on the basis of the one-month EURIBOR plus a fixed margin of 0.7%. In 2021, Ordina extended its existing financing facility for the second time by one year under the same terms. The use of the current account credit facility depends on Ordina's liquidity requirements. In 2021, Ordina made no use of the current account credit facility. If a sensitivity analysis had resulted in an assumed increase in the floating rate of interest of on average 1.0%, this would only have resulted in a very limited increase in financing expenses.

Ordina has no significant interest-bearing assets. Group income is therefore almost entirely independent of changes in interest rates.

4.1.2 Currency risk

All Ordina group companies are based in the Eurozone and that is where most of their revenue is realised. Ordina has therefore chosen the euro as its functional and reporting currency. Ordina has no assets or liabilities outside the Eurozone. The Management Board qualifies the currency risks at year-end 2021 as limited.

4.2 Credit risk

Ordina has exposure to credit risk. Credit risk is the risk of financial losses for Ordina if a client or counterparty of a financial instrument defaults on an assumed contractual obligation.

Credit risk is managed on a group basis. Credit risk arises on cash and cash equivalents, derivative financial instruments and transactions with clients, including credit exposures. For banks and financial institutions, only independent professional parties based in the Netherlands, Belgium and Luxembourg are accepted, with risks being spread over a range of parties.

The creditworthiness of clients is assessed in advance using project acceptance criteria. If available, external credit ratings are used. If there is no independent rating, Ordina assesses the creditworthiness of clients based on internal guidelines, taking into account their financial position, past experience and other factors. The exposure to credit risk related to clients is assessed on an ongoing basis using the internal guidelines. Concentration of credit risks related to trade and other receivables is identified in the public sector. The concentration of credit risk related to other clients is limited in view of the individual size and independent position of the various clients. Ordina has done business with a large proportion of its customers for many years and in the past there have only been occasional instances of clients defaulting on their obligations. Clients are assessed continually and individually for compliance with payment terms. The findings are periodically reported to the Management Board. We refer you to note 14 of this annual report for further information on trade receivables.

The Management Board qualified the credit risk related to clients as limited at year-end 2021. Due to the continuing impact of Covid-19 on economic developments, we could see an increase in credit risk at specific clients. To date, there has been an extremely limited visible increase in credit risk within Ordina's client portfolio. There is also some question of a concentration of risks in situations that involved the intervention of so-called brokers. Such parties could experience solvency or continuity issues due to market conditions.

Ordina at a glance
Foreword
A look back at 2021
Client cases
Who we are and what do we do?
Strategic pillars, goals & results
Being ahead of the game has its advantages
Risks
Governance
Composition Management Board and Supervisory Board
Report of the Supervisory Board
Remuneration report
Provisions of the articles of association
Financial Statements
Other information
Contents Annual report
Contents Financial statements

Ordina N.V. has filed a declaration of joint and several liability for the majority of its Dutch group companies with their respective Trade Registers.

4.3 Liquidity risks

Liquidity risk is the risk that Ordina cannot meet its financial obligations. The premise of liquidity risk management is that insofar as possible there should be sufficient liquidity for the company to meet its current and future financial obligations in both normal and difficult circumstances, without this entailing unacceptable losses or the threat of damage to Ordina's reputation.

Ordina has centralised its cash management, using the centrally managed credit facility Ordina closed in July 2019. At year-end 2021, Ordina was able to draw on a committed facility of EUR 30.0 million in total. The committed facility consists entirely of a current account credit facility of EUR 30 million. The maximum term is five years, with an initial term of three years and an option to extend the term twice by one year. In 2021, Ordina reached an agreement with its banks to extend the credit facility for a second period of one year, as a result of which the agreement now ends in July 2024. For information on the available credit facilities and the applicable covenants, we refer you to note 15 in this annual report.

Cash management is aimed at putting Ordina's available cash resources and overdraft facilities to the best possible use. To this end, cash flow forecasts are prepared periodically for both the short and medium terms. These forecasts are revised periodically based on actual results and any revised forecasts.

The table below shows a division of Ordina's financial liabilities into relevant maturity groupings based on the remaining period to contractual maturity date at the balance sheet date. The amounts shown are the unconditional, contractual, undiscounted cash flows. Future interest payments are included in the disclosed cash flows where applicable.

	2021				2020			
	Carrying amount			Maturity date	Carrying amount			Maturity date
		< 1 year	within 1 to 2 year	> 2 year		< 1 year	within 1 to 2 year	> 2 year
At 31 December								
Borrowings	-	-	-	-	-	-	-	-
Lease payments	-35,921	-11,242	-9,122	-15,557	-38,285	-10,482	-9,011	-18,792
Trade payables and other short term liabilities	-47,518	-47,518	-	-	-54,604	-54,604	-	-

4.4. Capital risk management

Capital is managed centrally to safeguard Ordina's ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital and provide returns for shareholders.

Instruments for achieving an optimal capital structure are dividend policy, the option to purchase treasury shares and the option to issue new shares, in particular to fund potential acquisitions or to reduce debt.

At year-end 2021, Ordina's solvency stood at around 61% (year-end 2020: around 62%). This slight decline in solvency was largely due to an increase in the balance sheet total of EUR 6.8 million compared with year-end 2020. This increase was partly due to the acquisition of IFS Probity in 2021. At year-end 2021, group equity was EUR 1.1 million higher than at year-end 2020.

Any impairment of goodwill has a major impact on the gearing ratio. If it is assumed in the context of a sensitivity analysis that there will be an impairment of 20%, Ordina's solvency would have stood at around 57% at year-end 2021. Ordina considers a solvency rate (ratio of shareholders equity to the balance sheet total excluding goodwill) of 25% as a responsible minimum. Excluding goodwill, solvency stood at around 31% at year-end 2021 (year-end 2020: around 33%).

5 Critical accounting estimates and judgements

Estimates and judgments are evaluated continually and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Ordina's management makes estimates and assumptions concerning the future on an ongoing basis. The accounting estimates and assumptions used will, by definition, seldom equal actual results. The estimates and assumptions that carry a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

5.1 Impairment of goodwill

For the (groups of) cash-generating units, Ordina tests at least once a year for impairment of goodwill attributed to the relevant (groups of) cash-generating units (see Section 2.12). An impairment of goodwill is recognised when the book value exceeds the recoverable value. These calculations involve certain estimates and assumptions. The recoverable value is the higher of fair value, less disposal costs, and the value in use. For a more detailed explanation of the impairments test see note 8.6.

5.2 Revenue from contracts with customers

Ordina recognises revenue on the basis of the amount it expects to receive in exchange for the goods and services its delivers (see accounting policy 2.17 and note 6). In the event of fixed-price contracts, Ordina recognises revenue on the basis of the ratio of the costs already incurred and total expected costs. The expected of costs are determined on the basis of periodically available information regarding the status of the projects in question, as well as on the basis of past experience of comparable situations. The actual situation may deviate from these estimates.

5.3. Restructuring provision

Ordina recognises a restructuring provision when it has prepared a detailed formal plan for the restructuring and has started to implement the restructuring or announced same publicly (see accounting policy 2.15). Restructuring provisions include estimates and assumptions involving redundancy and severance payments. The actual situation may differ from these estimates.

5.4. Onerous contracts

The amount of the provision corresponds to the excess of the unavoidable costs Ordina will incur to meet the obligations under such contracts over and above the economic benefits expected to be received from said contracts (see accounting policy 2.15 and note 20). The actual situation may differ from these estimates.

5.5. Legal procedures as a result of conflicts with clients or suppliers

In the pursuance of our activities, we may be confronted with discussions related to the (financial) settlement of contractual relationships with clients or suppliers. At the moment such a discussion escalates into a claim, Ordina assesses whether this meets the conditions that would require Ordina to set aside a provision (see accounting policy 2.15 and note 20). If Ordina must set aside a provision, Ordina estimates the outflow of resources. The actual outcome of a legal procedure may deviate from said estimation of whether a provision should be set aside and, if so, for what amount.

5.6. Income tax expenses

Ordina assesses the extent to which tax losses are expected to qualify for set-off on an annual basis. The actual set-off may differ from these estimates. For additional information regarding deferred tax assets and tax loss carry-forwards, please see accounting policy 2.19 and note 12.

5.7. Covid-19

Covid-19 has had an enormous impact on both the global economy and local economies. This impact could manifest as a decline in client demand, an increase in credit risks or an increase in employee absenteeism. Despite the fact that the impact on our company has been relatively limited, it is difficult to predict. Ordina constantly assesses these developments and, for the short term at least, there are no signs of changing circumstances. The actual situation and developments may deviate from this estimation.

6. Revenue from contracts with customers

6.1. Revenue from contracts with customers

With respect to the recognition of revenue from contracts with customers, please see the table below.

	2021			2020		
	the Netherlands	Belgium / Luxembourg	Total	the Netherlands	Belgium / Luxembourg	Total
Type of goods or services						
Sale of hardware and software	338	1,042	1,380	332	1,453	1,785
IT services	258,857	134,234	393,091	245,238	122,210	367,448
Total revenue from contracts with customers	**259,195**	**135,276**	**394,471**	**245,570**	**123,663**	**369,233**
Timing of revenue recognition						
Goods transferred at a point in time	338	916	1,254	453	1,362	1,815
Services transferred over time	258,857	134,360	393,217	245,117	122,301	367,418
Total revenue from contracts with customers	**259,195**	**135,276**	**394,471**	**245,570**	**123,663**	**369,233**

	2021	2020
Revenue by markets		
Public	163,853	151,485
Finance	103,699	98,558
Industry	126,919	119,190
Total	**394,471**	**369,233**

Ordina's revenue in the public sector and financial services markets is largely recorded in the Netherlands. More than half of the revenue from the industry sector is recorded in Belgium/Luxembourg.

Revenue from public sector clients increased by 8.2% to EUR 163.9 million in 2021 (2020: EUR 151.5 million). This growth was driven by increased revenues from our high performance teams.

Revenue from the financial services segment came in 5.2% higher at EUR 103.7 million (2020: EUR 98.6 million). Our financial services clients also made of Ordina's high performance teams. Revenue growth was also driven by our digital acceleration business proposition.

Revenue from our industry clients rose by 6.5% EUR 126.9 million (2020: EUR 119.2 million). We continued to see high demand from our industry clients for our business platforms and cybersecurity solutions. The revenue growth in the industry market was realised in Belgium/Luxembourg, while industry segment revenue declined slightly in the Netherlands.

The impact of Covid-19 on Ordina's revenue in 2021 was extremely limited. We did see a slight negative impact in the second half of the year, due to an increase in absenteeism. In 2021, we once again proved able to continue our services for our clients off site.

6.2 Balance sheet positions related to contracts with customers

The balance sheet positions related to contracts with customers can be specified as follows:

	31 December 2021	31 December 2020
Trade receivables - net	41,195	37,075
Unbilled receivables	16,125	14,626
Contract assets	7,806	5,991
Contract liabilities	5,889	5,265
Project provisions	1,449	689

The trade receivables are non-interest-bearing and are subject to payment terms varying from 20 and 90 days. Billing takes place immediately after the fulfilment of the obligation, on the basis of the contract agreements with the client in which, as a rule, a period of one calendar month is applied. In the case of billing with respect to projects, different billing agreements may apply.

Unbilled revenue related to contracts on the basis of retroactive costing pertains to performances already delivered for which clients will be billed in the near future, after which these revenues will be recognised under trade receivables.

Contract assets pertain to revenue recognised that clients are billed for in instalments on the basis of contractually agreed conditions, after which said revenue is recognised under trade receivables.

At year-end 2021, Ordina recognised a provision for expected credit losses on trade receivables, unbilled revenue and contract assets of around EUR 0.7 million (year-end 2020: around EUR 1.0 million).

Contract obligations pertain to amounts clients have already been billed and in exchange for which Ordina must still deliver services. Ordina expects to deliver the services in question within a period of one year ('Practical expedient' IFRS 15.121). Revenue will be recognised at the moment that Ordina has met its contractual obligations. All contract obligations recognised at year-end 2020 resulted in revenue in 2021.

The project provisions are related to work still to be carried out on onerous projects (see note 20).

6.3 Delivery obligations

IT services

The delivery obligation is met over time. The payment term generally varies from 20 to 90 days from the moment Ordina bills for the services. The contracts related to the delivery of IT services contain no material financing element. If there is any question of (volume) discount, these are settled with clients on the basis of any contractual agreements. Obligations related to (volume) discounts are reviewed monthly, and this is used as a basis for any adjustment of the recognised revenue.

Sale of hardware and/or software

The delivery obligation is met at the moment the hardware and/or software is delivered. The payment term generally varies from 20 to 90 days from the moment Ordina bills for the delivery. The contracts related to the delivery of hardware and software contain no material financing element. There is generally no question of possible restitution in the sale of hardware and/or software. In the event that Ordina plays the role of agent in the sale of hardware and/or software, revenue is recognised solely in the amount of the margin realised.

7 Segment information

The organisation is structured around Ordina's services. Information is reported on a monthly basis to the Management Board in its capacity as chief operating decision maker in line with this structure. Ordina's results are divided to reflect the company's various divisions. The Management Board's decision-making is based on same.

Ordina discloses segment information on the basis of how the internal governance, reporting and decision-making is organised within the company. Ordina recognises the segments the Netherlands and Belgium/Luxembourg.

The Management Board's assessment of the segments from a financial perspective focuses primarily on revenue and EBITDA. Segment information is provided for the segments the Netherlands and Ordina Belgium/Luxembourg. IFS Probity (acquired in 2021) is part of the Netherlands segment. Segment results, assets and liabilities are items that are directly or reasonably attributable to a segment. The prices and terms of inter-segment transactions are determined on an arm's length, objective basis. Segment capital expenditure is the total amount incurred during the period to acquire segment assets that are expected to be used for more than one reporting period. Management information related to balance sheet positions and the analysis of same is aggregated at the level of the Netherlands or Belgium/Luxembourg.

