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ANNUAL REPORT **2020**

ORDINA

Ahead of change

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Chapters marked with 1 are part of the annual report pursuant 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

AT A GLANCE

Ordina is a local, independent IT services provider in the Benelux. We are the partner that helps you make your digital transformation and that gives you a digital edge. We call this Ahead of change.

We do this by connecting technology, business challenges and people. We help you to accelerate, to develop smart IT solutions, to launch new digital services and make sure people embrace them. This is how we create a digital head start and make sure your organisation stays ahead of change.

VISION

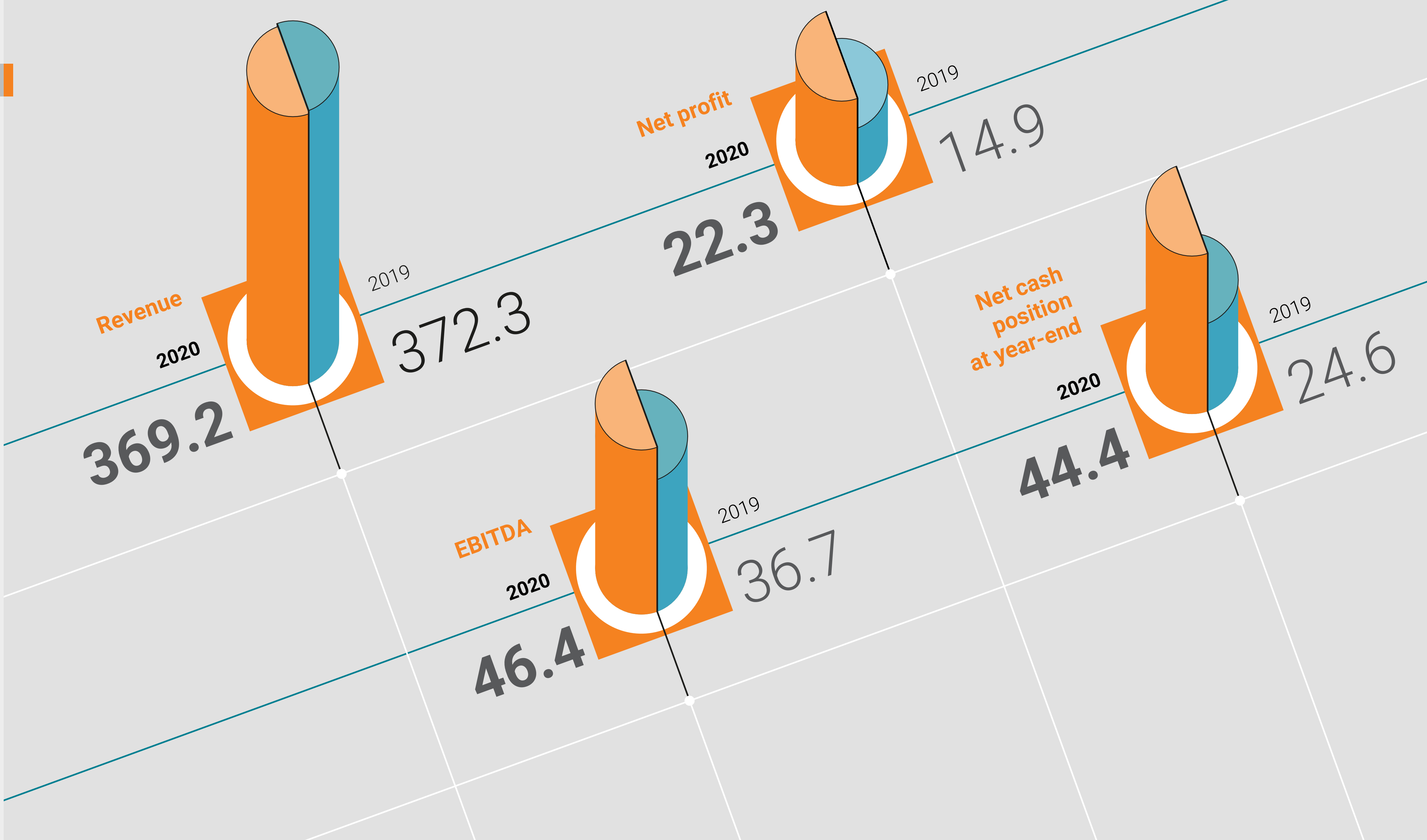
Ahead of change

MISSION

Partnerships in sustainable innovation

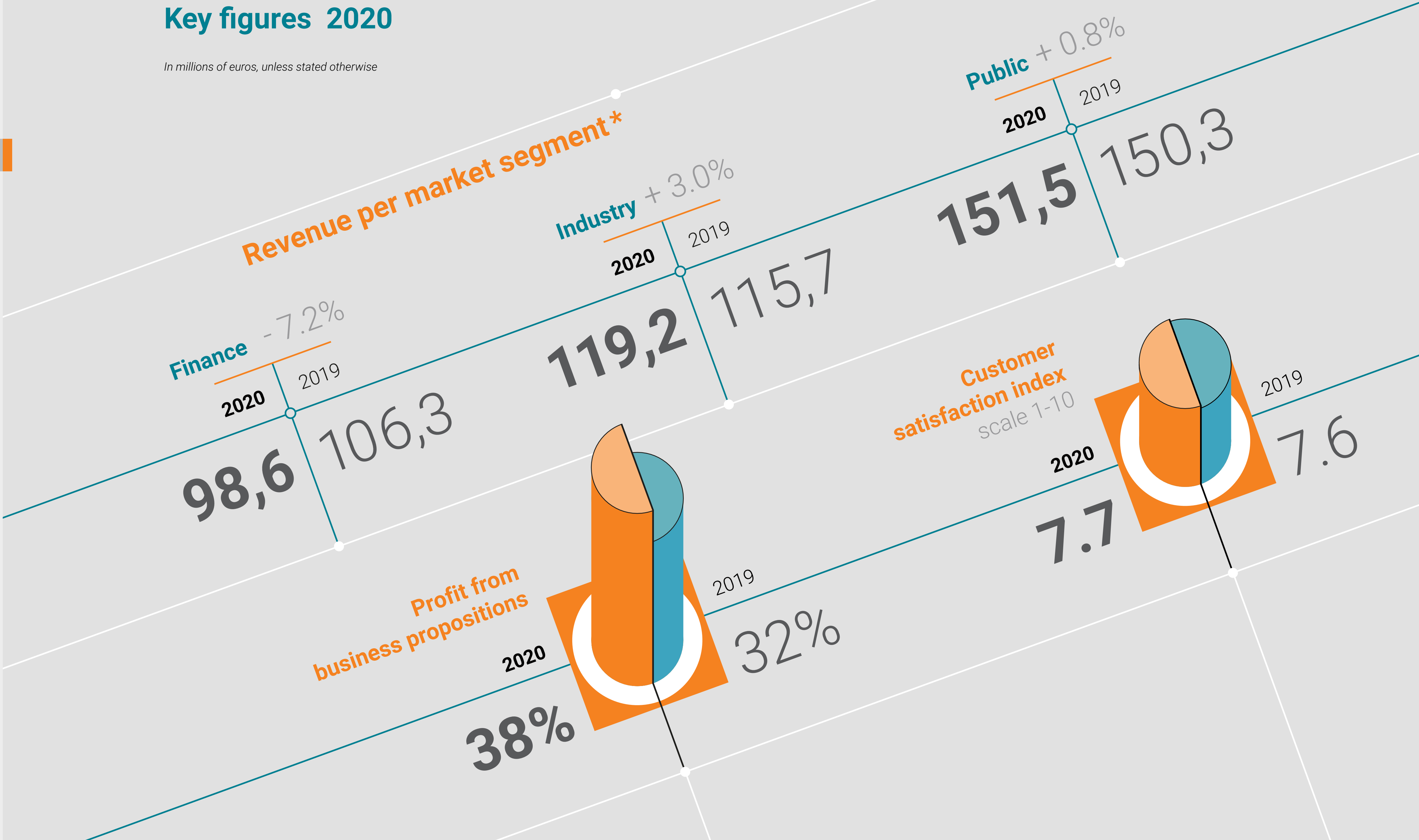
Key figures 2020

In millions of euros, unless stated otherwise



Key figures 2020

In millions of euros, unless stated otherwise



* The 2019 figures have been adjusted for the reclassification of a number of clients that were previously reported under the healthcare segment

Five-year overview

Key figures[1] *In millions of euros, unless stated otherwise*	**2020**	2019[2]	2018	2017	2016
Revenue	369.2	372.3	358.5	344.9	343.6
EBITDA	46.4	36,7	18.7	14.5	15.1
EBITDA margin as a % of revenue	12.6	9,9	5.2	4.2	4.4
Net profit	22.3	14.9	6.9	3.1	5.0
Net profit margin as a %	6.0	4.0	1.9	0.9	1.5
Net cash position (year end)	44.4	24.6	18.5	10.9	2.7
Cash flow from operations	49.0	33.8	16.8	20.0	5.6
Equity	177.8	163.5	153.0	147.8	147.4
Solvency as a % of total assets	62	59	66	64.0	64
Number of shares outstanding at year-end (in millions)	93.3	93.3	93.3	93.3	93.3
Average DSO (Days Sales Outstanding)	49	53	55	54	55
Average DPO (Days Payable Outstanding)	47	54	55	59	61
Average number of staff (FTE)	2,572	2,573	2,542	2,560	2,709
Average number of direct staff (FTE)	2,286	2,286	2,251	2,263	2,394
Average number of indirect staff (FTE)	286	287	291	297	315
Number of staff at year-end (FTE)	2,586	2,629	2,647	2,559	2,689
Number of direct staff at year-end (FTE)	2,298	2,340	2,345	2,276	2,382
Number of indirect staff at year-end (FTE)	288	289	302	283	307
Productivity	70.1%	69.3%	68.6%	68.0%	67.7%
Ordina Promotor Score (NL en BE)	66.0 and 76.0	62.0 and 88.9	69.8 and 72.2	65.3 and 54.0	72.0 and 81.3
Scores Environmental targets CRS plan					
Energy reduction per work space for electricity[3]	19.2%	-2.2%	-19.5%	5.7%	-3.3%
Energy reduction per work space for gas[3]	27.2%	30.5%	-27.8%	-4.9%	-2.8%
Fuel reduction in liters per car[3]	-48.5%	1.7%	-2.6%	-3.8%	-6.3%
CO_2-reduction per FTE[3]	-47.0%	-0.3%	-4.0%	-5.7%	-3.3%
CO_2-performance ladder level 5	Maintaining level 5	Maintaining level 5	Maintaining level 5	Maintaining level 5	0.0
Scores HRM targets:					
Employee engagement survey	7.5	7.1	7.1	6.8	6.8
Inclusiveness (score on question employee engagement survey)	7.5	7.3	7.3	7.1	7.1

1 Figures as stated in the published Financial Statements of the concerning year

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

3 Negative % is a reduction compared to previous year

FOREWORD

Ordina can look back on a strong year. We quickly adapted to the new situation due to Covid-19. We were able to continue to provide our services with virtually no problems and our teams successfully switched to working remotely. And by responding effectively to client demand on the digitalisation front, we recorded excellent results in 2020. This resulted in net profit of more than EUR 22 million. In 2020, we recorded above-average growth in revenue from our business propositions. Belgium and Luxembourg once again delivered strong performances. And we also performed well in the Netherlands, even though our revenue did decline slightly.

JO MAES, *CEO*

Our Ordina 2022 strategy, aimed at providing our clients with added value with our five business propositions, is well on track. Our clients are extremely satisfied with our IT solutions, which help them to realise their digital ambitions. We see this in our client satisfaction surveys, in which we scored of no less than 7.7, a continuation of the upward line we have seen in previous surveys. Our clients are particularly positive about our services, our client know-how and our cooperation. On top of this, we have managed to build long-term relationships with our clients, thanks to our innovative solutions that help them build a digital edge. For instance, we help banks detect and combat fraud and money laundering. And we use our Supply Chain Optimisation solution to help organisations become more data-driven. Meanwhile, we use our security solutions to help organisations to arm themselves more effectively against cyber attacks.

Our employees have also embraced our strategy and say they really appreciate working in teams. This is once again reflected in the higher employee engagement score we recorded in 2020. They gave Ordina an average score of 7.5! This high level of employee engagement is a major trump card in the tight labour market for IT professionals, especially when you have to work remotely. Only time will tell whether this will become the new normal. What I see most of all is that the office is becoming more of a meeting place, to brainstorm, find inspiration or exchange ideas. Working remotely is also removing (geographical) boundaries. Our multidisciplinary High Performance Teams (HPTs) are particularly suited to this new way of working, in which location and time are less important, and client objective, result, knowledge of the local market and acting quickly are the most important aspects of what we do.

> "Our clients appreciate us and increasingly see us **as their business transformation partner**"

There were of course less positive developments on the business front last year. For instance, we saw that clients are now postponing large-scale IT projects, such as the rationalisation of back office system landscapes or transitions to the cloud, because of the uncertain market conditions. We also noted that there is still a lot of uncertainty in the labour market. People are opting for certainty and are therefore less keen to apply for a new job, making it far more difficult to recruit new people. On a more positive note, we are getting better and better at retaining our own employees for longer.

If we look at the three sectors in which Ordina operates - public sector, industry and financial services – we can see that the digital agenda is as important as it has ever been in the public sector. An effectively digitalised public sector is vital for society and its citizens. We offer solutions that are safe, agile and robust and that improve the interactions between citizens and public sector and private sector organisations. In the financial sector, IT has become a strategic asset. Banks are investing in the digitalisation of their services and in customer interaction. At the same time, they are faced with strict laws and regulations, as well as new players that are putting pressure on their revenue models. We can make a difference in this playing field, with our fraud detection and data-driven solutions. In the industry sector, an optimal supply chain is becoming increasingly important. Companies want shorter supply lines, which is creating opportunities for Ordina and our Supply Chain Optimisation solutions. Ordina is doing extremely well in the pharmaceutical industry. We are helping companies in the pharmaceutical and biotechnology sectors to validate and qualify their materials, processes and software. There are also lots of opportunities in the energy sector. The energy transition is placing significant demands on the IT organisations of energy companies.

We have entered a new phase, in which we will focus on the acceleration of our growth. To make this possible, we have strengthened our management team and appointed Joost de Bruin as CEO for Ordina the Netherlands, in line with our appointment last year of a CEO for Belgium/ Luxembourg, Lieven Verhaevert. We will focus on both organic and non-organic growth to accelerate the penetration of our business propositions in a number of niche markets.

As a company, we operate at the heart of society. Our people, clients and other stakeholders attach ever greater importance to social responsibility and sustainable business operations. We have embedded this in our Ordina 2022 strategy, which also covers subjects such as inclusiveness and diversity. In addition, we will focus on two spearheads. First of all, we are focusing on the greenification of our mobility and we have defined our ambition to become CO_2 negative. We also want to use our IT expertise to make sure everyone has equal opportunities in society. As part of this ambition, Ordina professionals are teaching digital skills in junior schools. We also help to prevent malware attacks on hospitals via wijhelpenziekenhuizen.nl.

This past year has demanded a lot from everyone. I could not be more proud of how our people, in close collaboration with our clients, buckled down and got their work done. It is thanks in part to their dedication and adaptability that we, as Ordina, delivered an outstanding performance in 2020.

Jo Maes, *CEO*

A LOOK BACK AT 2020

January 2020

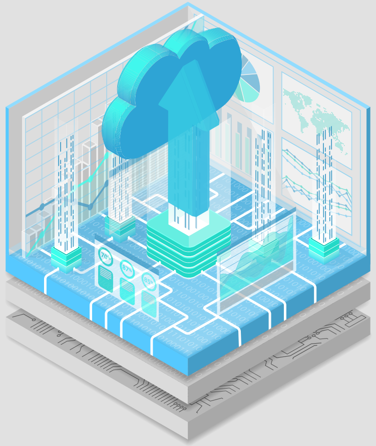
Baas van Morgen

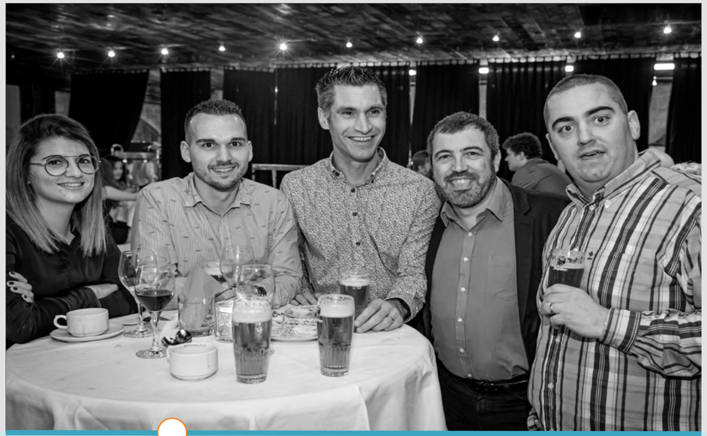
At the end of January, Ordina took part in the Baas van Morgen (tomorrow's boss) event. The day saw some 350 children take over the Dutch business world and see what it feels like to be a company boss.

SAP On Azure Partner

We attach a great deal of importance to strategic partnership. The fact that we are now a Microsoft SAP On Azure Partner shows that we have the vision and the strategy to add value to Microsoft products with our expertise.

January 2020





January 2020

Kick-off party 2020 Ordina Belux

The first and sadly also the last party before the country went into lockdown due to Covid-19.

Ordina recognised as Top Employer

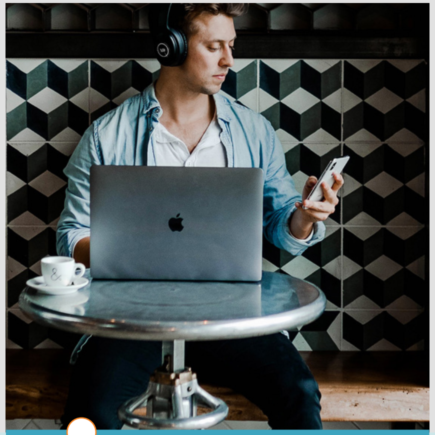
To be Top Employer for a whole year. Our Dutch and Benelux HR colleagues are very proud of the title. And so they should be, because this certification shows that we invest in our employees and in an attractive, inclusive company culture.

February 2020

Your microphone is still on mute

And then there was Covid-19. At Ordina, we also switched en masse to working from home, and digital meetings became an everyday reality. This did take some getting used to, with colleagues forgetting that their microphones are still on mute, and children or pets accidentally walking in on meetings.

March 2020



April 2020

Home-working task force advises Belgian market

Employees at our clients and other organisations also swapped their spot at the office or at clients for their home offices. In response to the sudden change, our home-working task force provided – completely non-binding – advice on the technology, tools or organisation of working from home.

Ordina's orange heart beats for the Netherlands

As a sign of support for everyone who could use a pat on the back during the Covid-19 pandemic, we hung a huge banner on the facade of our offices in Nieuwegein.

April 2020

May 2020

High performance teams conquer the work floor

We have known this for some time, but working in High performance teams (HPTs) is becoming the next big thing on the work floor. This was also apparent from the results of the Ordina Digital Monitor, a survey conducted by research agency Markteffect among 1,700 decision makers on the digitalisation front. Working in HPTs yields faster results, greater commitment from colleagues and lower costs, as teams work in short cycles.

The cast of 2020

Also during the Covid-19 outbreak our young professionalsbegan their training at Ordina. Of course, they all complied with the measures to combat the spread of Covid-19.

May 2020

May 2020

Partnership with INFORM

To ensure we can provide our clients with even better levels of service, we work with leading players in our field. One of these partners is INFORM, a supplier of the RiskShield solution, which we use to support banks in the fight against cybercrime, money laundering and terrorism financing.

Ordina joins Pledge 1%

Ordina attaches importance to sustainability. One of our sustainability initiatives is the Pledge 1% movement, which we joined in 2020. The Pledge 1% movement contributes to the creation of a better world. Ordina employees contribute by cooperating in efforts such as projects for civic organisations.

July 2020

PLEDGE 1%

August 2020

Digital Combobox: a project with double the impact

The Combobox is a folder that lets children show how they are feeling using stickers. This helps children and their parents improve their understanding of the support and allows them to monitor their progress.The demand for a digital version was a perfect kick-off project for our young professionals.

Multi-year agreement with Logius and SSC-ICT

The government's digital agenda will continue to be a priority in the coming years. Logius and SSC-ICT, both part of the Ministry of the Interior and Kingdom Relations, once again chose Ordina to be one of the six parties that provide their IT services.

September 2020

Mendix Platform Partner

Ordina is working with Mendix at various clients in the industry, financial services and public sectors. The fact that Mendix has granted us higher partner status is good news, because that makes us one of a select group of Mendix Platform Partners.

September 2020

September 2020

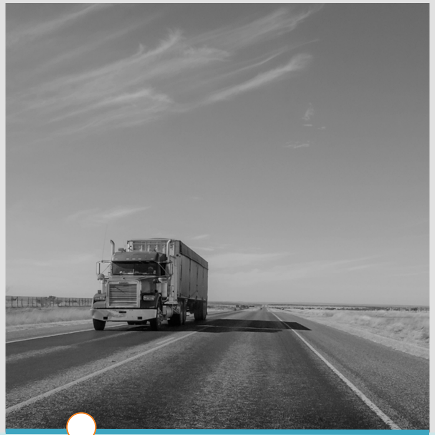
Cooperation with JINC

Digital skills are indispensable these days. In cooperation with JINC, Ordina employees are going to help kids in junior school groups 5 and 6 to develop their digital skills. They will also be teaching senior school pupils the best way to apply for jobs.

FENIKS Project

In October, the Ordina Rail team at ProRail started on the realisation of FENIKS, which will replace the applications that currently provide ProRail's freight yards with support in the execution of their operating processes.

October 2020



October 2020

SAP NOW Live

Luxembourg-based company Accumalux produces plastic parts for car and truck batteries. They produce no less than 30 million battery cases and lids at six production sites, ready for export to more than 30 countries. Ordina employees implemented a SAP CRM solution to enable Accumalux to approach their clients in all of those countries in a client-friendly and efficient manner.

Digital partnership

Together you are stronger. This is why Clockwork and Ordina Consulting have joined forces as of 1 January 2021. This partnership enables us to provide our client with even more effective support in their digital transformation.

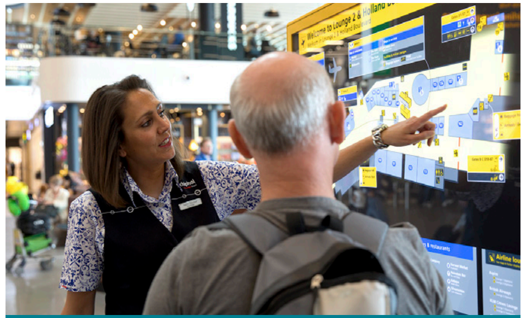
December 2020

CLIENT CASES

AgroEnergy

Business platforms

Schiphol

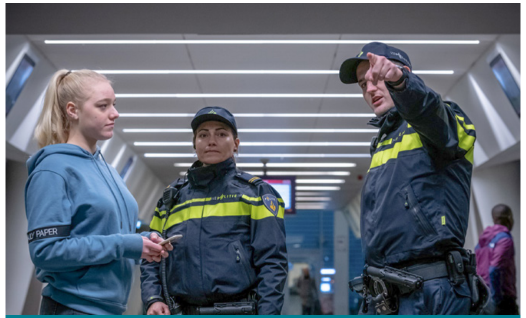


Digital acceleration

KBC

Business platforms

National Police Force



High performance teams

Ecopower

Business platforms

AgroEnergy

"Ordina provides implementation to Azure cloud platform"

AgroEnergy is the pre-eminent energy partner in the greenhouse horticulture sector, offering automated smart energy solutions and a wide range of energy products. For example, horticultural firms can use AgroEnergy's own trading platform to conduct their energy business online, giving them more control over their energy costs. With a view to the future, AgroEnergy decided to switch all its environments and applications to Microsoft's Azure cloud platform.

AgroEnergy moves to the cloud

AgroEnergy called on Ordina for help with the migration process. A High performance team worked closely with AgroEnergy's IT professionals on the entire migration from on-site to the public cloud. This involved transferring the development, testing, acceptance and production environments from a distributed environment onto a single cloud platform. All other relevant services, such as security, monitoring and VPN connections, are now also provided from the cloud.

Automating roll-out environments

Project leader Edwin Jongmans and solution architect Jeroen Kooiman of AgroEnergy explain why they opted to automate the roll-out of the environments. "Based on input from our team, in the preparation phase Ordina put together a whole set of scripts, which formed the basis for the roll-out of the four environments. We started with the acceptance and production environments, followed by the test and development environments. We tested all the environments extensively and resolved any issues we encountered", says Jeroen Kooiman.

Quicker response to changes

Looking back on the project, both are happy with the end result. Edwin Jongmans: "This was a big and important project for us because it involved our entire application landscape. This included applications for contact and contract management, invoicing, our customer portal, as well

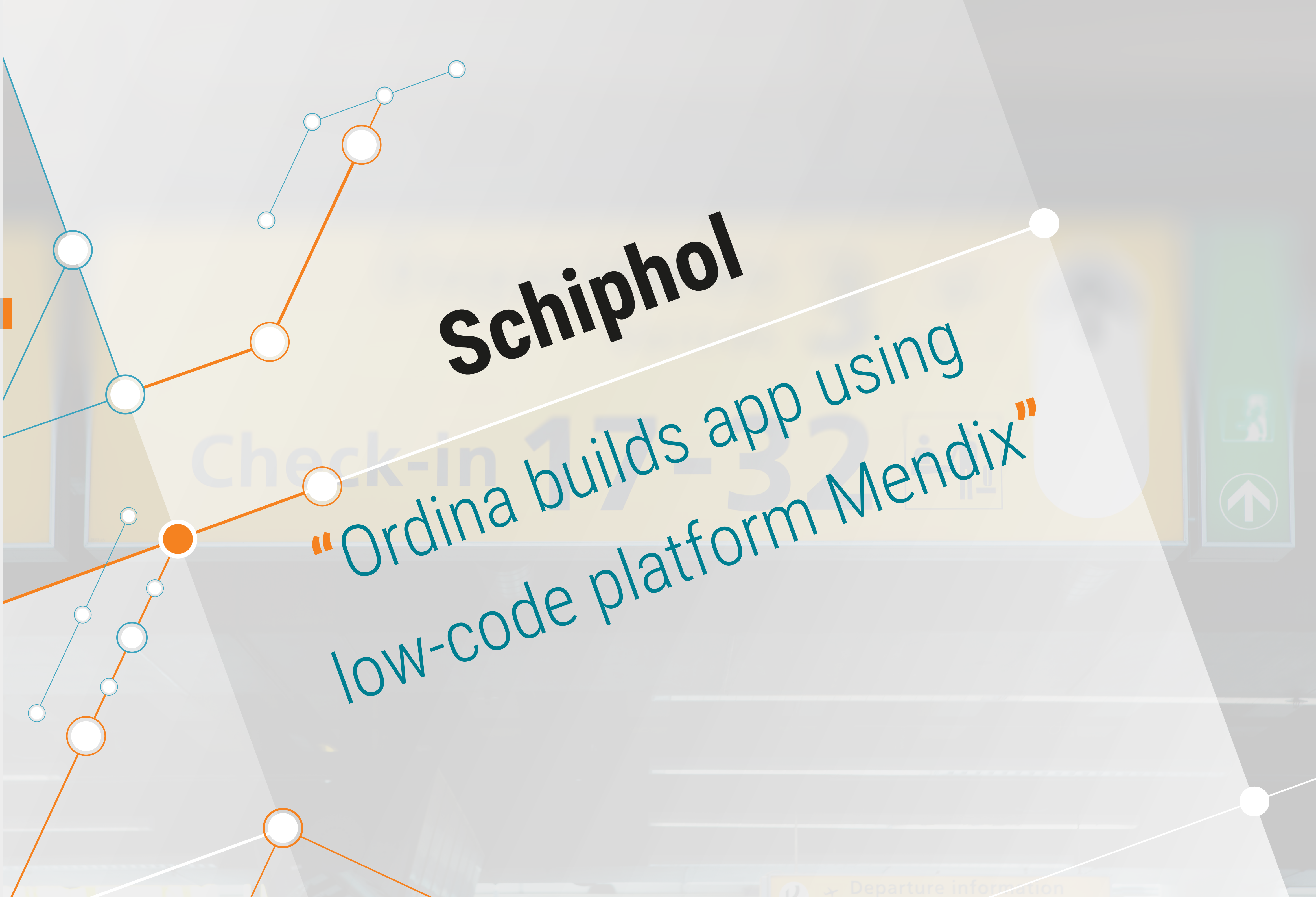
Continued on page 16

as the 24/7 consultancy services that customers buy from us. The go-live was particularly tense because all systems had to go down for a day. The big question was, would everything go well on the day? Our concern was not so much the technology, but the large number of connections we have, all of which had to be converted before going live. Fortunately, we did not encounter any significant problems during the migration. Because all the environments are now together, AgroEnergy can respond more quickly to changes within the business”.

Quick interaction

The cooperation with Ordina also went really well, he adds. “A professional and highly skilled team we were able to interact with quickly and that started proactively”, says Edwin Jongmans. “That's a great way to work. We got to know the team under extraordinary circumstances. Our kick-off was in mid-March, just after the government announced that we had to work from home because of Covid-19. Instead of having a face-to-face meeting at our offices, we were suddenly in an online Teams meeting. That took some getting used to at first, but fortunately we saw that both sides were very keen to make this project a success. And it worked out well. The great thing is that the team that built the environment is now also managing that environment. The advantage of this is that the knowledge we accumulated is not lost and that we already know where to find each other”.

EDWIN JONGMANS
PROJECT LEADER



Schiphol

"Ordina builds app using low-code platform Mendix"

Schiphol aims to become Europe's preferred airport using digitalisation and data. The development of the Schiphol Today app, which went live in March 2020 and enables floor managers to carry out their work more easily and efficiently, is fully in line with these plans

New Schiphol Today app improves work processes for floor managers

Ordina was called in to develop the app based on the Mendix low-code platform. A High performance team (HPT), consisting of both Schiphol and Ordina professionals, developed the first version of the app in less than three months. With almost 50 Mendix consultants, Ordina has extensive in-house Mendix know-how and expertise, partly thanks to the numerous successful Mendix-based solutions it has realised in recent years. The great advantage of Mendix is that Ordina, together with the business owners on the client side, can quickly build and test prototypes and put those into production. And all in a fraction of the time required for traditional development methods. According to Ordina Mendix consultant Lennart Spaans, the key to the success of the partnership is the close cooperation in a hybrid HPT comprising Ordina colleagues and product owner Maud Schijen, together with UX designer Daan Brittan from Schiphol's Digital department

App with real-time information

Maud Schijen sees the app as a major improvement for the floor managers in terms of how they can do their work. On top of this, the app enables Schiphol to cut costs. "With the new app, the floor managers now have all the information they need at a glance. This means they are better prepared, work more efficiently and have more time for their core task: guiding travellers. Now, before they set off for work, floor managers can check the app to see which area they will be working in and with which colleagues, as well as any relevant specifics. The app provides direct supports for certain tasks, such as reporting any malfunctions. Floor managers can now do this digitally, so everyone immediately knows what is going on. The real-time information enables floor managers, but also support services, to respond more quickly to changing circumstances".

