Financial statements

Contents

Consolidated statement of financial position as at 31 December

(Before appropriation of profit)

(In euro thousands)	Notes	2022	2021
Assets			
Non-current assets			
Intangible assets	8	130,916	132,677
Right-of-use assets	9	29,318	32,613
Property, plant and equipment	10	8,137	7,058
Investments in associated companies	11	319	326
Deferred income tax assets	12	6,004	8,564
Total non-current assets		**174,694**	**181,238**
Current assets			
Trade receivables	14	47,693	41,195
Unbilled receivables	14	17,776	16,125
Contract assets	14	9,786	7,806
Other current assets	14	4,768	2,903
Cash and cash equivalents	15	37,205	43,599
Total current assets		**117,228**	**111,628**
Total assets		**291,922**	**292,866**

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

Consolidated statement of financial position as at 31 December

(Before appropriation of profit) (continued)

(In euro thousands)	Notes	2022	2021
Equity and liabilities			
Equity			
Issued capital	16	9,002	9,326
Share premium reserve	17	124,433	136,219
Retained earnings	17	14,203	8,805
Net profit for the year	17	23,895	24,598
Total equity		**171,533**	**178,948**
Liabilities			
Non-current liabilities			
Employee related provisions	19	555	912
Lease liabilities	9	19,520	24,018
Other provisions	20	-	1,481
Deferred income tax liabilities	12	458	525
Total non-current liabilities		**20,533**	**26,936**
Current liabilities			
Lease liabilities	9	10,777	10,503
Other provisions	20	1,424	2,391
Trade payables	21	17,191	10,705
Contract liabilities	21	6,871	5,889
Other current liabilities	21	61,636	56,153
Current income tax payable		1,957	1,341
Total current liabilities		**99,856**	**86,982**
Total liabilities		**120,389**	**113,918**
Total equity and liabilities		**291,922**	**292,866**

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

Consolidated statement of profit and loss

(in euro thousands)	Notes	2022	2021
Revenue from contracts with customers	6	**429,416**	**394,471**
Operating expenses			
Cost of hardware, software and other direct costs		-5,433	-5,832
Subcontracted work		-113,069	-98,756
Personnel expenses	22	-247,118	-225,145
Amortisation intangible assets	8	-1,692	-1,722
Depreciation right-of-use assets	9	-10,972	-10,648
Depreciation property, plant and equipment	10	-2,369	-2,069
Other operating expenses	23	-13,407	-14,549
Total operating expenses		**-394,060**	**-358,721**
Operating profit		**35,356**	**35,750**
Finance income	24	-	-
Finance costs	24	-1,357	-1,301
Share of profit of associated companies	11	-7	2
Profit before tax		**33,992**	**34,451**
Income tax expense	25	-10,097	-9,853
Net profit for the year		**23,895**	**24,598**
Net profit is attributable to:			
Shareholders of the company		23,895	24,598
Net profit for the year		**23,895**	**24,598**

(In euro's)	Notes	2022	2021
Earnings per share - basic	26	0.26	0.26
Earnings per share - diluted	26	0.26	0.26

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

Consolidated statement of comprehensive income

(in euro thousands)	Notes	2022	2021
Net profit for the year	17	**23,895**	**24,598**
Items not to be reclassified to profit or loss in subsequent periods			
Actuarial gains and losses on defined benefit plans	17/19	335	153
Tax related to actuarial gains and losses on defined benefit plans	12/17	-85	-38
Other comprehensive income for the year, net of tax		**250**	**115**
Total comprehensive income for the year		**24,145**	**24,713**
Total comprehensive income for the year is attributable to:			
Shareholders of the company		24,145	24,713
Total comprehensive income for the year		**24,145**	**24,713**