The segment results can be specified as follows:

	2021			2020		
	the Netherlands	Belgium / Luxembourg	Total	the Netherlands	Belgium / Luxembourg	Total
Total segment revenue	263,462	141,987	405,449	248,507	128,458	376,965
Inter-segment revenue	-4,267	-6,711	-10,978	-2,937	-4,795	-7,732
Revenue from contracts with customers	**259,195**	**135,276**	**394,471**	**245,570**	**123,663**	**369,233**
EBITDA	**28,061**	**22,128**	**50,189**	**24,648**	**21,714**	**46,362**
Amortisation	-1,504	-218	-1,722	-1,457	-216	-1,673
Depreciation right-of-use assets	-6,793	-3,855	-10,648	-7,306	-3,708	-11,014
Depreciation tangible fixed assets	-1,486	-583	-2,069	-1,884	-559	-2,443
Operating profit	**18,278**	**17,472**	**35,750**	**14,001**	**17,231**	**31,232**
Finance costs – net	-1,069	-232	-1,301	-1,009	-225	-1,234
Share of profit of associates	2	-	2	-17	-	-17
Profit before tax	**17,211**	**17,240**	**34,451**	**12,975**	**17,006**	**29,981**
Income tax expense	-4,476	-5,377	-9,853	-2,287	-5,404	-7,691
Profit for the year	**12,735**	**11,863**	**24,598**	**10,688**	**11,602**	**22,290**

One Dutch client accounted for more than 10% of total revenue in 2021. The revenue generated from this client was approximately EUR 51.2 million (2020: revenue of approximately EUR 52.8 million). Four other clients together accounted for around 21% of total revenue.

The assets and liabilities can be specified as follows:

	31 December 2021					31 December 2020				
	the Netherlands	Belgium / Luxembourg	Total	Eliminations	Consolidated	the Netherlands	Belgium / Luxembourg	Total	Eliminations	Consolidated
Total assets	273,644	98,504	372,148	-79,282	292,866	264,133	92,166	356,299	-70,205	286,094
Total liabilities	94,696	41,810	136,506	-22,588	113,918	86,322	37,251	123,573	-15,290	108,283

Other segment information can be specified as follows:

		2021			2020		
	Notes	the Netherlands	Belgium / Luxembourg	Total	the Netherlands	Belgium / Luxembourg	Total
Carrying amount at year end of intangible assets	8	115,314	17,363	132,677	110,622	17,581	128,203
Carrying amount at year end of right-of-use assets	9	24,498	8,115	32,613	27,756	7,735	35,491
Carrying amount at year end of tangible assets	10	5,516	1,542	7,058	3,470	1,227	4,697
Carrying amount at year end of financial fixed assets	11/12	8,640	250	8,890	12,406	240	12,646
Purchases of intangible assets	8	67	-	67	90	35	125
New group companies intangible assets	8	6,129	-	6,129	-	-	-
Purchases of right-of-use assets	9	3,536	4,234	7,770	6,901	2,558	9,459
Purchases of property, plant and equipment	10	3,636	898	4,534	2,326	512	2,838
Amortisation	8	1,504	218	1,722	1,457	216	1,673
Depreciation right-of-use assets	9	6,793	3,855	10,648	7,306	3,708	11,014
Depreciation tangible fixed assets	10	1,486	583	2,069	1,884	559	2,443
Income tax recognised in income statement	25	4,476	5,377	9,853	2,287	5,404	7,691
Income tax paid in reporting period		1,721	5,370	7,091	-	5,291	5,291
Number of employees at year-end (fte's)	22	1,690	1,025	2,715	1,626	960	2,586
Average number of employees (fte's)	22	1,619	964	2,583	1,648	924	2,572

8 Intangible assets

This item can be specified as follows:

	2021				2020			
	Goodwill	Software	Related to customers	Total	Goodwill	Software	Related to customers	Total
At 1 January								
Cost	192,816	14,312	-	207,128	192,816	15,222	-	208,038
Accumulated amortisation and impairments	-68,321	-10,604	-	-78,925	-68,321	-9,966	-	-78,287
Carrying amount at 1 January	**124,495**	**3,708**	**-**	**128,203**	**124,495**	**5,256**	**-**	**129,751**
Movements in carrying amount								
Additions	-	-	-	-	-	78	-	78
Internally generated	-	67	-	67	-	47	-	47
Acquisition of a subsidiary	4,009	-	2,120	6,129	-	-	-	-
Amortisation	-	-1,636	-86	-1,722	-	-1,673	-	-1,673
Disposals	-	-	-	-	-	-	-	-
Carrying amount at 31 December	**128,504**	**2,139**	**2,034**	**132,677**	**124,495**	**3,708**	**-**	**128,203**
At 31 December								
Cost	196,825	14,318	2,120	213,263	192,816	14,312	-	207,128
Accumulated amortisation and impairments	-68,321	-12,179	-86	-80,586	-68,321	-10,604	-	-78,925
Carrying amount at 31 December	**128,504**	**2,139**	**2,034**	**132,677**	**124,495**	**3,708**	**-**	**128,203**
Of which internally generated	-	1,061	-	1,061	-	1,676	-	1,676

8.1 Investments and divestments

Total investments in intangible fixed assets were primarily related to IT applications. These applications were partly produced in-house. The investments of EUR 0.1 million in 2021 were made entirely in the Netherlands.

In 2021, Ordina fully depreciated decommissioned assets with an initial investment value of less than EUR 0.1 million (2020: around EUR 1.0 million).

8.2 Impairment and reversal of impairment losses

In 2021 and 2020, Ordina recognised no impairment on intangible assets. Ordina did not reverse any prior-year impairment losses on intangible assets in 2021 and 2020.

8.3 Goodwill

Ordina monitors goodwill at the level of a group of cash-generating units within Ordina, which groups of cash-generating units are the same as the segments recognised. Ordina recognises the segments the Netherlands and Belgium/ Luxembourg.

The table below shows goodwill per segment.

	2021	2020
the Netherlands	111,362	107,353
Belgium/Luxembourg	17,142	17,142
Total	**128,504**	**124,495**

In 2021 goodwill for the segment the Netherlands rises with EUR 4.0 million. This increase was due to the acquisition of IFS Probity B.V. in 2021 (see note 30.1).

8.4 Software

The carrying value of software amounted to EUR 2.1 million at year-end 2021 (year-end 2020: EUR 3.7 million). The carrying amount at year-end 2021 was primarily related to the ERP application used in the Netherlands and which was partly produced in-house. The life of this application is based on the expected life and the assumed obsolescence of such applications, as well as on past experience with previous comparable applications.

8.5 Intangible assets related to customers

The intangible assets that are recognised in this balance sheet item pertain to the measurement upon acquisition of, among other things, brand names, clients lists and contract portfolios. The various components are depreciated on the basis of the individual useful life of the various components. The intangible assets related to clients can be fully attributed to the Netherlands. At year-end 2021, the carrying amount of the intangible assets related to clients amounted to EUR 2.0 million (year-end 2020: nil). The increase was due to the acquisition of IFS Probity B.V. in 2021 (see note 30.1).

8.6 Impairment testing for goodwill

Ordina carries out impairment tests at least once a year on the goodwill of the relevant (groups of) cash-generating units (see also sections 2.5 and 2.12 and note 5.1). Ordina did not carry out an interim impairment test in 2021. Goodwill is monitored at the level of and allocated to the segments the Netherlands and Belgium/Luxembourg. An impairment is recognised if the recoverable amount of the segment is less than the carrying amount.

The recoverable amounts of the various segments to which goodwill can be allocated are determined by calculating their value in use. These calculations use future cash flows based on projections for the next five years, which are partly based on the available relevant market data pertaining to the forecasts for the short and medium term. The market data include sector reports from research agencies, sector organisations and financial institutions.

These five-year projections include estimates related to revenue growth, direct and indirect costs, as well as assumptions regarding developments in investments and working capital. The table below shows the most critical assumptions applied in any impairment test.

	2021		2020	
	the Netherlands	Belgium / Luxembourg	the Netherlands	Belgium / Luxembourg
Average annual growth rate turnover (first 5 years)	5.1%	6.8%	1.8%	3.4%
Average annual EBITDA rate (first 5 years)	11.8%	13.0%	10.7%	13.2%
Long-term growth rate (after 5 years)	1.0%	1.0%	1.0%	1.0%
Discount rate (pre-tax)	10.5%	11.3%	12.9%	13.8%
Discount rate (post-tax)	8.1%	8.7%	9.9%	10.6%

Based on the chosen assumptions, the impairment test we conducted did not lead to an impairment at year-end 2021. The carrying amount, value in use and the headroom per segment to which goodwill was allocated at year-end 2021 were as follows:

(in euro millions)	Carrying amount	Value in use	Headroom
the Netherlands	116.4	295.2	178.8
Belgium/Luxembourg	56.6	209.1	152.5

Any adjustment of the premises in the use of estimates and assumptions in long-term projections inherently results in a different outcome. This is why in addition to this impairment test executed at year-end 2021, Ordina performed sensitivity analyses. These sensitivity analyses were performed on the basis of the following adjustments to the assumptions used:

- a 0.5% reduction of the EBITDA margin,
- a 1.0% reduction of forward growth, and
- an increase of 1.5% in the discount rate (post-tax).

The sensitivity analyses showed that any plausible adjustment to the main assumptions in the calculations, in the case of both adjustments to a single assumption and a combination of adjustments to several assumptions, does not result in impairment.

9 Leases

Lease contracts result in the recognition of rights of use and corresponding lease liabilities. The rights of use are depreciated over the term of the underlying contracts.

Ordina has various lease contracts pertaining to the lease of property and the use of equipment and lease cars. The term of the lease contracts generally varies from three to five years. The rental contract for the offices in Nieuwegein ends on 31 March 2028. The term of contracts for lease cars generally varies from 36 to 48 months.

Ordina also has lease contracts with a term of less than 12 months, as well as lease contracts related to underlying assets with a low value. Ordina applies the exemption for lease contracts with a term of less than 12 months upon commencement, as well as the exemption for lease contracts related to underlying assets with a low value.

The contract changes/extensions pertaining to buildings recognised in 2021 were largely related to the extension of the lease contract for our offices in Windhof in Luxembourg. The contract change/extension in 2020 was related to the extension of the lease contract for our office in Groningen.

Changes in rights of use can be specified as follows:

	2021				2020			
	Buildings	Cars	Other equipment	Total	Buildings	Cars	Other equipment	Total
At 1 January	19,699	15,291	501	35,491	21,183	15,251	612	37,046
Investments in new contracts	-	7,151	-	7,151	-	7,267	-	7,267
Acquisition of a subsidiary	162	290	-	452	-	-	-	-
Modifications / renewals	835	-	21	856	1,557	-	-	1,557
Remeasurements	215	-901	-3	-689	549	72	14	635
Amortisation	-3,454	-7,070	-124	-10,648	-3,590	-7,299	-125	-11,014
Carrying amount at 31 December	**17,457**	**14,761**	**395**	**32,613**	**19,699**	**15,291**	**501**	**35,491**

The lease liabilities can be specified as follows:

	2021	2020
At 1 January	36,692	38,111
Investments in new contracts	7,151	7,267
Acquisition of a subsidiary	452	-
Modifications / renewals	856	1,557
Remeasurements	-692	632
Interest costs	897	950
Lease payments (including IFRS 16 interest)	-10,835	-11,825
As at 31 December	**34,521**	**36,692**
Lease obligations - long term	24,018	26,885
Lease obligations - short term	10,503	9,807
Total	**34,521**	**36,692**

Lease liabilities are primarily related to lease and car lease contracts. The lease liabilities for other equipment pertain to lease contracts for printing equipment and other inventory. During the term of the underlying contracts, the lease liability is calculated plus an interest component and less the lease payments already made.

Lease payments related to the repayment component are recognised under the cash flows from financing activities. Lease payments related to the interest component are recognised under cash flows from operational activities.

Of the total lease liabilities of EUR 34.5 million at year-end 2021 (year-end 2020: EUR 36.7 million) around EUR 19.1 million pertains to lease contracts (year-end 2020: EUR 20.7 million), around EUR 15.0 million pertains to car lease contracts (year-end 2020: EUR 15.5 million) and around EUR 0.4 million pertains to other lease liabilities (year-end 2020: EUR 0.5 million). See note 4.3 for an analysis of the future outgoing cash flows related to lease liabilities.

Ordina at a glance
Foreword
A look back at 2021
Client cases
Who we are and what do we do?
Strategic pillars, goals & results
Being ahead of the game has its advantages
Risks
Governance
Composition Management Board and Supervisory Board
Report of the Supervisory Board
Remuneration report
Provisions of the articles of association
Financial Statements
Other information
Contents Annual report
Contents Financial statements

With respect to lease contracts, Ordina has charged the following amounts to the result:

	2021	2020
Depreciation of right-of-use assets	10,648	11,014
Interest expenses on lease liabilities	897	950
Expense relating to short-term leases	622	816
Expense relating to low-value leases	41	38
Variable lease payments	6	14
Total	**12,214**	**12,832**

Total lease payments amounted to around EUR 11.5 million in 2021 (2020: EUR 12.7 million).

10 Property, plant and equipment

Changes in the assets included in this line item can be specified as follows:

	2021				2020			
	Equipment	Fixtures and fittings	Renovations	Total	Equipment	Fixtures and fittings	Renovations	Total
At 1 January								
Cost	10,794	2,204	6,838	19,836	13,179	1,879	6,075	21,133
Accumulated amortisation and impairments	-8,460	-1,532	-5,147	-15,139	-10,516	-1,442	-4,799	-16,757
Carrying amount at 1 January	**2,334**	**672**	**1,691**	**4,697**	**2,663**	**437**	**1,276**	**4,376**
Movements in carrying amount								
Additions	1,270	836	2,325	4,431	1,625	386	827	2,838
Acquisition of a subsidiary	-	103	-	103	-	-	-	-
Amortisation	-1,491	-284	-398	-2,173	-1,954	-151	-412	-2,517
Disposals	-	-	-	-	-	-	-	-
Carrying amount at 31 December	**2,113**	**1,327**	**3,618**	**7,058**	**2,334**	**672**	**1,691**	**4,697**
At 31 December								
Cost	11,440	3,148	5,954	20,542	10,794	2,204	6,838	19,836
Accumulated amortisation and impairments	-9,327	-1,821	-2,336	-13,484	-8,460	-1,532	-5,147	-15,139
Carrying amount at 31 December	**2,113**	**1,327**	**3,618**	**7,058**	**2,334**	**672**	**1,691**	**4,697**

10.1. Investments and divestments

Investments in equipment in 2021 were primarily replacement investments. Investments in inventory and renovations are largely related to the renovation of the offices in Nieuwegein. In addition, around EUR 0.4 million of the investments in inventories pertains to the acquisition of home work stations in the Netherlands made available at the request of employees (2020: EUR 0.3 million). Of the total investments, around EUR 0.9 million was related to our offices in Belgium and Luxembourg (2020: EUR 0.5 million).