Continued on page 20

User input

To successfully take the app live and integrate it into the daily work of colleagues was no overnight operation. Maud Schijen: "We chose a native app for the best user experience. To test whether the user functionalities would also work as planned, we first built a proof of concept (POC) in Mendix. The designer then added a design to the entire app, after which we started a phase of continuous refinements. The entire backlog was cut up into sprints and, as a team, we got into a good rhythm of building new functionalities and tightening them up. As a multidisciplinary team, we can spar really well, as we look at and approach an issue from our different backgrounds. An additional advantage is that Lennart and fellow Mendix developer Kolien Pleijsant have easy access to specialist expertise within Ordina. Not just in the field of Mendix, but also in other programming languages or issues. During development, we also spent a lot of time testing with the users and incorporating their feedback into the app. The latter is extremely important and made a real contribution to the success of the implementation and use of the app. To do this, you have to be close to the user and constantly seek out interaction. In addition, we also included the other stakeholders in the process. Everything depends on internal and external coordination with the stakeholders and how well you can translate their wishes by operating as a close-knit team".

Ease of use based on a robust platform

Including all stakeholders in the process ensured that the new app was well received by users and the business. "Yes, the reactions to the app are very positive", says Maud Schijen. "We recently launched a new release and almost the entire target group has downloaded the app, so the app clearly meets a need. We have a really enthusiastic group of users who are very pleased with the professionalism and ease of use of the app. This is a great compliment for the look and feel of the app. With the move to Mendix, we have switched to a platform that can facilitate improvements on all sorts of fronts and is also robust enough for our targeted future growth. So we have in effect created a number of building blocks that can also be used by other target groups or employees".

And for the future

However, the delivery of this version of the app for floor managers does not mean Maud and her team's work is done. The plan is for all operational staff to use the app eventually. "We are now working on a POC for a new target group: the so-called authorities, such as the staff involved in supervision and enforcement at Schiphol. Just as for the floor managers, the intention is for the app to provide them with the latest information and help them to carry out their work more easily and efficiently".

KBC

"Ordina facilitates transformation from mobile app to digital platform"

KBC has its sights set firmly on digital transformation, both for its clients and for its own employees. For instance, Ordina has helped KBC transform the personal assistant Francis from a mobile app into a full-fledged digital platform.

Digital assistant Francis takes the load off KBC employees

Tom Verbruggen, general manager and responsible for the digital work space at KBC, says Francis plays an important role in the digital work space. "With the help of Ordina, Francis has grown from a smartphone app into a full-fledged digital platform, so you can use Francis on both your mobile and your work PC. Employees can use Francis for a range of tasks, such as registering their working hours, reserving a parking space and scheduling days off. They can also use it to let their colleagues know that they will be a little late for a meeting or to let them know they are ill. The app also contains the most important internal news items. And you can use Francis to pass on facilities issues. We've had all kinds of QR codes in our buildings for two years now. If a toilet doesn't work, you no longer have to send an e-mail. You can simply use the app to scan a QR code and indicate that there's a problem. Francis is the digital butler who makes your work more efficient".

Digital transformation

KBC differentiates itself on the Belgian banking market through its extensive and efficient digital portfolio. And it does so very successfully, as KBC was voted the best bank in Belgium in 2020. Verbruggen says KBC is fully focused on digital transformation, with a specific focus on mobile applications. "We can make a difference with digitalisation. We put our customers first, with data being the new electricity. We want to use business intelligence initiatives to provide our customers with various products and services. For example, KBC Mobile offers our customers a lot more than just online banking. It also gives them access to a wide range of other services, such as mobile parking or reserving a shared bike. If you put your customers first, you also have to familiarise your own employees with

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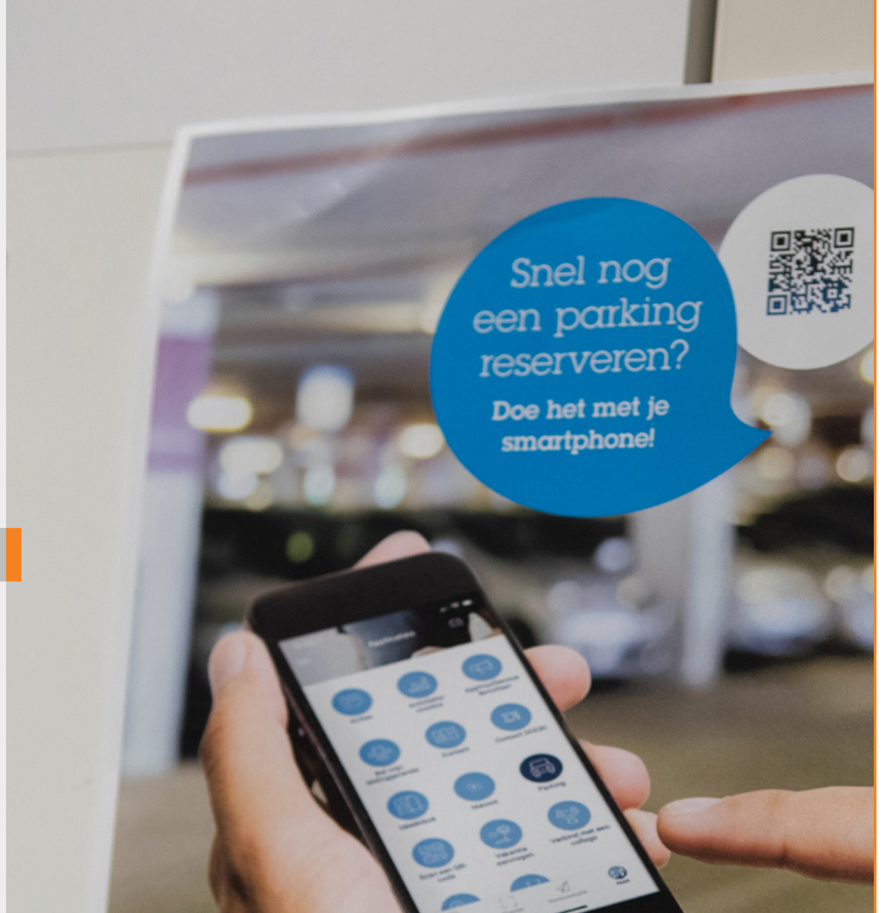
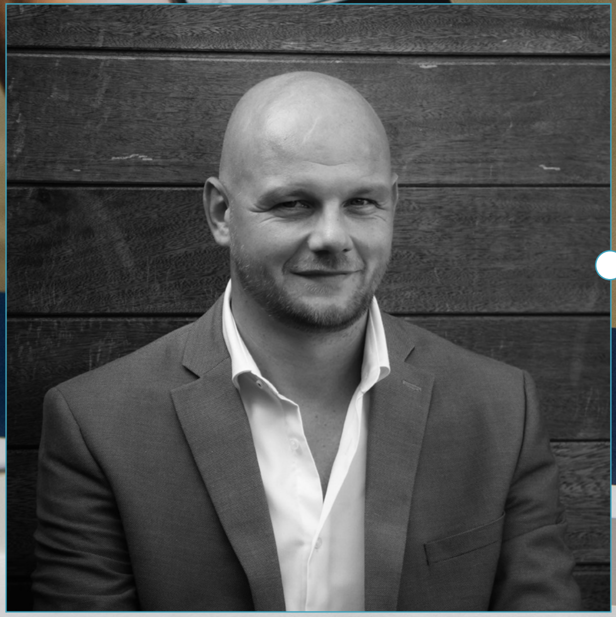




TOM VERBRUGGEN
GENERAL MANAGER

the same digital tools. Francis plays a crucial role on this front and acts as a kind of testing ground where we can try out new ideas. Good ideas that work in Francis are also included in the apps for our clients, and vice versa".

High performance team

To get Francis truly off the ground, KBC contacted Ordina, which provided a multidisciplinary High performance team (HPT) that started the development of the app. In addition to Ordina professionals, the team also included KBC employees. The product owner, scrum master and project manager are all from KBC. According to Seppe Wera, UX designer at Ordina, the approach from the outset was to make Francis for employees. "And the fact that we were given the opportunity to work as a kind of start-up at KBC has had a positive effect. Because we didn't have a product scope, deliverables or turnaround time, we were less tied to certain rules. This meant we were able to freely investigate and test what worked and what didn't, and that is what helped us achieve this result. So KBC is very pleased with the quality of the work we deliver. The work is efficient, the code is of good quality and we are constantly making progress. As a HPT, we set the bar high and that also means that you can call each other to account for the results. Quality should be the deciding factor".

Positive reactions

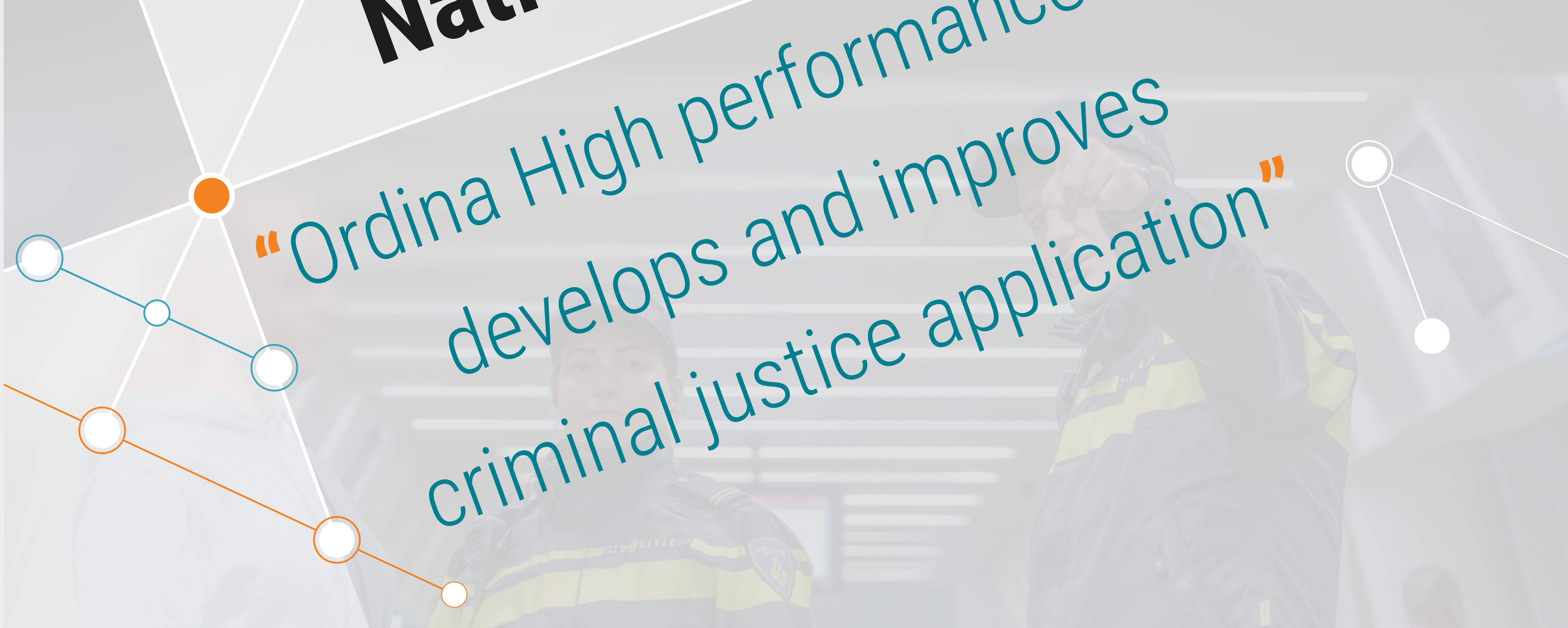
By now, the vast majority of KBC employees have started using either the app or the PC version of Francis. Tom Verbruggen: "The reactions of the end users have been positive. We frequently hear that the app enables our employees to take care of their business very quickly. If you unexpectedly have to go to the office in the morning, you can simply use the app to arrange a last-minute parking space. And vice versa. Francis is so smart that, based on the fact that you've indicated that you're working from home, he also understands that you don't need a parking space, which makes it available to other employees. The app is not compulsory. Our people install the app because it offers them benefits. They can use the app to solve all kinds of overhead issues smoothly and easily. Francis gives employees access to a smart portal that filters what is important to them. Two minutes in Francis and you can then focus on your work for our clients".

Working patterns

Seppe Wera says work on Francis is not finished. "No, it's very much an ongoing process. We're now looking at how we can make Francis even smarter with the aid of the data sources we use, in combination with artificial intelligence, machine learning and data analytics. The goal is to reduce the use of Francis in the coming years. That may sound illogical, but we want to make the back end of Francis so strong that, based on a KBC employee's work patterns, Francis automatically takes care of all sorts of matters. At the moment, employees still have to set things in motion themselves. We want Francis to take care of things in advance. Suppose an employee indicates that they are working from home for a day because the plumber is coming that day, then Francis already knows that he has to convert any meetings into online Teams meetings. In other words, Francis has to become proactive".

Nationale Politie

"Ordina High performance team develops and improves criminal justice application"



Digitalisation is playing an increasingly important role in the national police force, with new technologies being used to support police work. One of the applications used by the police plays a key role in the criminal justice chain. Ordina is helping the police force to renew and improve this application.

National Police force fully commited to digitale transformation

Naomi Woestenenk, Director of the In-house Managed Environments and Innovations platform programme at the national police force, and her team are responsible for securing all in-house managed environments. These environments date back to the days when the police force was divided into 25 regional forces and a National Police Force Services organisation (Korps Landelijke Politie Diensten), in which each force had its own IT services. "Following the formation of the national police force, some of these in-house managed environments (IMEs) were still being managed by the operational units. In the IME programme, we are working on a rationalisation process and evaluating which environments are superfluous and which we can still use. For innovations developed during this operation, we've built our own cloud environment. This platform gives us the freedom to innovate and make a significant contribution to the digital transformation the police force is currently undergoing. The platform, on which some 30 DevOps teams are working, is helping the operation to raise the bar to the level we need to be at to deal with digital crimes and criminals".

Ordina High performance team

One of the environments that the police force is moving to that cloud platform is an application that plays an essential part in the communications between the police force and their chain partners in terms of applying for special investigative powers. Since the current application is outdated, the police force has decided to renew it, so it can be used by all units of the national police force. Ordina was asked to take care of this task and has deployed a multidisciplinary High performance team, who are developing the new application in Phyton.

Looking for the connection

The renewal of the application Ordina is working on is a complex process. This takes place in close consultation and cooperation with the relevant partner in the chain, due to the high level of mutual dependence. Naomi Woestenenk: "The strength of the Ordina team is that they look for the connection. They realise that it's not just about the technology, but also about the relationship. They think it's important to engage the various parties involved

Continued on page 28

in the process. They are also proactive in terms of coming up with ideas to improve cooperation, by demonstrating very clearly where the processes meet and what the benefits are for the parties involved. That approach has proved to be worth its weight in gold. The new application should become a robust user-friendly portal with a dashboard, so that you can immediately see the status of the application and which partner in the chain is processing it. The application must become, as it were, the digital highway between all the special investigation services and the relevant partner in the chain. We are moving from a complex multichannel situation to a transparent and clear single-channel situation. That only has advantages for everyone. And we are also building it on the basis of the latest technology, completely cloud native".

Great mutual engagement

Naomi Woestenenk says her team members and the people from Ordina did have to get used to each other at the start of the process. "We have a rather noisy team and at the start they were working very hard with the doors closed. But early on in the process, everyone realised that we all needed each other. From that moment on, the team became as one, with a great deal of mutual engagement to help each other progress. And of course the team members continuously challenge each other, and everyone wants to show who's the best. After all, they are developers, but there's nothing wrong with that. It's how they bring out the best in each other, which only improves the end result. The Ordina team is reliable and makes an active contribution to the process, especially when things go wrong. They anticipate well and do so with an open mind, pointing out what is possible and what is not. And if they're waiting for something to happen, they're more than happy to take on other issues and help other teams deal with issues if they get stuck at some point in the process. Working together in this way helps us to take big steps with relatively few people and achieve results quickly. I have been in IT for many years now, and if I know one thing it's that if you want to make technical leaps forward, the only way to do this is on the basis of an equal and effective partnership with your suppliers".

Ecopower

"Ordina implements SAP platform"

Ecopower has the wind in its sails thanks to the growing interest in sustainable energy. The Belgian citizens cooperative is a producer and supplier of renewable energy and is recording strong growth. To support this growth and prepare the company for the future, Ecopower recently made the switch to the user-friendly SAP S/4-HANA platform, with Ordina taking care of the implementation.

Ecopower opts for SAP to accelerate sustainable energy transition

Ecopower was founded in 1991. “Since then, our cooperative has developed significantly”, says Emmeline Depoorter, IT coordinator and someone closely involved in the SAP migration. “From a small citizens’ initiative that raised capital to restore water mills, we have grown into a cooperative energy producer, with 60,000 co-operative members who own Ecopower. We produce green electricity from solar, wind and hydroelectric power, and serve more than 50,000 customers. In addition, we focus on sustainable heating via our pellet and briquette factory, plus the construction of heating grids. And of course we want to continue to grow, without losing our individuality. Ecopower remains a transparent company on a human scale. Energy for and by citizens - that’s the idea”.

New IT platform

Following the growth of Ecopower’s portfolio and the expansion of its activities, the existing IT systems were no longer up to the job. This is why Ecopower started its search for a new IT platform. Emmeline Depoorter: “A company in full growth has to make sure that all its business processes run smoothly and that company data is available at the right time. On top of this, the energy market is a highly complex market. Digitalisation, automation and integration are essential to keep everything on the right track. We have felt the need for a powerful and forward-looking IT solution for some time now. A platform in which we could use to integrate our electricity production, our shareholder register, invoicing, logistics,

Continued on page 32

pellet plant management, accounting and data management, among other things, with the aim of optimising and streamlining all our business processes. After a market consultation, we arrived at a combination of SAP and Haulogy as software, and Ordina supervised the implementation. The new SAP S/4HANA is user-friendly and easily scalable, has numerous analysis options and is also suitable for smaller organisations like Ecopower".

Blueprint

To ensure a successful transition to SAP, Ecopower drew up a blueprint of exactly what was needed in SAP in collaboration with internal stakeholders and Ordina. "Based on that blueprint, we looked at which components are already in SAP that we could use", says Emmeline Depoorter. "After all, SAP has many standard components for optimising processes. We then connected our processes to the standard processes in SAP. Where possible, we also looked at whether we could improve our processes. And sometimes it was necessary to build integrations or make tailor-made adjustments. In addition, we use a number of SAP Fiori-apps that, for instance, our support department uses for contact with customers. Ordina took care of the actual implementation in collaboration with our own IT department. We did this in two runs, first switching the pellet plant and then the electricity hatch. In the first half of 2021, we will follow this with the project management of the production projects. In addition, we have integrated SAP with Haulogy, an SaaS solution Ecopower uses to manage energy processes. After extensive testing, we went live in January".

Cooperation

Emmeline Depoorter is extremely pleased with the cooperation with Ordina. "The collaboration went really well. If we ran into an issue, Ordina did everything possible to solve the problem as quickly as possible. And they did it within the agreed deadline. The Ordina team had the required expertise to make the implementation a success. And in the event of any problems, they were able to rely on expertise within Ordina itself. For an organisation like Ecopower, such a switch to SAP is a very large process and it also demanded a lot from all our employees. Because of course, in addition to the extra work involved in the implementation, their normal work also continued as usual. Following the switch to SAP, Ecopower is now ready for the future, for continued growth and the creation of even more ecological and social impact".

THE WORLD OF TODAY AND TOMORROW

Our vision

Technological developments drive innovation. And digitalisation helps you as an organisation to be relevant and agile for the world of today and tomorrow. It enables you to accelerate, to align your processes better and to optimise collaboration. And, not unimportantly, it opens new doors and takes your services to a higher level, and ensures your customers are more satisfied with your services.

Ordina is the right party for the job. We are the partner that helps you to realise your digital transformation and stay what we call Ahead of change. We do this by connecting technology, business challenges and people. We help you increase your speed, develop smart IT applications, launch new digital services and ensure that people embrace them. This is how we create a digital edge and ensure your organisation stays ahead of change.

We see IT as an enabler and game changer that makes digital transformation possible. We provide innovative solutions that help people, society and companies move ahead. And we do this by working together with our clients on sustainable innovation.

Who are we?

Devising and advising on the right application of IT solutions, developing and optimising effective software and platforms, and the management and optimisation of IT landscapes is the core of our company. We want to be seen in the market as a top service provider. We work closely with our clients using smart methods to get the best possible results for them. We do this through our own unique way of working: The Ordina Way. This approach lets our clients know exactly what they can expect from Ordina, at every phase of our collaboration. We prefer to work in teams that we put together on the basis of our clients' wishes and on the nature and complexity of the project. This is why these High performance teams (HPTs) consist of IT professionals with various kinds of expertise. What they share is a uniform way of working and they use systems and tools deployed right across the Ordina organisation. Not only does this get the best out of our people; it also results in better outcomes for our clients. This is very much appreciated by both our employees and our clients, effectively killing two birds with one stone. An optimum win-win!
We are active in the Netherlands, Belgium and Luxembourg. This means that we are close to our 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 more importantly: we know what is needed to make the combination of business and IT successful. This enables us to advise our clients on the best roadmap for the future.

Our core activities consist of consulting, technology and outsourcing services that we offer to our clients on the basis of our five business propositions.

We operate under two brands: Ordina and SourcePower.

Developments in the world around us

IT makes the world smarter, more sustainable and more efficient. We contribute to this by making work, transport and production easier and simpler. We do this by reducing spatial and infrastructural bottlenecks, making the food chain more sustainable, providing more efficient operations, a digital public sector and a living environment that is cleaner for everyone.

Economy

The world has changed significantly in the past year as a result of Covid-19. This has had an enormous impact on health, society and the economy. And it will continue to affect the economy in the years to come. Certain sectors have run into difficulties and unemployment is on the rise. The IT sector has stood up well to the consequences of this crisis, but the full impact will only become visible over a longer period of time.

Society

Our society is changing faster than ever before. Digitalisation offers opportunities to strengthen the vitality of our economy and society. It helps to encourage connections and progress in the interactions between people, organisations and public sector organisations.

One downside of this development is that digitalisation has also led to an increase in the number of cyber incidents. This is constantly increasing the importance of cyber security for organisations. Stricter legislation and regulations in the area of privacy and data protection are also forcing organisations to improve their cyber security.

We advise our clients on how to increase their digital resilience in the field of cyber security and compliance while maintaining optimal control.

Ordina believes it is important that everyone is able to make use of digital opportunities. Vulnerable groups in society find it difficult to participate in the digital world. They often lack access to a laptop or tablet, or lack digital skills. As a result, digital and social inequality is growing. Ordina is committed to making digital opportunities more accessible, especially for these groups.

Labour market

Demand for IT professionals is greater than the current supply. The result is a shortage of highly trained IT professionals. We are also feeling the effects of this shortage. But we can also see that IT professionals enjoy working for us. And that is not without reason. At Ordina, you get the chance to fully exploit your potential and realise your ambitions. We set the bar high, but that only makes you better. We challenge you to get the best out of yourself every single day. For example, with challenging assignments for clients that matter, and by working in teams. Add to that coaching on the job and our extensive training opportunities. This is what makes Ordina stand out in the labour market.

Technology

Technology has a major impact on business models and how organisations work. Responding to these challenges also creates lots of opportunities. However, many organisations are wrestling with the question of how to make the best use of these opportunities.

At Ordina, we see digital transformation as a continuous process, with the goal of creating a flexible, future-proof digital business model. We want to create added value by developing smart applications.

To achieve this future-proof digital organisation, you have to do more than just adapt organisational structures, processes and revenue models. Real success also requires changes in employees, company culture and behaviour. Ordina has extensive experience in this area and we can advise and support our clients in this process.

Strategic context

Our operational environment

- Position of IT in the organisation
- Working method: (Agile) multifunctional teams
- Trends in IT

Stakeholder dialogue

- Employees
- Clients
- Partners & Suppliers
- Shareholders
- Society

Sustainable Development Goals

Competition

- Niche players
- Standard cloud software
- Offshoring: scalable and at low cost
- In-house development of IT competencies

Strategic objectives

- Satisfied and loyal clients with whom we cooperate on their digital transformation.
- Recruiting, developing and retaining employees.
- Expansion into specific niches with our business propositions.
- Above-average financial returns with limited CO_2 emissions and significant social engagement.

Our strategic pillars

- **Satisfied and loyal clients**
- **Engaged and driven employees**
- **Sustainable, distinctive profile**
- **Returns and social responsibility**

The world around us and our strategy

As a local IT services provider, Ordina operates at the heart of society. We want to play a meaningful role for our clients, our people, our shareholders, our partners, our suppliers and society at large. We use developments in our field, the outcome of our stakeholder dialogue, our impact on three Sustainable Development Goals and the forces at play in our competitive environment as input for our strategy, which we have translated into four strategic pillars.

Our field of expertise

Being future-proof. That is what every organisation wants. While business and IT used to be separate worlds, IT is now a strategic asset that adds value to business. This is why business and IT now work closely together. Ordina sees digitalisation as the decisive success factor in staying ahead of changes.

We differentiate ourselves by using local multidisciplinary high performance teams that quickly deliver client value and results. They do this by developing digital solutions or by optimising and implementing high-quality IT applications.

Many organisations are taking steps on the road to digital transformation and are readily embracing the 'digital first' strategy. In the process, they are moving to cloud services and expanding their smart platforms with low-code apps that can be developed quickly. And they are experimenting with and accelerating new technological developments, such as augmented and virtual reality, robotics, 5G, automation and artificial intelligence.

In the longer term, Ordina sees a movement towards IT4IT, hyper-automation, cloud-based business platforms and data-driven ecosystems. These developments will also change how everyone involved works together. This will create opportunities for Ordina to offer end-to-end solutions for our clients' digital roadmap.

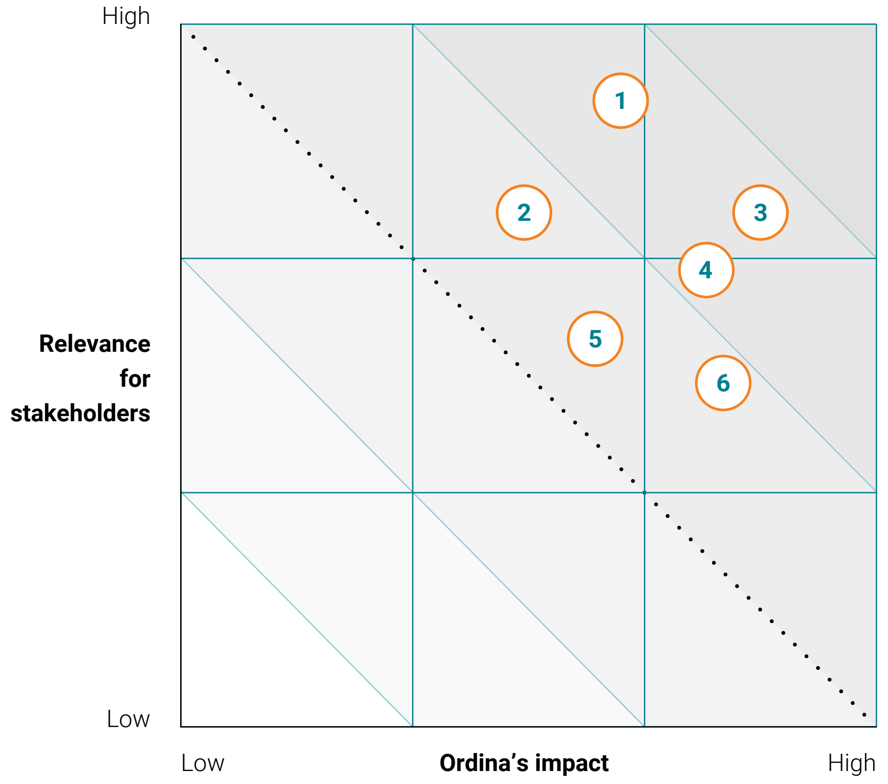
Stakeholder dialogue

Speak the language of your clients and other stakeholders. Make sure you understand what moves them. And be in the vanguard when it comes to new challenges in your environment. That is exactly what Ordina is doing. By being in constant dialogue with our stakeholders. The input from our clients, employees, partners, suppliers and shareholders is important to us and provides us with insights and opportunities to improve continuously.

The dialogue with our stakeholders is about the added value they can expect from us in the short, medium and long term. The results of these discussions provide us with the insight we need into which material aspects are important to our stakeholders. We use this as input for the development of our strategy and management. We have combined these aspects in our materiality matrix and test the subjects in a variety of ways. For example, we regularly speak with shareholders and suppliers. In addition, our customer satisfaction survey and our employee engagement survey actively confirmed that our existing materiality matrix (drawn up in 2019) still reflects the right aspects for Ordina.

"Ordina considers digitalisation the decisive factor **in successfully staying ahead of change**"

Our materiality matrix



1 Recruitment, retention and development of talent

2 Innovation and digital transformation

3 Excellente services

4 Interest rate growth

5 Diversity and inclusiveness

6 Impact on the environment (direct and indirect)

At a glance
Foreword
A look back at 2020
Client cases
The world of today and tomorrow
Strategy and value creation
Strategy pillars, objectives & results
Risks
Governance
Composition Management Board and Supervisory Board
Report of the Supervisory Board
Remuneration report
Provisions of the articles of association
Financial Statements
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Contents Annual report
Contents Financial Statements

Sustainable Development Goals

Ordina's ambition is to have a positive impact on society right across the board. By doing business in a sustainable manner, we build long-term relationships with our clients, our people can truly develop and we also have a positive impact beyond Ordina's borders. This creates value in both the short and long term. Of course we think about employment, but we also think about the climate. In this way, we contribute to three of the UN 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
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.
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.
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.

Concurrentieomgeving

IT is a growth market and is highly competitive. Developments are emerging rapidly and the IT landscape is changing with these developments. As an IT services provider, we are increasingly taking on the role of director. Together with our clients, we establish a digital roadmap. We can oversee the landscape and recommend solutions that are a good fit with our customers' processes and goals. To help them accelerate.

As working in the cloud becomes increasingly popular, we see organisations opting for a flexible and scalable IT environment. This is at the heart of what Ordina can do and does. By using the added value that cloud computing offers, we develop, implement and manage applications on top of the basic IT landscape, such as an ERP system. An example of this is the development of the Schiphol Today app, which we built using the Mendix low-code platform. The app enables floor managers at Schiphol Airport to do their work more easily and efficiently.

IT is becoming increasingly important as a full-fledged part of doing business. From a cost perspective, offshoring remains attractive for many organisations. On the other hand, many organisations are also choosing to reduce offshoring and bring more IT competencies in-house. We are the local partner who develops digital roadmaps to the future in cooperation with our clients. We advise our clients on what they need to meet future challenges. And we can also realise these solutions together.