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

Consolidated statement of changes in equity

(in euro thousands)	Notes	2022 Issued capital	2022 Share premium reserve	2022 Retained earnings	2022 Net profit for the year	2022 Total	2021 Issued capital	2021 Share premium reserve	2021 Retained earnings	2021 Net profit for the year	2021 Total
At 1 January		9,326	136,219	8,805	24,598	178,948	9,326	136,219	9,976	22,290	177,811
Net profit for the year	17	-	-	-	23,895	23,895	-	-	-	24,598	24,598
Other comprehensive income											
Actuarial gains and losses on defined benefit plans	17/19	-	-	335	-	335	-	-	153	-	153
Tax related to actuarial gains and losses on defined benefit plans	12/17	-	-	-85	-	-85	-	-	-38	-	-38
Other comprehensive income for the year, net of tax		**-**	**-**	**250**	**-**	**250**	**-**	**-**	**115**	**-**	**115**
Total comprehensive income for the year		**-**	**-**	**250**	**23,895**	**24,145**	**-**	**-**	**115**	**24,598**	**24,713**
Transactions with shareholders											
Appropriation of profit previous year	17/27	-	-	24,598	-24,598	-	-	-	22,290	-22,290	-
Dividend distribution	17/27	-	-	-14,734	-	-14,734	-	-	-22,288	-	-22,288
Treasury shares purchased related to the share buy-back program	16/17	-324	-11,786	-2,890	-	-15,000	-	-	-	-	-
Shares purchased related to the share-based payments settlement	16/17	-	-	-2,802	-	-2,802	-	-	-2,602	-	-2,602
Share-based payments - personnel expenses	17/22	-	-	976	-	976	-	-	1,314	-	1,314
Total transactions with shareholders		**-324**	**-11,786**	**5,148**	**-24,598**	**-31,560**	**-**	**-**	**-1,286**	**-22,290**	**-23,576**
At 31 December		**9,002**	**124,433**	**14,203**	**23,895**	**171,533**	**9,326**	**136,219**	**8,805**	**24,598**	**178,948**

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

Consolidated statement of cash flows

(in euro thousands)	Notes	2022	2021
Operating activities			
Net profit for the year		23,895	24,598
Adjustments for			
Finance costs -net	9/24	1,357	1,301
Share of profit of associated companies	11	7	-2
Income tax expense	25	10,097	9,853
Amortisation intangible assets	8	1,692	1,722
Depreciation right-of-use assets	9	10,972	10,648
Depreciation property, plant and equipment	10	2,369	2,069
Movements in provisions	19/20	-47	560
Share-based payments	16/17/22/31	976	1,314
Working capital changes			
Movements in receivables		-11,521	-6,302
Movements in current liabilities		11,315	4,870
Cash generated from operations		51,112	50,631
Interest paid		-1,065	-1,143
Income tax paid	7	-7,074	-7,091
Net cash flow from operating activities		**42,973**	**42,397**

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

Consolidated statement of cash flows (continued)

(in euro thousands)	Notes	2022	2021
Investing activities			
Acquisition of a subsidiary, net of cash acquired	20/30	-1,000	-3,489
Purchase of intangible assets	8	-	-67
Purchase of property, plant and equipment	10	-4,006	-4,918
Proceeds from sale of property, plant and equipment	10	76	104
Net cash flows used in investing activities		**-4,930**	**-8,370**
Financing activities			
Lease payments	9	-11,901	-9,943
Shares purchased related to the share-based settlement	16/17	-2,802	-2,602
Dividends paid to shareholders	17/27	-14,734	-22,288
Treasury shares purchased related to the share buy-back program	16/17	-15,000	-
Net cash flows used in financing activities		**-44,437**	**-34,833**
Net movement in cash and cash equivalents		**-6,394**	**-806**

(in euro thousands)	2022	2021
Net movement in cash and cash equivalents	-6,394	-806
Cash and cash equivalents at beginning of year	43,599	44,405
Cash and cash equivalents at end of year	**37,205**	**43,599**

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

Notes to the consolidated financial statements

1 General information

Ordina N.V. is a public limited liability company, incorporated in 1973 in the Netherlands and has its registered office at Ringwade 1, 3439 LM Nieuwegein, the Netherlands, under Trade Register number 30077528. Ordina N.V. shares have been listed on the Euronext Amsterdam stock exchange since 1987 and are included in the Small Cap Index (AScX).

The Management Board prepared the consolidated financial statements for the year ending 31 December 2022 for Ordina N.V. and all its group companies (jointly referred to as Ordina) on 15 February 2023. The consolidated financial statements were approved for publication by the Supervisory Board on 15 February 2023. They will be submitted for adoption to the General Meeting of 6 April 2023.