Ordina made no material divestments in 2021 and 2020.

In 2021, Ordina decommissioned fully depreciated assets with an original purchase value of around EUR 3.9 million (2020: around EUR 4.1 million).

10.2. Impairment and reversal of impairment losses

Ordina did not recognise any impairment losses on property, plant and equipment in 2021 or 2020. Ordina did not reverse any prior-year impairments on property, plant and equipment in 2021.

11 Associated companies

This item can be specified as follows:

	2021	2020
At 1 January	323	340
Additions	-	-
Share of profit and impairment of associates	3	-17
Dividends	-	-
Disposals	-	-
At 31 December	**326**	**323**

Ordina had two associates at year-end 2021 and 2020: Quli B.V. (the Netherlands, 25.0% interest) and Passwerk CVBA (Belgium, 37.3% interest).

The recognised results from associated companies in both 2021 and 2020 was entirely due to Quli B.V. Ordina did not recognise any result for Passwerk in 2021 and 2020 in connection with the restrictive conditions under which it is possible to pay out dividends by virtue of the social purpose of this company.

In both 2021 and 2020, Ordina did not provide any services to or make use of any services of Quli B.V. or Passwerk CVBA.

The item investments in associates, on the basis of the financial information at year-end 2021, can be specified as follows:

Based on 100%	Quli B.V.	Passwerk CVBA
Assets	962	4,809
Liabilities	160	1,276
Revenue	914	7,357
Profit	9	675
Other results (OCI)	-	17
Total comprehensive income	9	692
Share	25.0%	37.3%

12 Deferred income tax

Deferred taxes can be specified as follows:

	2021		2020	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets and property, plant and equipment	7,046	525	7,926	-
Employee related provisions	234	-	254	-
Other provisions	53	-	71	-
Recognised tax losses	1,231	-	4,072	-
At 31 December	**8,564**	**525**	**12,323**	**-**

In the statement of income for 2021, Ordina has recognised deferred taxes of around EUR 3.7 million (2020: around EUR 1.9 million). Deferred taxes are measured at the set tax rates in the year in which said deferred taxes are likely to be settled. On the basis of the tax rate with effect from 1 January 2022, at year-end 2021 Ordina's deferred taxes were valued at 25.8% in the Netherlands. As a result of the adjustment of the future nominal tax rates in the Netherlands, Ordina recognised income of more than EUR 0.2 million. In 2020, Ordina reversed an amount of over EUR 1.6 million from previously processed depreciations and recognised as income.

12.1 Deferred tax assets

At year-end 2021, Ordina's deferred tax assets amounted to EUR 8.6 million (year-end 2020: EUR 12.3 million)

The table below shows the movement in deferred tax assets in the years 2021 and 2020.

	2021					2020				
	Opening balance	Acquisition of a subsidiary	Recognised in income statement	Recognised in consolidated statement of comprehensive income	Closing balance	Opening balance	Acquisition of a subsidiary	Recognised in income statement	Recognised in consolidated statement of comprehensive income	Closing balance
Intangible assets and property, plant and equipment	7,926	-	-880	-	7,046	8,003	-	-77	-	7,926
Employee related provisions	254	-	19	-38	235	237	-	38	-21	254
Other provisions	71	-	-18	-	53	30	-	41	-	71
Recognised tax losses	4,072	-	-2,842	-	1,230	5,963	-	-1,891	-	4,072
	12,323	**-**	**-3,721**	**-38**	**8,564**	**14,233**	**-**	**-1,889**	**-21**	**12,323**

At year-end 2021, EUR 6.1 million of the total deferred tax assets had a term of more than one year (year-end 2020: EUR 9.1 million).

The deferred tax asset by virtue of intangible assets and property, plant and equipment relates to temporary measurement differences due to the difference between the actual economic write-down period and minimum fiscal write-down period.

The deferred tax asset by virtue of intangible assets and property, plant and equipment includes an amount of around EUR 0.5 million related to measurement differences as a result of the application of IFRS 16 Leases (year-end 2020: around EUR 0.5 million). Due to the fact that expenses recognised under the application of IFRS 16 are not fiscally accepted, a deferred tax position is recognised on the basis of the difference in the measurement of the right of use and the lease liability. These deferred tax assets and tax liabilities are netted. The balance of EUR 0.5 million (year-end 2020: EUR 0.5 million) consists of a deferred tax asset of EUR 8.9 million (year-end 2020: EUR 9.4 million) and a deferred tax liability of EUR 8.4 million (year-end 2020: EUR 8.9 million).

The deferred tax asset by virtue of employee benefits and provisions relates to temporary measurement differences with respect to pension provisions.

The deferred tax asset by virtue of other provisions pertains to the provision for expected credit losses on trade receivables.

Ordina at a glance
Foreword
A look back at 2021
Client cases
Who we are and what do we do?
Strategic pillars, goals & results
Being ahead of the game has its advantages
Risks
Governance
Composition Management Board and Supervisory Board
Report of the Supervisory Board
Remuneration report
Provisions of the articles of association
Financial Statements
Other information
Contents Annual report
Contents Financial statements

The measurement of tax loss carry-forwards takes into account estimates of the scope and timing of future taxable profits. Recognition is at the nominal tax rate that will apply in future years on the basis of existing legislation. The recognition of tax loss carry-forwards at year-end 2021 took into account the corporate income tax rates as established definitively for the years 2022 and beyond. At year-end 2021, the losses in the Netherlands were therefore recognised at a rate of 25.8% (year-end 2020: 25.0%). At year-end 2021, the total available losses amounted to around EUR 4.8 million (year-end 2020: around 16.3 million. With effect from 2022, losses in the Netherlands can be offset for an unlimited period. At the same time as this change, tax loss carry-forwards were maximised at EUR 1.0 million plus 50% of the taxable amount over and above this EUR 1.0 million. Taking into account this adjustment, Ordina expects to be able to offset its remaining tax loss carry-forwards in 2022. At year-end 2021 and 2020, the available tax losses were fully recognised.

12.2 Deferred tax liabilities

Ordina's deferred tax liabilities stood at EUR 0.5 million at year-end 2021 (year-2020: nil)

The table below shows the movement in deferred tax liabilities in 2021 and 2020:

	2021					2020				
	Opening balance	Acquisition of a subsidiary	Recognised in income statement	Recognised in consolidated statement of comprehencive income	Closing balance	Opening balance	Acquisition of a subsidiary	Recognised in income statement	Recognised in consolidated statement of comprehencive income	Closing balance
Intangible assets and property, plant and equipment	-	530	-5	-	525	-	-	-	-	-
	-	**530**	**-5**	**-**	**525**	**-**	**-**	**-**	**-**	**-**

At year-end 2021, EUR 0.4 million of Ordina's deferred tax liabilities had a term of more than one year (year-end 2020: nil).

Ordina's deferred tax liabilities pertain to the temporary measurement differences in the measurement of intangible assets related to customers upon the acquisition of an associated company. Measurements are based on the nominal rate expected to apply during this asset's term of depreciation.

Ordina at a glance
Foreword
A look back at 2021
Client cases
Who we are and what do we do?
Strategic pillars, goals & results
Being ahead of the game has its advantages
Risks
Governance
Composition Management Board and Supervisory Board
Report of the Supervisory Board
Remuneration report
Provisions of the articles of association
Financial Statements
Other information
Contents Annual report
Contents Financial statements

13 Financial instruments by category

The accounting policies for financial instruments have been applied to the following line items:

	2021					2020				
	Amortised cost	Fair value through profit & loss	Fair value through OCI	Derivatives used for hedging	Total	Amortised cost	Fair value through profit & loss	Fair value through OCI	Derivatives used for hedging	Total
Trade receivables and other short-term assets	65,848	-	-	-	65,848	58,670	-	-	-	58,670
Trade payables and other short-term liabilities	-72,747	-	-	-	-72,747	-67,518	-	-	-	-67,518
Total at 31 December	**-6,899**	**-**	**-**	**-**	**-6,899**	**-8,848**	**-**	**-**	**-**	**-8,848**

14 Trade receivables and other current assets

Trade receivables and other current assets can be specified as follows:

	2021	2020
Trade receivables	41,831	37,937
Provision for impairment of trade receivables	-636	-862
Trade receivables - net	**41,195**	**37,075**
Unbilled receivables	16,125	14,626
Contract assets	7,806	5,991
Other receivables	439	315
Prepayments and accrued income	2,464	2,645
At 31 December	**68,029**	**60,652**

The fair value of the trade receivables and other current assets approximates their net carrying amount.

Net receivables rose by around EUR 4.1 million in 2021. This increase was due to an increase in revenue compared with the previous year.

As at 31 December 2021, trade receivables of around EUR 4.8 million (31 December 2020: around EUR 4.5 million) were past due but did not result in the taking of a specific provision. Despite the fact that they were past due, there were no indications on the balance sheet date that a provision was necessary in addition to the provision already taken for expected credit losses on trade receivables.

The ageing analysis of these (net) trade receivables is as follows:

	2021	2020
Trade receivables not impaired and not past due	36,422	32,545
Trade receivables not impaired and past due:		
Up to 1 month	3,627	2,972
1 to 2 months	793	712
2 to 3 months	329	142
Over 3 months	24	704
	4,773	**4,530**
Trade receivables - net	**41,195**	**37,075**

Movements in the provision for doubtful debts were as follows:

	2021	2020
At 1 January	862	531
Provision for receivables impairment	79	470
Receivables written off during the year as incollectible	-52	-36
Unused amounts reversed	-253	-103
At 31 December	**636**	**862**

All trade receivables are denominated in euros. Ordina therefore has no trade receivables that are denominated in currencies other than the euro.

The creation and release of the provision have been included in `other operating expenses´ in the income statement. Amounts charged to the allowance account are generally written off definitively when there is no expectation of recovering additional cash.

At year-end 2021, trade receivables and other current assets amounting to around EUR 53.7 million had been provided as collateral as security for the financing facility (year-end 2020: around EUR 49.5 million).

At year-end 2021, Ordina recognised a provision of around EUR 0.7 million for expected credit losses on unbilled revenue and contract assets (year-end 2020: around EUR 1.0 million). The reduction in this provision for expected credit losses is partly due to the fact that, on the basis of actual developments at year-end 2021, the impact of Covid-19 on future credit losses was lower than estimated at year-end 2020. The other classes within trade receivables and other current assets do not contain any impaired assets.

Accrued income includes, among other things, prepaid expenses. Accrued income and other receivables fell due in less than one year at both year-end 2021 and year-end 2020.

The maximum exposure to credit risk at the reporting date is the value of each class of receivables mentioned above. Ordina does not hold any collateral as security.

The maximum credit risk exposure to trade receivables (gross) and unbilled revenue pertaining to work already carried out and contract assets can be specified as follows per geographical area:

	2021	2020
the Netherlands	41,574	33,119
Belgium/Luxembourg	24,274	25,551
Total	**65,848**	**58,670**

The maximum credit risk exposure to trade receivables (gross) can be specified as follows per client category:

	2021	2020
Public	7,952	5,748
Finance	9,115	8,245
Industry	24,764	23,944
At 31 December	**41,831**	**37,937**

The creditworthiness of the trade receivables (net) can be judged on the basis of external credit ratings (Standard & Poor's), as well as on the basis of payment history. The following includes a breakdown of the creditworthiness of the debtors, less provisions:

	2021	2020
Debtors with external credit rating		
A-AA	11,768	11,038
B-BBB	431	-
	12,199	**11,038**
Debtors without external credit rating		
Low credit risk	23,973	20,819
Medium credit risk	4,918	4,498
High credit risk	105	720
	28,996	**26,037**
At 31 December	**41,195**	**37,075**

No credit rating is available for public sector bodies. Receivables due from public sector bodies are qualified as low risk.

15 Cash and cash equivalents

The balances disclosed in this item are at Ordina's free disposal. At year-end 2021, an amount of around EUR 2.1 million (year-end 2020: around 3.0 million) was held in a so-called blocked account, on the basis of which the disposal of the monies in said account is limited to tax obligations.

At the balance sheet date, Ordina had no financial derivatives.

The cash and cash equivalents have been deposited with professional market parties with a good credit rating. The following is a breakdown of available cash and cash equivalents based on the external credit rating of these market parties:

Credit quality of cash and cash equivalents at end of year	2021	2020
A-AA	43,599	44,405
B-BBB	-	-
At 31 December	**43,599**	**44,405**

In July 2019, Ordina extended its existing financing facility agreed with ABN Amro and ING. This financing facility is for an amount of EUR 30.0 million, and is a fully committed current account credit facility. This new financing facility has a maximum term of five years, with an initial term of three years and an option to extend this twice by one year. In 2021, Ordina and its banks agreed a second extension as a result of which the agreement now ends as of July 2024.

The most important elements of the covenants related to this financing facility comprise a maximum leverage ratio (calculated on the basis of total net debt/adjusted EBITDA) and an Interest Cover Ratio (calculated on the basis of the (adjusted) EBITDA/total interest as defined in the financing agreement). The leverage ratio has been set at a maximum of 2.5. The Interest Cover Ratio has been set at a minimum of 5.0. The covenants are based on the consolidated financial statements drawn up in accordance with IFRS. The net debt is the total short-term and long-term borrowings and current account debt, less the available cash and cash equivalents. The adjusted EBITDA is determined on the basis of the EBITDA recognised in the statement of income, corrected for the impact of IFRS 16 Leases and the EBITDA of acquisitions in so far as these are not consolidated. The adjusted EBITDA used to determine the leverage ratio is subject to a correction for one-off costs and restructuring costs set at a maximum of 1% of revenue and with a maximum of EUR 4.0 million.