We see that niche players are very strong in specific types of expertise, such as SAP, Oracle or Java. Ordina differentiates itself from these niche players by having all this expertise under one roof. We offer end-to-end services based on our expertise, our portfolio and our client teams. If a client wants to switch to a different ERP system, we have the knowledge and skills in-house in areas such as Oracle, SAP and open source. We then look at which software best suits an organisation and which client teams we need to deploy to realise this. By combining the different building blocks and offering them as an integrated solution, we can offer our clients the best and most cost-effective solutions. A major advantage of this approach is that our clients do not have to deal with different parties. Ordina is the point of contact, has the required expertise in-house and can direct the process.


"Ordina is the partner that helps you to make your digital transformation and to stay Ahead of change"

STRATEGY AND VALUE CREATION

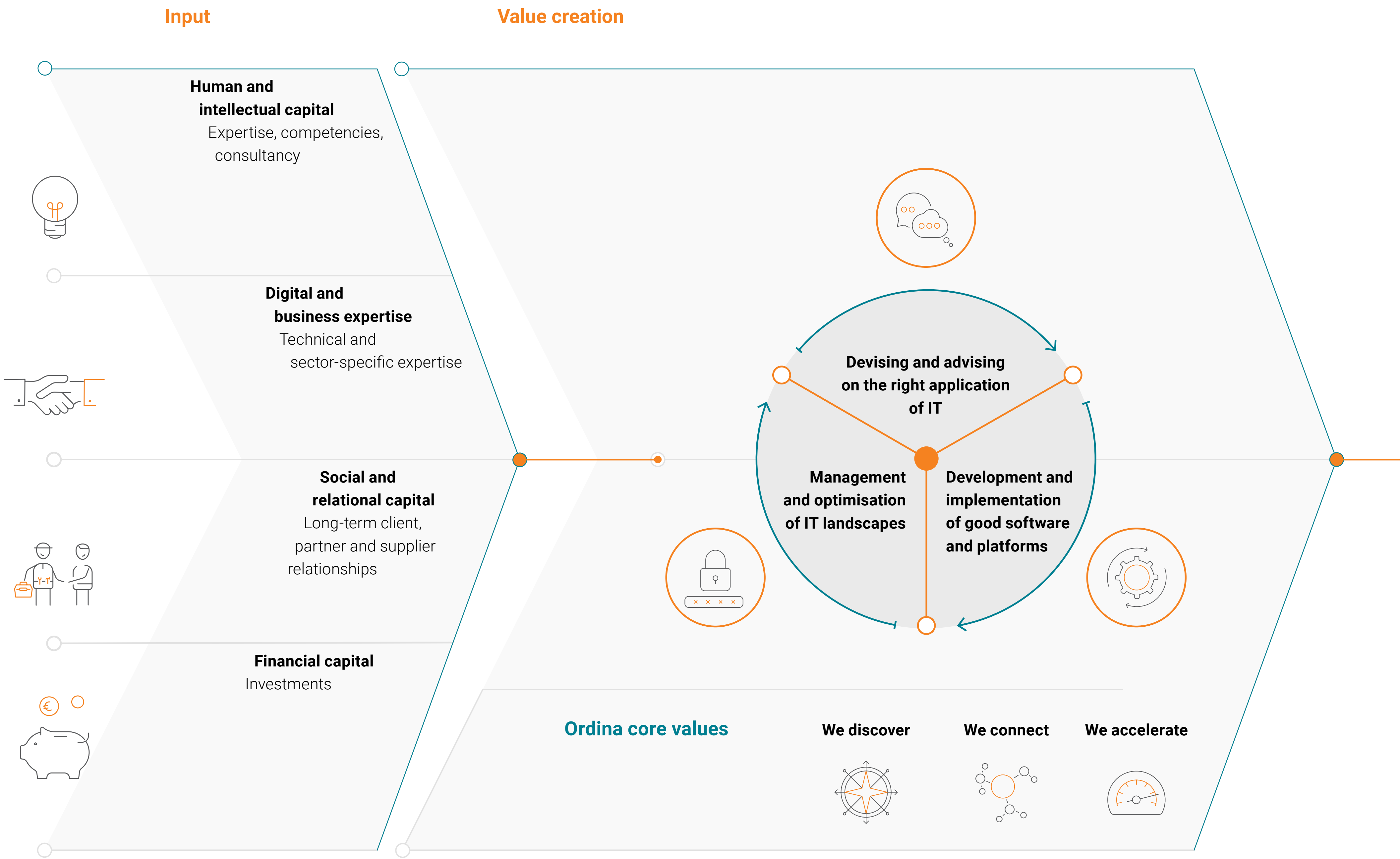
Strategy

We are working on our Ordina 2022 strategy on the basis of our vision: Ahead of change. In the coming years, Ordina wants to maintain and strengthen its position as a reliable IT partner for client-specific services for the local large business sectors and public sector organisations. This means that we are extending our services based on five business propositions, by adding distinctive niche solutions for existing and new clients. These solutions give us a recognisable face in the market.

Our value creation model

The aim of our process of value creation is to have a positive impact on our environment and our stakeholders through our business operations. This is why we are in constant dialogue with our stakeholders about the added value they can expect from us in the short, medium and long term. We drew up our value creation model to map out this process of value creation.

The value creation model



The value creation model

Output for our stakeholders	Strategic pillars	Objectives and results
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.	**Engaged and driven employees** Recruit, develop and retain employees, which results in the growth of the organisation.	**Engaged and driven employees** Employee engagement: Objective > 7.0 Result 2020: 7.5 Inclusivity measurement: Objective >80% Result 2020: 69%
Digital and business know-how Helping our clients to get ahead of change by connecting know-how of technology, business challenges and people .	**Satisfied and loyal clients** Satisfied and loyal clients we work together with on their digital transformation.	**Satisfied and loyal clients** Ordina Promoter Score: Objective > 7.0 Result 2020: 70.2 Client satisfaction score: Objective > 7.0 Result 2020: 7.7
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.	**Sustainably distinctive profile** Expansion into specific niches with our business propositions .	**Sustainably distinctive profile** Revenue business propositions: Objective 2022: 65% Result: 38%
Financial capital Successful execution results in returns and structural employment in the Benelux.	**Returns and social responsibility** Realisation of above-average financial returns with significant social engagement based on our expertise and limited CO_2 emissions.	**Returns and social responsibility** EBITDA margin: Objective 2022: 10%-12% Result 2020: 12.6% Reduction CO_2 emissions per FTE: Objective 2017-2022: -8% Result 2017-2020: -53%

Devising, developing and managing IT applications

As an IT service provider in the Benelux, we help our clients to solve problems. To do this, we use technology as an answer to organisational challenges. Together with our clients, we provide a variety of smart and innovative applications. We invent and recommend them, we develop and implement them and we manage and expand them. This varies from useful apps to complete e-commerce platforms that, in addition to offering user-friendly websites, are also linked to various business processes, so that invoice processing and logistics are well organised. We also manage various operational systems, ensuring that they are robust and reliable, guaranteeing continuity.

Our partners

We are an independent IT service provider. This enables us to devise, implement and manage smart IT solutions in cooperation with clients and partners. In addition, some of our clients already have specific IT environments they want to use in their digital acceleration. We have agreements with a number of partners who help us to serve our clients.

To help our clients to realise their digital acceleration, we have partnerships with parties such as Salesforce, SAP, Microsoft, Mendix, Oracle, Pegasystems, MarkLogic, Dataiku and Inform. For instance, for energy supplier AgroEnergy, we have facilitated the transition to Azure, Microsoft's cloud platform. And with the aid of Daitaiku, a supplier of Artificial Intelligence and Machine Learning platforms, we offer our clients the opportunity to transform into intelligent, data-driven organisations.

This is what we stand for: our core values

Our core values are what drive us. Our core values summarise what we stand for and how we do things. This Ordina DNA is part of every Ordina professional and ensures that we know our clients inside out and use our expertise, professionalism and talents on behalf of those clients.

We discover

From professionalism to being ahead in your field. We are curious and we are open to new developments.

This helps us to identify opportunities and threats and find out what they mean. Every single day, we discover how to use our talent optimally, and how we can continue to develop our professional skills.

So we can be ahead in our field and proactively help our clients stay 'Ahead of change'.

We connect

From working together to accepting responsibility for the result. We are open-minded, inclusive and enterprising.

This helps us make connections and build relationships. Based on collaboration in High performance teams, Ordina accepts responsibility for the result.

Proactively connecting inside with outside and vice versa. To realise the optimum result. Win-win situations with the best possible result for every stakeholder.

We accelerate

From knowing our clients to providing them with a digital edge. We focus on clients and strive for quality.

This helps us look ahead and help our clients to accelerate. To proactively develop the best solutions for clients based on our business propositions.

Ambitious solutions that make a real difference, that truly help clients to gain a digital edge.

Herman Meeuwsen, agile coach: "If you get the chance to work in a team for a more prolonged period, you can really build something together. Seeing individuals and the team grow gives me enormous satisfaction. Even if things don't go well, you learn from that as a team. And when I see that the team is making an ever greater contribution to a client's success, then that makes me proud".

Laura Schreurder, scrum master/agile coach for two HPTs: "It gives me enormous satisfaction to be able to contribute to the development of teams and individual team members. So we are in an even better position to deliver a performance that meets our client's expectations. Then I am really happy to be part of the team".

STRATEGIC PILLARS, OBJECTIVES & RESULTS

1 Engaged and driven employees

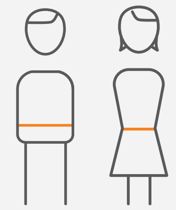
We can only help our clients get ahead of the changes in their sector with the best employees. It requires a solid business approach and driven Ordina employees who are well aware of the challenges in our sectors.

It is important that our people are always at the cutting edge of their profession and work in teams to add value for our customers. That is why we have career paths for talents that result in highly skilled IT professionals who are recognised for their expertise in the market. We set the bar high, for ourselves and each other, with exciting client assignments that make a difference. We continuously invest in a 'great place to work' through fun, knowledge sharing and teamwork. This is how we build a sustainably distinctive profile for the long term, not only for our clients, but also on the labour market. And this helps us to not just offer a broader career perspective, but also to increase the engagement of our employees. By working in teams, they can learn from each other.

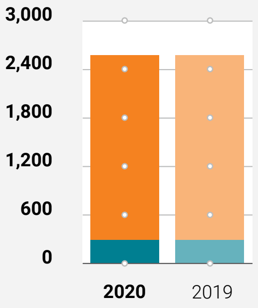
We have formulated a number of objectives. First of all, we want to grow in terms of the number of employees. This is why it is important that Ordina is an attractive employer where people are fit, feel engaged in the organisation and are satisfied with us as an employer. Secondly, the development of our employees is essential to the quality of our services. After all, people make the difference for our clients. Finally, we believe diversity and inclusiveness are important factors in the optimum performance of our teams.

Covid-19 had an enormous impact in 2020 in many different ways. For instance, it affected how we work, because we started working from home in large numbers. At Ordina, the changeover was quick and easy. We already had options in place for working from home. We immediately addressed this issue in March, making it easy for our employees to switch to online meetings, chats, calls and digital collaboration. Despite the flexibility, commitment and creativity of our people, which led to good results, we also experienced a downside. Our employees who live alone were particularly prone to feeling lonely. This specifically affected our younger employees. Our managers played a crucial role in maintaining contact with their team members, by making phone calls, arranging walking appointments or delivering gifts to their doors. Ordina also provided our employees with active support to prevent absenteeism, partly by offering them more training and psychological support through the Prevent desk. Employees with young children also faced extra challenges in achieving a good work-life balance. Temporary flexible working hours offered a solution on this front.

Our employees
Fact sheet

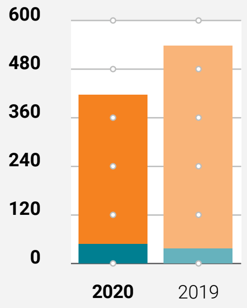


Average # staff (FTE)



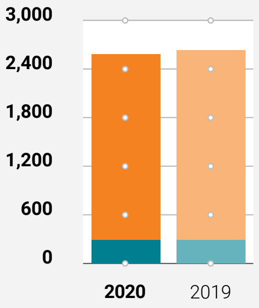
2020	2019	
2,286	2,286	Direct
286	287	Indirect

 # staff influx (FTE)



2020	2019	
369	500	Direct
47	37	Indirect

 # staff year-end (FTE)



2020	2019	
2,298	2,340	Direct
288	289	Indirect

Movement in the number of employees

ave # FTE

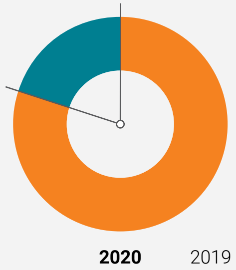
2,572

Movement in the number of employees

yaer-end

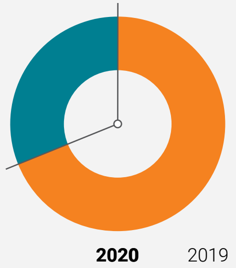
2,586

Male/female ratio / in %



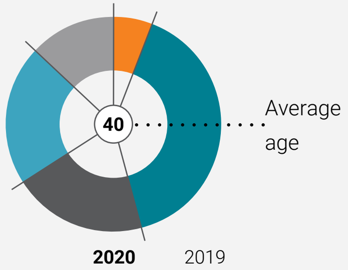
	2020	2019
Male	80	80
Female	20	20

M/F ratio in managerial positions / in %



	2020	2019
Male	69	70
Female	31	30

Age composition / in %



	2020	2019
< 25	6	9
26 > 35	40	37
36 > 45	20	20
46 > 55	21	23
56 >	13	11

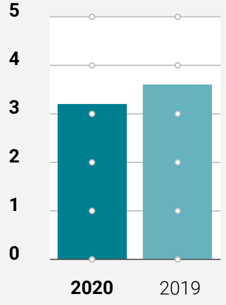
Employees with a permanent contract

100%

Employees with a permanent contract

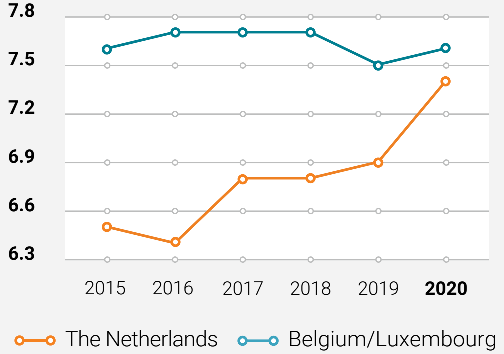
77%

Employee absenteeism rate / in %



2020	2019
3.2	3.6

Employee engagement score / in %



Inclusive company culture score

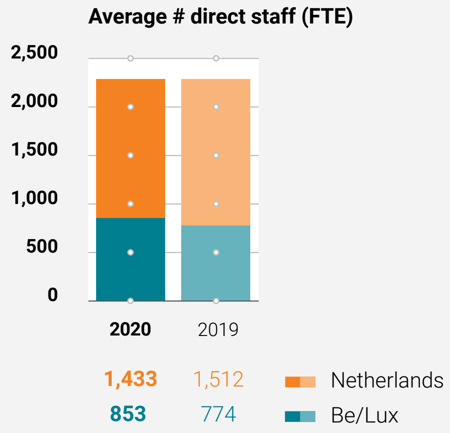
7.5

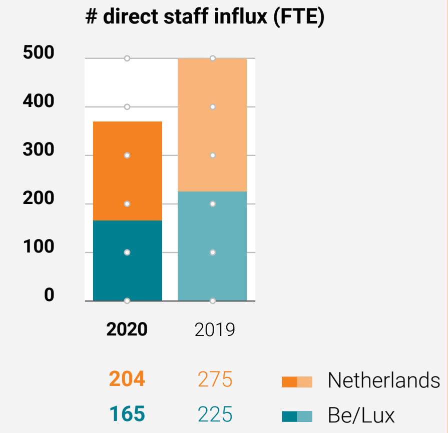
I can express a deviating opinion at Ordina (scale of 1-10)
Source: Employee engagement survey

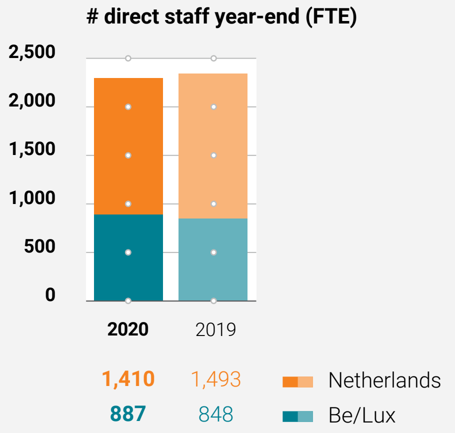
Our direct employees

Productivity 2020
70.1%

Productivity 2019
69.3%







Attractive employer

In 2020, the size of Ordina's workforce remained virtually unchanged at 2,572 FTEs on average across the year. In 2020, 416 FTEs joined Ordina in the Netherlands, Belgium and Luxembourg.

Ordina believes it is important to offer young IT professionals opportunities, but the expertise of medior and senior IT professionals is also important to the balance in our teams. In 2020, we hired 416 new employees in the Netherlands, Belgium and Luxembourg, 81 of which were young professionals, and 335 FTE medior and senior IT professionals. These numbers are lower than in 2019, which was due to the Covid-19 outbreak in March. In the immediate aftermath of the outbreak, we temporarily cut back on the recruitment of new employees. After the summer, we fully resumed our recruitment drive, but we were unable to catch up on our target for the year.

At year-end 2020, Ordina had 2,386 direct employees, or 2,298 FTEs (2019: 2,428 employees, or 2,340 FTEs). The average number of direct employees was 2,286 FTEs in 2020 (2019: 2,286 FTEs). In absolute terms, the Dutch organisation contracted by 79 FTEs, while Belgium and Luxembourg added 79 FTEs.

At year-end 2020, Ordina employed 288 FTE indirect employees (2019: 289 FTE indirect employees). At group level, these numbers are comparable to year-end 2019.

In 2020, we asked for structured feedback from our employees on four occasions. In January, we asked for feedback on vitality and in September we asked our colleagues for their opinion on our sustainability policy and development. We use this feedback to improve the employee journey within Ordina.

The surveys in April and October were related to the employee engagement survey. On average, our employees gave us a score of 7.5. This was once again an improvement on the previous year. Employees gave our approach to the Covid-19 pandemic a score of 7.9, primarily due to timely and effective communications. Most importantly, employees said in October 2020 that they would like to continue working for Ordina, citing career development as an important positive driver.

In 2020, Covid-19 changed the way we work. By necessity, we worked from home for three quarters of 2020. Due to the restrictions introduced in response to the virus, we have learned that working from home creates new challenges, both positive and negative. Because we believe it is important to treat the health of our Ordina colleagues with the care and attention it deserves, we provide a safe and responsible workplace, both at the office and at home. Approximately 800 employees took advantage of this scheme.

Healthy and fit employees are important to Ordina. In 2020, absenteeism stood at 3.2% (2019: 3.6%), so was lower than in 2019. 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 theme-based approach to vitality, 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. Because Covid-19 meant many of our employees were working from home and spending a lot of time behind their laptops and screens, we developed a special online Fit@home programme, in which Ordina's physiotherapists spend 15 minutes a week twice a week doing exercises and giving tips on how to stay healthy. Precisely because of the Covid-19 conditions, Ordina has taken extra care to help safeguard the mental and physical health of its employees.

Dilemma: do we visit clients, or not?

In the year under review, we clearly demonstrated that we can work from home just as effectively as we do at the office. Our clients cooperated fully on this front and we realised some great results together. The number of travel movements (and associated CO_2 emissions) declined significantly and traffic jams were no longer an issue. But what will this look like in the future? Will our employees want to come to the office? And what will our clients expect of us?
We like to be close to our clients and believe human contact is important to effective cooperation in teams. Plus we have found that physical presence and being together to a certain degree is both preferable and healthy.
So we do want to return to the office, but is it really entirely necessary? Or preferable?
How do we safeguard the necessary balance between the environmental benefits of working from home, a healthy work-leisure balance and efficiency with the need for creation, consultation and human contact?
This throws up all kinds of new issues: how do we design our offices? How do we find new ways of working together? But also: how do we differentiate ourselves from our competitors, for both our clients and on the labour market, if we are all working remotely?

People make the difference

Our people make the difference on a daily basis. The development and sustainable employability of our employees is important if we are to stay Ahead of change. This is why training and development play such a major role on this front. We do this through training on the job and coaching from managers. In addition, Ordina offers various training programmes in the Netherlands, Belgium and Luxembourg through the Ordina Academy, obviously aligned with 'Ordina 2022'. For instance, we developed an Ahead of change Learning kit. Ordina employees in the Benelux also participated in three types of development programme in 2020. These are specific professional training courses, a programme focused on our business propositions and a programme for personal development.

In total, our employees spent more than 100,000 hours on training in 2020. In addition to the total number of hours, we also calculate the participation level. This percentage shows how many of our employees followed one or more training courses. In 2020, this was 69% (2019: 84%). We did not achieve our goal of 80%. As a result of Covid-19, we switched many training courses from physical to digital, but the overall hours of training were still lower than in 2019.

It is vital that our employees are well trained and remain 'fit for purpose' in a market that is changing rapidly. Ordina pays constant attention to this and invests heavily on this front. If our employees fail to develop continuously, they will be less relevant in their professional field and lose the connection with our clients. For Ordina, it is essential to prevent this, not only from our own perspective but also from the perspective of social responsibility. This is why, in line with our CSR policy, we measure the outflow percentage of employees who have left the company at our request. The target is to keep this below 4%. In 2020, this was 3%, compared with 2.6% in 2019. From 2020 onwards, we no longer use availability as a KPI for sustainable deployability. This is due to the fact that availability is a snapshot and can be due to any number of reasons. We have therefore dropped availability as an indicator for sustainable deployability.

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 others.

Diversity and inclusiveness

People are different. That has value and it generates energy. This is why we value diversity and inclusiveness in everything we do, from recruitment to development and the role we play in society. And above all, our way of working, in high performance teams at our clients, consistently and repeatedly confirms the value of diversity. Each team has a diverse mix of people with different backgrounds, experience, personalities, expertise and all other forms of diversity. And that is what makes our HPTs so powerful and effective.

Ordina's various formal and informal communities are important in connecting and inspire our employees. Our employees set up these communities and Ordina facilitates their gatherings and meet-ups. In these communities, people connect, both online and in meet-ups, around a specific topic, a shared passion or a sport.

In our annual employee engagement survey, we measure whether our employees feel 'free to express their opinion'. This is a significant factor in feeling at home in an organisation. In 2020, our employees gave a score of 7.5 (2019: 7.3) for this aspect of working at Ordina

In addition to paying attention to personal qualities, connecting topics and the freedom to express your own opinions, we also measure diversity quantitatively by means of the male/female ratio. In 2020, the distribution was 80% male versus 20% female. The level of female employees has been the same for a number of years and is above average for the IT sector. However, we are striving for a more balanced distribution in our workforce.

The distribution within our management is 69% male versus 31% female. This male/female ratio is more balanced, but we would like to welcome more diversity in terms of background, culture and religion.

Works Council in the Netherlands

The Works Council is an advisory body for the Management Board and consists of Ordina employees. In March 2020, 15 employees were elected to the new Works Council. Covid-19 has had a major impact on working at Ordina and in the Works Council and the new Works Council members got to know each other from behind their screens. The Works Council supported the management in its Covid-19 measures, such as the policy of working from home. In cooperation with the Works Council, Ordina also paid out a one-off bonus to compensate for the extra costs of working from home.

The cooperation between the Works Council and the Management Board was constructive in 2020. The projects that the Management Board and the Works Council took up were in line with the Ordina 2022 strategy. The Works Council supported the Management Board in its redesign of Ordina's main organisational structure by issuing positive recommendations on the appointment of a Director of Ordina Netherlands and on the management of Information Management and Marketing & Communications at group level. The Works Council was also involved in the appointment of the new CFO, as it contributed ideas for the job profile and advised on the final candidate.

The Works Council approved the new, climate-friendly mobility scheme. In addition to this, the Works Council approved the change of the assessment cycle to a continuous dialogue, together with a new profit-sharing scheme.

Works Council in Belgium

The social elections were postponed in view of the Covid-19 measures, but Belgian colleagues who were eligible to vote elected new representatives for the Works Council and the Safety and Prevention Committee in digital elections on 16 and 17 December 2020.

The Works Council provides advice on social, financial and economic issues. The Safety and Prevention Committee devotes attention to ergonomics, prevention and the psychosocial aspects of work. The cooperation between the Works Council and the Committee is constructive, with attention devoted to the interests of employees, the employer and shareholders. The meetings in 2020 took place in an open and constructive atmosphere.

The monthly Works Council meetings include discussions on a number of recurring topics, such as the follow-up of Ordina's results and the availability figures. Other topics discussed in 2020 included the renewal of the collective labour agreement (CAO 90), the follow-up on employee retention, the guidance measures related to Covid-19 and the associated working from home situation, and the results of the Pulse survey among all employees in May and November 2020.

The monthly Safety and Prevention Committee meetings also include a number of recurring items, such as the results of the employee satisfaction barometer and the follow-up for long-term sick employees. The Committee also devoted a good deal of attention to the psychosocial and ergonomic well-being of our employees during the Covid-19 pandemic.

Our colleagues about working **in a High performance team**

Erik Laeremans, UX/UI designer: "I consider working in teams as ideal. It's a harmonious mix of all the essential profiles that enables us, as a team, to create value for our clients. Our team covers every aspect and phase of IT solutions. Working in teams gives me the energy to make even more progress, to make this team grow and develop. This team makes me proud of what we are achieving".

2 Satisfied and loyal clients

Making sure our clients are ready for tomorrow's future. That is what we do. Our clients can count on IT solutions that truly help them realise their digital agenda. Sustainable IT solutions that are created without wasting resources or manpower, that do what they are intended to do and that last. We achieve this in collaboration with our clients thanks to an agile way of working with attention for security and privacy aspects. We translate business challenges into smart and innovative solutions from the full breadth of our company, and we make the difference with our High Performance Teams. This is how we accelerate our clients' business processes, add value with technology and help them to be ahead of change. In doing so, we take full responsibility for the results of our clients' projects.

Over the past year, Covid-19 had an impact on the way we work with our clients. In close consultation with our clients, we were able to continue our services with very few problems.

In the Benelux, Ordina works for local clients in three markets: financial services, public sector and industry. In these markets, we have built up long-term client relationships and we have a balanced mix of clients across industries. Because we work with local people, we can add value for local clients. Close to our customers.

Our markets

Public sector

Technology contributes to an agile and compact public sector with self-reliant citizens. The Dutch government's digital agenda, NL DIGIbeter, will stimulate continued digitalisation of the Dutch public sector. In Belgium, too, the public sector is investing heavily in digitalisation. An effectively digitalised public sector is essential for society and its citizens. Ordina offers solutions that are secure, agile and robust and that improve the interaction between citizens, public sector and organisations.

Financial services

IT is core business in the financial services sector. Tighter rules and legislation, pressure on costs and competition from FinTech firms is increasing the need for digitalisation. Ordina responds to this with solutions that enhance performance and customer experience by optimising processes and information and with solutions in areas such as fraud detection and data migration.

Industry

Intelligent operations and simple processes are vital in this sector. Ordina is active in a number of subsectors, such as transport, logistics, pharmaceuticals, energy, water and waste processing (utilities), telco and media. We focus on data-driven solutions.

Revenue per market segment
In thousands of euros and %

	2020	2019[1]	Development in 2020 compared to 2019[1]
Public	151,485	150,328	0.8%
Finance	98,558	106,249	-7.2%
Industry	119,190	115,682	3.0%
Total	**369,233**	**372,259**	**-0.8%**

In the public sector, revenue increased by 0.8% to EUR 151.5 million in 2020 (2019: EUR 150.3 million). This increase was driven by an increase in revenue from our High performance teams and Intelligent data-driven organisations business propositions.

Revenue in the financial services sector declined by 7.2% to EUR 98.6 million in 2020 (2019: EUR 106.2 million). Revenue in this market remained stable in Belgium and Luxembourg. In the Netherlands, revenue declined, mainly due to our reduced deployment of subcontractors. We did

1 The 2019 figures have been adjusted for the reclassification of a number of clients that were previously reported under the healthcare segment

see an increase in the deployment of High performance teams and the use of data-driven solutions.

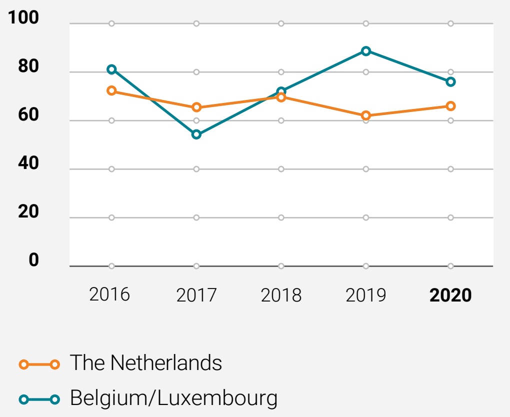
Revenue from our industrial sector clients came in 3.0% higher at EUR 119.2 million in 2020 (2019: EUR 115.7 million). In Belgium/Luxembourg, revenue growth came primarily from the pharmaceutical industry and higher demand for Business Platforms and Cybersecurity & Compliance solutions. In the Netherlands, we recorded lower revenue in this segment. Several clients were hit directly by the consequences of Covid-19, and there we saw a decline in demand. At the same time, we also saw a slight increase in demand from other clients.

Ultimately, our clients decide whether we are successful in achieving our ambition. This is why the Ordina Promoter Score (OPS) and our client satisfaction index (CSI) are so important to us. Every year, we measure the extent to which clients value our services and their general satisfaction. We aim for an OPS of at least 70.0 and a CSI of 7.0.

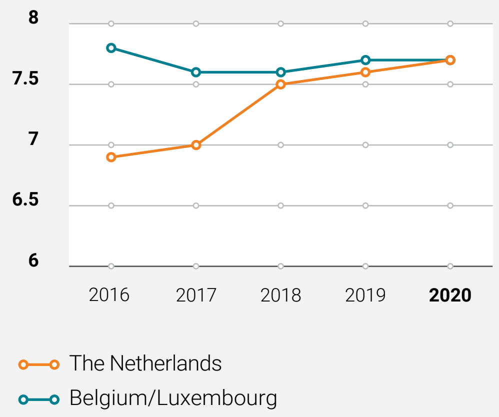
We achieved our OPS targets in 2020, with a score of 70.2 (2019: 72.4). In 2020, the score in the Netherlands increased to 66.0 from 62.0 in 2019. This represents a rising trend, but we have not yet realised our ambition of 70.0. In Belgium/Luxembourg, the OPS declined to 76.0 in 2020, from 88.9 in 2019, but still remains well above target. The OPS score in Belgium/Luxembourg was exceptionally high in 2019, as there was not a single client who would not have recommended us.

We also achieved our CSI target in 2020, with a score of 7.7 (2019: 7.6). The scores were the same in both the Netherlands and in Belgium/Luxembourg. Based on these results, we have initiated a dialogue with our clients with the aim of constantly improving our services.