Ordina is the digital business partner that harnesses technology and market know-how to give its customers an edge. We do this by using smart solutions to connect technology, business challenges and people. We help our customers to accelerate, to develop smart applications, to launch new digital services and ensure that people embrace those services.

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.

Fluctuations in the economic climate, for example due to an unstable (geo)political situation may have an impact on Ordina. The macro economic outlook has been adjusted downwards during the year 2022, but is also surrounded by a great deal of uncertainty. The war in Ukraine and the impact on global supply chains could have an impact on our clients and therefore an indirect impact on Ordina. Based on current developments the impact of the war in Ukraine on Ordina in the immediate future is limited.

Ordina's revenue in 2022 increased to EUR 429.4 million (2021: EUR 394.5 million), while the net result amounts to EUR 23.9 million (2021: EUR 24.6 million). The company's free cash flow was EUR 27.1 million in 2022 (2021: EUR 27.6 million). The general direction is very positive for our sector. At the same time, there is considerable uncertainty in the wider economy. We need to consider the possibility of a global recession, find ways to cope with accelerating inflation, and make room to continue paying our people in a way that maintains a high standard of living. The fact that our clients are facing complex challenges is all the more reason to accelerate our existing strategy in becoming a digital business partner. Although we expect to encounter some roadblocks, our activities this year have put us in a much stronger position to help our clients stay ahead of change – whatever the future holds.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and also comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code.

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

Ordina has prepared the financial statements on the basis that it will continue to operate as a going concern.

The consolidated financial statements are presented in euro (EUR) and stated in thousands of euros, unless otherwise indicated, as a result of which rounding differences may occur. The consolidated financial statements have been prepared on a historical cost basis, unless indicated otherwise. Personnel-related provisions ensuing from defined benefit plans are stated at present value applying IAS 19.

The financial statements provide comparative figures in respect of the previous periods. The financial statements are prepared consistently with prior year and there are no differences in opening balances.

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 assumed to be reasonable under the circumstances, the result of which forms the basis for making aforesaid judgments about the carrying amounts of the recognized assets and liabilities. Actual results and circumstances may differ from these estimates.

The estimates and underlying assumptions are continuously evaluated and adjusted where appropriate. Revisions to accounting estimates are recognized 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

Ordina applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated). Ordina has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

New standards and amendments to existing standards in 2022 have no material impact on Ordina's capital and results, nor on the notes to the financial statements. The published amendment of IAS 37 related to onerous contracts, which must be applied from 1 January 2022, had no material impact for Ordina, as Ordina already recognizes this item in line with the amended standard.

Published standards which have not yet come effective
At year-end 2022, various new and amended standards and interpretations have been published but were not yet effective at the time of publication of these financial statements. Ordina will apply these new and amended standards and interpretations, insofar as applicable, as soon as they come effective.

Any published, new and amended IFRS standards and interpretations that are not yet applicable to reporting periods commencing on 1 January 2022 have not been applied early. We do not expect new standards that become applicable after 2022 to have a material impact on Ordina's capital and results, nor on the notes to the financial statements.

2.2 Basis of consolidation

Group companies are all entities over which Ordina has control. Control is achieved when Ordina is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of such group companies are included in the consolidated financial statements of Ordina N.V. from the date Ordina gains control until the date that it ceases control. All group companies included in the consolidated financial statements for 2021 and 2022 are wholly owned by Ordina. Consequently, there is no third party non-controlling interest.

The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, Ordina elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Intercompany balances, transactions and unrealized gains on transactions between group companies are eliminated upon consolidation. Transactions with associated companies are eliminated in the consolidation to the extend of Ordina´s share in the associated company in question.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with Ordina's accounting policies.

Other investments in associated companies all relate to minority interests in companies in which Ordina has significant influence, but not control. Significant influence is generally assumed in the case of a shareholding of between 20% and 50% of the voting rights. These investments are accounted for using the equity method. Under the equity method, the investment in an associated company or a joint venture is initially recognized at cost (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

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

2.4.2 Translation other currencies

Where applicable, foreign currency transactions and balances are translated to the functional currency (euro) using the exchange rates prevailing at the transaction date and reporting date respectively. Foreign exchange gains and losses are recognized in the statement of profit or loss.