The financing agreement also stipulates that the total EBITDA of the companies that have agreed joint and several liability for the purposes of the financing agreement should account for a minimum of 80% of the consolidated EBITDA, as laid down in the credit agreement (the Guarantor Cover Ratio) and that a minimum of EUR 30 million of the trade receivables are pledged as security for the lender (the Security Cover).

The interest rate on the financing facility is calculated on the basis of the one-month EURIBOR rate plus a fixed margin of 0.7%.

The table below shows the applicable covenants and the extent to which these had been realised at year-end 2021.

	Realisation year-end 2021	Finance agreement
Leverage ratio	-1.1	=< 2,5
Interest Cover Ratio	223.1	>= 5,0
Guarantor Cover Ratio	91%	>= 80
Security Cover (in euro millions)	53.7	>= 30.0

16 Paid-up and called-up capital

Movements in paid-up and called-up capital in 2021 and 2020 were as follows:

	2021		2020	
(In thousands)	Number of outstanding shares	Issued capital (in euro's)	Number of outstanding shares	Issued capital (in euro's)
At 1 January	93,256	9,326	93,256	9,326
Issue of shares	-	-	-	-
Issue related to share-based payment	-	-	-	-
At 31 December	**93,256**	**9,326**	**93,256**	**9,326**

16.1 Paid-up and called-up share capital

The total authorised capital amounted to EUR 20 million at year-end 2021, and consisted of 199,999,995 shares with a par value of EUR 0.10 per share, plus one priority share with a par value of EUR 0.50, divided as follows:

Priority shares:	1
Preference shares:	39,999,995
Ordinary shares:	160,000,000

At year-end 2021, one priority share and 93,255,929 ordinary shares were fully paid up (year-end 2020: one priority share and 93,255,929 ordinary shares).

No new shares were issued in 2021 or 2020.

For the settlement of the variable long-term bonuses for the period 2018-2020, which took place in the first half of 2021, Ordina acquired and then immediately paid out a total of 447,078 treasury shares. The purchase of 447,078 shares included the purchase of 196,323 shares for the Management Board's bonus scheme and the purchase of 250,755 shares for the senior management's bonus scheme. These shares were purchased at an average share price of EUR 3.361 per share. Ordina N.V. did not hold any treasury shares at either year-end 2021 or year-end 2020.

For details of the issued priority share, see the provision relating to the priority share in the company's articles of association.

16.2 Share and share option schemes

At both year-end 2021 and year-end 2020, there were no outstanding options on Ordina N.V. shares.

Ordina at a glance
Foreword
A look back at 2021
Client cases
Who we are and what do we do?
Strategic pillars, goals & results
Being ahead of the game has its advantages
Risks
Governance
Composition Management Board and Supervisory Board
Report of the Supervisory Board
Remuneration report
Provisions of the articles of association
Financial Statements
Other information
Contents Annual report
Contents Financial statements

The members of the Management Board and the senior management have been granted a variable long-term bonus which involves a payment in shares (see also section 2.14.2). In the context, at year-end 2021 shares in Ordina N.V. were awarded conditionally in line with the bonus scheme for the members of the Management Board (total of 350,297 shares) and in line with the bonus scheme for the senior management (total of 934,045 shares).

We refer to section 31.2.2 for an explanation of the schemes applicable to the members of the Management Board. The targets of the schemes that apply to the senior management are the same as those that apply to the members of the Management Board. The allocation under the scheme still applicable to the Executive Committee/management at year-end 2021 can be specified as follows:

	2021						2020
	Conditionally granted number of shares	Grant date	Share price at grant	Fair value on grant date	Percentage	Recognised in profit & loss 2021	Recognised in profit & loss 2020
LTI 2017-2019						n.a.	508
LTI 2018-2020	382,155	09-05-19	1.75	668	128%	397	274
LTI 2019-2021	-	26-09-19	1.68	-	128%	-	-1
LTI 2019-2021	261,281	22-06-20	1.92	502	125%	264	101
LTI 2020-2022	290,609	19-04-21	3.42	994	100%	271	n.a.
	934,045			**2,164**		**932**	**882**

Ordina at a glance
Foreword
A look back at 2021
Client cases
Who we are and what do we do?
Strategic pillars, goals & results
Being ahead of the game has its advantages
Risks
Governance
Composition Management Board and Supervisory Board
Report of the Supervisory Board
Remuneration report
Provisions of the articles of association
Financial Statements
Other information
Contents Annual report
Contents Financial statements

17 Reserves

Movements in reserves can be specified as follows:

	2021				2020			
	Share premium reserve	Retained earnings	Profit for the year	Total	Share premium reserve	Retained earnings	Profit for the year	Total
At 1 January	136,219	9,976	22,290	168,485	136,219	3,077	14,875	154,171
Prior-year retained earnings	-	22,290	-22,290	-	-	14,875	-14,875	-
Dividend distribution to shareholders	-	-22,288	-	-22,288	-	-8,859	-	-8,859
Share based payments - treasury shares settlement	-	-2,602	-	-2,602	-	-673	-	-673
Share-based payments - personnel expenses	-	1,314	-	1,314	-	1,492	-	1,492
Actuarial gains and losses	-	115	-	115	-	64	-	64
Net profit for the year	-	-	24,598	24,598	-	-	22,290	22,290
At 31 December	**136,219**	**8,805**	**24,598**	**169,622**	**136,219**	**9,976**	**22,290**	**168,485**

The settlement of share-based payments via the purchase of treasury shares resulted in a negative financial cash flow of EUR 2.6 million in 2021 (2020; EUR 0.7 million). This pertained to the purchase of treasury shares for the settlement of the obligation (see note 16.1).

Share-based bonuses in the amount of EUR 1.3 million was recognised under personnel expenses charged to the result in 2021 (2020: EUR 1.5 million) (see note 22). Around EUR 0.4 million of this amount pertains to the Management Board’s share-based bonuses (2020: EUR 0.6 million).

The company financial statements included a statutory reserve charged to the retained earnings in the sum of around EUR 1.1 million at year-end 2021 (year-end 2020: around EUR 1.7 million) (see note 36).

18 Commitments from financing activities

At year-end 2021 and year-end 2020, Ordina Group had no non-current borrowings, other than liabilities ensuing from lease contracts.

The tables below show the changes in liabilities arising from financing activities for both the year under review and the previous financial period:

	2021				2020			
	At 1 January	Cash flows	Other	At 31 December	At 1 January	Cash flows	Other	At 31 December
Non-current borrowings	-	-	-	-	-	-	-	-
Current borrowings	-	-	-	-	-	-	-	-
Lease obligations	36,692	-9,943	7,772	34,521	38,111	-10,878	9,459	36,692
Dividend distribution to shareholders	-	-22,288	22,288	-	-	-8,859	8,859	-
Total liabilites from financing activities	**36.692**	**-32.231**	**30.060**	**34.521**	**38.111**	**-19.737**	**18.318**	**36.692**

Other changes in both 2021 and 2020 pertaining to lease liabilities are mainly contract extensions and indexation obligations in lease contracts and new car lease contracts entered into in the relevant calendar years, plus the recognition of the lease obligations of new group companies.

The other changes are related to the General Meeting's resolutions to pay out a dividend adopted on 8 April 2021 and 10 December 2020. Following these resolutions, in 2021 and 2020 Ordina paid out an amount of around EUR 22.3 million and around EUR 8.9 million from the net profit for 2020 and 2019 respectively as dividend to its shareholders.

Ordina recognises dividend to be paid out to shareholders as a liability at the moment that the General Meeting adopts a resolution to pay out a dividend.

19 Employee benefits

Employee benefits pertain exclusively to pension liabilities and can be specified as follows per region:

	2021	2020
the Netherlands	772	836
Belgium/Luxembourg	140	179
At 31 December	**912**	**1,015**

19.1 Provision arising from defined benefit pension plans the Netherlands

The provision arising from defined benefit pension plans in the Netherlands can be broken down as follows:

	2021	2020
Defined benefit obligation	9,611	10,420
Less: fair value of plan assets	8,839	9,584
At 31 December	**772**	**836**

Movements in the defined benefit obligation were as follows:

	2021	2020
At 1 January	10,420	9,734
Current service cost	-	-
Interest cost	83	121
Contributions by plan participants	-	-
Benefits paid	-88	-75
Actuarial gains and losses	-804	640
Defined benefit obligation at 31 December	**9,611**	**10,420**

Movements in the fair value of pension plan assets were as follows:

	2021	2020
At 1 January	9,584	8,732
Expected return on plan assets	76	109
Employer contributions	30	29
Benefits paid	-88	-75
Actuarial gains and losses	-763	789
Fair value of plan assets at 31 December	**8,839**	**9,584**

The pension provision pertains to obligations for defined benefit plans (pension plans based on average salary or final salary plans), measured at current value in accordance with the provisions of IAS 19 Employee Benefits. As a result of the harmonisation of the pension plans, the defined benefit plan does not have any active members. At year-end 2021, Ordina´s obligations pursuant to the defined benefit pension plans were limited to guarantee and management costs, insofar as these are not covered by surplus interest gains. Related plan assets are stated at fair value. Actuarial gains and losses are recognised directly in other comprehensive income. All pension plans operated by Ordina are administered by professional insurers. The plan assets are comprised of qualifying insurance policies.

The cumulative net change relating to actuarial gains and losses recognised in the statement of comprehensive income was minus EUR 4.3 million at year-end 2021 (year-end 2020: minus EUR 4.3 million).

The amounts recognised in the income statement were as follows:

	Notes	2021	2020
Current service cost		-	-
Interest cost		83	121
Expected return on plan assets		-76	-109
Total, included in personnel expenses	22	**7**	**12**

The costs that will be charged to the 2022 result are expected to amount to approximately EUR 9,000. The actual return on plan assets was a negative EUR 0.7 million in 2021 (2020: EUR 0.9 million). Plan assets are qualifying insurance policies that correspond exactly with the amount and timing of all payments to be made pursuant to the plan. The plan assets are equal to the value of the corresponding liabilities, based on the same assumptions used in the calculation of the cash value of the pension obligations.

The principal actuarial assumptions were as follows:

	2021	2020
Discount rate at 31 December	1.20%	0.80%
Expected return on plan assets	1.20%	0.80%

In the event that the discount rate were to be raised or lowered by 0.20% in the context of a sensitivity analysis, the obligation ensuing from the defined benefit plan would amount to EUR 9.2 million (2020: EUR 10.0 million) or EUR 10.0 million (2020: EUR 10.9 million) respectively.

Assumptions with respect to life expectancy are based on published statistics. The life expectancy at year end 2021 is based on the most recent prognosis table, published by the Dutch Actuarial Association in 2020 (Prognosetafel AG2020). Furthermore, a correction was applied due to the higher life expectancy of the working population.

Assumptions regarding life expectancy are based on published statistics. The average life expectancy in years of a pensioner retiring at age 65, 66 or 67 is as follows:

	2021	2020
Male, age of 65	21.9	21.8
Female, age of 65	24.3	24.2
Male, age of 66	20.9	20.8
Female, age of 66	23.4	23.2
Male, age of 67	20.0	19.9
Female, age of 67	22.4	22.3

The average life expectancy in years of a participant currently 45 years of age retiring at age 65, 66 and 67 is as follows:

	2021	2020
Male, age of 65	24.2	24.1
Female, age of 65	26.5	26.4
Male, age of 66	23.2	23.2
Female, age of 66	25.5	25.4
Male, age of 67	22.3	22.2
Female, age of 67	24.5	24.4

The following is a specification of the valuation of the defined benefit obligation and the fair value of plan assets for the years 2017 through 2021:

	2021	2020	2019	2018	2017
Defined benefit obligation	9,611	10,420	9,734	8,160	8,139
Less: fair value of plan assets	8,839	9,584	8,732	7,300	7,274
Defined benefit obligation	**772**	**836**	**1,002**	**860**	**865**
Experience adjustments on plan liabilities	804	-640	-1,479	73	-121
Experience adjustments on plan assets	-763	789	1,326	-78	105

19.2 Provision arising from defined benefit pension plans in Belgium

Ordina Belgium N.V. has a pension plan with a defined contribution from the employer. Ordina Belgium N.V.'s obligation with respect to payments before 1 January 2016 is limited to the deposit of premiums and a legal minimum return of 3.25% on these deposits in so far as the guaranteed return from the insurer is lower. With respect to deposits after 1 January 2016, the return guarantee for the employers becomes variable. The legal minimum guarantee of 1.75% is applicable to premiums paid from 2016 onwards.

From 2016 onwards, these pension plans qualify as defined benefit plans under IAS 19R, and the projected unit credit method has been used to calculate the cash value of the obligation. The value of the plan assets stood at EUR 4.9 million at year-end 2021 (year-end 2020: EUR 4.4 million). The cash value of the obligations stood at EUR 5.0 million at year-end 2021 (year-end 2020: EUR 4.6 million). The provision for this plan at year-end 2021 was on balance EUR 0.1 million (year-end 2020: EUR 0.2 million).

The cumulative change for actuarial profits and losses recognised in the consolidated statement of comprehensive income stood at minus EUR 18,000 at year-end 2021 (year-end 2020: minus 0.1 million).