Ordina Promotor Score



Customer satisfaction index



"In 2020, we realised our targets for both the **Ordina Promotor Score and the customer satisfaction index**"

3 Our sustainably distinctive profile

Digitalisation is changing the expectations of citizens and consumers with regard to services. This is forcing many organisations to define their digital agenda more clearly and more effectively. As a digital transformation partner, Ordina helps organisations with this transition, at the cutting edge of business and IT. As a local player, Ordina is at the heart of this field and has the right expertise, people and knowledge of the challenges our clients are facing. We distilled the answers to our clients' challenges into five themes, our business propositions. These provide answers to our clients' questions about their digital roadmap to the future.

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. This is reflected in the projects we win and the results we achieve for our clients. This annual report includes a number of examples of projects in which we have successfully put our clients 'Ahead of change'; see pages 12 and 32.

We want to significantly increase the revenue that we generate through our business propositions to 65% of total revenues in 2022. The revenue from propositions increased sharply to 38% in 2020 (2019: 32%). Our High performance teams and Intelligent data-driven organisation business propositions recorded particularly strong growth last year and now account for a significant share of our revenue. The revenue from Business platforms declined in 2020, as a number of contracts were not extended in 2019. Our Cyber security & Compliance and Digital acceleration propositions also recorded strong growth in 2020.

Our business propositions are: High performance teams, Digital acceleration, Business platforms, Intelligent data-driven organisations and Cybersecurity & Compliance.

High performance teams

Achieve real cooperation across traditional boundaries. Whoever can do that, can really accelerate. Ordina's multidisciplinary High performance teams (HPTs) give our clients a digital edge. We put together our High performance teams on the basis of a tried and tested approach and 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 at a rapid pace and team performance improves continuously. This puts us in a position to immediately help an organisation to accelerate the creation of customer value. We do this by developing digital solutions, increasing the quality of IT applications or optimising processes. At the end of 2020, approximately 100 teams were active at our clients (end of 2019: 70 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 customers 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 customer satisfaction.

Business platforms

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 of 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 across the board. 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.

Intelligent data-driven organisations

An intelligent and data-driven organisation is able to actively combine knowledge from an organisation with knowledge derived from data, to make sure that organisation is prepared for the future. Deploying this data intelligently in an organisation and in all its business processes makes the organisation agile and able to excel in a digitalising world. We support organisations in the areas of data science, LinkedData, GEO information and Supply Chain Optimisation. The result: more decisiveness, an excellent customer experience and the ability to anticipate tomorrow's world with a modified business model.

Cybersecurity & Compliance

Our Cybersecurity & Compliance teams make our clients' businesses safe and resilient against cyber attacks, something that is becoming more important by the day. We minimise the chance that attackers 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.

4 Returns and social responsibility

We aim to have a positive impact on all our stakeholders. That means that we aim for above-average financial returns, but also that we make a positive contribution to society in a broader sense. And in all of this, we strive for minimum impact on the environment.

Revenue per segment *In thousands of euros and %*	**2020**	2019	Development in 2020 compared to 2019
The Netherlands	245,569	258,651	-5.1%
Belgium/Luxembourg	123,663	113,608	8.9%
Total	**369,233**	**372,259**	**-0.8%**

Financial returns

We want to achieve above-average returns by expanding our business with clients using our business propositions. And of course our operations also have to be in order. This is why we strive for a balanced cost structure with low overheads, with our employees working on attractive client contracts.

EBITDA per segment *In thousands of euros and %*	**2020**	**2020**	2019	2019
The Netherlands	24,648	10.0%	20,051	7.8%
Belgium/Luxembourg	21,714	17.6%	16,635	14.6%
Total	**46,362**	**12.6%**	**36,686**	**9.9%**

In 2020, revenue declined slightly by 0.8% to EUR 369.2 million (2019: EUR 372.3 million). In line with the strategy, revenue from subcontractors declined sharply (around EUR 10 million) and Ordina generated more revenue from our business propositions. The proportion of revenue from business propositions increased sharply to 38% in 2020, from 32% in 2019.

The operating result (EBITDA) came in EUR 9.7 million higher at EUR 46.4 million in 2020 (2019: EUR 36.7 million). The EBITDA margin increased by 2.7% point to 12.6%. Our result showed a strong improvement on the back of an increase in contracts carried out by teams of our own professionals and a rise in the number of client contracts based on our business propositions. Productivity also increased (2020: 70.1%; 2019: 69.3%) and we booked less revenue with external employees.

Covid-19 had an impact on our financial results in a variety of ways. Some clients delayed projects or asked us to help them to find the cost reductions they needed. In addition, working from home had a positive impact on our costs, such as fuel, travel and accommodation costs.

Overall, Covid-19 had a one-off positive impact of around EUR 3 million to EUR 4 million on our financial results in 2020 (1% EBITDA margin).

In the Netherlands, EBITDA came in at EUR 24.6 million and the EBITDA margin at 10.0% in 2020. This improvement was the result of an increase in productivity, the improved quality of the revenue mix, with fewer external hires and reduced operating costs due to working from home, including fuel costs.

In 2020, the number of workable days in the Netherlands was unchanged from 2019 at 255.

EBITDA in Belgium/Luxembourg came in at EUR 21.7 million in 2020 and the EBITDA margin was 17.6%. The high margin was the result of the growth of the organisation with its own employees and reduced operating costs due to working from home, including fuel costs.

Belgium/Luxembourg had one workable day extra in 2020 (2020: 252; 2019: 251). The impact of one working day for Belgium/Luxembourg is around EUR 0.4 million in revenue and around EUR 0.3 million in EBITDA.

The net result came in EUR 7.4 million higher at EUR 22.3 million in 2020 (2019: EUR 14.9 million), entirely in line with the increase in the operating result (EBITDA). The revaluation of the deferred tax asset had a positive impact on the net result in both 2020 and in 2019. This revaluation was the result of the cancellation of legislation that would have resulted in reduced corporate income tax in future years. The impact of this was EUR 1.6 million in 2020 and EUR 1.1 million in 2019.

Our business propositions are successful. In addition to ever greater appreciation from our clients, they also result in higher returns. In 2020, at 12.6%, we realised our long-term EBITDA target of 10-12%.

Development cash position

At year-end 2020, Ordina had a net cash position of EUR 44.4 million (year-end 2019: EUR 24.6 million). The free cash flow increased to EUR 29.3 million in 2020 (2019: EUR 10.9 million), due to our improved operational performance.

As of 31 December 2020, Ordina had not made use of its available financing facility. Net debt as a ratio of adjusted EBITDA, as outlined in the financing agreement, stood at -1.2 at 31 December 2020 and was therefore well below the maximum of 2.50 agreed with our financiers. The Interest Cover Ratio stood at 229.8 as at 31 December 2020, and was therefore well above the agreed minimum of 5.0.

Information on Ordina's share

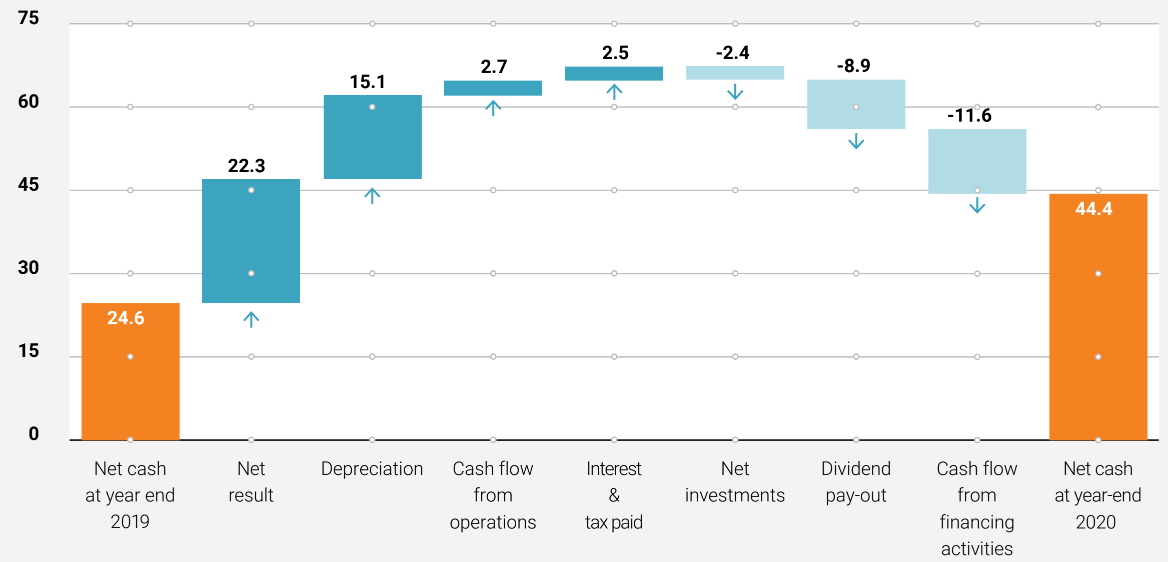
Ordina has been listed on the stock exchange since 1987. All outstanding ordinary shares in Ordina N.V. are listed on the Euronext Amsterdam stock exchange. Ordina N.V. shares are traded on the Small Cap Index (AScX) of Euronext Amsterdam. We greatly value a good relationship with our shareholders. We inform our shareholders, investors and the market in a transparent manner about the company's strategy, developments at clients, personnel developments and the company's performance.

Transparency and accessibility are vital if investors are to make the best possible assessment of the value of the share and the company. Ordina enhances the visibility of its shares among institutional and private investors through an active and open dialogue with shareholders, analysts and banks.

Ordina organises regular road shows in Amsterdam, London and Paris. In 2020, we organised a number of digital road shows.

Net cash development full year 2020

Rounded in millions of euros



Share capital

The total number of outstanding shares stood at around 93.3 million shares at year-end 2020. At year-end 2020, there were no outstanding preference shares and there was one outstanding priority share. No new shares were issued in 2020. Each listed ordinary share in Ordina N.V. entitles the owner to cast a single vote. We refer you to page 101 of the chapter 'Provisions of the Articles of Association' for an explanation of how the priority share works.

Act on the disclosure of major holdings in listed companies

Within the framework of the Dutch act on the disclosure of major holdings in listed companies (*Wet melding zeggenschap in ter beurze genoteerde vennootschappen*), Ordina received the following notifications (situation at year-end 2020):

- Shareholding 15% to 20%: Mont Cervin Sàrl, Teslin Participaties Coöperatief UA,
- Shareholding 5% to 10%: Lazard Freres Gestion SAS, Dimensional Fund Advisors
- Shareholding 3% to 5%: Acadian Asset Management, JP Morgan Asset Management Holdings Inc.

We refer you to the Ordina website for an overview of the most recent notifications, or alternatively to the register of 'substantial holdings' on the website of the Dutch Financial Markets Authority (Autoriteit Financiële Markten - AFM).

Share price development

The Ordina share price rose by 41.3% in the course of 2020 (2019: increase of 43.5%). Ordina shares were trading at a price of EUR 2.875 on 31 December 2020 (year-end 2019: EUR 2.035). The Small Cap Index closed the year 12.2% higher than at the end of 2019. The volume of Ordina shares traded in 2020 came in at an average of 378,573 shares per day (2019: 224,411).

Shareholdings members of the Management Board at year-end 2020

Jo Maes: 203,857 shares.
Annemieke den Otter (board member through 31 December 2020): 79,916 shares.

Dividend policy

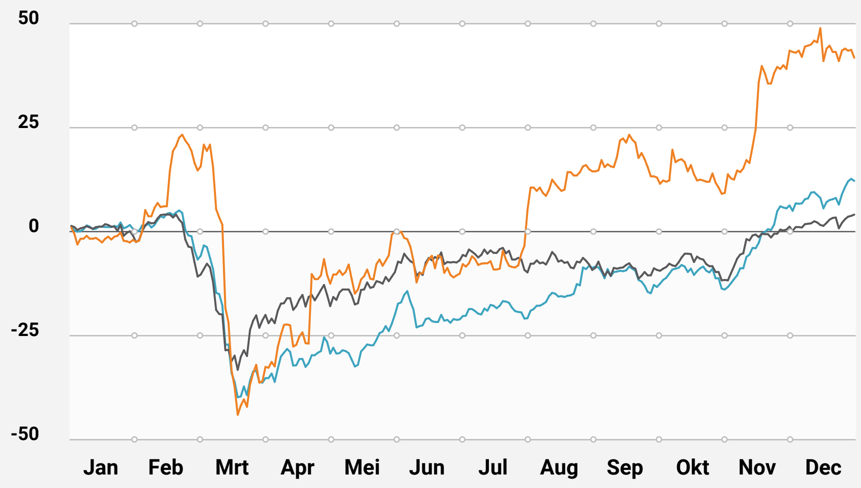
Ordina has a transparent dividend policy. Depending on the estimated scope of the (existing and/or expected) cash position, Ordina pays out between 40% and 60% of the net profit in a reporting year as dividend, based on the premise that the company's healthy balance sheet ratio remains secured and on the following conditions:

- a solvency ratio of at least 35% in the year under review;
- a historical net debt/adjusted EBITDA ratio of less than 1.25 in Q3 and Q4;
- the future net debt/adjusted EBITDA ratio in Q1 and Q2 is less than 1.25 (after dividend payment).

In March 2020, Ordina withdrew its 2019 dividend proposal as a precautionary measure due to the uncertain outlook brought about by the Covid-19 outbreak. As a result of the limited financial impact on the 2020 results, Ordina resubmitted the dividend proposal in October. An Extraordinary General Meeting approved the proposal on 10 December, after which the dividend was paid out.

Share Price Development 2020

Change in % compared December 31, 2019



	31 dec 2019	31 dec 2020	
Ordina	2.035	**2.875**	**41.3%**
AEX	604.58	**624.61**	**3.3%**
AScX	1,029.26	**1,154.80**	**12.2%**

Results per share
In euros

	2020	2019	2018	2017	2016
Per-share information					
Equity	1.91	1.75	1.64	1.58	1.58
Cash flow from operations	0.53	0.36	0.18	0.21	0.06
Net earnings per share	0.24	0.16	0.07	0.03	0.05
Net earnings per share fully diluted	0.24	0.16	0.07	0.03	0.05

General Meeting

The General Meeting took place on 30 June 2020 and an Extraordinary General Meeting was held on 10 December 2020. For a summary of the resolutions adopted at these meetings, we refer you to the minutes on Ordina's website.

Financial calendar

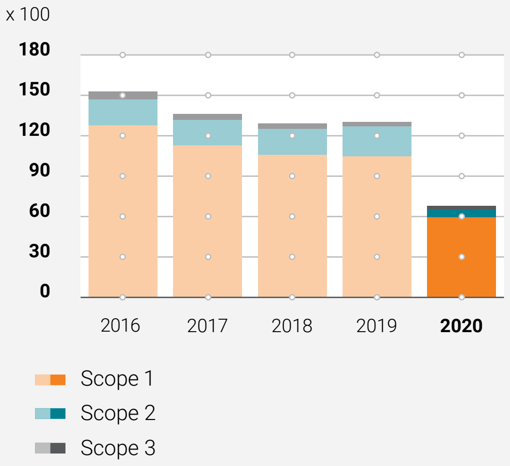
8 April 2021	General Meeting
29 April 2021	Trading update Q1
29 July 2021	Publication interim results 2021
4 November 2021	Trading update Q3
17 February 2022	Publication annual results 2021
7 April 2022	General Meeting

Our impact on society

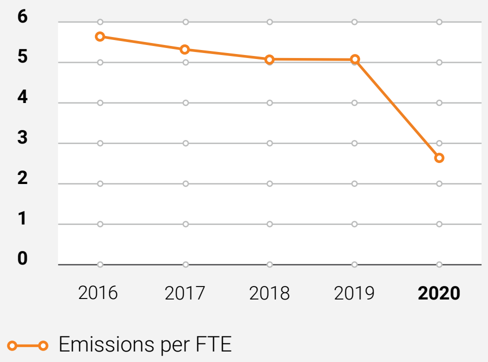
Ordina operates at the heart of society. In addition to strong returns, we want to do more than just achieve financial success. Our stakeholders also expect this of us. Social responsibility and sustainability are becoming increasingly important to our clients, employees, partners and other stakeholders. That is why Ordina's business operations are focused on creating financial, social and environmental value for the longer term.

We want to be a leader in this, particularly in view of our strategy, Ordina 2022. We have identified two spearheads in this respect: environment and society. Our ambition is to become CO_2 neutral and ultimately CO_2 negative. And as a profession, we can make sure that everyone has equal opportunities in society.

Total CO_2 emissions / in CO_2



CO_2 emissions per FTE / in CO_2



Environment: CO_2 neutral/negative

We only have one planet. And we have to treat it with care, by avoiding waste and constantly reducing CO_2 emissions. Ordina also contributes to this effort. Our goal is to be CO_2 neutral in 2030, but our ambition extends beyond that. We want to become CO_2 negative.

Our total CO_2 emissions declined significantly in 2020 due to our employees' reduced travel as a result of the Covid-19 measures, and also due to the (partial) closure of our buildings during the (partial) lockdown.

Total emissions declined by 47% in 2020. This decline was almost entirely due to the Covid-19 situation in 2020. We realised our goal of an 8% reduction in CO_2 emissions per FTE in the period 2017 to 2020.

In 2020, we joined the Dutch Anders Reizen (alternative travel) initiative and committed to the target to reduce the CO_2 emissions per FTE due to business travel by 50% in 2030 (compared with 2016). Although Anders Reizen is a Dutch initiative, we also apply this target to our Ordina BeLux organisation. This initiative is a good fit with our long-term ambition to be CO_2 neutral in 2030.

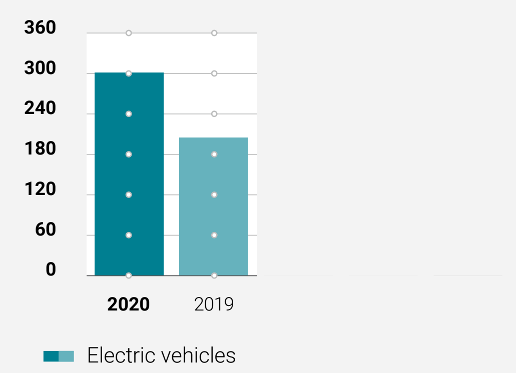
Mobility is a spearhead in our efforts to significantly reduce our CO_2 emissions. The travel of our employees accounts for no less than 92% of our own CO_2 footprint. This was of course much more limited in 2020 as a result of Covid-19. In 2020, Ordina had around 2,000 lease cars in its fleet, with around 1,100 of these in the Netherlands and around 900 in Belgium and Luxembourg. Of these, 301 cars were fully electric at year-end 2020 (year-end 2019: 205). The fuel consumption of our total car fleet was much lower in 2020, due to the sharp reduction in travel movements. Fuel consumption per car was down by 48.5%.

For the past two years, our employees in the Netherlands have had the option to transfer to fully electric cars. We pay an allowance to encourage them to switch and we make charging points available at their homes. To make the use of electric cars even more attractive, we give our professionals the freedom to choose their electric car – within reason. Our brand policy does not apply to electric cars. Thanks to this stimulus combined with tax benefits, we now have 301 fully electric cars in our fleet at year-end 2020 (year-end 2019: 205). This means that at year-end 2020, around 27% of our Dutch fleet was fully electric. In Belgium, last year we also approved a new mobility scheme, which encourages the use of electric cars.

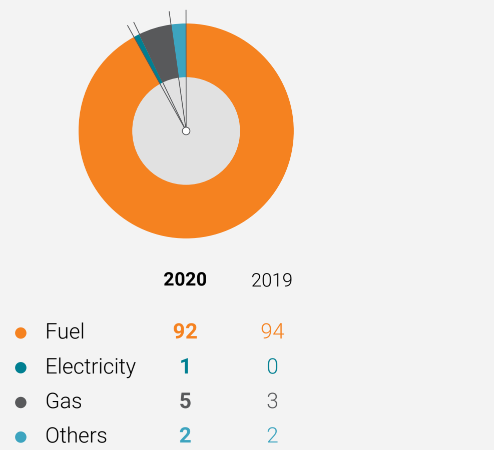
Ordina encourages lease car drivers to leave their car at home and cover their business kilometres by other means of transport. We have made NS (Dutch Rail) Business Cards available to every lease car driver and from April 2021, the available options will also include a lease bike.

We also encourage our employees to use alternative modes of transport and to use tech support to work and meet 'smarter' on-site. Ordina's new mobility scheme for the Netherlands encourages employees to choose a lease car that emits as little CO_2 as possible. Diesels will no

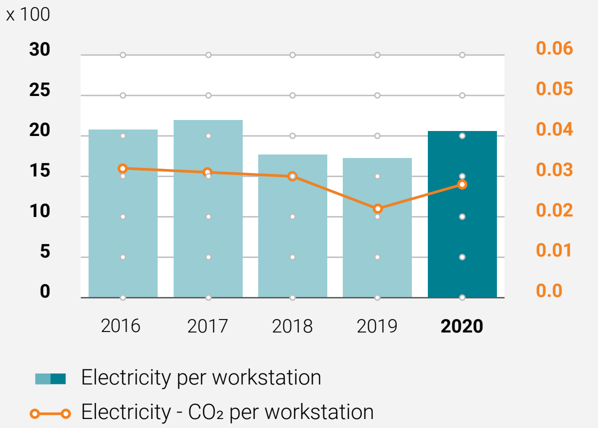
Electric vehicles



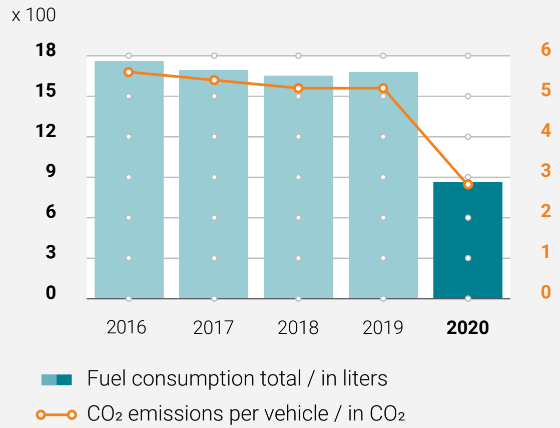
Distribution of CO_2 emissions per category / in %



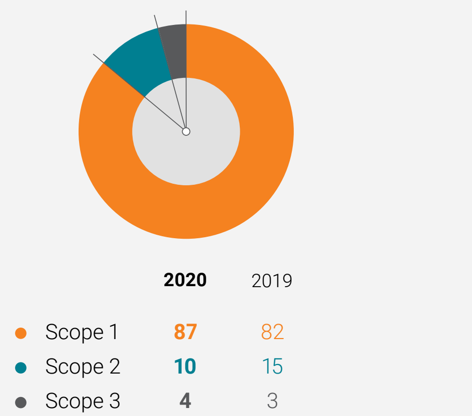
Electricity consumption per workstation / in kWh/CO_2



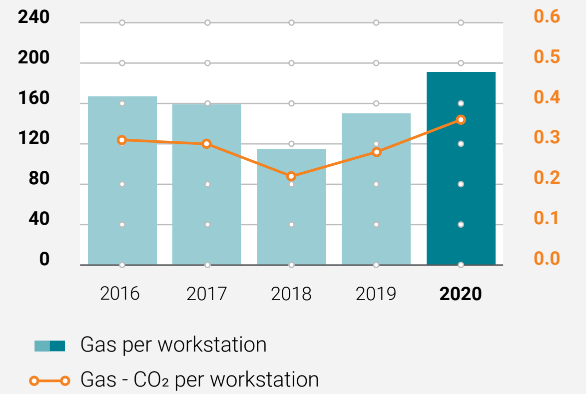
Fuel and CO_2 emissions per vehicle



Distribution of CO_2 emissions per scope / in %



Energy consumption gas per workstation / in m³/CO_2



longer be available in the new lease portfolio due to their fine particle emissions.

We have high ambitions on the sustainability front, as our goal is to include only fully electric cars in our fleet of lease cars in the Netherlands from 1 January 2022. For Belgium, this target is 2025. This is how we contribute to an even smaller CO_2 footprint together.

The gas, electricity and waste consumption in our offices account for 6% of our CO_2 emissions. Naturally, we are also doing our best to reduce these emissions, too. We measure the emissions related to gas and electricity consumption per work station.

Following the announcement of the lockdown in March, we either closed our buildings or immediately made them suitable for maintaining a distance of 1.5 metres. We also did everything we could to help our employees to work from home. This resulted in a 30% reduction in the number of work stations on an annual basis.

Both gas and electricity consumption declined strongly in 2020. This drop in consumption was due to a significant decline in the presence of employees as a result of Covid-19 and the limited opening hours of our offices. Our data centre in Groningen is also downscaling. While overall gas and electricity consumption declined, we also saw a sharp drop in the number of work stations as a result of the 1.5-metre distance design of the offices. These adjustments led to a significant increase in consumption per work station compared with 2019. Gas and electricity consumption per work station increased by 27.2% and 19.2% respectively in 2020. If the number or work stations had remained the same as in 2019, gas consumption would have fallen by 11% and electricity consumption would have been 16% lower per work station in 2020.

Finally, through our services, we help our clients to reduce their own CO_2 emissions, effectively increasing our positive environmental impact through our clients.

However, making the step to CO_2 neutral and CO_2 negative will require even greater efforts. The initiatives to minimise our CO_2 emissions will lower our own emission levels, but we will have to offset the remaining emissions. We could do this by buying certificates, but we have deliberately chosen not to do this. Instead, we are investigating ways to make our own contribution to extra afforestation.

Society: Our profession contributes to equal opportunities

The signs of growing social inequality are all around us. At Ordina, we believe everyone should have equal opportunities. And we believe that our profession can play a meaningful role on this front. We do this by contributing to organisations that work for good causes and by introducing children and students to our profession.

Pledge 1%

One of the sustainability initiatives we are focusing on is the Pledge 1% movement, which we joined in 2020. The Pledge 1% movement is helping to create a better world. More than 11,000 organisations now participate in this movement by selflessly giving 1% of their assets, profits, products or time to a cause of their choice. At Ordina, we take on concrete projects related to our field of expertise. Our employees also volunteer for projects run by external civic organisations, such as NGOs, foundations, educational or healthcare institutions or organisations with ANBI (public interest institution) status.

"Ordina focuses its business operations on the creation of **long-terms financial, social and environmental value**"

JINC

We are also active in boosting and improving the digitalisation of society via our cooperation with youth opportunities organisation JINC. We want to use our expertise to give kids ages eight to 16 a solid start on the labour market. JINC promotes a society in which a child's background does not determine their future and in which every child has opportunities. The JINC programme ensures kids become familiar with digitalisation, discover which type of work suits them best and acquire job application skills. One of the ways Ordina employees contribute is through teaching digital skills in junior schools.

Close the Gap

Ordina Belgium donates its used IT equipment to Close the Gap. This non-profit organisation ensures that laptops, servers and telephones are given a second lease of life in developing countries and, since recently, also in schools in Europe. This is how we help to ensure that everyone has equal opportunities in a digitalising world.

All Digital

In the Netherlands, Ordina took part in the Allemaal Digitaal (All Digital) campaign in the spring of 2020. This is an initiative of the government, civic organisations and the IT sector to collect used laptops, refurbish them and distribute them to the people who need them most. This is something that is particularly important during the Covid-19 pandemic, as we are relying more than ever on digital technology to learn, work and connect with others.

Two examples of JINC projects Ordina supports.

Wijhelpenziekenhuizen.nl

One such project that Ordina is working on is the Wijhelpenziekenhuizen.nl (we help hospitals) initiative. This is a partnership between Dutch cybersecurity companies that are helping to prevent malware attacks against hospitals and healthcare institutions that are active in the fight against Covid-19.

Landgoed Erfgoed Utrecht

Another project is the partnership between Ordina and the Utrecht province landscape heritage foundation Landschap Erfgoed Utrecht. Ordina uses its digital expertise free of charge to help the foundation in the field of IT and digital solutions. The foundation aims to preserve, manage and develop the landscape, cultural heritage and nature in the province of Utrecht. An example of the cooperation between Ordina and Utrecht Landscape Heritage is the 'Small Landscape Elements' project, which is making GEO data collected by thousands of volunteers over the years accessible to affiliated municipalities in the province and third parties.


"Our multi-disciplinary High performance teams are particularly suited to the new way of working, in which location and time are less important"

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 and Returns and social responsibility. 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 the 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 Executive Committee and with the Supervisory Board.

When determining risks, we have both assessed the impact they may have on the implementation of the strategy and estimated the impact they may have on our continuity (returns). The latter estimate (see pages 65 and 66) serves as the basis for the heatmaps we use to show the movement compared to the previous year and our ambition level (see page 68).

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 substantial 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 relating to each risk in the year under review. In this context, we also assess any opportunities that may be associated with a risk, which might mean that fully mitigating a risk may not always be desirable. The measures we take are designed to move the risks towards the ambition level we have set. The rate at which we achieve this ambition depends on the risk and on market developments.

The heatmap on page 68 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 climate-related 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 72.

Connectivity matrix

Who do we create value for

- Clients
- Partners & Suppliers
- Employees
- Shareholders
- Society

Position of IT in the organisation

- Way of working
- (Agile) multifunctional teams

- Technological themes
- Data-driven organisations
- Cyber security
- Smart business platforms
- Digitale transformation
- Cloud
- Open Source (SAAS)

Our competitive environment

- Cloud standard software
- Offshoring: scalable and at low cost
- Niche players

	Satisfied and loyal clients	Engaged and driven employees	Sustainably distinctive profile	Returns and social responsibility
Our strategic pillars	Satisfied and loyal clients	Engaged and driven employees	Sustainably distinctive profile	Returns and social responsibility
Objectives	Satisfied and loyal clients with whom we collaborate on their digital transformation.	Recruit, develop and retain employees.	Expansion into specific niche areas with our business propositions.	Above-average financial returns with significant social engagement and limited CO_2 emissions.