2.5 Intangible assets

2.5.1 Goodwill

Business combinations are accounted for using the acquisition method. 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. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, Ordina elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Any contingent consideration to be transferred by Ordina will be recognized at fair value at the acquisition date, with changes in fair value being recognized in profit or loss. Goodwill is initially measured at cost. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Acquisition-related costs are expensed as incurred and included in administrative expenses.

Ordina determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort or delay in the ability to continue producing outputs.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of Ordina's cash-generating units (operating segments) that are expected to benefit from the combination. Impairment of goodwill is recognized as an expense and is not subsequently reversed. If Ordina loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Any negative goodwill (badwill) arising from an acquisition is recognized directly in profit or loss.

Goodwill related to associated companies or joint ventures is included in the carrying amount of the investment and is not tested for impairment separately.

2.5.2 Software

Software licences acquired separately are measured on initial recognition at cost. Costs of a separately acquired intangible asset comprises its purchase price and any directly attributable costs of preparing the asset for its intended use. Internally developed software is capitalised insofar as the costs are the result of the development and testing phase of a project and when Ordina can demonstrate:

- the technical feasibility of completing the asset so that the asset will be available for use or sale;
- there is an intention to complete the project and an ability to use or sell the software;
- the software will generate future economic benefits;
- the availability of resources to complete the software;
- it is possible to reliably measure the expenditure during development.

Directly attributable costs that are attributed to internally developed software comprises personnel costs and directly attributable external costs. Other expenses relating to internally developed software that do not meet the criteria are expensed as incurred.

Software has a finite useful life and is amortised using the straight-line method over the useful economic life of the software and assessed for impairment whenever there is an indication that the software may be impaired. Amortisation is charged to the statement of profit or loss. Internally developed software is amortised from the date it is taken into use.

2.5.3 Intangible assets related to customers

The intangible assets related to customers relate to the intangible assets of acquisitions and include brand names and client and contract portfolios identified in accordance with IFRS 3 (Business Combinations) and are recognized and measured at fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

2.5.4 Amortisation of intangible assets

Amortisation is calculated using the straight-line method to allocate the costs of intangible assets over their estimated useful lives. Goodwill is not amortised and tested annually for impairment at each reporting 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 management are as follows:

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

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

2.6 Leases

Ordina assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

2.6.1 Right-of-use assets

Ordina recognizes a right-of-use asset at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred and lease payments made prior to or at the moment Ordina enters into the lease, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the asset.

The estimated useful lives of the leased assets are as follows:

- Cars 2-5 years
- Rental buildings 2-10 years
- Other 2-4 years

The lease contracts that Ordina enters into do not include a purchase option that can be exercised with any reasonable degree of certainty. Right-of-use assets are assessed for impairment.

2.6.2 Lease liabilities

At the commencement date of the lease, Ordina recognizes a lease liability measured at present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

If it is not possible to determine the interest rate implicit in the lease, the present value is calculated on the basis of an incremental borrowing rate (IBR) 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. The IBR is the rate of interest that Ordina would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what Ordina 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). Ordina estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2.6.3 Short-term leases and low-value leases

Ordina applies the short-term lease recognition exemption to its short-term leases of equipment and rental cars (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Ordina also applies the low-value assets recognition exemption to leases that are considered to be of low value (less than EUR 5,000). Payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

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 or terminate the lease. Ordina has various lease contracts that include an extension option. Any measurement takes into account the extension option, insofar as it is reasonably certain that Ordina will make use of the extension option or any option to terminate the lease, if it is reasonably certain it will not be exercised. 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 considered 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 general 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 cost less accumulated depreciation and impairment losses, which includes expenditure that is directly attributable to the acquisition or manufacture of the asset. Subsequent costs are included in the carrying amount of the asset or recognized 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 recognized in the statement of profit or loss during the financial period in which they are incurred.

Land is stated at cost less impairment losses. Government grants received in connection to the acquisition of land are deducted from the acquisition price.

An item of property, plant and equipment initially recognized is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal.

2.7.2 Depreciation

Depreciation of property, plant and equipment is calculated using the straight-line method on the basis of the estimated useful life of an asset as estimated by management.

The estimated economic life of property, plant and equipment used to calculate the depreciation is as follows:

- Land: unlimited
- Renovations: 2-10 years
- Equipment: 2-4 years
- Fixtures and fittings: 3-5 years

Building renovations 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 reporting date and adjusted when appropriate.