20 Other provisions

Other provisions can be specified as follows:

	2021				2020			
	Projects	Redundancy costs	Other	Total	Projects	Redundancy costs	Other	Total
At 1 January	689	250	-	939	414	610	453	1,477
Reclassifications	-	-	-	-	453	-	-453	-
Acquisition of a subsidiary	-	-	2,314	2,314	-	-	-	-
Additions	1,449	-	109	1,558	77	2,826	-	2,903
Unused amounts	-560	-	-	-560	-144	-33	-	-177
Used during the year	-129	-250	-	-379	-111	-2,658	-	-2,769
At 31 December	**1,449**	**-**	**2,423**	**3,872**	**689**	**745**	**-**	**1,434**
Presented as current liabilities	-	-	-	-	-	-495	-	-495
At 31 December	**1,449**	**-**	**2,423**	**3,872**	**689**	**250**	**-**	**939**
Non-current	-	-	1,481	1,481	-	-	-	-
Current	1,449	-	942	2,391	689	250	-	939

The project provision pertains to the estimated outstanding activities with respect to onerous contracts. The project provisions also include a provision for a past dispute with one of our suppliers. This supplier initiated legal proceedings, which resulted in a ruling in the first half of 2021. An appeal has been lodged against this ruling. The outcome of the appeal is uncertain. On the basis of the status at year-end 2021, Ordina has estimated the potential settlement of the dispute. On the basis of this estimate, Ordina recognised a provision in 2021. The actual outcome may differ from the estimate used as a basis for the recognition of the provision.

The provision for redundancy costs is related to the costs connected with the departure of employees at Ordina's initiative. At the moment at which there is no question of an element of estimation in the determination of the amount of the obligation, this is recognised under short-term liabilities. At year-end 2021, Ordina had not recognised a provision for redundancy costs with an element of estimation (year-end 2020: EUR 0.3 million).

The amount recognised under other provisions pertains to the earn-out obligations with respect to acquisitions. See note 30.1 for an explanation of the acquisitions.

At year-end 2021, EUR 2.4 million of the total provisions of EUR 3.9 million had a term of less than one year.

21 Trade payables and other current liabilities

Trade payables and other current liabilities can be specified as follows:

	2021	2020
Trade payables	10,705	11,713
Contract liabilities	5,889	5,265
Taxes and social security	25,229	23,660
Pension contributions	123	161
Other payables	1	21
Accruals and deferred income	30,800	26,698
At 31 December	**72,747**	**67,518**

The fair value of trade payables, other debt and accrued liabilities approximates their net carrying amount.

Of the taxes and social security contributions at year-end 2021, EUR 11.3 million pertained to payroll tax and social security contributions (year-end 2020: EUR 11.7 million) and EUR 13.9 million pertained to turnover tax (year-end 2020: EUR 11.6 million). In connection with the payability of the dividend as of 22 December 2020, the line item taxes also includes an amount of EUR 0.3 million in dividend taxes at year-end 2020 (year-end 2021: nil).

The accrued liabilities include obligations to pay holiday allowance, leave entitlements, bonuses, year-end payments, redundancy costs and other personnel expenses, as well as items charged to profit or loss for the year under the prevailing accounting policies.

The reservation for redundancy costs recognised under accrued liabilities stood at EUR 0.6 million at year-end 2021 (year-end 2020: EUR 0.5 million). The other debts and accrued liabilities had a term of less than one year at both year-end 2021 and year-end 2020.

22 Personnel expenses

De personeelskosten zijn als volgt te specificeren:

	2021	2020
Salaries	160,412	153,659
Social charges	28,872	28,463
Defined benefit obligation	7	12
Defined contribution obligation	8,733	8,533
Other personnel expenses	27,121	24,417
Total	**225,145**	**215,084**

Other personnel expenses include car expenses (2021: around EUR 14.6 million; 2020: around EUR 14.2 million), hotel and travel expenses (2021: around EUR 0.8 million; 2020: around EUR 1.2 million), and study costs (2021: around EUR 2.6 million; 2020: around EUR 2.0 million). The 2021 car expenses include a sum of around EUR 5.5 million for the service component in car lease contracts (2020: EUR 5.9 million). As they were in 2020, car, travel and hotel costs were relatively low in 2021, as employees were once again forced to work from home last year.

In 2021, Ordina recognised an amount of around EUR 1.3 million under personnel expenses for redundancy costs (2020: around EUR 3.2 million). EUR 1.1 million of these redundancy costs were incurred in the Netherlands (2020: EUR 2.8 million), and the remaining EUR 0.2 million were incurred in Belgium/Luxembourg (2020: EUR 0.4 million)

Personnel expenses included an expense of approximately EUR 1.3 million for share-based payments in 2021 (2020: around EUR 1.5 million). Around EUR 0.4 million (2020: around EUR 0.6 million) of these expenses pertain to the Management Board's bonus scheme, while around EUR 0.9 million (2020: around EUR 0.9 million) pertain to the senior management's bonus scheme.

In 2021, Ordina did not make any use of the government's Covid-19 support measures. In 2020, Ordina Belgium did make use of the so-called Technical Unemployment (Technische Werkloosheid) facility for the purposes of the Covid-19 support measures. Pursuant to this facility, the government assumed the wage costs for employees who qualified for this Technical Unemployment facility, as a result of which personnel expenses were more than EUR 1.1 million lower in 2020.

In 2020, the item personnel expenses included an amount of around EUR 0.2 million relating to the Dutch compensation scheme for transition allowances paid in previous years to employees on long-term occupational disability (2021: nil).

In 2021, the item personnel expenses includes the recognition of labour cost subsidies of around EUR 0.9 million (2020: around EUR 0.9 million).

The average workforce numbered 2,583 FTEs in 2021 (2020: 2,572 FTEs). At year-end 2021, Ordina employed 2,715 FTEs (year-end 2020: 2,586 FTEs). You will find more details on the personnel numbers per segment in note 7.

23 Other operating expenses

Other operating expenses can be specified as follows:

	2021	2020
Office accommodation costs	2,349	2,309
Marketing and selling expenses	2,797	1,629
Other expenses	9,403	8,986
Total	**14,549**	**12,924**

Office rental costs included an amount of around EUR 0.3 million in 2021 (2020: around EUR 0.3 million) related to lease contracts. In addition to office rental costs recognised in other operating expenses, Ordina recognised a depreciation of the rights of use on leased offices of EUR 3.5 million (2020: EUR 3.6 million) and an interest expense on the lease liability of EUR 0.6 million (2020: EUR 0.6 million) (see note 9). The service component is the only part of the office rental costs still recognised under other operating expenses.

Marketing and communications expenses amounted to EUR 2.8 million in 2021 and were EUR 1.2 million higher than in 2020 (EUR 1.6 million). This increase was due in part to the campaign we launched in the second half of the year to increase our brand recognition. In addition, Ordina was also able organise more events in 2021 than in 2020, when there were no lockdowns.

Other expenses include information management, the cost of insurance, and audit and consulting fees.

Audit fees recognised in the income statement under `other operating expenses´ in recent financial years were as follows:

	2021			2020		
	EY the Netherlands	Other EY network	Total EY network	EY the Netherlands	Other EY network	Total EY network
Audit of the financial statements	434	49	483	356	50	406
Other assurance activities	193	2	195	186	1	187
Tax advise	-	-	-	-	-	-
Other non-audit activities	-	-	-	-	-	-
Total	**627**	**51**	**678**	**542**	**51**	**593**

24 Finance income and expenses

Finance income and expenses can be specified as follows:

	2021	2020
Finance income	-	-
Finance costs	-1,301	-1,234
Total	**-1,301**	**-1,234**

Finance expenses can be specified as follows:

	2021	2020
Interest costs finance agreement	-99	-60
Other finance costs	-305	-224
Finance costs - other	**-404**	**-284**
Finance costs - lease liabilities	-897	-950
Total finance costs	**-1,301**	**-1,234**

The interest expenses on the financing facility pertains negative interest on current account positions held with banking institutions. The other financial expenses relate to availability provisions, interest expenses for the settlement of earn-out obligations.

The interest expenses for lease liabilities pertain to the interest component of operational lease contracts recognised under the application of IFRS 16 Leases (see note 9).

25 Income tax expense

	2021	2020
current income tax for the year	-6,182	-5,759
current income tax prior years	44	-43
Total current income tax	**-6,138**	**-5,802**
Deferred income tax for the year	-3,960	-3,293
Deferred income tax prior years	-	-236
Deferred income tax impact rate adjustment	245	1,640
Total deferred income tax	**-3,715**	**-1,889**
Total	**-9,853**	**-7,691**

	2021	2020
Net profit for the year	24,598	22,290
Income tax expense	9,853	7,691
Profit before income tax	**34,451**	**29,981**
Effective tax rate	28.6%	25.7%

	2021		2020	
	%	Income tax expense	%	Income tax expense
Applicable tax rate	25.0	8,613	25.0	7,495
Differences with foreign tax rates	0.1	35	0.1	28
Non-deductible expenses	4.3	1,500	4.8	1,427
Tax exempt income	-	-1	-	4
Incidental items	-0.7	-250	-5.1	-1,541
Adjustments for prior years	-0.1	-44	0.9	278
Effective tax rate	**28.6**	**9,853**	**25.7**	**7,691**

The effective tax rate amounted to 28.6% in 2021 (2020: 25.7%). The effective tax rate in both 2021 and 2020 was influenced to a large degree by the movement resulting from the renewed adjustment in corporate income tax rates in the Netherlands for future years. As of 2022, the nominal corporate income tax rate in the Netherlands has been raised to 25.8% from 25.0%. As a result of this, Ordina remeasured the deferred tax assets and liabilities at year-end 2021. This adjustment led to a reduction of corporate income tax of more than EUR 0.2 million for 2021. At year-end 2020, Ordina made adjustments on the basis of the tax rate changes implemented at year-end 2020. This adjustment led to a reduction of around EUR 1.6 million in corporate income tax at year-end 2020. The remeasurement in connection with the adjustment in future tax rates is recognised under incidental items.

The adjusted effective tax rate for 2021, which did not take into account the impact of the renewed adjustment of the future reduction of corporate income tax rates in the Netherlands, amounted to 29.3% (adjusted effective tax rate 2020: 31.1%). The reduction in the adjusted effective tax rate in 2021 was due in part to the lower relative impact of non-deductible amounts compared with taxable results.

The nominal tax rate was 25.0% in 2021, as applicable in the Netherlands. The adjusted effective tax rate of 29.3% is around 4.3% higher than the nominal tax rate in the Netherlands. The impact of the tax rate differences outside the Netherlands are extremely limited, as the nominal tax rate in Belgium is the same as the nominal rate in the Netherlands. The difference between the adjusted effective tax rate and the nominal tax rate is largely due to the non-deductible amounts (impact: tax rate 4.3% higher). These non-deductible amounts pertain to result components that cannot be charged to the taxable result and include the likes of share-based bonuses, the non-deductible part of the so-called mixed expenses and costs related to the acquisition of new group companies.

In 2020, the adjustments for previous years pertained primarily to the depreciation of the deferred tax assets for tax loss carry-forwards in the Netherlands. This depreciation was recognised as part of Ordina's corporate income tax returns for 2019. This return included an additional tax loss carry-forward by virtue of a release from a reserve for a rent-free period recognised in line with IFRS 16 as a part of the right of use and lease liability for the office location in question.

26 Earnings per share

26.1 Earnings per share

Basic earnings per share are calculated by dividing profit for the year by the average number of outstanding shares during the year.

	2021	2020
Profit for the year	24,598	22,290
Average number of outstanding shares *(in thousands)*	93,256	93,256
Earnings per share- basic (in euros)	**0.26**	**0.24**

26.2 Earnings per share – diluted

Diluted earnings per share are calculated by dividing the profit for the year by the average number of outstanding shares during the year, including all conditionally awarded shares in the context of share-based bonuses.

	2021	2020
Profit for the year	24,598	22,290
Average number of outstanding shares *(in thousands)*	93,256	93,256
Adjustment for share-based payment obligations	1,284	1,575
Total	**94,540**	**94,831**
Earnings per share - diluted (in euros)	**0.26**	**0.24**

27 Dividend per share

Pursuant to the prevailing dividend policy, a dividend proposal will be submitted to the General Meeting for a dividend payment of 15.8 eurocents per share in cash, to be charged to the 2021 net profit. On the basis of this proposal, Ordina will pay out 60% of its net profit for 2021 to its shareholders.

The General Meeting of 8 April 2021 approved the payment of a dividend of 23.9 eurocents per share. In accordance with this decision, Ordina paid out a total of EUR 22.3 million in dividend to its shareholders.

28 Preference shares

Ordina N.V.'s authorised capital includes 24,999,995 preference shares with a par value of EUR 0.10 per share. Dividends on preference shares cannot exceed the statutory interest rate prevailing at the date the dividends are declared. No preference shares had been issued at year-end 2021 or year-end 2020.

29 Commitments, contingencies and contractual obligations and rights

Ordina N.V. and its group companies issued guarantees for a total amount of around EUR 1.7 million in 2021 (2020: around EUR 1.8 million). Around EUR 1.2 million of these guarantees is related to lease liabilities (year-end 2020: around EUR 1.2 million) and around EUR 0.5 million pertained to client relations (year-end 2020: around EUR 0.6 million).

With respect to property, plant and equipment, Ordina had material expenditure obligations totalling EUR 0.3 million at year-end 2021 (year-end 2020: EUR 1.2 million). All of these investment obligations are related to the refurbishment of Ordina's offices in Nieuwegein.

Company cars provided to employees are usually acquired on the basis of lease contracts with a term of 36 to 48 months. In this context, Ordina has total liabilities of around EUR 5.7 million (2020: around EUR 4.9 million) for the service component of car lease contracts with a term of less than one year, including the liability pursuant to the lease contracts with respect to which the cars in question had not been delivered at year-end 2021.

All buildings where group companies are located are leased. Ordina does not own any buildings. Ordina has total building lease liabilities of around EUR 0.3 million with respect to the service components of rental contracts with a term of less than one year (2020: around EUR 0.3 million).

The other liabilities pertain to long-term contract agreements between Ordina and suppliers.

The other financial obligations at year-end 2021 and 2020 can be specified as follows:

	2021				2020			
	Buildings	Cars	Other	Total	Buildings	Cars	Other	Total
Not later than 1 year	346	5,714	1,344	7,404	347	4,874	2,160	7,381
Later than 1 year and not later than 5 years	429	10,738	1,679	12,846	945	7,909	1,841	10,695
Later than 5 years	-	-	-	-	34	-	-	34
Total	**775**	**16,452**	**3,023**	**20,250**	**1,326**	**12,783**	**4,001**	**18,110**

In a number of instances, Ordina N.V. has assumed joint and several liability within the scope of its normal operations for the performance of contractual obligations by a group company.