Risk overview

Impact on non-realisation of strategy: high, medium, low

Impact on returns: high, medium, low

	Impact of risk on strategic pillarss	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 tariffs.
R2	Competitive and tariff pressure	Clients expect Ordina to charge competitive rates	Employees are aware of Ordina's revenue model and experience growing uncertainty	Opportunity to show added value	Returns under pressure from lower rates
R3	Effects pandemic	Both a threat and an opportunity. Negative impact if activities are stopped. On the other hand, success as a local partner, rapid switch to full digital working	Reduced well-being and connection with Ordina, for instance as a result of fewer social events, training courses, etc. Absenteeism was lower in 2020 due to measures taken and continuous attention for employees		If work has to be stopped (due to high absenteeism or cost cuts at clients), this will have a significant 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 Cybersecurity expertise.	**Higher duty of care may result in extra costs or claims. Costs in the event of an incident may be high.**
R5	Tight labour market	High employee turnover increase dissatisfaction	More opportunities for employees at competitors and clients	War on talent (recruiting and retaining the right people)	**Limited growth in FTEs restricts the growth of the company and raises personnel costs**

1 This column shows the impact of the risks on our returns. This strategic pillar also includes our social responsibility. We have included the risks we have identified that may prevent us from achieving our CSR objectives in the table on page 72

Risk overview

Impact on non-realisation of strategy: high / medium / low

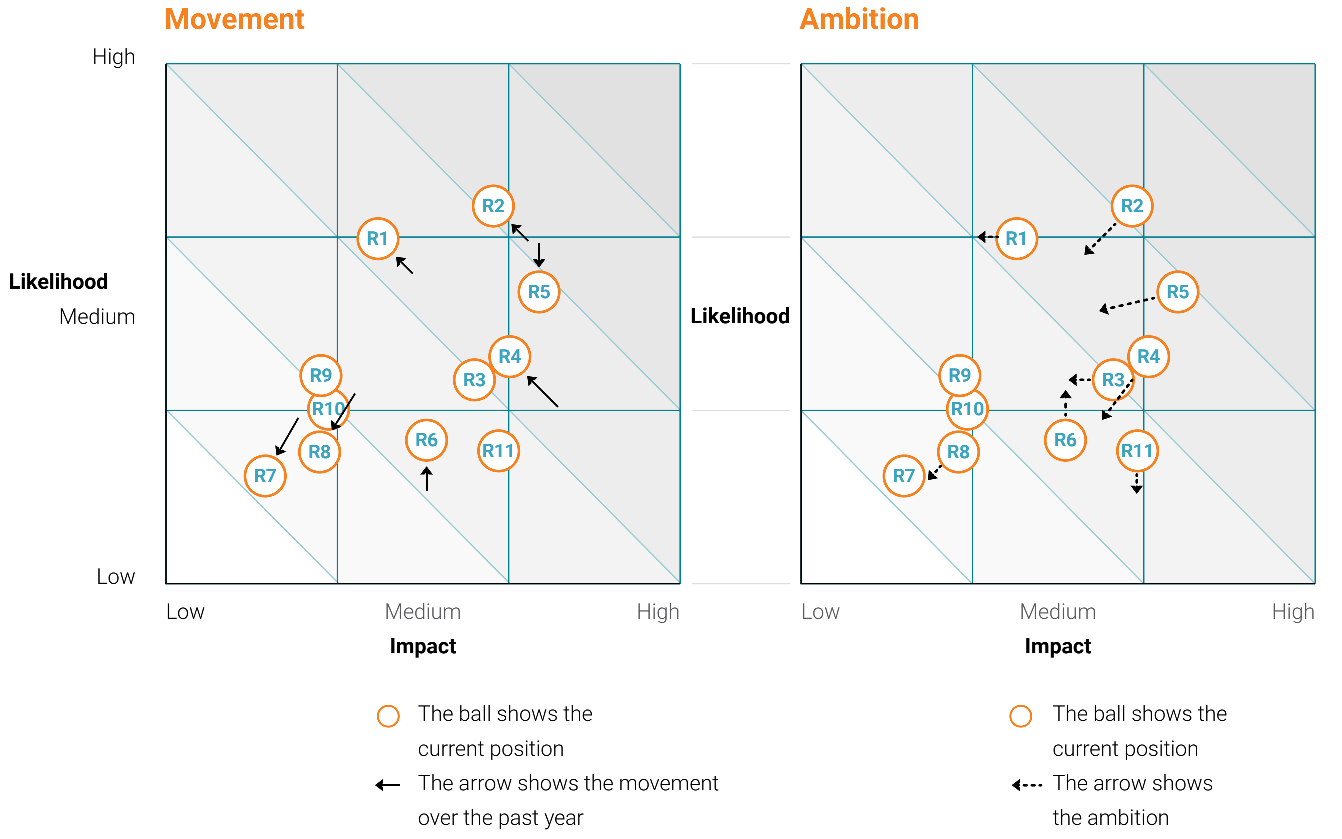
Impact on returns: high / medium / low

	Impact of risk on strategic pillarss	Satisfied and loyal clients	Engaged and driven employees	Sustainably distinctive profile	Returns[1]
R6	Risk profile contracts	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 incidents				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 employer	Negative image as supplier	Ordina (branding) is seen in a negative light	Claims, fines, sanctions or other financial damages

1 This column shows the impact of the risks on the return. The strategic pillar also includes our social responsibility. We have included the risks we have identified in terms of not achieving our CSR objectives in the table on page 72


"We devise, implement and manage smart IT solutions in cooperation with our clients and partners"

Heatmap movement and ambition risks (year-end 2020)



Risks

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

Explanation of the risks

Sensitivity to economic cycles

Economic fluctuations, due to factors such as 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 increased slightly due to a deterioration in the macro-economic outlook. However, this impact seems to be lower for IT service providers than for other services providers for the time being. This effect combined with the growing contribution of revenue from our propositions and teams to our overall revenue has slightly reduced this impact. The 'relative scale Ordina' risk is included in 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 sustainable 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.

Competition and pressure on tariffs

Capacity is more and more becoming 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 Covid-19 pandemic has had a negative impact on the economic outlook (see also Sensitivity to economic cycles). However, it also offers Ordina the opportunity to continue supporting clients as a local partner and quickly switch to working fully digitally. This increases the likelihood and slightly reduces the impact. The 'Rise of small, specialist companies' and 'Pressure on consultancy tariffs' risks outlined in 2019 are included in this risk.

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 pandemic

The pandemic has had a negative impact on the well-being of our staff and working from home has made maintaining social connections a major challenge. High levels of absenteeism could jeopardise staffing/operations.

Development: We have added this new risk because the pandemic has left a clear mark on society over the past year, making it relevant enough for Ordina to mention here separately.

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. We offer facilities 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 expect to be able 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 cybersecurity are increasing, often implicitly. As one of the market players that claim to be able to help others, there is also a risk of reputation damage in this specific area.

Development: The likelihood has increased due to an increased threat and decentralised working. The impact has declined slightly due to the increased attention paid to contractually binding obligations towards our clients. The 'Data security and legislation' risk described in 2019 is included in this.

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 consider it feasible that we can 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 labour 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. Due to the additional hiring of subcontractors.

Development: The likelihood has declined slightly because we are increasingly able to attract high-quality candidates. In addition, the labour market for IT professionals has become less tight due to the uncertainty brought about by the pandemic.

Measure: We have a clear market positioning and work continuously on our employee value proposition. By doing so, we make it clear to current and future employees what we stand for. In addition, we are committed to being an attractive employer, with an excellent reputation for integrity and high levels of employee engagement. Among other things, we use the positive experiences of working in teams to foster this. Younger generations of employees find the purpose of the company they work for increasingly important, which is why Ordina has committed itself to the Pledge 1% movement.

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

Risk profile contracts

Ordina's move towards more added-value contracts generates higher risks, as this assumes 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 has increased slightly due to the larger share of added-value assignments in our portfolio. The 'Valuation of work in progress' risk defined in 2019 is included in this.

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

Ambition: Our measures aim to manage the impact of this risk and keep it in the middle range of the scale. We consider this area acceptable because we want to expand our project portfolio as a valuable part of our revenue model. As we seek to expand our project portfolio, we would consider an increase in the likelihood of this risk acceptable.

Valuation deferred tax assets

At year-end 2020, Ordina had loss carry-forwards totalling EUR 16.3 million. In the context of these loss carry-forwards, Ordina recognised a deferred tax asset of EUR 4.1 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. Changes in tax rates may also result in a revaluation. Based on proposals presented by the government on budget day in 2020, losses may no longer be diluted, but there will be a restriction on how tax loss carry forwards are measured, as a result of which companies will have to pay more immediate corporate income taxes.

Development: The likelihood of this risk materialising has declined due to Ordina's positive results. Based on the proposals published on budget day in 2020, there will be no reduction in tax rates and losses may no longer be diluted as of 2021. This will result in a positive revaluation, but without the risk of dilution, which reduces the impact should this risk materialise.

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 136 of the financial statements.

Ambition: This risk is at our ambition level.

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 2020. The likelihood and impact of this may increase if the prospects in the market and the share price deteriorate.

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 8.5 on page 130 of the financial statements.

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

Credit risk

Due to market circumstances, clients, suppliers or vulnerable groups could experience liquidity, solvency or continuity issues.

Development: this risk is unchanged. So far, the impact of the pandemic on our clients and suppliers seems limited on this front.

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. Ordina's net cash position is developing positively thanks to the improved operating result. In addition, we signed the first extension of the current financing agreement in October 2020. However, (capital) market developments are leading to a more critical stance on the part of financiers. These effects cancel each other out.

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 laws and regulations in its business operations. In addition, Ordina's reputation may be harmed by unfavourable reports in the press and on social media.

Development: Here we have combined the 'Failure to comply with laws and regulations' and 'Reputation damage' risks described in 2019. The likelihood is unchanged and considered low. We estimate the impact of this risk to be at the upper end of the medium level.

Measure: We use a multidisciplinary approach to monitor existing and changing laws and regulations 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.

We have removed the 'Consequences of threats or acts of terrorism' risk described in 2019 from the list. We expected the impact of this risk to be primarily in the area of travel restrictions and non-accessible (client) locations. We have learned from the pandemic and the switch to working from home that this would not necessarily limit our operations.

We have removed the 'Foreign Operations' risk we described in 2019 from the list. Ordina increasingly acts as a single company. This risk is no longer proportionate vis-à-vis other risks and will therefore no longer be listed.

Sustainability risks

We currently estimate the impact of sustainability-related risks for our business operations as low for Ordina.

Our business is not classified as a company to which the additional guidelines described by the Task Force on Climate-related Financial Disclosures (TCFD) apply. In this assessment of our risks we did take into account sustainability risks as described by TCFD (transition risks and physical risks). As a services provider, the transition risks, in combination with the measures we take, are not significant. With regards to the subjects described in the guidelines, we see more opportunities as an IT services provider than risk for our own business operations. 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 sustainability-related risks and corporate social responsibility-related risks. We have assessed these risks in terms of their impact on our strategic pillars (see table on page 72). These risks fall outside the scope of the heatmap. Below you will find a description of these risks, as well as the development of the risks last year and any measures we took.

Insufficient diversity in teams

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

Development: Ordina's diversity ratios are above average for the IT sector. The number of women in the IT sector is low compared to other sectors. The risk develops in line with the shortages on the labour market risk.

Measures: By conducting specific recruitment campaigns, we recruit a diverse cross-section of employees. We devote constant attention to increasing diversity and inclusiveness, which we also assess via our Pulse survey. In addition, we have a methodology to ensure that we deploy diverse teams on our clients' projects. With our Devoxx programme, we try to make children enthusiastic about a career in IT at a young age.

Rapid developments in technology

Rapidly evolving technology can mean that our employees are not permanently employable and that clients may not get the best solution to their problem.

Development: The likelihood of this risk materialising is increasing due to the consequences of the pandemic. It is more difficult for employees to follow training courses and keep their expertise up to date.

Measure: The Ordina Academy offers our employees an extensive and varied programme that enables them to continue their training. Many of these training courses are available in digital format. We strongly encourage the use of the academy.

CO_2 emissions and energy consumption

CO_2 emissions and energy consumption are less sustainable than desired.

Development: Since working from home became necessary due to the pandemic, we have significantly reduced our energy and fuel consumption and our CO_2 emissions. For Ordina, this creates a dilemma. This reduction was due to our employees working from home. At the same time, we think it is important that our employees be visible at our clients. We will find a new balance on this front based on ongoing developments.

Measure: The travel movements of our employees are Ordina's biggest source of CO_2 emissions. This is why Ordina agreed a new leasing policy in 2020 to arrive at a cleaner fleet. We will also consult with our clients to determine a new optimal way of working, in line with the lessons we have learned from the pandemic.

Risk overview – CSR-risks

Impact of risk on strategic pillars		Satisfied and loyal clients	Engaged and driven employees	Sustainably dis-tinctive profile	Returns and social responsibility
CSR1	Insufficient diversity in teams	Clients requesting commitment to diversity goals	Engagement employees and attractiveness on the labour market under pressure due to lack of diversity	Insufficient diversity impacts the effectiveness of our teams	Failure to comply with social benchmarks in terms of diversity. As an employer, offering too few opportunities to people with difficulties accessing the labour market
CSR2	Expertise lags in the event of rapidly changing technological de-vel-opments	Clients do not get the best solution for their business problem	Sustainable employa-bility of employees	Lagging in the field of innovative solutions	Investments in education and training increase to get expertise back to the desired level
CSR3	CO_2 emissions and energy consumption less sustainable than desired	Clients want to return to the old way of working on location	Employees increasingly look for a company with a social impact		The reduction of energy consumption and CO_2 emissions as a result of the pandemic is not sustainable


“We see IT as an enabler and game changer **that facilitates digital transformation**”

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.
Our operational governance is based on three pillars:

1. Business principles
2. Sound management
3. Internal controls

Business principles

Our code of conduct and the related guidelines provide guidance for the actions and conduct of both management and staff. 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.

Organisational structure

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. To ensure that the company's day-to-day operational management was organised as efficiently and effectively as possible, in 2020 Ordina had an Executive Committee (as per 1 January 2021, we replaced this committee with a strategy committee and an operational committee (see page 87). This Executive Committee consisted of the Management Board, the HR Director, the CEO of Ordina Belgium/Luxembourg, the Portfolio & Business Development Director, the Director Delivery Netherlands and the Digital Banking Director.

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.

Social policy

The aim of Ordina's 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 for the well-being of our employees through an active vitality policy and provide good working conditions.

Integrity

Ordina wants to be an honest and reliable 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.

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 level of integrity Ordina expects and the appropriate attitude. In addition to the code, we have a broad range of interrelated guidelines that also offer specific guidance on subjects such as anti-bribery, gifts and business entertainment, the prevention of fraud, the prevention of conflicts of interest, fair competition and handling confidential information.

Ordina safeguards these norm-setting parameters through an annual review of policy documents, including the code of conduct and the related guidelines. We also evaluate suggestions from 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 our integrity policy, in 2020 we once again organised a brief workshop for new employees on their first day, during which the Compliance Officer explained how Ordina handles 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.

In 2020, we received one report in the context of the Code of Conduct reporting scheme. This report was related to peer-to-peer conduct and has since been withdrawn. Ordina includes the subjects of any reports in the annual update of the code of conduct, internal training courses and the related guidelines.

Ordina also believes it is important to maintain stable and honest relationships with its business partners. In that context, Ordina expects its business partners to act with integrity and honesty and to abide by laws and regulations. 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

Fair competition
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.

Transparency
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.

Corporate Social Responsibility
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 inclusivity of our employee population as part of the pillar 'Engaged and driven employees'. And we focus on our contribution to society and impact on the environment as part of the pillar 'Returns and social responsibility'.

Our policy on the payment of taxes
Ordina believes that ethically responsible conduct with respect to the payment of taxes should be an integral part of any sustainable business operation. Ordina believes that meeting its obligations to pay taxes creates long-term value for all its stakeholders.

In line with our business principles, Ordina believes in ethically responsible conduct with respect to the payment of taxes. Ordina acts at all times in accordance with all applicable laws and regulations. We endorse the tenet that taxes should be paid on the basis of the fair share principle. Ordina's tax position is consistent with normal business operations and is based on its corporate strategy, its business principles and the geographical distribution of its operations. Each action related to the planning of tax positions should be related to the company's normal business operations and be in line with Ordina's business principles. Ordina acts according to both the letter and the spirit of the law. Ordina does not make any use of so-called tax havens. 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 legislation. Intra-company services are settled on the basis of the at arm's length principle. Ordina meets all its obligations in transfer-pricing documentation. We closely monitor all new developments in the field of relevant documentation obligations.

The tax payments Ordina makes are primarily corporate income tax, dividend tax, sales tax, payroll tax and social premiums. Results are recognised where Ordina is legally registered, as a result of which Ordina pays corporate tax in the Netherlands, Belgium and Luxembourg.

Ordina communicates with the tax office on the basis of reciprocal trust and transparency. Ordina consults with the tax office periodically to discuss significant fiscal matters and developments. Ordina consults with the tax office in advance with respect to significant fiscal matters, if such is deemed necessary. Ordina currently has no agreements with the tax office in the context of so-called horizontal supervision, but the company does operate on the basis of the key principles of same.

Tax-related risks are part of our internal risk management and control system. We see compliance with tax laws and regulations as a compliance risk and it is part of the Ordina Risk Control Framework. As part of our risk management, tax risks and tax positions are discussed in the Executive Committee and the Supervisory Board's audit committee. 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.

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.

Sound management

Ordina attaches a great deal of importance to internal governance. We continuously assess and professionalise this governance. We devote systematic attention to our governance structure, processes, systems and controls. Our internal governance comprises the following building blocks:

- strategy;
- analysis of results, forecasts and internal reporting cycle;
- transparent organisation;
- transparent process for dealing with incidents;
- project controls;
- control self-assessment and audits (see Internal Controls section)

Strategy

Ordina scrutinises its 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. This is the responsibility of the Management Board. The Board also discusses Ordina's strategic direction extensively with the Supervisory Board at least once a year.

Ordina's 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. On top of this, it includes 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 (Objectives, Goals, Strategies and Measures) method to translate our goals and ambitions into concrete and measurable actions and to monitor the progress.

Analysis of results, forecasts and internal reporting cycle

We analyse the financial results of the business units and their forecasts on a monthly basis, both at local and at corporate level. This analysis also includes newly identified risks, as a complement to the risk assessment in the budget phase. We translate any risks that have been identified into measures. The management subsequently reports periodically on the results of these measures. We also discuss the status and progress with respect to the strategic pillars on a quarterly basis.

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.

Transparent organisation

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 business unit management is 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 data security (ISO 27001) set by international norms and laws and regulations. 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 the Ordina organisation. The continued optimisation and implementation of the operational management remained on schedule in 2020.

Transparent process for dealing with incidents

Ordina has set up 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. These are chosen from 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 of the Code of Conduct, we first look for independent verification of the issue cited in the report. If the report is sufficiently concrete, 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 leaks, in which the responsible functionaries 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 Supervisory Board. The Management Board receives weekly progress reports during any investigations.

Privacy & security

Ordina sees the subjects privacy and security as major priorities, given the tightening of privacy laws and the increase in threats and risks in digital environments. On this front, we actively monitor compliance with the European General Data Protection Regulation (GDPR), partly under the supervision of our Privacy Officer.

Project management

Acquisition

Ordina strives for the sound management of projects in which we bear responsibility for results. This 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. When we accept projects and management contracts, we obviously accept a certain level of risk. However, we believe these risks have to be manageable and transparent. 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 Management 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 two approaches available for the execution of projects; one based on Prince2 and another based on an agile approach. For management contracts, we have a comprehensive approach that is ISAE 3402 certified.

Ordina sees sound project management as a key condition for the realisation of targets. We want to provide our clients with added value by maintaining a clear focus on what we can do to help them achieve their own business goals and by making sure that our services continue to facilitate 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.

Internal controls and certification

Audits

The internal audit function 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 elements. The department 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 the context of the audit of the annual financial statements, the external auditor assesses the design and the existence of internal control procedures that are important 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.

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 74), our general risk management (see page 63) and our financial risk management (see page 68). This takes a more concrete form in our Risk Control Framework, which comprises nine subjects: sourcing, selling, hours, personnel, project management, financial reporting, taxes, legal & compliance and information supply. Every aspect is subject to an internal audit at least once every three years and they are updated every year.

These systems can never provide absolute certainty, and it is possible that Ordina's reporting contains material errors. You will find more information about our corporate governance at www.ordina.nl/en/.

Embedding our sustainability strategy

Ordina's sustainability strategy is embedded in the organisation through the Sustainability Steering group, which includes a member of the Management Board and the corporate secretary. The steering group appoints project leaders for various initiatives and a programme manager to safeguard the alignment of the various activities. The steering group supervises the execution of the strategy and monitors progress.

Compliance and transparent reporting in the field of sustainability are part of our governance structure. We report the results of our sustainability strategy in our annual report and have our external auditor provide a limited assurance statement for the chapters 'At a glance', 'Year at a glance', 'Client cases', 'The world of today and tomorrow', 'Strategy and value creation' and 'Strategic pillars, objectives & results' of this annual report.

We choose to be certified when it comes to sustainability aspects and aim to realise the highest scores possible in that context. Every year, the Management Board assesses whether this package of certificates and statements meets the wishes and requirements of our stakeholders.

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.

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). The context of the organisation also plays a significant role in these standards: what are the key developments in the organisation. The wishes and requirements of stakeholders also play a role. All of these are managed through an integrated, risk-focused approach, aimed at continuous improvements. In 2020, the ISO 27001:2017 certification in the Netherlands was extended to the entire organisation.

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. Since 2016, Ordina Belgium has scored a Gold Award, which means the company is among the top five percent of medium-sized IT companies that participate in EcoVadis. In 2020, Ordina Netherlands received the Silver award, the same as in 2019. This still puts the company among the top seven percent of large IT companies that participate in EcoVadis.

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. In 2020, Ordina once again achieved level 5, the highest possible level, for the seventh year in a row since 2013. This shows that Ordina has, for some time now, made demonstrable efforts to reduce its CO_2 emissions, in its own operations, in projects and in the chain.

MJA-3

In the multi-year energy efficiency agreement (MeerJarenAfspraak energie-efficiëntie – MJA-3) for the IT sector, a number of companies are working together to realise structural improvements in energy efficiency. In the context of the MJA network, IT companies share know-how and experiences at events such as the MJA company day and in MJA-3 user groups. Leading IT companies – together representing some 80% of the sector's energy use – have signed up to the MJA-3 covenant and committed to improving their energy efficiency by 2% per year in the period 2005-2020. Our target is to be CO_2 neutral by 2030, but our ambition goes well beyond this target. We are still working on the details of our CO_2 footprint reduction targets.

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 2019, Ordina took sixth place in the services sector (2018: 4th place) and 61st place (2017: 43rd place) in the overall rankings of companies in the Netherlands, which made Ordina the highest placed IT services provider in the rankings. The 2019 criteria for the transparency benchmark have been updated, with the new criteria focusing more on chain transparency and the UN's Sustainable Development Goals.

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 primary 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 the evaluation of our internal control structure, 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 reasonable assurance that the financial information 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 on pages 77 through 79 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 2020 financial reporting does not contain any inaccuracies of material significance (more information is available on pages 76 through 77 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 112 of the financial statements; 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 63 through 72 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 2020, presented on pages 103 through 165 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 2020 and the course of events during the 2020 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 principal risks that Ordina N.V. faces (see chapter Risks on pages 63 through 72 of this annual report).

Nieuwegein, 17 February 2021

Management Board Ordina N.V.
Jo Maes, *CEO*

Our colleagues about working in a High performance team

Markus Janssen, Oracle-consultant: "Working in a team is fun and improves the overall result. With more people, you come up with better ideas and solutions and consequently increase the value for the business. And if you and a team are in the right flow and you complement each other, then you can really perform well as a team".

Matthijs Hendriks, Functional Enterprise Solutions consultant: "I particularly like working in a multidisciplinary team that includes the client. The short lines of communication and short-cycle nature of the work create a dynamic working environment in which I thrive. Because all the necessary disciplines are represented in the team, we have short lines of communication. This means we can realise the planned work efficiently".

COMPOSITION MANAGEMENT BOARD AND SUPERVISORY BOARD

Composition of Management Board

The Ordina Management Board consists of CEO Jo Maes and as from 8 April 2021, 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.

In her capacity as CFO,
MSc. Joyce van Donk-Van Wijnen RC
(1984, Dutch)
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.

As communicated on 22 September 2020, CFO Annemieke den Otter stepped down as CFO/member of the Management Board of Ordina as of 1 January 2021

Composition Supervisory Board

The Supervisory Board's primary duty is to supervise Ordina's management, 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 a member and chairman of the Ordina Supervisory Board as of 1 January 2019 for a term due to end in 2022. Mr. Van Hall is vice-chairman of the Advisory Council at the Dutch Central Bureau of Statistics (CBS) and 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. Ms. Princen is also CEO of Nuts Groep. In addition to this, she is chair of the Supervisory Board of teaching hospital UMC Utrecht, and a member of the Supervisory Board of Dutch film institute EYE. 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.

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 and PostNL, 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 posts include CFO and member of the Management Board of BAM Groep and CFO/COO of the Rotterdam Port Authority.

The rules of procedure of the Supervisory Board are available at www.ordina.nl/en.
In 2020, these rules, together with the rules of procedure of the Supervisory Board's committees, were amended as a consequence of the EU's Revised Shareholders' Rights Directive.

REPORT OF THE SUPERVISORY BOARD

In this report, we provide you with more 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 seven regular meetings with the Management Board, all according to a prearranged schedule. Members of the Executive Committee also attended a number of these meetings. Each month, and sometimes more frequently when needed, the Supervisory Board also had brief telephone conferences with the Management Board, for instance with respect to the current Covid-19 circumstances.

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	90%
Dirk Anbeek[1]	80%
Jan Niessen[2]	86%
Thessa Menssen[3]	100%
Filip Michiels[3]	100%
Caroline Princen	100%

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 a number of regular items, such as the budget, operational and financial developments, cost controls, culture and integrity (including the functioning of and compliance with the Code of conduct), the (execution of the) strategy, the relationship with shareholders and risk management (in the context of the evaluation with respect to the structure and effectiveness of the internal risk management and control systems).

The Supervisory Board also had regular consultations with the Management Board and members of the Executive Committee regarding about the (execution of the) current strategy aimed at long-term value creation, as well as the associated opportunities and risks and ensuing changes in the organisational structure. During these consultations, the member of the Management Board responsible also provided, among other things, an update on the progress and scheduled activities in the various areas on the basis of clearly formulated objectives. The regular meetings also devoted attention to the latest Covid-19 developments, partly in relation to the development of Ordina's cash position and returns.

1 Dirk Anbeek stepped down as a member of the Supervisory Board on 30 June 2020 in accordance with the normal schedule.

2 Jan Niessen was a member of Ordina's Supervisory Board until 22 September 2020; he stepped down as of that date for personal reasons. Following Mr. Niessen's resignation, Johan van Hall took over his position on the audit committee.

3 Thessa Menssen and Filip Michiels were appointed as of 30 June 2020. In the period 1 January 2020 - 30 June 2020, they attended relevant meetings as observers.

The external auditor attended the meeting for which the agenda included the annual results. Subjects discussed during the annual meeting with the Works Council included the evaluation of the relationship between the Management Board and the Works Council. Other subjects 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 each other, as well as with the members of the Management Board outside the scheduled meetings.

In the year under review, the Supervisory Board conducted one meeting in the absence of the Management Board according to a prearranged schedule. In addition, the Supervisory Board met once more in the absence of the Management Board. During the above-mentioned consultations, the Board discussed a number of items, including the composition of the Supervisory Board and the (outcome of the) self-evaluation. The Supervisory Board and the audit committee also consulted with the company's external auditor, both in the presence and in the absence of the Management Board.

Supervisory Board committees

The Supervisory Board has appointed two committees from among its members: 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.

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.

The Audit Committee has two members, at least one of whom has expertise in the field of financial reporting and/or the auditing of financial statements. On 31 December 2020, the audit committee consisted of Thessa Menssen (chairman) and Johan van Hall.

In the year under review, the Audit Committee had five regular meetings. In accordance with the rules of procedure, all meetings were attended by the CFO, the Finance & Control director and the General Counsel & Compliance Officer. Other members of the finance team were also invited and present during the meetings of the audit committee and reported on relevant subjects on the basis of their expertise. Ordina's Group CISO was also present at a meeting to explain and discuss a number of subjects, including cybersecurity. The CEO, the internal auditor and the external auditor also attended a number of the meetings of the Audit Committee. Over the course of the year, the chairman of the audit committee discussed current issues with the CFO.

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.

Subjects discussed by the Audit Committee included the quarterly results and the related press releases, plus the effectiveness of the design and functioning of internal risk management and control systems, partly on the basis of the reports from the external auditor. 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 74 through 79 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. The committee also discussed Ordina's cash position and the (possible) allocation of same, partly in view of the Covid-19 situation.

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 two members. On 31 December 2020, the RNH Committee consisted of Caroline Princen (chairman) and Filip Michiels.

The RNH Committee met three times in the year under review. The CEO and CFO attended the meetings. The General Counsel & Compliance Officer and the HR Director also attended the meetings. 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.

In the year under review, the RNH Committee discussed subjects such as performance criteria for the members of the Management Board, the reappointment of members of the Management Board, amendments to the remuneration policy of the Management Board as a result of the EU's Revised Shareholders' Rights Directive, the organisational structure in light of the 2022 strategy and the HR dashboard with current developments and points of attention, including the 2020 recruitment plan. The RNH Committee also devoted attention to the composition of the Supervisory Board, partly in light of the vacancy created by Mr. Niessen's departure, and the recruitment of the CFO. Finally, the RNH Committee also prepared the Supervisory Board's self-evaluation.

Appointment, composition and rotation 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 Management Board has informed the Works 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. 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.

Ordina's diversity policy is taken as a basic premise in the composition of the Supervisory Board. The aim of this policy is to create an inclusive culture with regard to both internal and external stakeholders, such as employees and suppliers. This pertains to diversity aspects that are relevant to Ordina, such as nationality, age, gender, social background and experience. Ordina has a number of activities for various target groups that may contribute to greater diversity. You will find more information on this subject in the Engaged and driven employees section on page 45.

Ordina also strives to comply with the aforementioned basic premises of Ordina's diversity policy in the composition of the Management Board and the Supervisory Board. When filling any vacancies that are relevant to the Supervisory Board, the Supervisory Board will also take into consideration the aspects of diversity relevant to the company, and make every effort to achieve a balanced gender representation in Ordina's senior management. As of 31 December 2020, the composition of the Management Board and the Supervisory Board (50% male, 50% female) was balanced. The ratio in the Executive Committee as of that date was 29% female and 71% male.

On 30 June 2020, Thessa Menssen and Filip Michiels were appointed as members of the Supervisory Board of Ordina N.V. The Supervisory Board also appointed Thessa Menssen as chairman of the audit committee as of that date. Thessa Menssen succeeded Dirk Anbeek in that position, who stepped down as member of the Supervisory Board and chairman of the audit committee as of that date. As communicated in a press release dated 22 September 2020, Mr. Niessen stepped down as a member of the Supervisory Board with immediate effect on that date for personal reasons. At the end of 2020, the Supervisory Board subsequently launched a succession procedure to fill the resultant vacancy. This has since resulted in the proposed nomination of Mr. Dennis de Breij (1971) as member of the Ordina Supervisory Board.

As communicated in a press release dated 4 February 2021, Mr. Filip Michiels stepped down from the Ordina Supervisory Board effective 4 February 2021, in connection with his appointment as COO at IT services provider Computerland.

Performance of the Board

In the course of 2020, 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 all the members of the Supervisory Board.

The evaluation of the Supervisory Board members devoted attention to matters such as the members' level of relevant know-how related to the company itself, 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 to carry out their assigned tasks effectively.

The outcome of the evaluation was that the Supervisory Board operates effectively and that the cooperation as a collective, between the individual members and with the Management Board is good. However, the Board determined that, given the relatively short time that the Board has been active in its current composition, there is a need for further personal and in-depth acquaintance by means of an offsite meeting. This has not yet happened in view of the Covid-19 situation.