2.8 Investments in associated companies

Associated companies are all entities over which Ordina has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associated companies are accounted for using the equity method. Under the equity method, the investment in an associated company is initially recognized at cost and the carrying amount is increased or decreased to recognize Ordina's share of the net asset of the associated company after the date of acquisition. Goodwill relating to the associated company or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit and loss reflects Ordina's share of the result of operations of the associated company. Any change in other comprehensive Income (OCI) of those associated companies is presented as part of Ordina's OCI.

When its share of losses in an associated company equals or exceeds the carrying amount of the associated company, Ordina does not recognize further losses, unless it has issued guarantees for the associated company, incurred obligations or made payments on behalf of the associated company. In the event of obligations not shown on the statement of financial position relating to associated companies for which Ordina can be held liable, these are included in the contingent and contractual obligations not shown on the balance sheet (see note 29).

2.9 Trade receivables and other current assets

Trade receivables and other current assets are initially recognized at the transaction price and subsequently measured at amortised cost using the effective interest method, less any expected credit losses. In accordance with IFRS 9 'Financial instruments', Ordina recognizes an allowance for expected credit losses (ECLs) for trade receivables, unbilled receivables and contract assets based on the expected settlement terms of said assets. The allowance for expected credit losses is determined on the basis of historical credit losses on trade receivables, unbilled receivables and contract assets, adjusted for economic developments and future expectations relevant to the specific receivables. The amount of the provision for expected credit losses is recognized in the profit or loss under other operating expenses.

Other current assets include unbilled receivables, contract assets, other receivables and prepayments.

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 recognized if this right to payment arises before the client makes this payment or before payment is due. Contract assets are recognized under other current assets, insofar as these contract assets have already exceeded the amounts billed for these projects. A contract liability is the obligation to transfer goods or services to a client, for which Ordina has received payment from the client. Contract liabilities are recognized as income when Ordina has met its contractual performance obligation.

If the contract liabilities for current projects exceed the sum of the costs incurred and gains realised, the balance of these projects is recognized 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

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated statement of financial position, bank overdrafts are shown within 'borrowings' in current liabilities.

2.11 Assets and liabilities held for sale

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification. Assets held for sale are measured at the lower of their carrying value and fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

2.12 Impairment of non-financial assets

Intangible assets that have an indefinite 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 finite 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 recognized for the amount by which the carrying amount of an asset 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 of disposal 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 pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of 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 recognized for goodwill will never be reversed.

An impairment loss recognized for other assets is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized. It is assessed at each reporting date whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist or may have decreased. If there is such an 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 issuance of shares and charged to the shareholders' equity.

2.13.2 Treasury shares

When Ordina N.V. repurchases its own shares (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 costs and the related income tax effects, is credited to the shareholders' equity. In the event that treasury shares are cancelled, the value above the nominal value of those shares are deducted from the share premium reserve and the retained earnings based on the ratio of these reserves at the beginning of the financial year in which the shares are cancelled.

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 plans 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 pension 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 are recognized as employee benefit expenses in the period in which the related services are received. Ordina has no other obligations in relation to defined contribution plans.

2.14.1.2 Defined benefit plans
The liability recognized in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries based on actuarial assumptions 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 arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise. Pension costs incurred during the year (including costs, interest expenses and expected returns on plan assets) are recognized in the statement of profit or loss.

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 to the Management Board 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 awarded shares for which its proceeds will be used to fulfil any tax obligations related to the delivery of the shares.

The cost for share-based payments is recognized in employee benefits expense, together with a corresponding increase in equity (retained earnings), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and Ordina's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period. In the event that new shares are issued upon settlement, the recognized value of the share based payments is recognized as a payment on the newly issued shares. If previously issued shares are purchased to meet the obligations of the share scheme, this purchase results in an outgoing cash flow from financing activities (see also note 2.13.2).

2.15 Provisions

Provisions are recognized in the statement of financial position when the following conditions are met:
- there is a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present 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. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

In addition to the provision for defined benefit plans referred to in section 2.14.1.2, provisions are recognized for restructuring costs, current warranty and project commitments, onerous contracts and unsettled earn-out obligations.