In the context of the sale of business units, Ordina has issued the usual limited-time (balance sheet) guarantees to the buyers of these business units.

In the course of our operations, we may be confronted with discussions about the (financial) settlement of projects, such as reduction or addition of work, quality level and scope of the work. The majority of these discussions are resolved to the full satisfaction of all concerned. However, it is not always possible to avoid such discussions resulting in legal actions. Provisions are set aside the moment it is probable that a financial claim will result in a payment and the amount of the payment can be reliably estimated. Claims from Ordina against third parties that are the subject of ongoing legal procedures are in principle not capitalised, unless payment of said claims is virtually certain.

Belgium has an arrangement that makes it possible to receive subsidies for R&D activities. In this context, each year companies submit subsidy applications and subsidies are received in line with the applications submitted. The subsidy provider has not yet issued any formal decisions, as a result of which it is still uncertain whether Ordina is fully entitled to the subsidies received. Ordina will recognise these amounts in its income statement at the moment the statute of limitations for potential restitution requests with regard to the subsidies received has expired.

In accordance with the provisions of Section 403, Part 9 of Book 2 of the Dutch Civil Code, Ordina N.V. has assumed joint and several liability for the obligations arising from the legal transactions of the majority of the Dutch group companies. The declarations to that effect have been filed with the competent trade registries.

Ordina N.V. and the majority of its Dutch group companies form a tax unit for income tax and value-added tax purposes, as a result of which the companies involved are jointly and severally liable for the liabilities incurred by the tax group.

Ordina N.V. and the majority of its group companies have assumed joint and several liability for the bank overdrafts. At year-end 2021, trade and other receivables valued at around EUR 53.7 million had been pledged as security (year-end 2020: around EUR 49.5 million) for the financing facility.

30 Acquisitions and divestments

30.1 Acquisitions

In 2021, Ordina acquired 100% of the shares in in IFS Probity B.V. in Barneveld. Ordina made no acquisitions in 2020.

Acquisition of IFS Probity B.V.

On 31 August 2021, Ordina acquired 100% of the shares in IFS Probity B.V. IFS Probity B.V. is a Dutch IT services provider, based in Barneveld, with in-depth expertise in complex high-volume billing processes (subscription billing). This enables organisations to monitor and control complex payment processes. IFS Probity's services complement those of Ordina. The acquisition of IFS Probity strengthens Ordina's position in the utilities and mobility markets. IFS Probity was created in 2004 through the merger of IFS Nederland and Probity.

IFS Probity records annual revenue of more than EUR 7 million with around 40 employees. Ordina consolidated IFS Probity B.V. as of 1 September 2021. IFS Probity B.V. contributed around EUR 2.6 million in revenue and around EUR 0.2 million in net profit in 2021.

The acquisition price for IFS Probity B.V. includes an amount paid at the moment of the acquisition and two earn-out payments. At the moment of the acquisition, Ordina paid a first instalment of the acquisition price in cash amounting to EUR 3.8 million. The fair value of the follow-up payment obligation was estimated at EUR 2.3 million at the time of the acquisition.

The fair value of the assets and liabilities of IFS Probity B.V. acquired can be specified as follows:

	Fair value recognised on acquisition
Intangible assets	2,120
Right-of-use assets	452
Property, plant and equipment	103
Trade receivables and other short term assets	1,075
Cash and cash equivalents	307
Deferred tax liabilities	-530
Lease liabilities	-452
Trade payables and other short term liabilities	-974
Net assets acquired	**2,101**
"Purchase price settled in cash"	3,796
Deferred purchase price	2,314
Total purchase price	**6,110**
Goodwill	**4,009**
Purchase price settled in cash	-3,796
Available cash upon acquisition	307
Cash outflow on acquisitions (net of cash acquired)	**-3,489**

The goodwill pertains largely to the value of the qualified employees and the available expertise in complex high-volume billing processes, as well as the assumed synergy benefits that Ordina will be able to realise. The goodwill arising from acquisitions is not deductible for the purposes of corporate income tax.

IFS Probity's results will be managed, monitored and assessed under the auspices of the Netherlands segment under the responsibility of the CEO of Ordina the Netherlands. IFS Probity B.V. is therefore a part of the Netherlands segment. The goodwill related to IFS Probity B.V. is monitored at the level of the cash-generating unit the Netherlands.

Any other intangible assets pertain to the intangible assets of IFS Probity B.V. identified in line with IFRS 3 Business Combinations and include the brand name and the client and contract portfolio. These intangible assets are valued at fair value at the moment of the acquisition. Any amortisation charged to profit and loss will be based on the assumed useful life of each individual component. This amortisation is not deductible for the purposes of corporate income tax. Ordina recognised a deferred tax liability in the valuation of the intangible assets, which will be settled in the amortisation period. The rights of use and lease liabilities are related to IFS Probity B.V.'s current operational lease contracts and pertain to a rental contract for the company's offices in Barneveld and car lease contracts.

In 2021, Ordina incurred around EUR 0.1 million costs in connection with the acquisition of IFS Probity B.V., including legal costs, consultancy costs and due diligence costs. These costs have been charged to the income statement for 2021 under other operating costs.

30.2 Divestments

Ordina did not divest any assets in 2021 and 2020.

31 Related parties

31.1 Identity of related parties

Ordina's related parties are its group companies, the associated participations (see note 11) the members of the Supervisory Board and the members of the Management Board. The members of the Supervisory Board and the Management Board qualify as key management.

The total remuneration for Management Board and the Supervisory Board in 2021 and 2020 can be specified as follows:

	2021	2020
Salary	922	873
Variable component/short-term, cash based	393	348
Variable component/long-term, share based	415	594
Pension costs	15	14
Extraordinary items	63	69
Total	**1,808**	**1,898**

31.2 Transactions with the members of the Management Board and Supervisory Board

31.2.1 Remuneration policy

The Supervisory Board determines the compensation of the members of the Management Board on an annual basis. For details on the remuneration policy for the members of the Management Board, we refer you to the Remuneration report on page 109.

31.2.2. Remuneration members of the Management Board

With respect to the remuneration of the members of the Management Board, the following amounts were charged to the results for 2021 and 2020 respectively:

	J.G. Maes		J.F. van Donk - van Wijnen		J.W. den Otter		Total	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020
Base salary	430	387	260	n.a.	n.a.	271	690	658
Variable component/short-term, cash based	245	205	148	n.a.	n.a.	143	393	348
Variable component/long-term, share based	337	349	78	n.a.	n.a.	245	415	594
Pension expense	8	7	7	n.a.	n.a.	7	15	14
Extraordinary items	46	43	17	n.a.	n.a.	26	63	69
Total	**1,066**	**991**	**510**	**n.a.**	**n.a.**	**692**	**1,576**	**1,683**

Total remuneration of the members of the Management Board combined was around EUR 1.6 million in 2021 (2020: around EUR 1.7 million).

The long-term component of the variable remuneration pertains to a payment in Ordina N.V. shares; these are determined for a three-year period for each individual scheme. Based on the remuneration policy, the value of the number of Ordina N.V. shares to be awarded for on-target performance is equivalent to 50% of the fixed salary (including holiday pay) to be paid to the board member in question in the first year of each three-year period. The fair value of the on-target shares that are expected to be awarded is determined on the basis of the share price at the moment the shares are awarded. A conditional number of shares are awarded at the beginning of each three-year period on the basis of the closing share price of the Ordina N.V. share at the end of the preceding calendar year. Of the total targets, 70% is linked to financial targets and 30% is linked to non-financial targets. The financial targets are linked to the development of Ordina's results and pertain to revenues and the EBITDA margin. The non-financial targets are based on clearly measurable (qualitative and quantitative) targets and pertain to client satisfaction, employee engagement, the growth in added value and the implementation of the sustainability strategy. At the end of the three-year period, the shares are awarded unconditionally on the basis of the targets realised vis-à-vis the targets set. The definitively awarded shares will be transferred in the year following the last year of the three-year period.

The number of shares in Ordina N.V. to be awarded is estimated each time on the balance sheet date based on the long-term bonus benefits. Based on this estimation, the costs of the variable long-term remuneration component are recognised in the income statement, proportional to the period that has expired from the moment the shares were awarded. The costs of the shares expected to be issued under the existing schemes are recognised in equity as retained earnings.

As part of their variable long-term remuneration for the period 2019-2021, Mr. Maes and Ms. Van Donk-van Wijnen were unconditionally granted a total of 173,727 and 23,357 Ordina N.V. shares respectively. This is equivalent to a payment percentage of 128% of the on-target remuneration. Of the total payment percentage, 98% pertains to the financial targets and 30% to the non-financial targets. The shares granted to the CFO, Ms. Van Donk-van Wijnen, pursuant to the 2019-2021 and 2020-2022 schemes were awarded under the senior management bonus scheme.

The cost of the long-term remuneration was around EUR 0.4 million in 2021 (2020: around EUR 0.6 million).

The current schemes can be specified as follows:

	Conditionally granted number of shares	Grant date	Share price at grant	Fair value on grant date	Percentage	Recognised in profit & loss 2021	Recognised in profit & loss 2020
J.G. Maes							
Scheme 2018-2020						n.a.	196
Scheme 2019-2021	135,724	22-03-19	1.85	251	128%	149	99
Scheme 2020-2022	94,573	12-02-20	2.16	204	125%	112	54
Scheme 2021-2023	74,783	18-02-21	3.22	241	100%	76	n.v.t.
	305,080					**337**	**349**
J.F. van Donk - van Wijnen							
Scheme 2019-2021[1]	18,248	09-05-19	2	32	128%	19	n.a.
Scheme 2020-2022[1]	12,714	22-06-20	2	24	125%	13	n.a.
Scheme 2021-2023	45,217	18-02-21	3.22	146	100%	46	n.a.
	76,179					**78**	**n.a.**
Totaal	**381,259**					**415**	**349**

The members of the Management Board can participate in the pension scheme provided by the company. If a member of the Management Board participates in this scheme, the company pays the pension premium. If a member of the Management Board declines to participate, they receive a gross payment from the company. This is the same as the amount the company would have been due to pay if the member of the Management Board in question were to participate in the pension scheme provided by the company. In such a situation, any payments are presented as pension expenses.

Ordina provides the members of the Management Board with a car, a laptop and a mobile phone. The related amounts for the members of the Management Board were around EUR 0.1 million in 2021 (2020: EUR 0.1 million) and are included as other benefits in the specification of the remuneration of the members of the Management Board.

No loans, advances or guarantees have been issued for the benefit of the members of the Management Board.

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[1] *Awarded under the senior management scheme*

31.2.3 Shares held by the members of the Management Board

At year-end 2021, the members of the Management Board held 300,028 Ordina N.V. shares (year-end 2020: 203,857 shares). The shares are distributed among the members of the Management Board as follows:

	2021	2020
J.G. Maes	292,476	203,857
J.F. van Donk - van Wijnen	7,552	n.a.
Total	**300,028**	**203,857**

31.2.4 Options granted to, and held by, the members of the Management Board

At year-end 2021 and year-end 2020, Ordina had not issued any option rights to the members of the Management Board.

31.2.5 Remuneration of the Supervisory Board

The remuneration for the members of the Supervisory Board can be specified as follows:

	2021	2020
J. van Hall, chairman	66	65
C. Princen, vice chairman	48	47
T. Menssen (appointed per 30 June 2020)	48	24
D.R. de Breij (appointed per 8 April 2021)	33	n.a.
B. van Reet (appointed per 8 April 2021)	33	n.a.
F. Michiels (resigned per 4 February 2021)	4	23
D.J. Anbeek (resigned per 30 June 2020)	n.a.	24
J. Niessen (resigned per 22 September 2020)	n.a.	32
Total	**232**	**215**

The remuneration of the Supervisory Board is not linked to the company's financial performance. No loans, advances or guarantees have been issued for the benefit of the members of the Supervisory Board.

31.2.6 Shares held by the members of the Supervisory Board

At year-end 2021 and year-end 2020, the members of the Supervisory Board held no shares in Ordina N.V.

32 Events after the balance sheet date

Ordina intends to start a share buy back program in the near future. The aim of the program is to optimize the balance sheet and to transfer part of the cash equivalents not directly needed for the business to the shareholders. The share buy back has a maximum of EUR 15 million.

No other events occurred after 31 December 2021 that have a material impact on, or warrant restatement of the financial statements.

COMPANY BALANCE SHEET AS AT 31 DECEMBER OF ORDINA N.V. (BEFORE APPROPRIATION OF PROFIT)

(In euro thousands)	Notes	**2021**	2020
Assets			
Non-current assets			
Financial fixed assets	34	176,966	174,270
Deferred income tax assets	35	1,389	4,258
Total non-current assets		**178,355**	**178,528**
Total current assets			
Other receivables		1	-
Current income tax receivables		592	-
Total current assets		**593**	**-**
Total assets		**178,948**	**178,528**

The notes 33 through 36 are an integral part of these company financial statements.

COMPANY BALANCE SHEET AS AT 31 DECEMBER OF ORDINA N.V. (BEFORE APPROPRIATION OF PROFIT, CONTINUED)

(In euro thousands)	Notes	**2021**	2020
Equity and liabilities			
Equity			
Paid-up and called-up share capital	36	9,326	9,326
Share premium reserve	36	136,219	136,219
Statutory reserve	36	1,061	1,676
Retained earnings	36	7,744	8,300
Profit for the year	36	24,598	22,290
Total equity		**178,948**	**177,811**
Liabilities			
Current liabilities			
Current tax payable		-	391
Trade payables and other short term liabilities		-	326
Total current liabilities		**-**	**326**
Total liabilities		**-**	**326**
Total equity and liabilities		**178,948**	**178,137**

The notes 33 through 36 are an integral part of these company financial statements.