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 the Management Board operates effectively and that cooperation as a collective, between the individual members and with the Supervisory Board is good.

Corporate governance

This chapter, including references to other pages of this annual report, including the remuneration report, the articles of association and other information, together with 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 and dismissed by the Supervisory 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. Members of the Management Board can be reappointed without limitation, each time for a new (maximum) term of four years. The objectives of Ordina's diversity policy are taken into consideration in this context. 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 91 through 100 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 82 of this annual report.

Operations Committee and Strategy Committee

In the context of its 2022 strategy, in December 2020 Ordina evaluated its management model at group level. As a result, as of 1 January 2021, the company has two distinct bodies: one that focuses on operational management on the basis of a short-cyclical steering mechanism and another that focuses on the execution of the strategic agenda. These bodies, the operations committee and the strategy committee respectively, replaced the Executive Committee as of that date.

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 shareholders' 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 Strategic pillars, targets and results chapter, on pages 55 through 61 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. The external auditor attends the Annual 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 financial statements and interim results 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 169 of the Dutch version of the 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 2020 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 take this opportunity to express its deep gratitude and appreciation to Annemieke den Otter for her essential contributions to Ordina's results in recent years, and wish her every success in her future career. The Board looks back with great pleasure on its meetings and discussions with Annemieke den Otter.

The Supervisory Board also wishes to thank Dirk Anbeek and Jan Niessen for their enormous commitment, efforts and expertise in our Board and its committees. The Board also would like to thank Filip Michiels for his engagement and contribution in the year under review. The Board wishes to thank them for the pleasant and collegial atmosphere in which mutual discussions were conducted.

2020 was an extraordinary year, given the extraordinary circumstances for all of us, which made great demands on everyone's resilience. However, together with our clients, we have proven more than capable of working together effectively, also remotely, of continuing our services, even effecting further improvements on a number of significant points, and recording good results. We wish to thank the Management Board and all Ordina employees for their commitment, dedication and hard work, which helped make this possible.

Nieuwegein, 17 February 2021

Raad van Commissarissen Ordina N.V.
Johan van Hall, *Chairman*
Caroline Princen, *Vice-Chairman*
Thessa Menssen

Xhi Jia Tan, C#. NET developer: "I think working in a team has some major benefits. You're not out there on your own and that means you can tackle bigger projects. Another benefit is that you can combine everyone's know-how. So if you don't know something, there's a good chance that someone else will have a solution. So you're also learning from each other".

Peter-Pim Baken, software engineer: "I like working in a team. Luckily, I already knew the team before the Covid-19 crisis, so online coordination and working together remotely was relatively easy. It's a dynamic team that includes various kinds of expertise, which has the added benefit that you get to know different kinds of colleagues with different backgrounds".

Bing Lin, software engineer: "I really enjoy working in an Ordina team. The biggest benefit of working in a team is that you can deliver much more interesting projects. We share responsibility and you're not on your own when you're face a challenging problem".

REMUNERATION REPORT

Report for advisory vote at 2021 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 2020 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 paid to 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 2020. 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 2020

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.nl/en/).

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 2019 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, high-quality services, 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. Connections with social developments and public support are sought through frequent contacts with stakeholders. 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 and/or the relevant reference period. For the year 2020, it was determined that this was the case, and the chosen targets were found to be appropriate.

Reference market 2020

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, the Supervisory Board determined the 2020 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 and pharmaceutical industries 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 allo-wance	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 annual fixed salary plus holiday allowance (8%)
Long-term variable bonus	On-target: 50% Maximum: 85% of the annual fixed salary plus holiday allowance (8%)
Pension provision	Participation in capital insurance based on available premium and maximum legal pensionable salary (2020: EUR 110,111) 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 Provision of laptop and mo-bile phone in line with the mobile phone scheme appli-cable at Ordina (the scheme applicable to all employees in the Netherlands)

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 were redefined as of 1 January 2020. At that time and on the basis of a full year salary, this amounted to:

CEO	EUR 430,000
CFO	EUR 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 profitability (EBITDA margin), net profit, (free) cash flows, employee engagement, customer satisfaction, high-quality service, leadership in niches, 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 70% of the reference salary (CEO: EUR 301,000; CFO: EUR 220,500). If the Management Board members fail to realise at least 80% of the relevant performance target, no short-term variable bonus (below-target performance) is paid for that target.

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

	CEO	CFO
below target performance (minimum)	-	-
on target	215,000	157,500
above target (maximum)	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), net profit, (free) cash flows, employee engagement, customer satisfaction, high-quality service, leadership in niches, resilience and corporate social responsibility. KPIs are partly the same as 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 the end of the reference period, of 170% of the on-target number of conditionally awarded performance shares (in EUR; CEO: EUR 365,500; CFO: EUR 267,750). 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.

	CEO	CFO
below target performance (minimum)	-	-
on target	215,000	157,500
above target (maximum)	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 provision

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.
- A change-of-control arrangement applies (if the position or tasks of a member of the Management Board change significantly as a result of an 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 2020

Base salary

The base salaries, including holiday allowance, of the members of the Management Board were adjusted as of 1 January 2020 to EUR 430,000 (CEO), and EUR 315,000 (CFO) respectively, on a full-year basis. The increases were determined on the basis of a benchmark study carried out in the reference market, in order to position the total remuneration level around the median level. As also noted in the agenda for the General Meeting of 30 June 2020, both members of the Management Board have indicated that they will voluntarily forego this granted salary increase for 2020, given the extraordinary level of uncertainty as a result of the Covid-19 pandemic. Due to the fact that the CEO and CFO waived their salary increases for 2020, the CEO's base salary was EUR 388,000, while the CFO's base salary was EUR 271,000 in the year under review.

As announced in the press release of 22 September 2020, Ms. Den Otter stood down as CFO of Ordina as of 1 January 2021. She was succeeded by Ms. J.F. van Donk-van Wijnen. With regard to her fixed salary and taking into account experience and applicable policy, the following incremental increase arrangement applies:

Incremental increase arrangement Joyce van Donk - van Wijnen / CFO

	Base salary
as per 1 January 2021	260.000
as per 1 January 2022	287.500
as per 1 January 2023	315.000

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 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 a basket of non-financial targets. These include employee engagement, client satisfaction, CSR objectives, high-quality services, operational excellence 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 determined with satisfaction that a significant part of the targets for 2020 were realised. The revenue realised was 2.2% below target, so this target was not realised. However, the underlying quality of the revenue did improve, in line with the 2022

STI - realisation targets 2020

Discription of the performance criteria	Nature of the target	weighting of the performance criteria	target	measured performance	pay out factor	pay out in % van weighting of the target
Revenue (in mln euro's)	financial	30.0%	377.7	369.2	0.8	22.5%
EBITDA-margin (in %)	financial	40.0%	10.0%	12.6%	120.0%	48.0%
subtotal financial targets		**70.0%**				**70.5%**
Ordina Promotor Score	non-financial		70.0			
Employee engagement	non-financial		7.0			
Annual Corporate Social Responsibility targets	non-financial		3.0			
Huis op orde'	non-financial		75%			
Resilience	non-financial		5.0			
Growth in added value	non-financial		38%			
subtotal non-financial targets		**30.0%**	**3.0**	**4.0**	**1.20**	**36.0%**
Total		**100%**				**106.5%**

strategy. The pay-out percentage has been determined, taking a conservative approach, at 75%, which results in a weighted 22.5% pay-out on this KPI. On the EBITDA margin target, with a weighting of 40%, the Management Board scored above target, resulting in a pay-out percentage set at 120%, or a weighted pay-out of 48%. The total weighted pay out on the financial KPIs is 70.5%.

Finally, the Supervisory Board determined the score on the basket of non-financial targets at 4 (scale 1-5), with virtually all targets exceeded. This results in a pay-out factor of 120%, or a weighted pay-out of 36%. The various client satisfaction and employee engagement indicators confirm that the measures introduced and the path chosen on the basis of the 2022 are paying off. In 2020, in addition to continuing to devote attention to getting operational processes right (operational excellence), due to the Covid-19 pandemic the company devoted a great of attention to new ways of cooperating with clients and cooperation between employees.

In view of the above, the Supervisory Board has decided to award Jo Maes (CEO) a short-term bonus of EUR 204,966 and Annemieke den Otter (CFO) a short-term bonus of EUR 143,476. This short-term bonus represents a total payment percentage of 106.5% of the on-target amount of the short-term variable bonus, for both board members.

Long-term bonus

Like the short-term bonus, the long-term bonus is based on financial and non-financial targets, in which the financial targets carry 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 reference period (three years).
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 shares in Ordina N.V., 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 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 objectives realised measured against the targets set. Delivery of shares obtained this way takes place 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.

LTI - realisation targets 2020 (window 2018-2020)

Discription of the performance criteria	Nature of the target	weighting of the performance criteria	target	measured performance	pay out factor	pay out in % van weighting of the target
Revenue (in mln euro's)	financial	20.0%	380.0	369.2	0.75	15.0%
EBITDA-margin (in %)[1]	financial	15.0%	6.5%	9.3%	1.35	20.3%
Net profit	financial	20.0%	12.3	20.7	1.70	34.0%
Cash flow (before dividend payment)	financial	15.0%	16.8	28.6	1.70	25.5%
subtotal financial targets		70.0%				94.8%
Ordina Promotor Score	non-financial		70.0			
Employee engagement	non-financial		7.0			
Annual Corporate Social Responsibility targets	non-financial		3.0			
Development senior management	non-financial		3.0			
subtotaal non-financial targets		30.0%	3.0	4.0	1.35	40.5%
Total		**100%**				**135.3%**

The ratio between financial and non-financial targets for the 2018-2020 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 (20%), EBITDA margin (15%), net profit (20%) and free cash flows (15%). The non-financial targets for the long-term variable bonus are also combined in a basket: employee engagement, customer satisfaction, leadership development and CSR 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 outlined above, the Supervisory Board determined that the revenue growth KPI was not fully realised. The pay-out factor was set at 75% or a weighted average of 15%. With regard to the EBITDA margin, the Board noted that the on-target target of 6.5% was more than achieved (the target was set before the application of IFRS 16. The realisation of 12.6% is 9.3% before the application of IFRS 16 and was therefore well above target). The pay-out factor was set at 135% (weighted: 20.3%). In the opinion of the Supervisory Board, the Management Board realised the maximum on-target objective for net profit, with EUR 22.3 million realised, mainly driven by the operational result. Consequently, the pay-out factor was set at 170%, or a weighted average of 34%. The same applies mutatis mutandis to the on-target objective 'free cash flows'. The positive free cash flow of EUR 28.6 million was well above the on-target figure of EUR 16.8 million. The pay-out factor was set at 170%, or a weighted average of 25.5%. The total weighted pay-out on the financial targets amounts to 94.8%.

The score on the basket of non-financial targets was set at 4; almost all targets were achieved. With regard to the sustainability targets, the Supervisory Board considered it important that these were further integrated in 2020 and now form part of the management agenda and the strategic targets: sustainable relations with clients, sustainable employability of employees, healthy returns and sustainable business operations.

With regard to the 'leadership development' target, the Supervisory Board took into account that this is a continuous process and that solid progress was made in 2020, as demonstrated by current senior appointments (CFO; CEO Ordina the Netherlands). Based on the above, the pay-out factor for the non-financial targets was set at 135%, or a weighted average of 40.5%.
In view of the above, Jo Maes and Annemieke den Otter have been unconditionally awarded 167,285 and 117,099 performance shares respectively. This is equivalent to a pay-out percentage of around 135% 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 2021.

1 The 2018-2020 LTI scheme is subject to an EBITDA target before the application of IFRS 16 Leases

Current long term variable remuneration schemes

	Main conditions of share award plans				Information regarding the reported financial year					
					Opening balance	During the year		Closing balance		
Rapportage jaar 2020	Performance period	Grand date	Vesting date	End of holding period	Shares awarded at the beginning of the year	Shares conditionally awarded	Shares vested	Number of shares subject to performance criteria	Shares awarded and unvested at year-end	Shares subject to holding criteria
J.G. Maes - CEO	2016-2018	16-02-17	11-02-19	10-02-21	-	-	-	-	-	30,701
	2017-2019	1-05-17	12-02-20	11-02-22	91,646	-	105,278	-	-	105,278
	2018-2020	25-04-18	Q1 2021	Q1 2023	123,686	-	-	123,686	123,686	-
	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	-
J.W. den Otter - CFO	2016-2018	10-11-16	11-02-19	10-02-21	-	-	-	-	-	24,731
	2017-2019	1-05-17	12-02-20	11-02-22	63,859	-	73,358	-	-	38,861
	2018-2020	25-04-18	Q1 2021	Q1 2023	-	-	-	86,580	86,580	-
	2019-2021	22-03-19	Q1 2022	Q1 2024	-	-	-	95,006	95,006	-
	2020-2022	12-02-20	Q1 2023	Q1 2025	-	94,573	-	66,201	66,201	-

The Supervisory Board, using its discretionary power as referred to in Article 35 of the Management Board Remuneration Policy, decided to settle the long-term remuneration of the still ongoing schemes for the outgoing CFO, Annemieke den Otter, on a pro rata basis. As part of the settlement of the scheme running from January 2019 to December 2021, and the scheme running from January 2020 to December 2022, a total of 86,211 performance shares were granted to Annemieke den Otter.

The main aspects of the current variable remuneration schemes for members of the Management Board are included in the overview on page 94 of this Annual Report.

Outlook 2021

In its meeting of 17 February 2021, the Supervisory Board considered whether the targets as set for the short-term variable bonus for the year 2020, and 2018-2020 (long-term variable bonus) respectively are appropriate for the year 2021. The Supervisory Board has determined that, partly in the context of the strategic agenda, revenue growth and EBITDA margin are and remain relevant and appropriate targets for both the short-term and the long-term variable bonus. The Board also determined that the following six non-financial targets are the most relevant and appropriate: customer satisfaction, employee engagement, sustainability goals, resilience, growth in added value services, and unwanted turnover of employees. These have been combined in a basket, with a total weighting of 30%. The Supervisory will take a holistic approach to the assessment of this basket of KPIs.

Management Board remuneration

Regarding the remuneration of the members of the Management Board, the table on page 98 includes the amounts as recognised in the income statement for 2020 and 2019 respectively. The total remuneration for 2020 is in line with the remuneration policy.

Pension scheme

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

Compensation Board of Directors

	J.G. Maes			J.W. den Otter		
Amounts in euro 1,000, unless indicated otherwise	**2020**	2019	Delta	**2020**	2019	Delta
Base salary	387	387	0%	271	271	0%
Other payments	43	64	-33%	26	28	-7%
One-year variable	205	219	-6%	143	154	-7%
Multi-year variable	349	215	62%	245	150	63%
Extraordinary items	-	-	0%	-	-	0%
Pension expense	7	6	17%	7	6	17%
Total	**991**	**891**	**11%**	**692**	**609**	**14%**
Base compensation	44%	51%		44%	50%	
Performance related	56%	49%		56%	50%	

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 2020. Said costs are included as part of the overall remuneration in the overview above. 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.

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 above 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. This pay ratio is calculated by dividing the average costs of the Management Board in 2020 by the average costs per employee for the entire Ordina Group and was 11.8 for 2020 (2019: 10.6). 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

Developments in remuneration

Amounts in euro thousands, unless indicated otherwise	**2020**	2019	2018	2017	2016
Directors remuneraration (on a full-time equivalent basis) full-time basis)					
J.G. Maes, CEO	991	891	747	638	n.a.
J.W. den Otter, CFO	692	609	515	435	459
S. Breedveld, CEO	n.a.	n.a.	n.a.	792	942
J. Poots-Bijl, CFO	n.a.	n.a.	n.a.	n.a.	987
Company performance					
Revenue (in euro mln)	369.2	372.3	358.5	342.0	343.6
Net profit (in euro mln)	22.3	14.9	6.9	3.1	5.0
Employee engagement score	7.5	7.1	7.1	6.8	6.8
Average remuneration (on a full-time equivalent basis)					
Directors of the company	841.5	750.0	631.0	565.0	887.5
Employees of the company	71.1	70.7	72.1	71.8	71.0
Pay ratio Directors	11.8	10.6	8.8	7.9	12.5
Pay ratio CEO	13.9	12.6	10.4	10.0	13.3

pay ratio is 13.9 (2019: 12.6). 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 in deviation from the provisional recommendation of the Monitoring Committee Corporate Governance, subcontractors have not been included. The ratio increased when compared with the previous year. This was due to the fact that the costs for the Management Board increased more in 2020 than the average cost per employee, and the fact that the variable bonus component makes up a larger part of overall remuneration for the Management Board than for employees.

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 is not dependent 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 Ordina Works Council.
In line with that policy, the fixed remuneration for a member of the Supervisory Board was EUR 40,000 in 2020. 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). The table at this page shows the distribution of shares among the individual Supervisory Board members as at 31 December 2019 and 31 December 2020:

Compensation Supervisory Board

Amounts in euro 1,000	2020	2019	2018	2017	2016
J. van Hall, chairman	65	65	n.a.	n.a.	n.a.
C. Princen, vice-chairman	47	47	44	n.a.	n.a.
D.J. Anbeek	24	48	48	43	43
J. Niessen	32	45	45	40	40
F. Michiels	23	n.a.	n.a.	n.a.	n.a.
T. Menssen	24	n.a.	n.a.	n.a.	n.a.
P.G. Boumeester	n.a.	12	48	43	43
J.G. van der Werf	n.a.	n.a.	20	57	57
A. Kregting	n.a.	n.a.	45	40	40
Total	**215**	**217**	**250**	**223**	**223**

Shares held by the members of the Supervisory Board

	2020	2019
J. van Hall, chairman	-	-
C. Princen, vice-chairman	-	-
D.J. Anbeek	n.a.	35.000
J. Niessen (held through Mont Cervin S.a.r.l.)	n.a.	14.425.967
F. Michiels	-	n.a.
T. Menssen	-	n.a.
Total	**-**	**14.460.967**

PROVISIONS OF 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 is 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 a profit has been made 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.

Appropriation of profits

In the year under review, Ordina recorded a net profit of EUR 22.3 million. The net earnings per share (EPS) amounted to 23.9 eurocents. The company will submit a proposal to the General Meeting, proposing the payment of a cash dividend of 23.9 eurocents per share to be charged to the net profit for 2020.

Purchase of treasury shares

The General Meeting held on 30 June 2020 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 30 June 2020. The treasury shares will be purchased on the stock exchange or otherwise, up to a maximum of 10% of the issued capital as at 30 June 2020 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 140 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.

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

(In euro thousands)	Notes	2020	2019
Assets			
Non-current assets			
Intangible assets	8	128,203	129,751
Right-of-use assets	9	35,491	37,046
Property, plant and equipment	10	4,697	4,376
Investments in associates	11	323	340
Deferred income tax assets	12	12,323	14,233
Total non-current assets		**181,037**	**185,746**
Total current assets			
Trade receivables and other short term assets	14	60,652	67,427
Cash and cash equivalents	15	44,405	24,649
Total current assets		**105,057**	**92,076**
Total assets		**286,094**	**277,822**

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	**2020**	2019
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	9,976	3,077
Profit for the year	17	22,290	14,875
Total equity		**177,811**	**163,497**
Liabilities			
Non-current liabilities			
Employee related provisions	19	1,015	1,083
Lease liabilities	9	26,885	28,289
Total non-current liabilities		**27,900**	**29,372**
Current liabilities			
Lease liabilities	9	9,807	9,822
Other provisions	20	939	867
Trade payables and other short term liabilities	21	67,518	72,657
Current tax payable		2,119	1,607
Total current liabilities		**80,383**	**84,953**
Total liabilities		**108,283**	**114,325**
Total equity and liabilities		**286,094**	**277,822**

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

CONSOLIDATED INCOME STATEMENT

(in euro thousands)	Notes	2020	2019
Revenue from contracts with customers	6	**369,233**	**372,259**
Operating expenses			
Cost of hardware, software and other direct costs		-5,804	-4,462
Work contracted out		-89,059	-99,502
Personnel expenses	22	-215,084	-217,116
Amortisation	8	-1,673	-1,455
Depreciation right-of-use assets	9	-11,014	-10,866
Depreciation tangible fixed assets	10	-2,443	-2,409
Other operating expenses	23	-12,924	-14,493
Total operating expenses		**-338,001**	**-350,303**
Operating profit		**31,232**	**21,956**
Finance income	24	-	-
Finance costs	24	-1,234	-1,125
Share of profit of associates	11	-17	-23
Net profit for the year		**29,981**	**20,808**
Income tax expense	25	-7,691	-5,933
Net profit for the year		**22,290**	**14,875**
Net profit is attributable to:			
Shareholders of the company		22,290	14,875
Net profit for the year		**22,290**	**14,875**

(In euro's)	Notes	2020	2019
Earnings per share - basic	26	**0.24**	**0.16**
Earnings per share - diluted	26	**0.24**	**0.16**

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in euro thousands)	Notes	**2020**	2019
Profit for the year	17	22,290	14,875
Items not to be reclassified to profit or loss in subsequent periods			
Actuarial gains and losses on defined benefit plans	17/19	85	-219
Tax on items taken directly to or transferred from equity	12/17	-21	58
Other comprehensive income for the year, net of tax		**64**	**-161**
Total comprehensive income for the year		**22,354**	**14,714**
Total comprehensive income for the year is attributable to:			
Shareholders of the company		22,354	14,714
Total comprehensive income for the year		**22,354**	**14,714**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		2020					2019				
(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
Closing balance previous year		**9,326**	**136,219**	**3,077**	**14,875**	**163,497**	**9,326**	**136,219**	**612**	**6,873**	**153,030**
First time adoption IFRS 16		-	-	-	-	-	-	-	-276	-	-276
At 1 January		**9,326**	**136,219**	**3,077**	**14,875**	**163,497**	**9,326**	**136,219**	**336**	**6,873**	**152,754**
Profit for the year	17	-	-	-	22,290	22,290	-	-	-	14,875	14,875
Other comprehensive income											
Actuarial gains and losses	12/17/19	-	-	64	-	64	-	-	-161	-	-161
Total comprehensive income for the year		**-**	**-**	**64**	**22,290**	**22,354**	**-**	**-**	**-161**	**14,875**	**14,714**
Transactions with owners											
Appropriation of profit previous year	17/27	-	-	14,875	-14,875	-	-	-	6,873	-6,873	-
Dividend distribution	17/27	-	-	-8,859	-	-8,859	-	-	-4,663	-	-4,663
Share based payments - treasury shares settlement	16/17	-	-	-673	-	-673	-	-	-91	-	-91
Share-based payments - personnel expenses	17/23	-	-	1,492	-	1,492	-	-	783	-	783
Total transactions with owners		**-**	**-**	**6,835**	**-14,875**	**-8,040**	**-**	**-**	**2,902**	**-6,873**	**-3,971**
At 31 December		**9,326**	**136,219**	**9,976**	**22,290**	**177,811**	**9,326**	**136,219**	**3,077**	**14,875**	**163,497**

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

CONSOLIDATED STATEMENT OF CASHFLOWS

(in euro thousands)	Notes	2020	2019
Cash flows from operating activities			
Net profit for the year		22,290	14,875
Adjustments for			
Finance costs -net	9/24	1,234	1,125
Share of profit of associates	11	17	24
Taxes	25	7,691	5,933
Adjustments for			
Amortisation	8	1,673	1,455
Depreciation right-of-use assets	9	11,014	10,866
Depreciation tangible fixed assets	10	2,443	2,409
Movements in long term provisions		17	-11
Share-based payments	16/17/22/31	1,492	783
Working capital changes			
Movements in receivables		6,775	-3,319
Movements in current liabilities		-5,613	-324
Cash generated from operations		**49,016**	**33,816**
Interest paid		-1,157	-1,072
Income taxes paid	7	-5,291	-7,631
Net cash from operating activities		**42,568**	**25,113**

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

CONSOLIDATED STATEMENT OF CASHFLOWS (CONTINUED)

(in euro thousands)	Notes	2020	2019
Cash flows from investing activities			
Purchases of intangible assets	8	-125	-872
Purchases of property, plant and equipment	10	-2,351	-1,884
Divestment of intangible asstes	8	-	-
Divestment of property, plant and equipment	10	74	19
Net cash used in investing activities		**-2,402**	**-2,737**
Cash flows from financing activities			
Lease payments	9	-10,878	-11,461
Settlement of share based payment	16/17	-673	-91
Dividend distribution to shareholders	17/27	-8,859	-4,663
Net cash used in financing activities		**-20,410**	**-16,215**
Net movement in cash and cash equivalents		**19,756**	**6,161**

(in euro thousands)	2020	2019
Net movement in cash and cash equivalents	19,756	6,161
Cash and cash equivalents at beginning of year	24,649	18,488
Cash and cash equivalents at end of year	**44,405**	**24,649**

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 and has its registered office at RIngwade 1, in Nieuwegein, the Netherlands, under Trade Register number 30077528. Ordina is a local 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 devising, building and managing technical applications. Ordina helps its clients to stay ahead of the challenges and changes in their business.

The consolidated financial statements for 2020 comprise the financial information of the company and all its group companies (referred to jointly as Ordina). The Management Board drew up the financial statements on 17 February 2021 and the statements were discussed in the Supervisory Board meeting of 17 February 2021. They will be submitted for adoption to the General Meeting of 1 April 2021. The Supervisory Board also approved their publication on 17 February 2021.

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.

Covid-19 - The year 2020 was severely impacted by the Covid-19 pandemic. Its impact on both the global economy and on our local economy has been enormous. Various governments launched significant support measures to support local markets and entrepreneurs. Ordina took immediate action in response to the first signs of the extent of the Covid-19 pandemic, following the guidelines issued by the Dutch, Belgian and Luxembourg governments. Working from home has been the norm for our employees on this front. This is why for a large part of 2020 our employees worked from home. After an initial adjustment phase, we can now say that we have been very successful in continuing to provide services to our clients from home. The vast majority of our clients, also after their own adjustment phase, have continued to make full use of our services. Only a limited number of our clients were significantly affected by the Covid-19 virus in 2020. Market conditions are still uncertain. Due in part to large-scale vaccinations due to start in the near future, it is reasonable to expect that the pandemic will be brought under control in the course of 2021 and it will then be possible to make predictions/forecasts with more certainty.

Ordina's result and cash flows developed positively in 2020. We were also able to extend our financing facility by one year in 2020. We will continue to monitor developments closely and take measures when we deem this necessary. Based on the developments in 2020 and the current outlook for 2021, we estimate the impact of the Covid-19 pandemic on the key estimates and assumptions, as explained in Chapter 5, to be limited. Based on the current developments, we believe that we are able to continue our operations as a going concern. We have therefore prepared the 2020 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 2020 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

Year-end 2020 there are multiple new and amended standards and interpretations issued, but not yet effective. Ordina will apply these new and amended standards and interpretations, insofar as applicable, as soon as they come into effect.

Any published, new and amended IFRS standards and interpretations that are not yet applicable to reporting periods commencing on 1 January 2020 have not been applied early. We do not expect new standards that become applicable after 2020 to have a material impact on Ordina's capital and results, nor on the notes to the financial statements. We do not expect the published amendment to IAS 37 with respect to onerous contracts to have any material impact on Ordina because relevant items are already recognised in line with the proposed amendment.

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 2019 and 2020 are wholly owned by Ordina. Consequently, there is no third party non-controlling interest.

De kostprijs van een nieuw verworven groepsmaatschappij wordt bepaald op basis van de betaalde en te betalen liquide middelen per transactiedatum alsmede, indien van toepassing, de reële waarde van de vermogensinstrumenten (i.e. aandelen) gebruikt ter financiering van de acquisitie.

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 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: 2-3 years
- customer lists: 5 years
- contract portfolios: 1-2 years

The assets' useful lives 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 installments 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 directly 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: 2-15 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. dividend payments or a change recognised via the total result). 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 commitments and contingencies (see note 29).

2.9 Trade receivables and other short-term 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. Under 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 in a subsequent period.

In respect of all other assets, an impairment loss 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. The recognised value of the share-based payment is disclosed as a payment on the issued shares at the time of payment.

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, vacant buildings under lease, warranty and project commitments and onerous contracts.

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

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 Omzet uit contracten met klanten

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. 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 i) it is reasonably possible to make a sufficiently reliable estimate of the progress of the activities, ii) the activities result in an asset that is controlled by the client during the activities, iii) the activities result in an asset for which there is no alternative use, and iv) 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 Percentage of Completion (POC).

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 under the application of IFRS 16 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 relating 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 arises from a transaction or event which is recognised directly in other comprehensive income. In that case, the associated tax is recognised directly in other comprehensive income as well.

Tax expense (income) for the accounting period includes income tax on taxable profit, which is calculated based on tax rates expected to be applied, making allowance for tax-exempt profit components and non-deductible amounts, as well as any adjustments for current tax of 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 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 under the application of IFRS 16 Leases, at year-end 2020 and 2019, 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%. The use of the current account credit facility depends on Ordina's liquidity requirements. In 2020, Ordina made very limited 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 divisions are based and most of their revenue realised within the Eurozone. 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 2020 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 customers as limited at year-end 2020. The impact on the economy of Covid-19 could increase credit risks at specific clients. Ordina's client portfolio has so far seen only a very limited visible increase in credit risks. The Board did note 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 N.V. has filed a declaration of joint and several liability for the majority of its Dutch group companies with the respective competent Trade Registries.

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 2020 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. 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.

	2020				2019			
	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	-38,285	-10,482	-9,011	-18,791	-40,621	-10,605	-8,206	-21,810
Trade and other payables	-54,604	-54,604	-	-	-60,835	-60,835	-	-

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.

The gearing ratio stood at around 62% at year-end 2020 (year-end 2019: around 59%). The increase in solvency compared with year-end 2019 was largely due to the increase in equity of more than EUR 15 million. This increase was due to the result for 2020 less the dividend payment to shareholders.

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%, the gearing ratio stood at around 59% at year-end 2020. Ordina considers a gearing ratio (ratio of shareholders equity to the balance sheet total excluding goodwill) of 25% as a responsible minimum. Excluding goodwill, the gearing ratio stood at around 33% at year-end 2020 (year-end 2019: more than 25%).

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

Ordina assesses whether the goodwill allocated to a cash-generating unit or group of cash-generating units is impaired at least once a year (see Section 2.12). An impairment loss is recognised if the carrying amount exceeds the recoverable amount. These calculations require the use of estimates and judgements. The recoverable value is the highest value of the fair value less disposal costs and the value in use. We refer to note 8.5 for a detailed explanation of the impairment test performed.

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 note 2.17). In the event of fixed-price contracts, Ordina makes an estimate of the services delivered at the reporting moment as a percentage of the total services to be delivered. Estimates are based on 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. 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. The actual situation may differ from these estimates.

5.5 Legal proceedings ensuing from conflicts with clients or suppliers

As part of our normal business operations, we may be confronted with discussions related to the (financial) settlement of contractual relationships with clients or suppliers. When such a discussion results in a claim, Ordina assesses whether the conditions for recognising a provision have been met. If a provision has to be set aside, Ordina estimates the outflow of resources. The actual outcome of legal proceedings may differ from the assessment as to whether a provision should be set aside and, if so, the amount of the provision.