A provision for restructuring costs will be recognized 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 recognized for warranty commitments pending at the reporting date. This provision is based on the activities that are expected to be performed under these commitments. Initial recognition is based on the cost of the expected activities. The estimate of warranty-related costs is revised annually.

The provision for onerous contracts relates to activities expected to be performed with regard to these 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.

2.16 Trade payables and other current liabilities

Trade payables and other current liabilities are initially recognized at fair value and are subsequently measured at amortised cost using the effective interest method.

2.17 Revenue from contracts with customers

Ordina is active in the IT services sector. Revenue from contracts with customers is recognized when Ordina has met its performance obligations and has effectively transferred control of the goods or services to the customer. Revenue is recognized at the amount that reflects the consideration to which Ordina expects to be entitled in exchange for those goods and services.

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 are separate performance obligations within a contract. A performance obligation is a promise to a customer to deliver goods and/or services. A performance obligation may concern an individual service or good or 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 recognized 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 consideration, significant financing components, non-cash payments and payments that are made to the customer.

When determining the transaction price, Ordina takes into account variable considerations insofar as it is highly probable there will be no significant reduction in this variable consideration in the cumulatively recognized revenue. Estimates with respect to variable consideration are periodically re-evaluated and updated when necessary.

Ordina applies the practical expedient for short-term advances received from customers. That is, the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promised good or service and the payment is one year or less. Ordina's contracts concerning the delivery of IT services and/or the sale of software have in general a period of less than one year between the transfer of the promised goods or service and the payment.

Any overall discount compared to the aggregate of standalone selling prices is allocated between performance obligations on a relative standalone selling price basis. In certain circumstances, it may be appropriate to allocate such a discount to some but not all of the performance obligations.

Compensation or a penalty payment is taken into account in determining the transaction price, unless it is highly probable that Ordina is not bound to pay the compensation to its customer.

Ordina recognizes revenue from IT services over time, given that Ordina's performance creates an asset that the customer controls as the asset is created, and/or Ordina's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date. In the case of fixed-rate projects, Ordina recognizes revenue on the basis of the ratio of the costs already incurred to the total amount of costs it expects to incur.

Ordina recognizes revenue from the sale of hardware and/or software at the point in time when control of the asset is transferred to the customer.

Ordina sometimes closes contracts with customers that involve Ordina, acting on behalf of its customer, 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 acts as an agent and only recognizes revenue for the margin realised. If Ordina does have control of the goods or services during the delivery, it acts as a principal and recognizes revenue for the gross amounts.

2.18 Costs

2.18.1 Costs of hardware, software, other direct costs and subcontracted work

Costs of hardware, software, other direct costs and subcontracted work are expensed in the period in which the corresponding income is recognized.

2.18.2 Lease payments

Lease payments are primarily recognized in line with note 2.6 Leases. Payments part of a lease agreement that do not qualify as lease payment (such as payments for service components) or short-term lease payments and low value lease payments are expensed on a straight-line basis over the period of the lease.

2.18.3 Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants that are receivable as a compensation for expenses or losses already incurred are recognized in the statement of profit or loss in the period in which they become receivable. Ordina presents such government grants as a reduction to the related expenses in the statement of profit and loss.

2.18.4 Finance income and costs

Finance income includes interest on loans granted, current account balances held with banks, and interest payments for settlement of tax receivables. Finance income is recognized using the effective interest method.

Finance costs comprises 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. Where applicable, the interest component of lease liabilities is also recognized as finance costs (see note 2.6.2). Finance costs are recognized in the statement of profit and loss using the effective interest method.

2.19 Income taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where Ordina operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

Deferred taxes are recognized 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 reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets for tax losses are recognized only when it is probable that taxable profits will be available against which they can be utilised.

Ordina offsets deferred tax assets and deferred tax liabilities only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3 Presentation of the statement of cash flows

Ordina prepares the statement of cash flows using the indirect method. The statement of cash flows distinguishes between cash flows from operating activities and those from investment and financing activities.

Net cash flow from operating activities include income and expenses before taxes, as well as interest received and paid (including interest payments related to lease liabilities) and taxes received and paid.

Cash flows arising from the acquisition or disposal of financial interests (participations and investments) are included in cash flows from investing activities net of any cash and cash equivalents held by such interests.