Ordina at a glance
Foreword
A look back at 2021
Client cases
Who we are and what do we do?
Strategic pillars, goals & results
Being ahead of the game has its advantages
Risks
Governance
Composition Management Board and Supervisory Board
Report of the Supervisory Board
Remuneration report
Provisions of the articles of association
Financial Statements
Other information
Contents Annual report
Contents Financial statements

COMPANY INCOME STATEMENT OF ORDINA N.V.

(in euro thousands)	Notes	2021	2020
Revenue		**-**	**-**
Operating expenses			
Other operating expenses	-	-2	-1
Total operating expenses		**-2**	**-1**
Operating profit		**-2**	**-1**
Finance income	-	-	2
Finance costs	-	-23	-
Finance costs - net		**-23**	**2**
Share of profit of associates	34	24,742	22,167
Net profit for the year		**24,717**	**22,168**
Income tax expense	-	-119	122
Net profit for the year		**24,598**	**22,290**

The notes 33 through 36 are an integral part of these company financial statements.

NOTES TO THE COMPANY BALANCE SHEET

33 General

33.1 Basis of preparation of company financial statements

Ordina N.V. is a private limited liability company, incorporated in 1973, and has its registered office at Ringwade 1, in Nieuwegein, the Netherlands, under Trade Register number 30077528. The company financial statements of Ordina N.V. have been prepared in accordance with the provisions of Part 9 of Book 2 of the Dutch Civil Code. In preparing these financial statements, the company availed itself of the facility offered by Section 362(8), Book 2 of the Dutch Civil Code to use the same accounting policies (including those for the presentation of financial instruments as equity or loan capital) for the company and the consolidated financial statements.

The company financial statements of Ordina N.V. are presented in euros (EUR). Amounts are in thousands of euros, unless otherwise indicated.

33.2 Accounting policies

The accounting policies for the company financial statements are the same as for the consolidated financial statements. If no further policies are mentioned, reference is made to the accounting policies for the consolidated financial statements.

33.3 Financial assets / investments in associates

Associates and group companies in which Ordina N.V. exercises control or where Ordina N.V. is responsible for central management are accounted for using the equity method. The equity method is a method of accounting whereby the net assets, liabilities and provisions of the group company are measured and profit is calculated on the basis of the accounting policies used in the consolidated financial statements.

Receivables from group companies are measured on the basis of the accounting policies used in the consolidated financial statements. The expected credit losses on claims on group companies, as stated in IFRS 9, are recognised in the carrying amounts of the associated companies.

34 Financial assets

This item can be specified as follows:

	2021			2020		
	Investments in group companies	Receivables from group companies	Total	Investments in group companies	Receivables from group companies	Total
At 1 January	**170,604**	**3,666**	**174,270**	**154,553**	**2,799**	**157,352**
Investments/loans advanced	-22,788	627	-22,161	-6,180	867	-5,313
Actuarial gains and losses	115	-	115	64	-	64
Share of profit of associates	24,742	-	24,742	22,167	-	22,167
At 31 december	**172.673**	**4.293**	**176.966**	**170.604**	**3.666**	**174.270**

The investments and distributions within the participations in group companies pertain to internal dividend payments (2021: EUR 20.5 million, 2020: EUR 7.0 million), as well as equity movements related to share-based payments (see note 17). The actuarial profits and losses pertain to employee-related provisions (see notes 12 and 19).

35 Deferred income tax assets

Deferred income tax assets can be specified as follows:

	2021	2020
Intangible assets and property, plant and equipment	159	185
Recognised tax losses	1,230	4,073
At 31 December	**1,389**	**4,258**

Ordina N.V. heads the fiscal unit for corporate income tax in the Netherlands. Consequently, Ordina N.V. accounts for the fiscal positions of this fiscal unit, insofar as these are not already accounted for by the other members of the fiscal unit.

The deferred income tax assets by virtue of intangible assets and property, plant and equipment relates to temporary measurement differences due to the difference between actual economic write-down period and the minimum fiscal write-down period. Deferred tax assets are recognised at the set tax rates.

Ordina recognises tax loss carry-forwards if it expects to utilise said tax loss carry-forwards (total at year-end 2021: around EUR 4.8 million; year-end 2020: around EUR 16.3 million). Recognition is at the nominal tax rate that will apply to future financial years. At year-end 2021, around EUR 0.1 million (year-end 2020: around EUR 2.2 million) of the deferred tax assets had a term of more than one year. For more details on the amount and measurement of Ordina's total tax loss carry-forwards, see note 12.

36 Equity

Movements in equity in 2021 and 2020 can be specified as follows:

	2021						2020					
	Issued capital	Share premium reserve	Statutory reserve	Retained earnings	Profit for the year	Total	Issued capital	Share premium reserve	Statutory reserve	Retained earnings	Profit for the year	Total
At 1 Januari	9,326	136,219	1,676	8,300	22,290	177,811	9,326	136,219	2,349	728	14,875	163,497
Prior-year retained earnings	-	-	-	22,290	-22,290	-	-	-	-	14,875	-14,875	-
Dividend distribution to shareholders	-	-	-	-22,288	-	-22,288	-	-	-	-8,859	-	-8,859
Share based payments - treasury shares settlement	-	-	-	-2,602	-	-2,602	-	-	-	-673	-	-673
Share-based payments - personnel expenses	-	-	-	1,314	-	1,314	-	-	-	1,492	-	1,492
Actuarial gains and losses	-	-	-	115	-	115	-	-	-	64	-	64
Profit for the year	-	-	-	-	24,598	24,598	-	-	-	-	22,290	22,290
Movement regarding statutory reserve	-	-	-615	615	-	-	-	-	-673	673	-	-
At 31 December	**9,326**	**136,219**	**1,061**	**7,744**	**24,598**	**178,948**	**9,326**	**136,219**	**1,676**	**8,300**	**22,290**	**177,811**

The share premium reserve at year-end 2021 includes share premium of around EUR 2.9 million, which does not qualify as tax approved share premium related to share-based payments (year-end 2020: around EUR 2.9 million).

The statutory reserve relates to the carrying amounts of the internally generated intangible assets (see section 2.5.2 and note 8).

At year-end 2021 and year-end 2020, Ordina N.V. had not purchased any treasury shares.
At year-end 2021 and year-end 2020, there were no outstanding option rights for Ordina N.V. shares.

For details on the remuneration of the members of the Management Board, see note 31.2.2.

Nieuwegein, 16 February 2022

Management Board
J.G. Maes, *CEO*
J.F. van Donk-van Wijnen, *CFO*

Supervisory Board
J. van Hall, *Chair*
C. Princen, *Vice-Chair*
T. Menssen
D. de Breij
B. van Reet

OTHER **INFORMATION**

List of group companies / principal associates

	Registered office	**Participation as a % at year-end 2021**	Participation as a % at year-end 2020
Ordina Holding B.V.*	Nieuwegein	100	100
Ordina Nederland B.V.*	Nieuwegein	100	100
Ordina Business Consulting & Solutions B.V.*	Nieuwegein	100	100
Ordina Technologie & Competenties B.V.*	Nieuwegein	100	100
Ordina Software Development B.V.*	Nieuwegein	100	100
Ordina RulesMatter B.V.*	Nieuwegein	100	100
Ordina Beheer & Outsourcing B.V.*	Nieuwegein	100	100
Ordina Subscription Management & Utilities B.V. (formerly named: IFS Probity B.V.)	Barneveld	100	n.a.
Ordina Sourcing B.V. *	Nieuwegein	100	100
Clockwork B.V.*	Amsterdam	100	100
SourcePower B.V.*	Nieuwegein	100	100
Ordina Belgium N.V.	Mechelen (Belgium)	100	100
Ordina Luxembourg SA	Windhof (Luxembourg)	100	100

All group companies listed above are fully consolidated. The company has issued declarations of joint and several liability (pursuant to Section 403, Part 9 of Book 2 of the Dutch Civil Code) for the subsidiaries marked *. These companies were given permission to prepare financial statements based on a format that is in contravention of the provisions of said Part of the Dutch Civil Code.

Independent Auditor’s Report

For the Independent Auditor’s Report we refer to page 203 in the Dutch version of the Annual Report 2021.

Ordina at a glance
Foreword
A look back at 2021
Client cases
Who we are and what do we do?
Strategic pillars, goals & results
Being ahead of the game has its advantages
Risks
Governance
Composition Management Board and Supervisory Board
Report of the Supervisory Board
Remuneration report
Provisions of the articles of association
Financial Statements
Other information
Contents Annual report
Contents Financial statements

Legal organogram Ordina

ORDINA N.V.

- **Ordina Holding B.V.**
  - **Ordina Nederland B.V.**
    - Ordina Business Consulting & Solutions B.V.
      - Clockwork B.V.
    - Ordina Technologie & Competenties B.V.
      - Ordina Software Development B.V.
      - Ordina RulesMatter B.V.
    - Ordina Beheer & Outsourcing B.V.
      - Ordina Subscription Management & Utilities B.V. (Formerly named: IFS Probity B.V.)
    - Facilitaire Diensten Ordina B.V.
    - SourcePower B.V.
    - Ordina Sourcing B.V.
    - Quli B.V. (25%)
  - **Ordina Belgium N.V.**
    - Ordina Luxembourg S.A.
    - Passwerk CVBA (37,31%)

Glossary

General terms

Agile and DevOps: Agile is related to the 12 principles of the Agile Manifesto for the production of software. The best developers also use these principles in their day-to-day activities.

'Agile' literally means: agile. In the IT world, it refers to software development in short, clearly demarcated periods, often less than a month and sometimes no more than a week. These periods are referred to as iterations and each one is like a mini project in itself.

DevOps is a new principle that was prompted by the frustration arising from the fact that many IT projects in the field of software are delivered after the deadline, do not perform as planned and do not generate a return on investment. The word DevOps comes from the terms 'developer' and 'system operator'. DevOps represents a development method in which new code is written in an agile way that can run in a stable fashion (error-free) in a production environment and for which the developer remains responsible.

BizDevOps: BizDevOps is an approach to software development that encourages developers and business to work together so that the organization can develop software faster, be more responsive to user demand and ultimately maximize revenue.

CAPEX: Capital expenditures are the investments a company makes in long-term assets. The prescribed CAPEX calculation method for the EU taxonomy is explained in the relevant chapter.

Client satisfaction index (CSI): The CSI is a client satisfaction survey conducted among our clients in the Netherlands and Belgium/Luxembourg. We measure the general satisfaction of our clients and conduct research on Ordina's image.

Client satisfaction survey: We use an external research agency to measure client satisfaction via telephone calls. Ordina's largest clients in both the Netherlands and Belgium are invited to take part in the survey. When clients express a well-founded wish not to be approached by an external research agency, the telephone interview is conducted by an independent Ordina employee. The survey provides an objective overview of our clients' perception, satisfaction and expectations of our services.

Completeness: In the context of the independent auditor's report. Are there no relevant factors omitted that could reasonably be expected to influence the decisions of the intended users?

Data science: Data science is an interdisciplinary field focused on extracting knowledge and insights from data. Data scientists use programming skills, statistical expertise and sector and organisational know-how to make connections and distil valuable insights.

Deal Review System: This is a set of agreements, templates, process flows and divisions of tasks for the controlled acceptance and execution of (result) obligations.

Direct employee/professional: Employee who can book billable hours for clients and does not have a full-time staff or management position.

Employee engagement survey (EES): Ordina measures employee engagement several times a year using pulse measurements to gain insight into the current mindset within Ordina. This enables us to target our efforts on areas where improvements are needed and continue to improve the working climate for all employees. Employees are able to express their views anonymously by filling in a questionnaire and express their general satisfaction by giving scores (1-10).

Employee Value Proposition: The Employee Value Proposition (EVP) is the promise, the value proposition, that Ordina makes to its current and future employees. This promise expresses what Ordina is offering its (future) employees, in exchange for their commitment and engagement, resulting in value creation for all stakeholders. This covers more than just salary and sec-ondary benefits; it also includes elements such as career prospects and autonomy at work.

eNPS-score: Employer Net Promotor Score shows the extent to which employees would recommend Ordina to others as an employer. The score is determined by: % promoters - % detractors.

FTE: Number of employees expressed in full-time equivalents (40 hours per week) measured on the basis of roster days compared to workable days during a period.

Geo-information: Geo-information is the term used for information with a spatial component. In this instance, 'Geo' is short for geographical. Geo-information is based on geodata: data with a location on a map. Geodata is the source of all digital maps. Geodata can consist of CAD-data or GIS-data.

Global Reporting Initiative: This is an international organisation that draws up the guidelines for sustainability reporting.

Inclusive organisation (inclusiveness): This is an organisation in which there is room for differences in the broadest sense of the word. We use the employee engagement survey to measure this by asking employees to what extent they agree with the following statement: "I feel free to express my opinion". Employees can assign this a score between one and 10.

LinkedData: Linked Data is a standardised way of publishing structured data in such a way that they are interlinked with other data. It is based on the fundamentals of the World Wide Web and is to a large extent standardised using open W3C standards, such as RDF and SPARQL. Data is given meaning (semantics), making it easier to use and reuse the data.

LGBTIQ+: The abbreviation LGBTIQ+ stands for lesbian, homosexual, bisexual, transgender, intersex and queer, with the plus standing for all other variations that are not heterosexual and/or cisgender and/or do not have the gender characteristics that fall within the usual definitions of 'female' or 'male'.

Metrics: Metrics are quantitative assessment criteria normally used to assess, compare and monitor performance or production. Generally, a group of metrics is used to build a dashboard that management or analysts consult regularly to track performance assessments, opinions and business strategies.

Neutrality: In the context of the independent auditor's report. Is the KPI free of bias?

Operations Committee: in the context of the execution of its 2022 strategy, as per 1 January 2021 Ordina the company has two distinct bodies: one is an informal forum that supports the Management Board in the operational management on the basis of a short-cyclical steering mechanism, the Operations Committee, while the other forum focuses on supporting the Management Board in the execution of the strategic agenda, called the Strategy Committee.

OPEX: Operational expenditure is expenses a company incurs in the course of its normal business operations. The prescribed OPEX calculation method for the EU taxonomy is explained in the relevant chapter.