5.6 Income tax expenses

Ordina assesses the extent to which tax losses are expected to qualify for set-off on an annual basis, including the available potential for loss rejuvenation. The actual set-off may differ from these estimates. For the situation in which losses have been suffered for a number of years, convincing evidence is required for valuation of tax losses (IAS 12). For additional information regarding deferred tax assets, please see note 12.

5.7 Covid-19

The Covid-19 pandemic has had an enormous impact on both global and local economies. This impact may include, for example, a decline in customer demand, an increase in credit risks or an increase in employee absenteeism. Despite the fact that Covid-19 has so far had only a limited impact on Ordina, future developments are difficult to predict. Ordina continuously assesses these developments and there are no signs of any change in circumstances in the short term. The actual situation and developments may differ from this estimate.

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.

	2020			2019		
	the Netherlands	Belgium / Luxembourg	Total	the Netherlands	Belgium / Luxembourg	Total
Type of goods or services						
Sale of hardware and software	332	1,453	1,785	269	462	731
IT services	245,238	122,210	367,448	258,382	113,146	371,528
Total revenue from contracts with customers	**245,570**	**123,663**	**369,233**	**258,651**	**113,608**	**372,259**
Timing of revenue recognition						
Goods transferred at a point in time	453	1,362	1,815	525	267	792
Services transferred over time	245,117	122,301	367,418	258,126	113,341	371,467
Total revenue from contracts with customers	**245,570**	**123,663**	**369,233**	**258,651**	**113,608**	**372,259**

	2020	2019
Revenu by markets		
Public	151,485	150,328
Finance	98,558	106,249
Industry	119,190	115,682
Total	**369,233**	**372,259**

The 2019 figures have been adjusted for the reclassification of a number of clients that were previously reported under the healthcare segment

The revenue in the public sector and financial services markets is largely recorded in the Netherlands. Slightly more than half of the revenue from the industry market is recorded in the Belgium/Luxembourg segment.

Revenue from public sector clients increased by 0.8% to EUR 151.5 million in 2020 (2019: EUR 150.3 million). This increase was driven by growth in our High performance teams and Intelligent data-driven organisations business propositions.

Revenue from financial services clients declined by 7.2% to EUR 98.6 million (2019: EUR 106.2 million). In Belgium/Luxembourg, revenue remained stable in this market in 2020. In the Netherlands, revenue declined, mainly due to our reduced deployment of subcontractors.

Revenue in the industry sector increased by 3.0% to EUR 119.2 million in 2020 (2019: EUR 115.7 million). In Belgium/Luxembourg, we saw particularly strong revenue growth in the pharmaceutical industry and an increasing demand for Business platforms and Cybersecurity & Compliance solutions. Revenue in the Netherlands declined. Some clients were directly impacted by the consequences of Covid-19, which reduced demand from these clients. At the same time, we saw a slight increase in revenue from other clients.

Some parts of Ordina's 2020 revenue were affected by the Covid-19 outbreak. This was due to a decline in client demand from organisations that were plainly affected by the outbreak. We did not see any decline in demand from the majority of our clients and we were able to continue to provide them with our services 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 2020	31 December 2019
Trade receivables - net	37,075	40,619
Unbilled receivables	14,626	17,264
Contract assets	5,991	5,582
Contract liabilities	5,265	5,345

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 2020, Ordina recognised a provision for expected credit losses on trade receivables, unbilled revenue and contract assets of around EUR 1.0 million (year-end 2019: around EUR 0.6 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 2019 resulted in revenue in 2020.

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. Segment revenues, 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.

7.1 Segment information

The segment information can be specified as follows:

	2020			2019		
	the Netherlands	Belgium / Luxembourg	Total	the Netherlands	Belgium / Luxembourg	Total
Total segment revenue	248,506	128,459	376,965	261,807	117,127	378,934
Inter-segment revenue	-2,937	-4,795	-7,732	-3,156	-3,519	-6,675
Revenue from contracts with customers	**245,569**	**123,664**	**369,233**	**258,651**	**113,608**	**372,259**
EBITDA	**24,648**	**21,714**	**46,362**	**20,051**	**16,635**	**36,686**
Amortisation	-1,457	-216	-1,673	-1,455	-	-1,455
Depreciation right-of-use assets	-7,306	-3,708	-11,014	-7,406	-3,460	-10,866
Depreciation tangible fixed assets	-1,884	-559	-2,443	-1,878	-531	-2,409
Operating profit	**14,001**	**17,231**	**31,232**	**9,312**	**12,644**	**21,956**
Finance costs – net	-1,009	-225	-1,234	-892	-233	-1,125
Share of profit of associates	-17	-	-17	-23	-	-23
Profit before tax	**12,975**	**17,006**	**29,981**	**8,397**	**12,411**	**20,808**
Income tax expense	-2,287	-5,404	-7,691	-1,361	-4,572	-5,933
Profit for the year	**10,688**	**11,602**	**22,290**	**7,036**	**7,839**	**14,875**

One Dutch client accounted for more than 10% of total revenue in 2020. The revenue generated from this client was approximately EUR 52.8 million (2019: revenue of approximately EUR 56.3 million). Five other clients together accounted for more than 20% of total revenue.

The assets and liabilities can be specified as follows:

	31 December 2020					31 December 2019				
	the Netherlands	Belgium / Luxembourg	Total	Eliminations	Consolidated	the Netherlands	Belgium / Luxembourg	Total	Eliminations	Consolidated
Total assets	264,133	92,166	356,299	-70,205	286,094	265,574	88,802	354,376	-76,554	277,822
Total liabilities	86,322	37,251	123,573	-15,290	108,283	102,077	36,873	138,950	-24,625	114,325

Other segment information can be specified as follows:

		2020			2019		
	Notes	the Netherlands	Belgium / Luxembourg	Total	the Netherlands	Belgium / Luxembourg	Total
Carrying amount at year end of intangible assets	8	110,622	17,581	128,203	111,989	17,762	129,751
Carrying amount at year end of right-of-use assets	9	27,756	7,735	35,491	28,161	8,885	37,046
Carrying amount at year end of tangible assets	10	3,470	1,227	4,697	3,102	1,274	4,376
Carrying amount at year end of financial fixed assets	11/12	12,406	240	12,646	14,355	218	14,573
Purchases of intangible assets	8	90	35	125	216	620	836
Purchases of right-of-use assets	9	6,900	2,558	9,458	8,937	4,539	13,476
Purchases of property, plant and equipment	10	2,326	512	2,838	1,408	525	1,933
Amortisation	8	1,457	216	1,673	1,455	-	1,455
Depreciation right-of-use assets	9	7,306	3,708	11,014	7,406	3,460	10,866
Depreciation tangible fixed assets	10	1,884	559	2,443	1,878	531	2,409
Income tax recognised in income statement	26	2,287	5,404	7,691	1,361	4,572	5,933
Income tax paid in reporting period		-	5,291	5,291	-	7,631	7,631

8 Intangible assets

This item can be specified as follows:

	2020			2019		
	Goodwill	Software	Total	Goodwill	Software	Total
At 1 January						
Cost	192,816	15,222	208,038	192,816	14,788	207,604
Accumulated amortisation and impairments	-68,321	-9,966	-78,287	-68,321	-8,913	-77,234
Carrying amount at 1 January	**124,495**	**5,256**	**129,751**	**124,495**	**5,875**	**130,370**
Movements in carrying amount						
Additions	-	78	78	-	373	373
Internally generated	-	47	47	-	463	463
Amortisation	-	-1,673	-1,673	-	-1,455	-1,455
Disposals	-	-	-	-	-	-
Carrying amount at 31 December	**124,495**	**3,708**	**128,203**	**124,495**	**5,256**	**129,751**
At 31 December						
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 31 December	**124,495**	**3,708**	**128,203**	**124,495**	**5,256**	**129,751**
Of which internally generated	-	1,676	1,676	-	2,349	2,349

8.1 Investments and disposals

Total investments in intangible fixed assets were primarily related to the IT applications. This investment was developed partly in-house. The investments of EUR 0.1 million in 2020 were made almost entirely in the Netherlands.

In 2020, Ordina fully depreciated decommissioned assets with an initial investment value of around EUR 1.0 million (2019: around EUR 0.4 million).

8.2 Impairment and reversal of impairment losses

In 2020 and 2019, Ordina recognised no impairment on intangible assets.

Ordina did not reverse any prior-year impairment losses on intangible assets in 2020 and 2019.

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.

	2020	2019
the Netherlands	107,353	107,353
Belgium/Luxembourg	17,142	17,142
Total	**124,495**	**124,495**

8.4 Software

The carrying value of software amounted to EUR 3.7 million at year-end 2020 (year-end 2019: EUR 5.3 million). This carrying amount at year-end 2020 was primarily related to the ERP application 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, and is assumed to be a minimum of seven years.

8.5 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). The first half of 2020 saw the outbreak of the Covid-19 pandemic, and the spread of the virus acceerated in March 2020. In response, Ordina performed an interim impairment test in mid-2020. This interim impairment test did not result in an impairment loss. 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 annual revenue growth in the five-year projections differs per segment, and for the Netherlands varies from around 0.9% to around 2.8% (2019: from around minus 1.5% to around 1.4%) and for Belgium/Luxembourg from around 1.0% to around 6.5% (2019: from around 1.0% to around 8.1%).The average annual revenue growth in the five-year projection amounts to around 1.8% for the Netherlands (2019: around 0.6%) and around 3.4% for Belgium/Luxembourg (2019: around 2.6%).

The average annual EBITDA margin in the five-year projections amounts to around 10.7% for the Netherlands (2019: around 9.7%) and around 13.2% for Belgium/Luxembourg (2019: around 12.4%). The EBITDA margin for the years after 2025 in the five-year projections amounts to around 11.1% for the Netherlands (2019: around 10.2%) and around 13.6% for Belgium/Luxembourg (2019: around 12.2%). The useful life upon which cash flows are discounted is indefinite in principle. At year-end 2020, Ordina used an estimated forward growth rate of 1.0% (2019: 1.0%).

Future cash flows are discounted on a post-tax basis at an interest rate specific to each segment. At year-end 2020, the discount rate for the Netherlands stood at 9.9% (year-end 2019: 8.2%) and 10.6% for Belgium/Luxembourg (year-end 2019: 8.8%). The pre-tax discount rate, on the basis of the applicable percentage at year-end 2020, stood at 12.9% for the Netherlands (2019: 10.2%) and 13.8% for Belgium/Luxembourg (2019: 11.6 %).

Based on the chosen assumptions, the impairment test we conducted did not lead to an impairment at year-end 2020. The carrying amount, value in use and the headroom per segment to which goodwill is allocated at year-end 2020 were as follows:

(in euro millions)	Carrying amount	Value in use	Headroom
the Netherlands	111.3	146.5	35.2
Belgium/Luxembourg	54.9	147.3	92.4

In addition to this impairment test executed at year-end 2020, Ordina performed sensitivity analyses. These sensitivity analyses were performed, firstly, on the basis of a higher discount rate in combination with lower forward growth and, secondly, on the basis of a reduction of the EBITDA margin.

We conducted a sensitivity analysis, in which the EBITDA margin was reduced by 0.25% and 0.5% respectively, with the discount rate unchanged. The sensitivity analysis did not result in an impairment for any of the segments. The table below shows the remaining headroom of the segments in question on the basis of this sensitivity analysis.

(in euro millions)	the Netherlands	Belgium / Luxembourg
Decline EBITDA margin		
-0.25%	29.5	89.5
-0.50%	23.8	86.7

In addition to this, we conducted a sensitivity analysis in which the discount rate was first raised successively by 0.5%, 1.0% and 1.5%, and secondly the forward growth rate was reduced by 0.5% and 1.0%. This additional sensitivity analysis did not result in an impairment for any of the segments. The table below shows the remaining excess values (in millions of euros) of the segments in question on the basis of this sensitivity analysis.

(In euro millions)	Disconteringsvoet na belastingen			
the Netherlands	9.9%	10.4%	10.9%	11.4%
Terminal growth				
0.5%	28.9	21.5	14.7	8.6
0.0%	23.3	16.5	10.2	4.5
Belgium/Luxembourg	10.6%	11.1%	11.6%	12.1%
Terminal growth				
0.5%	88.3	83.2	78.4	74.1
0.0%	84.6	79.8	75.4	71.4

We also compared the outcome of the impairment test with Ordina's stock exchange valuation. At year-end 2020, the value in use was approximately 13% higher than the stock exchange valuation (year-end 2019: around 49%). A value in use that is higher than the stock exchange valuation is not unusual due to the control premium. Due to the positive movement in Ordina's share price in 2020, the difference between stock exchange valuation and value in use declined sharply and is within the bandwidth considered reasonable beforehand.

9 Leases

Leasecontracts results in the recognition of a right of use asset and a lease liability. Recognised right-of-use assets are depreciated over the life 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 modifications/renewals of the contract related to buildings recognised in 2020 pertains to the extension of the lease for the office in Groningen. The contract modifications/renewals in 2019 pertains to the extention of the lease for the office in Eindhoven.

Changes in rights of use were as follows:

	2020				2019			
	Buildings	Cars	Other equipment	Total	Buildings	Cars	Other equipment	Total
At 1 January	21,183	15,251	612	37,046	23,985	10,451	-	34,436
Investments in new contracts	-	7,267	-	7,267	78	11,674	663	12,415
Modifications / renewals	1,557	-	-	1,557	346	-	-	346
Remeasurements	549	72	14	635	462	253	-	715
Amortisation	-3,590	-7,299	-125	-11,014	-3,688	-7,127	-51	-10,866
Carrying amount at 31 December	**19,699**	**15,291**	**501**	**35,491**	**21,183**	**15,251**	**612**	**37,046**

The lease liabilities can be specified as follows:

	2020	2019
At 1 January	38,111	36,096
Investments in new contracts	7,267	12,415
Modifications / renewals	1,557	346
Remeasurements	632	713
Interest costs	950	972
Lease payments (including IFRS 16 interest)	-11,825	-12,431
As at 31 December	**36,692**	**38,111**
Lease obligations - long term	26,885	28,289
Lease obligations - short term	9,807	9,822
Total	**36,692**	**38,111**

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 36.7 million at year-end 2020 (year-end 2019: EUR 38.1 million) around EUR 20.7 million pertains to lease contracts (year-end 2019: EUR 22.2 million), around EUR 15.5 million pertains to car lease contracts (year-end 2019: EUR 15.3 million), and around EUR 0.5 million pertains to other lease liabilities (year-end 2019: EUR 0.6 million). See note 4.3 for an analysis of the future outgoing cash flows related to lease liabilities.

With respect to lease contracts, Ordina has charged the following amounts to the result:

	2020	2019
Depreciation of right-of-use assets	11,014	10,866
Interest expenses on lease liabilities	950	972
Expense relating to short-term leases	816	1,081
Expense relating to low-value leases	38	94
Variable lease payments	14	50
Total	**12,832**	**13,063**

Total lease payments amounted to around EUR 12.7 million in 2020 (2019: EUR 13.7 million).

10 Property, plant and equipment

Changes in the assets included in this line item can be specified as follows:

	2020				2019			
	Equipment	Fixtures and fittings	Renovations	Total	Equipment	Fixtures and fittings	Renovations	Total
At 1 January								
Cost	13,179	1,879	6,075	21,133	12,888	1,702	6,350	20,940
Accumulated amortisation and impairments	-10,516	-1,442	-4,799	-16,757	-9,602	-1,466	-5,001	-16,069
Carrying amount at 1 January	**2,663**	**437**	**1,276**	**4,376**	**3,286**	**236**	**1,349**	**4,871**
Movements in carrying amount								
Additions	1,625	386	827	2,838	1,044	320	569	1,933
Amortisation	-1,954	-151	-412	-2,517	-1,667	-119	-642	-2,428
Disposals	-	-	-	-	-	-	-	-
Carrying amount at 31 December	**2,334**	**672**	**1,691**	**4,697**	**2,663**	**437**	**1,276**	**4,376**
At 31 December								
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 31 December	**2,334**	**672**	**1,691**	**4,697**	**2,663**	**437**	**1,276**	**4,376**

10.1 Investments and disposals

Investments in equipment in 2020 were primarily replacement investments. Investments in inventory and renovations are largely related to the renovation of the offices in Nieuwegein. In addition, an amount of around EUR 0.3 million in investments in inventories pertains to the acquisition of home working stations in the Netherlands made available at the request of employees. Of the total investments, around EUR 0.5 million was related to our offices in Belgium and Luxembourg (2019: EUR 0.5 million).

Ordina made no material divestments in 2020 and 2019.

In 2020, Ordina decommissioned fully depreciated assets with an original purchase value of around EUR 4.1 million (2019: around EUR 1.7 million).

10.2 Impairment and reversal of impairment losses

Ordina did not recognise any impairment losses on property, plant and equipment in 2020 or 2019. Ordina did not reverse any prior-year impairments on property, plant and equipment in 2020.

11 Associated companies

This item can be specified as follows:

	2020	2019
At 1 January	340	364
Additions	-	-
Share of profit and impairment of associates	-17	-24
Dividends	-	-
Disposals	-	-
At 31 December	**323**	**340**

Ordina had two associates at year-end 2020 and 2019: Quli B.V. (the Netherlands, 25.0% interest) and Passwerk CVBA (Belgium, 37.3% interest).

The recognised results from participations in both 2020 and 2019 was entirely due to Quli B.V. Ordina did not recognise any result for Passwerk in 2020 and 2019 in connection with the restrictive conditions under which it is possible to pay out dividends by virtue of the social purpose of this company.

Ordina did not supply any services to or commission any services from Quli B.V. and Passwerk in either 2020 or 2019.

The item investments in associates, on the basis of the financial information at year-end 2020, can be broken down as follows:

	Quli B.V.	Passwerk CVBA
Assets	899	4,538
Liabilities	106	1,023
Revenu	901	7,215
Profit	-68	537
Other results (OCI)	-	-
Total comprehensive income	-68	537
Share	25.0%	37.3%

12 Deferred taxes

Deferred income tax assets can be specified as follows:

	2020	2019
Intangible assets and property, plant and equipment	7,926	8,003
Employee related provisions	254	237
Other provisions / long term	71	30
Recognised tax losses	4,072	5,963
At 31 December	**12,323**	**14,233**

In the statement of income for 2020, Ordina has recognised a deferred tax asset of around EUR 1.9 million (2019: around EUR 1.3 million). Deferred tax assets are measured at the set tax rates in the year in which said deferred tax assets are likely to be settled. At year-end 2020, deferred taxes were valued at 25.0% in the Netherlands. The previously adopted reduction in the nominal corporate income tax rate as of 2021 has been cancelled. As a result of the adjustment of the future nominal tax rates in the Netherlands, Ordina recognised a remeasurement of approximately EUR 1.6 million. The main changes within this remeasurement relate to intangible assets and property, plant and equipment (approximately EUR 1.0 million) and measured tax loss carry-forwards (around EUR 0.6 million). In 2019, Ordina reversed an amount of over EUR 1.1 million from previously processed depreciations.

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 increase in the deferred tax assets in 2019 related to the intangible fixed assets and property, plant and equipment was largely due to the actions Ordina took in 2019 to prevent the dilution of its tax losses.

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 2019: around EUR 0.4 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 2019: EUR 0.4 million) consists of a deferred tax asset of EUR 9.4 million (year-end 2019: EUR 9.0 million) and a deferred tax liability of EUR 8.9 million (year-end 2019: EUR 8.6 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.

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 2020 took into account the corporate income tax rates as established definitively for the years 2021 and beyond. The previously announced reduction in the corporate income tax rate was not implemented at year-end 2020, as a result of which the corporate income tax rate of 25% remains in effect for the years after 2020. At year-end 2020, the losses in the Netherlands were therefore recognised at a rate of 25.0% (year-end 2019: average percentage of 22.7%). The total amount of available tax losses stood at approximately EUR 16.3 million at year-end 2020 (year-end 2019: approximately EUR 26.3 million). In 2019, Ordina introduced measures to prevent the dilution of tax losses, which resulted in a reduction of EUR 9.7 million in tax losses. At year-end 2020 and 2019, the available tax losses were fully recognised.

The measurement of tax loss carry-forwards is based on their assumed utilisation potential in the coming years. At year-end 2020, the Dutch government announced an amendment that will prevent the dilution of tax losses going forwards. However, there will be a restriction on the amount of tax loss carry-forwards. Since the amendment has not yet been formally adopted into law, Ordina has not yet factored this into the measurement of losses at year-end 2020. The measurement at year-end 2020 therefore does not take into account a remaining carry-forward period of one to seven years. The proposed amendment to the rules on tax loss carry-forwards is not expected to have an impact on Ordina's measurement of tax loss carry-forwards. Deferred tax assets are recognised on the basis of the five-year projection. The premises are considered realistic in the current circumstances and are explained in the section on the goodwill impairment test (see note 8.5). The future realisation of taxable profits and thus tax loss carry-forwards may vary from these estimates. If in the context of a sensitivity analysis, Ordina conducts an assessment in which the EBITDA margin is reduced by 0.25% or 0.50% respectively in the five-year projection, this would not result in a potential devaluation of the deferred tax asset.

Around EUR 9.1 million of the deferred tax assets had a term of more than one year at year-end 2020 (year-end 2019: around EUR 11.0 million).

Movements in deferred income tax assets in 2020 and 2019 can be specified as follows:

	2020						2019					
	Closing balance previous year	Adjustments	Opening balance	Recognised in income statement	Recognised in consolidated statement of comprehencive income	Closing balance	Closing balance previous year	Adjustments	Opening balance	Recognised in income statement	Recognised in consolidated statement of comprehencive income	Closing balance
Intangible assets and property, plant and equipment	8,003	-	8,003	-77	-	7,926	5,968	347	6,315	1,688	-	8,003
Employee related provisions	237	-	237	38	-21	254	176	-	176	3	58	237
Other provisions / long term	30	-	30	41	-	71	22	-	22	8	-	30
Recognised tax losses	5,963	-	5,963	-1,891	-	4,072	9,011	-	9,011	-3,048	-	5,963
	14,233	**-**	**14,233**	**-1,889**	**-21**	**12,323**	**15,177**	**347**	**15,524**	**-1,349**	**58**	**14,233**

13 Financial instruments by category

The accounting policies for financial instruments have been applied to the following line items:

	2020					2019				
	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	58,670	-	-	-	58,670	64,056	-	-	-	64,056
Trade payables and other short-term liabilities	-67,518	-	-	-	-67,518	-72,657	-	-	-	-72,657
Total at 31 December	**-8,848**	**-**	**-**	**-**	**-8,848**	**-8,601**	**-**	**-**	**-**	**-8,601**

14 Trade receivables and other short-term assets

Trade receivables and other current assets can be specified as follows:

	2020	2019
Trade receivables	37,937	41,150
Provision for impairment of trade receivables	-862	-531
Trade receivables - net	**37,075**	**40,619**
Unbilled receivables	14,626	17,264
Contract assets	5,991	5,582
Other receivables	315	266
Prepayments and accrued income	2,645	3,696
At 31 December	**60,652**	**67,427**

The fair value of the trade receivables and other short-term assets approximates their net carrying amount.

The decline of approximately EUR 3.5 million in net receivables was primarily due to strict working capital management, which resulted in the positive development of the cash position.

As at 31 December 2020, trade receivables of around EUR 4.5 million (year-end 2019: around EUR 9.6 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:

	2020	2019
Trade receivables not impaired and not past due	32,545	30,976
Trade receivables not impaired and past due:		
Up to 1 month	2,972	6,200
1 to 2 months	712	1,223
2 to 3 months	142	592
Over 3 months	704	1,628
	4,530	**9,643**
Trade receivables - net	**37,075**	**40,619**

Movements in the provision for doubtful debts were as follows:

	2020	2019
At 1 January	531	570
Provision for receivables impairment	470	198
Receivables written off during the year as incollectible	-36	-74
Unused amounts reversed	-103	-163
At 31 December	**862**	**531**

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 2020, trade receivables and other current assets amounting to around EUR 49.5 million had been provided as collateral as security for the financing facility (year-end 2019: around EUR 31.2 million). The increase in the trade receivables and other current assets provided as collateral was due to the fact that in 2020 Ordina provided additional collateral for Ordina Belgium N.V.

At year-end 2020, Ordina recognised a provision of around EUR 1.0 million for expected credit losses on trade dreceivables, unbilled revenue and contract assets (year-end 2019: around EUR 0.6 million). The increase in this provision for expected credit losses was partly due to an adjustment in the estimates for future credit losses as a result of Covid-19. 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 2020 and year-end 2019.

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 (by geographical area):

	2020	2019
the Netherlands	33,119	38,008
Belgium/Luxembourg	25,551	26,048
Total	**58,670**	**64,056**

The maximum credit risk exposure to trade receivables (gross) can be specified as follows (by client category):

	2020	2019
Public	5,748	7,895
Finance	8,245	9,837
Industry	23,944	23,418
At 31 December	**37,937**	**41,150**

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:

	2020	2019
Debtors with external credit rating		
A-AA	11,038	7,414
B-BBB	-	605
	11,038	**8,019**
Debtors without external credit rating		
Low credit risk	20,819	28,310
Medium credit risk	4,498	4,290
High credit risk	720	-
	26,037	**32,600**
At 31 December	**37,075**	**40,619**

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 2020, an amount of around EUR 3.0 million (year-end 2019: around 0.3 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:

	2020	2019
A-AA	44,405	24,649
B-BBB	-	-
At 31 December	**44,405**	**24,649**

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 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 2020, Ordina and its banks agreed a first extension as a result of which the agreement now ends as of July 2023.

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, excluding the impact of IFRS 16 Leases. The correction of the EBITDA for one-off costs and reorganisation costs has been set at a maximum of 1% of revenue, 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 Ratio).

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 2020.

	"Realisation year-end 2020"	"Finance agreement"
Leverage ratio	-1.2	=< 2,5
Interest Cover Ratio	229.8	>= 5,0
Guarantor Cover Ratio	93%	>= 80%
Security Cover (in euro millions)	49.5	>= 30.0

16 Paid-up and called-up capital

Movements in paid-up and called-up capital in 2020 and 2019 were as follows:

	2020		2019	
(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 2020, 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 2020, one priority share and 93,255,929 ordinary shares were fully paid up (year-end 2019: one priority share and 93,255,929 ordinary shares).

No new shares were issued in 2020 or 2019.

For the settlement of the variable long-term bonuses for the period 2017-2019, which took place in the first half of 2020, Ordina acquired and then immediately paid out a total of 222,453 treasury shares. These shares were purchased at an average share price of EUR 2.282 per share. Ordina N.V. did not hold any treasury shares at either year-end 2020 or 2019.

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 2020 and year-end 2019, there were no outstanding options on Ordina N.V. shares.

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 this context, at year-end 2020 shares in Ordina N.V. were awarded conditionally to the members of the Management Board (total of 601,770 shares) and to the senior management (total of 973,038 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 2020 can be broken down as follows:

	2020						2019
(In thousands)	Conditionally granted number of shares	Grant date	Share price at grant	Fair value on grant date	Percentage	Recognised in profit & loss 2020	Recognised in profit & loss 2019
LTI 2017-2019						n.a.	105
LTI 2018-2020	286,935	05-07-18	1.89	542	135%	475	117
LTI 2018-2020	17,788	09-05-19	1.75	31	135%	33	9
LTI 2019-2021	394,320	09-05-19	1.75	690	107%	274	186
LTI 2019-2021	-	26-09-19	1.68	-	107%	-1	1
LTI 2020-2022	273,995	22-06-20	1.92	526	85%	101	n.a.
	973,038			**1,789**		**882**	**418**

17 Reserves

Movements in reserves can be specified as follows:

	2020				2019			
	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	3,077	14,875	154,171	136,219	336	6,873	143,428
Prior-year retained earnings	-	14,875	-14,875	-	-	6,873	-6,873	-
Dividend distribution to shareholders	-	-8,859	-	-8,859	-	-4,663	-	-4,663
Share based payments - treasury shares settlement	-	-673	-	-673	-	-91	-	-91
Share-based payments - personnel expenses	-	1,492	-	1,492	-	783	-	783
Actuarial gains and losses	-	64	-	64	-	-161	-	-161
Net profit for the year	-	-	22,290	22,290	-	-	14,875	14,875
At 31 December	**136,219**	**9,976**	**22,290**	**168,485**	**136,219**	**3,077**	**14,875**	**154,171**

The settlement of share-based bonuses via the purchase of treasury shares resulted in a negative financial cash flow of EUR 0.7 million in 2020 (2019; EUR 0.1 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 1.5 million was recognised under personnel expenses charged to the result in 2020 (2019: EUR 0.8 million) (see note 22). Around EUR 0.6 million of this amount pertains to the Management Board's share-based bonuses (2019: EUR 0.4 million).

The company financial statements included a statutory reserve charged to the retained earnings in the sum of around EUR 1.7 million at year-end 2020 (year-end 2019: around EUR 2.3 million) (see note 36).

18 Borrowings

As at 31 December 2020 and year-end 2019, Ordina Group has 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:

	2020						2019					
	At 1 January	Cash flows	Foreign exchange movements	Changes in fair values	Other	At 31 December	At 1 January	Cash flows	Foreign exchange movements	Changes in fair values	Other	At 31 December
Non-current borrowings	-	-	-	-	-	-	-	-	-	-	-	-
Current borrowings	-	-	-	-	-	-	-	-	-	-	-	-
Lease obligations	38,111	-11,832	-	-	10,413	36,692	-	-12,431	-	-	50,542	38,111
Dividend distribution to shareholders	-	-8,859	-	-	8,859	-	-	-4,663	-	-	4,663	-
Total liabilites from financing activities	**38,111**	**-20,691**	**-**	**-**	**19,272**	**36,692**	**-**	**-17,094**	**-**	**-**	**55,205**	**38,111**

Other changes pertaining to lease liabilities are mainly indexation obligations in lease contracts and new car lease contracts entered into in the relevant calendar years. Of the other changes in 2019 pertaining to the lease liabilities, EUR 36.1 million was the result of the first-time application of IFRS 16 Leases.

The other changes are related to the General Meeting's resolutions to pay out a dividend adopted on 10 December 2020 and 4 April 2019 respectively. Following these resolutions, in 2020 and 2019 Ordina paid out an amount of around EUR 8.9 million and around EUR 4.7 million from the net profit for 2019 and 2018 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:

	2020	2019
the Netherlands	836	1,002
Belgium/Luxembourg	179	81
At 31 December	**1,015**	**1,083**

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:

	2020	2019
Defined benefit obligation	10,420	9,734
Less: fair value of plan assets	9,584	8,732
At 31 December	**836**	**1,002**

Movements in the defined benefit obligation were as follows:

	2020	2019
At 1 January	9,734	8,160
Current service cost	-	-
Interest cost	121	163
Contributions by plan participants	-	-
Benefits paid	-75	-68
Actuarial gains and losses	640	1,479
Defined benefit obligation at 31 December	**10,420**	**9,734**

Movements in the fair value of pension plan assets were as follows:

	2020	2019
At 1 January	8,732	7,300
Expected return on plan assets	109	146
Employer contributions	29	28
Benefits paid	-75	-68
Actuarial gains and losses	789	1,326
Fair value of plan assets at 31 December	**9,584**	**8,732**

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 2020, 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 other comprehensive income was minus EUR 4.3 million (year-end 2019: minus EUR 4.4 million).