Lease payments (excluding the interest component) and dividends paid out are presented as part of cash flows from financing activities.

4 Financial risk management

Ordina's activities are exposed to a variety of financial risks, including market risk, credit risk and liquidity risk. The Management Board has the overall responsibility for risk management. Ordina's risk management 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, implementation and the supervision of 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 is related 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

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. 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.

The non-current interest-bearing borrowings at year-end 2022 and 2021 are limited to lease liabilities.

With respect to the interest-bearing bank borrowings ensuing from the current account credit facility, Ordina is due a floating interest rate calculated on the basis of the one-month EURIBOR plus a fixed margin of 0.7%. The existing financing facility agreement ends as of July 2024. The use of the current account credit facility depends on Ordina's liquidity requirements. In 2022 no use was made of the 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. Ordina's income is therefore almost entirely independent of changes in interest rates. When the financing facility has to be used in the future, the financing costs will increase as a result of the increased interest rates.

4.1.2 Currency risk

Currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. All of Ordina's group companies are based in the Eurozone, where most of their revenue is realized. 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 2022 as limited.

4.2 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or contract, leading to a financial loss. Ordina is exposed to credit risk from its operating activities (primarily trade receivables) and from its finance activities.

Credit risk is managed on a group basis. Credit risk arises on cash and cash equivalents, derivative financial instruments and transactions with customers, 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 customers 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 customers based on internal guidelines, taking into account their financial position, past experience and other factors. The exposure to credit risk related to customers 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 customers is limited in view of the individual size and independent position of the various customers. 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 customers defaulting on their obligations. Customers are assessed continually and individually for compliance with payment terms. The findings are periodically reported to the Management Board. We refer to note 14 of this annual report for further information on trade receivables.

The Management Board qualifies the credit risk related to customers as limited at year-end 2022. As a result of macro-economic developments and inflation, we could see an increase in credit risk at specific customers. To date, there has been an extremely limited visible increase in credit risk within Ordina's client portfolio. There is also some question of a concentration of risks in situations that involves 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 their respective Chamber of Commerce.

4.3 Liquidity risks

Liquidity risk is the risk that Ordina cannot meet its financial obligations. The objective 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 2022, Ordina has a committed facility of EUR 30.0 million which was not used in 2022. The committed facility consists entirely of a current account credit facility. The maximum term is five years, with an initial term of three years and an option to extend the term twice by one year. In 2021, Ordina reached an agreement with its banks to extend the credit facility for a second period of one year, as a result of which the agreement now ends in July 2024. For information on the available credit facilities and the applicable covenants, we refer 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 summarises the maturity of Ordina's financial liabilities based on contractual undiscounted payments:

	2022				2021			
		Maturity date				Maturity date		
	Financial liability	< 1 year	within 1 to 2 years	> 2 years	Financial liability	< 1 year	within 1 to 2 years	> 2 years
At 31 December								
Borrowings	-	-	-	-	-	-	-	-
Lease liabilities	-31,644	-11,283	-8,083	-12,278	-35,921	-11,242	-9,122	-15,557
Trade payables	-17,191	-17,191	-	-	-10,705	-10,705	-	-
Other current liabilities	-33,913	-33,913	-	-	-30,924	-30,924	-	-

4.4 Capital risk management

Capital is managed centrally to safeguard Ordina's ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital and provide returns for shareholders.

Instruments for achieving an optimal capital structure are dividend policy, the option to purchase treasury shares and the option to issue new shares, in particular to fund potential acquisitions or to reduce debt.

At year-end 2022, Ordina's solvency stood at around 59% (year-end 2021: around 61%). Solvency at year-end 2022 was slightly down compared to year-end 2021. This decrease is partly due to the EUR 15 million share buy-back program that was executed in 2022.

Any impairment of goodwill has a major impact on the solvency ratio. If it is assumed in the context of a sensitivity analysis that there will be an impairment of 20%, Ordina's solvency would have stood at around 55% at year-end 2022. Ordina considers a solvency rate (ratio of shareholders equity to the total of the statement of financial position excluding goodwill) of 25% as a responsible minimum. Excluding goodwill, solvency stood at around 26% at year-end 2022 (year-end 2021: around 31%).