Ordina Promotor Score (OPS): The survey measures the OPS by asking the following question: 'If someone is looking for a partner for their services, would you recommend Ordina as a partner?' Reply options are: very likely, neither likely / nor unlikely, very unlikely. Ordina calculates the score as the difference between the percentage of 'Highly likely' (Promoters) and 'Highly unlikely' (Detractors). The OPS itself is expressed in absolute terms in a number between -100 and +100.

Outflow direct employees at Ordina's request: the number of direct employees (in FTEs) whose contract was terminated at Ordina's request in 2021, expressed as a percentage of the number of direct employees (in FTEs) at year-end 2020.

Participation level: The KPI concerns the percentage of direct employees employed at Ordina at the measurement date (31 December 2021) who have followed a training course / e-leaning module.

Productivity: This is the % of the workable hours that (direct) employees are deployed.

Ratio of men/women: The ratio of men to women working at Ordina at year-end.

Relevance: In the context of the independent auditor's report. Why are the KPIs relevant to Ordina?

Revenue from business propositions: The part of Ordina's revenue (%) that falls under one of the five business propositions (high performance teams, intelligent data-driven organisations, business platforms, digital acceleration and security & compliance). Ordina's five business propositions respond to important trends and developments in the market and in our clients' businesses. They enable us to stand out to our clients through our approach, competences or solutions. These propositions are explained in the "Strategic Pillars, Goals & Results" section and some examples are explained in the client cases. Per proposition criteria are set and tested. These reflect the nature of the specific proposition. For example, we look at the size and composition whether a team is also a high performance team. If an employee is deployed individually without using an Ordina solution or competency, we do not count this as business proposition revenue. Each contract can only fall under one proposition and these propositions are administered in the (financial) administration.

Risk Control Framework: This is an internal risk management framework with control measures for the main (financial) processes.

Sickness-related absenteeism percentage: Calculation of the number of sickness-related absentee days in the period/number of available days in the period x 100%. This takes into account the % of sick people and the % of employment contracts.

Strategy Committee: In the context of the execution of its 2022 strategy, as per 1 January 2021 Ordina the company has two distinct bodies: one is an informal forum that supports the Management Board in the operational management on the basis of a short-cyclical steering mechanism, the Operations Committee, while the other forum focuses on supporting the Management Board in the execution of the strategic agenda, called the Strategy Committee.

Supply Chain Optimisation: Chain optimisation refers to the tools and processes used to improve the performance and efficiency of the supply chain from production and distribution, taking into account all limitations.

Sustainable Development Goals (SDGs): The Sustainable Development Goals the United Nations established in 2015 as the new global sustainable development agenda for 2030. They are promoted as the global targets for sustainable development.

Task Force on Climate-related Financial Disclosures (TCFD): This is a framework companies use as a basis to assess the main climate and environmental risks and report publicly on same.

Understandability: In the context of the independent auditor's report. Is the KPI understandable to the intended users?

Financial terms

Amortisation: the depreciation of intangible fixed assets such as goodwill.

Dutch GAAP: The accounting policies for financial reporting generally accepted in the Netherlands (Annual reporting guidelines) and the legal provisions with respect to financial statements, as laid down in Section 9, Book 2 of the Dutch Civil Code.

EBIT: Earnings before interest and taxes.

EBITDA: Earnings before interest, taxes, depreciation and amortisation.

Free cashflow (FCF): The FCF is the sum of net cash flow from operational and investment activities, adjusted for cash flows related to acquisitions and disposals of Group companies and associates and dividends received from associates. Lease payments are also deducted from the FCF (following the application of IFRS 16 Leases).

IFRS EU: International Financial Reporting Standards are the accounting standards for company annual reports, as accepted within the European Union. With effect from 1 January 2005, stock exchange listed companies in the EU are obliged to report according to these standards.

Terms and measurements used for ESG results

CO_2 footprint: the quantity of emissions expressed in tonnes of CO_2. These emissions fall under scope 1, 2 and 3 emissions as defined in the CO_2 Performance ladder guide 3.0 produced by Stichting Klimaatvriendelijk Aanbesteden en Ondernemen (The Foundation for Climate Friendly Procurement and Business - SKAO) dated 10-06-2015. The conversion factors Ordina uses are also derived from this guide. You can find these online at www.co2emissiefactoren.nl (Dutch only).
CO_2 footprint calculation: Ordina's CO_2 footprint calculation includes the following components:

- Gas consumption: the gas consumption (in m^3) in the buildings that Ordina leases, corrected for any sub-leases;
- Fuel consumption lease cars: the fuel consumption of the lease cars per category (diesel, petrol, LPG) in the Ordina fleet (statements from lease companies and fuel card companies);
- Electricity consumption: the electricity consumption (in kWh) in the buildings that Ordina leases, corrected for any sub-leases;
- Business kilometres private cars: in the Netherlands, these kilometres are determined on the basis of the amounts claimed as expenses for business kilometres. The amount is converted into the number of kilometres on the basis of a conversion factor laid down in the employment terms and conditions (standard amount per kilometre). The division into categories of car (diesel, petrol, LPG) is on the basis of the index figures produced by the Dutch Central Bureau for Statistics (CBS). This does not apply to Belgium/Luxembourg;
- Fuel consumption rental cars: the fuel consumption of the rental cars per category (diesel, petrol, LPG) in the Ordina fleet (statements from lease companies and fuel card companies);

- Air travel: the number of kilometres flown (does not apply to Belgium/Luxembourg);
- Paper use: the number of kilogrammes of paper used, including printed matter (determined on the basis of invoices received);
- Train kilometres: in the Netherlands, these kilometres are determined on the basis of the amounts claimed as expenses for public transport costs. The amount is converted into the number of kilometres on the basis a conversion factor laid down in the employment terms and conditions (standard amount per kilometre). This does not apply to Belgium/Luxembourg;
- Commuter traffic: this is calculated on the basis of the distance travelled from home to work for employees who do not have a lease car (calculated on the basis of 214 work days per year)
- Waste: the number of kilogrammes of waste. In the Netherlands, this is calculated on the basis of invoices received. In Belgium/Luxembourg, Ordina receives statements from the company that picks up the waste.
- Electricity consumption suppliers: electricity consumption (in kWh) of the data centres that Ordina uses. In the Netherlands, this is determined on the basis of invoices received or meter readings. In Belgium/Luxembourg, electricity consumption (in kWh) is calculated on the basis of quarterly readings.

Fuel consumption reduction in litres: the fuel consumption of the lease cars in the Ordina fleet. The number of lease cars per category (diesel, petrol, LPG) and total fuel con-sumption are reported monthly by the lease companies and fuel card companies in the Netherlands, Belgium and Luxembourg.

GRI-index

Standard	Disclosure title	Location part provision of information	Pagenumber or link
GRI 102: General Disclosures			
Organizational profile			
102-1	Name of the organization	Ordina N.V.	
102-2	Activities, brands, products, and services	Who we are and what we do	37
102-3	Location of headquarters	Nieuwegein	link locations
102-4	Location of operations	Netherlands, Belgium and Luxembourg, Who we are and what we do	37, link locations
102-5	Ownership and legal form	Legal organogram, Group companies / Principal associates	202, 200
102-6	Markets served	Strategic pillars, goals & results: Satisfied and loyal clients	51
102-7	Scale of the organization	Key figures, Five-year overview, Financial statements	4, 6, 121
102-8	Information on employees and other workers	Key figures, Five-year overview, Strategic pillars, goals & results: Engaged and driven employees, Financial statements	4, 6, 46, 121
102-9	Supply chain	Who we are and what we do	37, link Materiality matrix
102-10	Significant changes to the organization and its supply chain	Who we are and what we do, Legal organogram, Group companies/ Principal associates	37, 202, 200
102-11	Precautionary Principle or approach	Risks, Governance	77, 87
102-12	External initiatives	Strategic pillards, goals & results: Environmental Social and Governance (ESG)	60
102-13	Membership of associations	NL Digital	
Strategy			
102-14	Statement from senior decision-maker	Foreword	8

Standard	Disclosure title	Location part provision of information	Pagenumber or link
Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	Strategic pillars, goals & results, Governance	46, 87
Governance			
102-18	Governance structure	Composition Mangement Board and Supervisory Board, Report Supervisory Board	97, 100
102-22	Composition of the highest governance body and its committees	Governance, Report Supervisory Board	87, 100
102-30	Effectiveness of risk management process	Risks, Governance	77, 87
102-32	Highest commission or function in sustainable reporting	Governance	87
102-35	Remuneration policies	Remuneration report	109
Stakeholder engagement			
102-40	List of stakeholder groups	Who we are and what we do (stakeholder dialogue and materiality matrix)	42, link Materiality matrix
102-41	Collective bargaining agreements	Employees of Ordina are not subject to an Collective bargaining agreement	
102-42	Identifying and selecting stakeholders	Who we are and what we do (stakeholder dialogue and materiality matrix)	42, link Materiality matrix
102-43	Approach to stakeholder engagement	Who we are and what we do (stakeholder dialogue and materiality matrix)	42, link Materiality matrix
102-44	Key topics and concerns raised	Who we are and what we do (stakeholder dialogue and materiality matrix)	42, link Materiality matrix

Standard	Disclosure title	Location part provision of information	Pagenumber or link
Reporting practice			
102-45	Entities included in the consolidated financial statements	Consolidated Financial Statements	121
102-46	Defining report content and topic Boundaries	Who we are and what we do (stakeholder dialogue and Materiality matrix)	42, link Materiality matrix
102-47	List of material topics	Who we are and what we do (stakeholder dialogue and Materiality matrix)	37, 42, link Materiality matrix
102-48	Restatements of information	Financial statements	121
102-49	Changes in reporting	Governance, Financial statements	87, 121
102-50	Reporting period	1 January until 31 December 2021 (publication 17 February 2022)	
102-51	Date of most recent report	Ordina annual report 2021 (publication 17 February 2022)	
102-52	Reporting cycle	Yearly	
102-53	Contact point for questions regarding the report	Colophon	212
102-54	Claims of reporting in accordance with the GRI Standards	Core option	
102-55	GRI content index	GRI-index	207
102-56	External assurance	Other information	199

Topic specific disclosures

Diversity and inclusiveness			
	Management approach	Strategic pillars, goals & results: Environmental, Social and Governance (ESG)	60
405-1	Diversity of governance bodies and employees	Strategic pillards, goals & Results: Environmental, Social and Governance (ESG), Report Supervisory Board	60, 100
Recruitment, retension and development of talent			
	Management approach	Strategic pillars, goals & results: Engaged and driven employees	46
Excellent services			
	Management approach	Strategic pillars, goals & results: Satisfied and loyal clients	51
Innovation and digital transformation			

Standard	Disclosure title	Location part provision of information	Pagenumber or link
	Management approach	Strategic pillars, goals & results: Our sustainably distinctive profile	54
Impact on the environment (direct and indirect)			
	Management approach	Strategic pillars, goals & results: Environmental, Social and Governance (ESG)	60
302-3	Energy intensity	Strategic pillars, goals & results: Environmental, Social and Governance (ESG)	60
302-4	Reduction of energy consumption	Strategic pillars, goals & results: Environmental, Social and Governance (ESG)	60, link Materiality matrix
Growth in return			
	Management approach	Strategic pillars, goals & results: Outstanding financial performance & accelerated growth	57

Ordina at a glance
Foreword
A look back at 2021
Client cases
Who we are and what do we do?
Strategic pillars, goals & results
Being ahead of the game has its advantages
Risks
Governance
Composition Management Board and Supervisory Board
Report of the Supervisory Board
Remuneration report
Provisions of the articles of association
Financial Statements
Other information
Contents Annual report
Contents Financial statements

NFI Reference table

EU-directive: Non-Financial Information and Diversity Information (reference table)

Subject	Aspect	included (yes/no)	Chapter / Page reference
Business model	n.a.	Yes	Who we are and what we do
Relevant social and personal matters (e.g. HR, safety, etc.)	A description of the policies pursued, including due diligence	Yes	Strategy and value creation, Stategic pillars, goals & results: Engaged and driven employees
	The outcome of those policies	Yes	Stategic pillars, goals & results: Engaged and driven employees
	Principle risks in own operations and within value chain	Yes	Risks
	How risks are managed	Yes	Risks
	Non -financial key performance indicators	Yes	Stategic pillars, goals & results: Engaged and driven employees
Relevant environmental matters (e.g. climate-related impacts)	A description of the policies pursued, including due diligence	Yes	Strategy and value creation, Stategic pillars, goals & results: Returns and social responsibility
	The outcome of those policies	Yes	Strategy and value creation, Stategic pillars, goals & results: Returns and social responsibility
	Principle risks in own operations and within value chain	Yes	Risks
	How risks are managed	Yes	Risks
	Non -financial key performance indicators	Yes	Stategic pillars, goals & results: Returns and social responsibility
Relevant matters with respect for human rights (e.g. labour protection)	A description of the policies pursued, including due diligence	Yes	Strategy and value creation, Governance
	The outcome of those policies	Yes	Governance
	Principle risks in own operations and within value chain	Yes	Governance, Risks
	How risks are managed	Yes	Governance
	Non -financial key performance indicators	Yes	Governance
Relevant matters with respect to anti-corruption and bribery.	A description of the policies pursued, including due diligence	Yes	Governance
	The outcome of those policies	Yes	Governance
	Principle risks in own operations and within value chain	Yes	Governance, Risks
	How risks are managed	Yes	Governance
	Non -financial key performance indicators	Yes	Governance
Insight into the diversity (executive board and the super-visory board)	A description of the policies pursued	Yes	Report Supervisory Board
	Diversity targets	Yes	Report Supervisory Board
	Description of how the policy is implemented	Yes	Report Supervisory Board
	Results of the diversity policy	Yes	Report Supervisory Board, Composition Management Board and Supervisory Board

Colophon

Published:
Ordina N.V.

Editor:
Ordina N.V.

Concept and design:
TD Cascade

Photography:
Blokker
ProRail
FOD Mobiliteit
NN Insurance
Advanced Power Solutions
Wilco van Dijen Fotografie
Wessel de Groot fotografie