The amounts recognised in the income statement were as follows:

	Notes	2020	2019
Current service cost		-	-
Interest cost		121	163
Expected return on plan assets		-109	-146
Total, included in personnel expenses	22	**12**	**17**

The costs that will be charged to the 2021 result are expected to amount to approximately EUR 7,000. The actual return on plan assets was EUR 0.9 million (2019: EUR 1.5 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:

	2020	2019
Discount rate at 31 December	0.80%	1.25%
Expected return on plan assets	0.80%	1.25%

In the event that the discount rate were to be raised or lowered by 0.20% (2019: 0.25%) in the context of a sensitivity analysis, the obligation ensuing from the defined benefit plan would amount to EUR 10.0 million (2019: EUR 9.2 million) or EUR 10.9 million (2018: EUR 10.3 million) respectively.

Assumptions with respect to life expectancy are based on published statistics. The life expectancy at year end 2020 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:

	2020	2019
Male, age of 65	21.8	22.2
Female, age of 65	24.2	24.6
Male, age of 66	20.8	21.2
Female, age of 66	23.2	23.6
Male, age of 67	19.9	20.3
Female, age of 67	22.3	22.6

The average life expectancy in years of a participant currently 45 years of age retiring at age 65, 66 and 67 is as follows:

	2020	2019
Male, age of 65	24.1	24.2
Female, age of 65	26.4	26.5
Male, age of 66	23.2	23.2
Female, age of 66	25.4	25.5
Male, age of 67	22.2	22.3
Female, age of 67	24.4	24.5

The following is a specification of the valuation of the defined benefit obligation and the fair value of plan assets for the years 2016 through 2020:

	2020	2019	2018	2017	2016
Defined benefit obligation	10,420	9,734	8,160	8,139	7,921
Less: fair value of plan assets	9,584	8,732	7,300	7,274	7,065
Defined benefit obligation	**836**	**1,002**	**860**	**865**	**856**
Experience adjustments on plan liabilities	-640	-1,479	73	-121	-744
Experience adjustments on plan assets	789	1,326	-78	105	693

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 4.4 million at year-end 2020 (year-end 2019: EUR 3.2 million). The cash value of the obligations was EUR 4.6 million at year-end 2020 (year-end 2019: EUR 3.3 million). The provision for this plan at year-end 2020 was on balance EUR 0.2 million (year-end 2019: EUR 0.1 million).

The cumulative change for actuarial profits and losses recognised in the consolidated statement of comprehensive income was minus EUR 0.1 million at year-end 2020 (year-end 2019: minus 0.1 million).

20 Other short-term provisions

Other short-term provisions can be specified as follows:

	2020				2019			
	Projects	Redundancy costs	Other	Total	Projects	Redundancy costs	Other	Total
At 1 January	414	610	453	1,477	55	1,089	310	1,454
Reclassifications	453	-	-453	-	-	-	-	-
Additions	77	2,826	-	2,903	379	1,934	143	2,456
Unused amounts	-144	-33	-	-177	-	-90	-	-90
Used during the year	-111	-2,658	-	-2,769	-20	-2,323	-	-2,343
At 31 December	**689**	**745**	**-**	**1,434**	**414**	**610**	**453**	**1,477**
Presented as current liabilities	-	-495	-	-495	-	-610	-	-610
At 31 December	**689**	**250**	**-**	**939**	**414**	**-**	**453**	**867**

The provision for project commitments pertains to outstanding project activities related to loss-making contracts.

The provision for redundancy costs is related to the costs connected with the departure of employees at Ordina's initiative. Of the total provision of EUR 0.7 million at year-end 2020, an amount of EUR 0.5 million is recognised under accrued liabilities. At year-end 2019, the full provision for redundancy costs of EUR 0.6 million was recognised under current liabilities.

The provisions had a term of less than one year at both year-end 2020 and year-end 2019.

21 Trade payables and other current liabilities

This item can be specified as follows:

	2020	2019
Trade payables	11,713	19,178
Contract liabilities	5,265	5,345
Taxes and social security	23,660	22,511
Pension contributions	161	254
Other payables	21	66
Accruals and deferred income	26,698	25,303
At 31 December	**67,518**	**72,657**

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 2020, EUR 11.7 million pertained to payroll tax and social security contributions (year-end 2019: EUR 10.6 million) and EUR 11.6 million pertained to turnover tax (year-end 2019: EUR 11.9 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 (year-end 2019: nil).

Other current liabilities include commitments for holiday allowance, leave day 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 other debts and accrued liabilities had a term of less than one year at both year-end 2020 and year-end 2019.

The provision for redundancy costs recognised under accruals and deferred income stood at EUR 0.5 million at year-end 2020 (year-end 2019: EUR 0.6 million).

22 Personnel expenses

Personnel expenses can be specified as follows:

	2020	2019
Salaries	153,659	150,389
Social charges	28,463	29,536
Defined benefit obligation	12	17
Defined contribution obligation	8,533	8,903
Other personnel expenses	24,417	28,271
Total	**215,084**	**217,116**

Other personnel expenses include car expenses (2020: around EUR 14.2 million; 2019: around EUR 16.0 million), hotel and travel expenses (2020: around EUR 1.2 million; 2019: around EUR 3.4 million), and study costs (2020: around EUR 2.0 million; 2019: around EUR 2.5 million). The 2020 car expenses include a sum of around EUR 5.9 million for the service component in car lease contracts (2019: EUR 6.0 million). The decline in car, travel and accommodation expenses was primarily due to the fact that employees were forced to work from home for a large part of 2020.

In 2020, Ordina recognised an amount of around EUR 3.2 million under personnel expenses for redundancy costs (2019: around EUR 2.2 million). EUR 2.8 million of these redundancy costs were incurred in the Netherlands (2019: EUR 1.8 million), and the remaining EUR 0.4 million were incurred in Belgium/Luxembourg (2019: EUR 0.4 million)

Personnel expenses included an expense of approximately EUR 1.5 million for share-based payments in 2020 (2019: around EUR 0.8 million). Around EUR 0.6 million (2019: around EUR 0.4 million) of these expenses pertain to the Management Board's bonus scheme, while around EUR 0.9 million (2019: around EUR 0.4 million) pertain to the senior management's bonus scheme.

In Belgium, Ordina made use of a so-called Temporary Unemployment scheme, which was part of the government's Covid-19 support measures. As a result, the government bore part of the salary costs of employees who qualified for this Temporary Unemployment scheme. As a result, staff costs for 2020 were more than EUR 1.1 million lower.

The item personnel expenses includes an amount of around EUR 0.2 million relating to the compensation scheme for transition allowances paid in previous years to employees on long-term occupational disability (2019: nil).

The item personnel expenses includes the recognition of labour costs subsidies of around EUR 0.9 million (2019: EUR 0.9 million).

The average workforce numbered 2,572 FTEs in 2020 (2019: 2,573 FTEs). At year-end 2020, Ordina employed 2,586 FTEs (year-end 2019: 2,629 FTEs). The number of FTEs employed in the Netherlands stood at 1,626 at year-end 2020 (year-end 2019: 1,717 FTEs). The number of FTEs working at the Belgium and Luxembourg-based group companies stood at 960 at year-end 2020 (year-end 2019: 912 FTEs).

23 Other operating expenses

Other operating expenses can be specified as follows:

	2020	2019
Office accommodation costs	2,309	2,455
Marketing and selling expenses	1,629	2,085
Other expenses	8,986	9,953
Total	**12,924**	**14,493**

Office rental costs included an amount of around EUR 0.3 million in 2020 (2019: around EUR 0.3 million) related to lease contracts. In addition to office rental costs recognised in other operating expenses, under application of IFRS 16 Leases, Ordina recognised a depreciation of the rights of use on leased offices of EUR 3.6 million (2019: EUR 3.7 million) and an interest expense on the lease liability of EUR 0.6 million (2019: EUR 0.7 million) (see note 9). The service component is the only part of the office rental costs still recognised under other operating expenses.

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:

	2020			2019		
	EY the Netherlands	Other EY network	Total EY network	EY the Netherlands	Other EY network	Total EY network
Audit of the financial statements	356	50	406	353	47	400
Other assurance activities	186	1	187	148	-	148
Tax advise	-	-	-	-	-	-
Other non-audit activities	-	-	-	-	-	-
Total	**542**	**51**	**593**	**501**	**47**	**548**

24 Finance income and expenses

Finance income and expenses can be specified as follows:

	2020	2019
Finance income	-	-
Finance costs	-1,234	-1,125
Total	**-1,234**	**-1,125**

Finance expenses can be specified as follows:

	2020	2019
Interest costs finance agreement	-60	-37
Other finance costs	-224	-116
Finance costs - other	**-284**	**-153**
Finance costs - lease liabilities	-950	-972
Total finance costs	**-1,234**	**-1,125**

The other financing expenses pertain to among other things interest expenses for current account debts run up with banking institutions, availability provisions, interest expenses for the settlement of fiscal debts and pension obligations.

The interest charges 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

	2020	2019
current income tax for the year	-5,759	-4,592
current income tax prior years	-43	8
Total current income tax	**-5,802**	**-4,584**
Deferred income tax for the year	-3,293	-2,797
Deferred income tax prior years	-236	307
Deferred income tax impact rate adjustment	1,640	1,141
Total deferred income tax	**-1,889**	**-1,349**
Total	**-7,691**	**-5,933**

	2020	2019
Net profit for the year	22,290	14,875
Income tax expense	7,691	5,933
Profit before income tax	**29,981**	**20,808**
Effective tax rate	25.7%	28.5%

	2020		2019	
(in thousands)	%	Income tax expense	%	Income tax expense
Applicable tax rate	25.0	7,495	25.0	5,202
Differences with foreign tax rates	0.1	28	2.4	501
Non-deductible expenses	4.8	1,427	6.0	1,250
Remeasurement of deferred tax assets	-	-	-1.5	-305
Tax exempt income	-	4	-	6
Incidental items	-5.1	-1,541	-3.4	-722
Adjustments for prior years	0.9	278	-	1
Effective tax rate	**25.7**	**7,691**	**28.5**	**5,933**

The effective tax rate amounted to 25.7% in 2020 (2019: 28.5%). The effective tax rate in 2020 was influenced to a large degree by the movement resulting from the renewed adjustment in corporate income tax rates in the Netherlands for the years 2021 and subsequent years. As of 2021, the nominal corporate income tax rate in the Netherlands will remain at 25.0% (at year-end 2019 a reduction had been set to 21.7%). As a result of the adjustment to these future tax rate cuts, in 2020 Ordina recognised a remeasurement of its deferred tax asset of around EUR 1.6 million. At year-end 2019, Ordina had recognised a remeasurement of a previous depreciation of around EUR 1.1 million. This adjustment in the measurement is recognised under incidental items.

The adjusted effective tax rate for 2020, 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 around 31.1% (adjusted effective tax rate 2019: 34.0%). The reduction in the adjusted effective tax rate in 2020 was due in part to the reduction of the nominal tax rate in Belgium to 25.0% from 29.6%, with effect from 2020.

The nominal tax rate was 25.0% in 2020, as applicable in the Netherlands. The adjusted effective tax rate of 31.1% is around 6.1% higher than the nominal tax rate in the Netherlands. So-called non-deductible items increased the effective tax rate by around 4.8%. These non-deductible amounts pertain to result components that cannot be charged to the taxable result and include the likes of share-based bonuses and the non-deductible part of the so-called mixed expenses. In 2019, there was a difference of around 2.4% due to the rate differences in other countries, which pertained to the higher nominal tax rate applicable in 2019 in Belgium

(29.58%) and Luxembourg (25.6%). As a result of the reduction of the nominal tax rate in Belgium, the impact of foreign tax rate differences was limited to 0.1% in 2020. The remaining difference of on balance around 0.5% pertains to other differences, including adjustments for previous years, tax exempt income and the share in the results of participations..

The adjustments in 2020 for previous years were primarily related to the write-down of the deferred tax asset for tax loss carry-forwards in the Netherlands. This write-down was taken in line with the 2019 corporate income tax return. This tax return included an additional tax loss carry-forward due to the release of a reserve for a rent-free period which, pursuant to IFRS 16, was recognised as 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.

	2020	2019
Profit for the year	22,290	14,875
Average number of outstanding shares (in thousands)	93,256	93,256
Earnings per share- basic (in euros)	**0.24**	**0.16**

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.

	2020	2019
Profit for the year	22,290	14,875
Average number of outstanding shares (in thousands)	93,256	93,256
Adjustment for share-based payment obligations	1,575	1,444
Total	**94,831**	**94,700**
Earnings per share - diluted (in euros)	**0.24**	**0.16**

27 Dividend per share

A proposal will be submitted to the General Meeting to pay out 60% of the net profit for 2020, in line with the dividend policy, which results in a dividend of 14.3 eurocents per share (2019: 9.5 eurocents). and that this be increased on a one-off basis to 23.9 eurocents. Based on this proposal, including the one-off increase, the full net profit for 2020 will be paid out in dividend.

On account of uncertain market conditions due to the Covid-19 pandemic, in early 2020 Ordina decided not to propose a dividend pay-out. However, the good financial results in 2020 resulted in a strong balance sheet that provides a sufficient buffer even in uncertain times. Ordina therefore proposed that the previously cancelled dividend of 9.5 eurocents per share would be paid in the fourth quarter of 2020. The General Meeting of 10 December 2020 approved the payment of an interim cash dividend of 9.5 eurocents per ordinary Ordina N.V. share, to be paid from the general reserves. Following this decision, Ordina paid out a total of EUR 8.9 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 2020 or year-end 2019.

29 Commitments, contingencies and contractual obligations and rights

Ordina N.V. and its group companies issued guarantees for a total amount of around EUR 1.8 million in 2020 (2019: approximately EUR 1.9 million). Of these guarantees, around EUR 1.2 million is related to lease liabilities (year-end 2019: more than EUR 1.3 million) and around EUR 0.6 million pertained to client relations (year-end 2019: more than EUR 0.6 million).

Ordina has expenditure commitments totalling EUR 1.2 million (year-end 2019: nil) relatied to intangible assets and property, plant and equipment. Approximately EUR 0.9 million of this capital expenditure commitment is related to the renovation of the Nieuwegein office.

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 4.9 million for the service component of car lease contracts with a term of less than one year (2019: around EUR 5.2 million).

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 (2019: 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 2020 and 2019 can be specified as follows:

	2020				2019			
	Buildings	Cars	Other	Total	Buildings	Cars	Other	Total
Not later than 1 year	347	4,874	2,160	7,381	286	5,206	548	6,040
Later than 1 year and not later than 5 years	945	7,909	1,841	10,695	782	8,743	1,704	11,229
Later than 5 years	34	-	-	34	9	-	-	9
Totaal	**1,326**	**12,783**	**4,001**	**18,110**	**1,077**	**13,949**	**2,252**	**17,278**

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 can be reliably estimated that a legal action will result in a financial claim against Ordina. 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. The main legal procedure in which Ordina is involved is described below.

With one of its suppliers Ordina is involved in a legal procedure regarding the status, interpretation and fulfillment of a set of agreements. As a result of the evaluation of a purchase obligation of Ordina, parties committed to entering into a new agreement without such obligation by settlement agreement. Parties now differ in opinion about the status and interpretation of this new agreement, partly in the context of their composition of agreements. The supplier has initiated legal proceedings about this. Ordina takes the view that there is no question of a purchase obligation or alternative compensation. The outcome of the legal proceedings may result in significant financial impact, which cannot be estimated reliably at this time given the course of the proceedings, the complexity of the case and the stage reached in the proceedings. For the above reasons, Ordina has not set aside a provision.

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 2020, trade and other receivables valued at approximately EUR 49.5 million had been pledged as security (year-end 2019: approximately EUR 31.2 million) for the financing facility.

30 Acquisitions and disposals

30.1 Acquisitions

Ordina made no acquisitions in 2020 or 2019. As at year-end 2020 and year-end 2019, Ordina had no earn-out obligations relating to acquisitions in previous years

31 Related parties

31.1 Identiteit verbonden partijen

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 Management Board qualify as key management.

The total remuneration for Management Board and the Supervisory Board in 2020 and 2019 can be specified as follows:

	2020	2019
Salary	873	875
Variable component/short-term, cash based	348	373
Variable component/long-term, share based	594	365
Pension costs	14	12
Extraordinary items	69	92
Total	**1,898**	**1,717**

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 section Remuneration policy Management Board in the Report of the Supervisory Board.

32.2.2. 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 2020 and 2019 respectively:

	J.G. Maes		J.W. den Otter		Totaal	
	2020	2019	2020	2019	2020	2019
Salary	387	387	271	271	658	658
Variable component/short-term, cash based	205	219	143	154	348	373
Variable component/long-term, share based	349	215	245	150	594	365
Pension costs	7	6	7	6	14	12
Extraordinary items	43	64	26	28	69	92
Total	**991**	**891**	**692**	**609**	**1,683**	**1,500**

Total remuneration of the members of the Management Board combined was around EUR 1.7 million in 2020 (2019: around EUR 1.5 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, the EBITDA margin, net profit and cash flows. The non-financial targets are based on individual, clearly measurable (qualitative and quantitative) targets and pertain to client satisfaction, employee engagement, image, the implementation of the sustainability strategy and the development in the quality of the senior management. 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 2018 through 2020, Mr. Maes and Ms. Den Otter were unconditionally granted a total of 167,285 and 117,099 Ordina N.V. shares respectively. This is equivalent to a payment percentage of approximately 135.3% of the on-target remuneration. Of the total payment percentage, 94.8% pertains to the financial targets and 40.5% to the non-financial targets.

In the context of the settlement of the variable long-term bonus for the periods 2019-2021 and 2020-2022 respectively, the departing CFO, Mrs. Den Otter, has been granted a total of 86,211 shares in Ordina N.V.

The current schemes can be summarised as follows:

	Conditionally granted number of shares	Grant date	Share price at grant	Fair value on grant date	Percentage	Recognised in profit & loss 2020	Recognised in profit & loss 2019
J.G. Maes							
Regeling 2016-2018						n.a.	93
Regeling 2017-2019	123,686	25-04-18	1.79	221	135%	196	48
Regeling 2018-2020	135,724	22-03-19	1.85	251	107%	99	74
Regeling 2019-2022	94,573	12-02-20	2.16	204	85%	54	n.a.
	353,983					**349**	**215**
J.W. den Otter							
Regeling 2016-2018						n.a.	64
Regeling 2017-2019	86,580	25-04-18	1.79	155	135%	137	34
Regeling 2018-2020	95,006	22-03-19	1.85	176	107%	70	52
Regeling 2019-2022	66,201	12-02-20	2.16	143	85%	38	n.a.
	247,787					**245**	**150**
Totaal	**601,770**					**594**	**365**

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 2020 (2019: 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.

31.2.3 Shares held by the members of the Management Board

At year-end 2020, the members of the Management Board held 283,773 shares in Ordina N.V. (year-end 2019: 139,634 shares). The shares are distributed among the members of the Management Board as follows:

	2020	2019
J.G. Maes	203,857	98,579
J.W. den Otter	79,916	41,055
Total	283,773	139,634

31.2.4 Options granted to, and held by, the members of the Management Board

At year-end 2020 and year-end 2019, 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:

	2020	2019
J. van Hall, chairman	65	65
C. Princen, vicevoorzitter	47	47
D.J. Anbeek (resigned per 30 June 2020)	24	48
J. Niessen (resigned per 22 September 2020)	32	45
Michiels, F. (appointed per 30 June 2020)	23	-
Menssen, T.(appointed per 30 June 2020)	24	-
P.G. Boumeester (resigned per 4 April 2019)	n.a.	12
Total	215	217

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 2020, the members of the Supervisory Board held no shares in Ordina N.V. (year-end 2019: 14,460,967 shares). The shares are distributed among the members of the Supervisory Board as follows:

	2020	2019
J. van Hall, chairman	-	-
C. Princen, vice chairman	-	-
D.J. Anbeek	n.a.	35,000
J. Niessen (held through Mont Cervin S.a.r.l.)	n.a.	14,425,967
F. Michiels	-	n.a.
T. Menssen	-	n.a.
Total	-	14,460,967

32 Events after the balance sheet date

On 4 February 2021, F. Michiels stepped down from Ordina's Supervisory Board in connection with his appointment as COO at IT services provider Computerland, part of the NRB Group.

No other events occurred after 31 December 2020 that have a material impact on, or warrant restatement of the financial statements.

COMPANY BALANS SHEET AS AT 31 DECEMBER OF ORDINA N.V. (BEFORE APPROPRIATION OF PROFIT)

(In euro thousands)	Notes	**2020**	2019
Assets			
Non-current assets			
Investments in associates	34	174,270	157,352
Deferred income tax assets	35	4,258	6,143
Total non-current assets		**178,528**	**163,495**
Total current assets			
Other receivables		-	-
Current income tax receivables		-	2
Total current assets		**-**	**2**
Total assets		**178,528**	**163,497**

The notes 33 through 36 are an integral part of these company financial statements.

COMPANY BALANS SHEET AS AT 31 DECEMBER OF ORDINA N.V. (BEFORE APPROPRIATION OF PROFIT, CONTINUED)

(In euro thousands)	Notes	**2020**	2019
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	1,676	2,349
Retained earnings	36	8,300	728
Profit for the year	36	22,290	14,875
Total equity		**177,811**	**163,497**
Liabilities			
Current liabilities			
Current tax payable		391	-
Trade payables and other short term liabilities		326	-
Total current liabilities		**717**	-
Total liabilities		**717**	-
Total equity and liabilities		**178,528**	**163,497**

The notes 33 through 36 are an integral part of these company financial statements.

COMPANY INCOME STATEMENT

(in euro thousands)	Notes	**2020**	2019
Revenue		**-**	**-**
Bedrijfslasten			
Other operating expenses		-1	-1
Total operating expenses		**-1**	**-1**
Operating profit		**-1**	**-1**
Finance income	-	2	3
Finance costs	-	-	-
Finance costs - net		**2**	**3**
Share of profit of associates	34	22,167	16,455
Net profit for the year		**22,168**	**16,457**
Income tax expense		122	-1,582
Net profit for the year		**22,290**	**14,875**

The notes 33 through 36 are an integral part of these company financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

33 General

33.1 Basis of preparation of company financial statements

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.

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:

	2020			2019		
	Investments in group companies	Receivables from group companies	Total	Investments in group companies	Receivables from group companies	Total
Closing balance previous year	154,553	2,799	157,352	137,844	5,971	143,815
First time adoption new IFRS's	-	-	-	-276	-	-276
At 1 January	**154,553**	**2,799**	**157,352**	**137,568**	**5,971**	**143,539**
Investments/loans advanced	-6,180	867	-5,313	691	-3,172	-2,481
Actuarial gains and losses	64	-	64	-161	-	-161
Share of profit of associates	22,167	-	22,167	16,455	-	16,455
At 31 December	**170,604**	**3,666**	**174,270**	**154,553**	**2,799**	**157,352**

35 Deferred income tax assets

Deferred income tax assets can be specified as follows:

	2020	2019
Intangible assets and property, plant and equipment	185	180
Recognised tax losses	4,073	5,963
At 31 December	**4,258**	**6,143**

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 2020: around EUR 16.3 million; year-end 2019: around EUR 26.3 million). Recognition is at the nominal tax rate that will apply to future financial years. At year-end 2020, around EUR 2.2 million (year-end 2019: around EUR 4.0 million) of the deferred tax assets had a term of more than one year. For more details on the scale and measurement of Ordina's total tax loss carry-forwards, see note 12.

36 Equity

Movements in equity in 2020 and 2019 were as follows:

	2020						2019					
	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	2,349	728	14,875	163,497	9,326	136,219	2,517	-2,181	6,873	152,754
Prior-year retained earnings	-	-	-	14,875	-14,875	-	-	-	-	6,873	-6,873	-
Dividend distribution to shareholders	-	-	-	-8,859	-	-8,859	-	-	-	-4,663	-	-4,663
Share based payments - treasury shares settlement	-	-	-	-673	-	-673	-	-	-	-91	-	-91
Share-based payments - personnel expenses	-	-	-	1,492	-	1,492	-	-	-	783	-	783
Actuarial gains and losses	-	-	-	64	-	64	-	-	-	-161	-	-161
Profit for the year	-	-	-	-	22,290	22,290	-	-	-	-	14,875	14,875
Movement regarding statutory reserve	-	-	-673	673	-	-	-	-	-168	168	-	-
At 31 December	**9,326**	**136,219**	**1,676**	**8,300**	**22,290**	**177,811**	**9,326**	**136,219**	**2,349**	**728**	**14,875**	**163,497**

The share premium reserve at year-end 2020 includes share premium of approximately EUR 2.9 million which does not qualify as tax approved share premium related to share-based payments (year-end 2019: 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 2020 and year-end 2019, Ordina N.V. had not purchased any treasury shares.

At year-end 2020 and year-end 2019, 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, 17 February 2021

Management Board
J.G. Maes, *CEO*

Supervisory Board
J. van Hall, *Chairman*
C. Princen, *Vice-Chair*
T. Menssen

OTHER INFORMATION

List of group companies/principal associates

	Registered office	**Participation as a % at year-end 2020**	Participation as a % at year-end 2019
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 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 169 in the Dutch version of the Annual Report 2020.

Assurance-report

For the Assurance-report we refer to page 179 in the Dutch version of the Annual Report 2020.

Legal organogram Ordina

Ordina N.V.

Ordina Holding B.V.

Ordina Belgium N.V.

- Ordina Luxembourg S.A.
- Passwerk CVBA (37,31%)

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 Sourcing B.V.
- Facilitaire Diensten Ordina B.V.
- SourcePower B.V.
- Quli B.V. (25%)

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.

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.

Direct employee/professional: employee who can book billable hours for clients and does not have a full-time staff or management position.

Global Reporting Initiative: International organisation that draws up guidelines for corporate social responsibility reporting.

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.

Inclusive organisation (inclusivity): An organisation that has room for differences in the broadest sense of the word. This is measured as part of the employee engagement survey, by asking employees to what extent they agree with the statement 'I feel free to voice my opinion'. Respondents can answer by assigning a score -of between 1 and 10.

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).

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 ap-proached 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 expecta-tions of our services.

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.

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.

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 organi-sations, Business platforms, Digital acceleration and Security & Compliance).

Client projects 'Ahead of change': this concerns services Ordina provides that specifically express our new strategy, with the pay-off 'Ahead of change'.

Participation level: The KPI concerns the percentage of direct employees employed at Ordina at the measurement date (31 December 2020) who have followed a training course / e-leaning module.

Outflow direct employees at Ordina's request: the number of direct employees (in FTEs) whose contract was terminated at Ordina's request in 2020, expressed as a percentage of the number of direct employees (in FTEs) at year-end 2019.

Ratio of men/women: the ratio of men to women working at Ordina at year-end.

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.

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 Cash Flow (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 de-ducted 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.

Solvency: shareholders' equity as a percentage of the balance sheet total (fixed assets and current assets).

Terms and measurements used for CSR results

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 consumption are reported monthly by the lease companies and fuel card companies in the Netherlands, Belgium and Luxembourg.

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 m3) 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 kilograms 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 kilograms 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.

Energy reduction per work station for electricity: reduction in electricity consumption (in kWh) per work station (see below) in the buildings that Ordina leases, corrected for any sub-leases.

Energy reduction per work station for gas: reduction in gas consumption (in m3) per work station (see below) in the buildings that Ordina leases, corrected for any sub-leases.

Work stations: The number of desks/tables that can be adjusted in height by the user or facilities manager, with adjustable chair in a working environment that meets the terms of working conditions directives (desk with chair), measured on the basis of up-to-date drawings of the buildings that Ordina leases.

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	The world of today and tomorrow	33
102-3	Location of headquarters	Nieuwegein	Link location
102-4	Location of operations	Netherlands, Belgium and Luxembourg, The world of today and tomorrow	33, link locations
102-5	Ownership and legal form	Legal organogram, Financial statements (Group companies / Principal associates)	170, 167
102-6	Markets served	Strategic pillars, objectives & results: Satisfied and loyal clients	51
102-7	Scale of the organization	Key figures, Five-year overview, Financial statements	3, 5, 103
102-8	Information on employees and other workers	Key figures, Five-year overview, Strategic pillars, objectives & results: Engaged and driven employees, Financial statements	3, 5, 45, 103
102-9	Supply chain	Strategy and value creation	40, link Value creation model
102-10	Significant changes to the organization and its supply chain	The world of today and tomorrow, Annual results (Group companies / principal associates)	33, 167
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Standard	Disclosure title	Location part provision of information	Pagenumber or link
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102-22	Composition of the highest governance body and its committees	Governance, Report Supervisory Board	74, 84
102-30	Effectiveness of risk management process	Risks, Governance	63, 74
102-32	Highest commission or function in sustainable reporting	Governance	74
102-35	Remuneration policies	Remuneration report	91
Stakeholder engagement			
102-40	List of stakeholder groups	The world of today and tomorrow (stakeholder dialogue and Materiality matrix)	33, link Value creation model
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102-42	Identifying and selecting stakeholders	The world of today and tomorrow (stakeholder dialogue and Materiality matrix)	33, link Value creation model
102-43	Approach to stakeholder engagement	The world of today and tomorrow (stakeholder dialogue and Materiality matrix)	33, link Value creation model

Standard	Disclosure title	Location part provision of information	Pagenumber or link
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102-47	List of material topics	Value creation model, The world of today and tomorrow (stakeholder dialogue and Materiality matrix)	33, 40, link Materiality matrix
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102-49	Changes in reporting	Governance, Financial statements	74, 103
102-50	Reporting period	1 January until 31 December 2020 (publication 17 February 2020)	
102-51	Date of most recent report	Ordina annual report 2018 (publication 14 February 2019)	
102-52	Reporting cycle	Yearly	
102-53	Contact point for questions regarding the report	Colophon	179
102-54	Claims of reporting in accordance with the GRI Standards	Core option	
102-55	GRI content index	GRI-index	
102-56	External assurance	Other information	

Topic specific disclosures

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	Management approach	Strategic pillars, objectives & results: Engaged and driven employees, Report Supervisory Board	45,
Excellent services			

Standard	Disclosure title	Location part provision of information	Pagenumber or link
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	Management approach	Strategic pillars, objectives & results: Returns and social responsibility	55, link Materiality matrix
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	Management approach	Strategic pillars, objectives & results: Returns and social responsibility	55

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	The world of today and tomorrow
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, objectives & results: Engaged and driven employees
	The outcome of those policies	Yes	Strategy and value creation, Stategic pillars, objectives & 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	Strategy and value creation, Stategic pillars, objectives & 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, objectives & results: Returns and social responsibility
	The outcome of those policies	Yes	Strategy and value creation, Stategic pillars, objectives & 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, objectives & 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 & design:
Cascade - visuele communicatie bv

Photography:
Wessel de Groot
Wilco Dijen
AgroEnergy
Schiphol
KBC
Nationale Politie
Ecopower