5 Significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent assets and liabilities. Estimates and judgments are evaluated continuously and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Ordina's management makes estimates and assumptions concerning the future on an ongoing basis. The accounting estimates and assumptions used will, by definition, seldom equal actual results.

The estimates and assumptions that carry a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

5.1 Impairment of goodwill

For the (groups of) cash-generating units, Ordina tests at least once a year for impairment of goodwill attributed to the relevant (groups of) cash-generating units (see section 2.12). An impairment of goodwill is recognized when the carrying amount exceeds its recoverable amount. These calculations involve certain estimates and assumptions for example regarding to revenue growth, development in costs, margins, investments and working capital for a five-year period. The recoverable value is the higher of fair value less disposal costs and the value in use. The actual situation may deviate from these estimates. For a more detailed explanation of the impairment test see note 8.6.

5.2 Revenue from contracts with customers

Ordina recognizes revenue on the basis of the amount it expects to receive in exchange for the goods and services it delivers (see accounting policy 2.17 and note 6). In the event of fixed-price contracts, Ordina recognizes revenue on the basis of the ratio of the costs already incurred and total expected costs. The expected costs are determined on the basis of periodically available information regarding the status of the projects in question, as well as on the basis of past experience of comparable situations. The actual situation may deviate from these estimates.

5.3 Restructuring provision

Ordina recognizes a restructuring provision when it has prepared a detailed formal plan for the restructuring and has started to implement the restructuring or announced it publicly (see accounting policy 2.15). Restructuring provisions include estimates and assumptions involving redundancy and severance payments. The actual situation may differ from these estimates.

5.4 Onerous contracts

The amount of the provision for onerous contract corresponds to the excess of the unavoidable costs Ordina will incur to meet the obligations under such contracts over and above the economic benefits expected to be received from said contracts (see accounting policy 2.15 and note 20). The actual situation may differ from these estimates.

5.5 Legal procedures as a result of conflicts with customers or suppliers

In the pursuance of our activities, we may face discussions related to the (financial) settlement of contractual relationships with customers or suppliers. At the moment such a discussion escalates into a claim, Ordina assesses whether this meets the conditions that would require Ordina to recognize a provision (see accounting policy 2.15 and note 20). The actual outcome of a legal procedure may deviate from said estimation of whether a provision should be set aside and, if so, for what amount.

5.6 Economic developments and unstable (geo)political circumstances

Fluctuations in the economic climate, for example due to an unstable (geo)political situation in combination with a relatively fixed cost structure or supply chain dynamics, have a direct impact on the results of Ordina. The macro-economic outlook has been adjusted downwards during 2022, but is also surrounded by a great deal of uncertainty. Rising inflation and the tight labor market are pushing up wage costs. This has a direct impact on our profitability. To date, we have been able to compensate for increased wage costs by raising our rates. In the future, this may lead to timing differences with a concomitant financial impact. The direct impact of the war in Ukraine on Ordina is limited. The war in Ukraine could have an impact on our clients and therefore an indirect impact on Ordina. Despite the fact that the impact of the war in Ukraine on our company has been relatively limited so far, the impact may be different in the future.

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.

	2022			2021		
	the Netherlands	Belgium / Luxembourg	Total	the Netherlands	Belgium / Luxembourg	Total
Type of goods or service						
Sale of hardware and software	177	429	606	338	1,042	1,380
IT services	283,181	145,629	428,810	258,857	134,234	393,091
Total revenue from contracts with customers	**283,358**	**146,058**	**429,416**	**259,195**	**135,276**	**394,471**
Timing of revenue recognition						
Goods transferred at a point in time	221	223	444	338	916	1,254
Services transferred over time	283,137	145,835	428,972	258,857	134,360	393,217
Total revenue from contracts with customers	**283,358**	**146,058**	**429,416**	**259,195**	**135,276**	**394,471**

	2022	2021
Revenue by market		
Public	183,777	163,853
Finance	112,833	103,699
Industry	132,806	126,919
Total	**429,416**	**394,471**

Ordina recorded revenue growth in all its markets in 2022, with the public sector achieving the strongest growth at 12.2%, while also being the largest market with revenue of EUR 183.8 million (2021: EUR 163.9 million). In the public sector, Ordina started numerous new high performance teams in 2022. In 2022 we also realized strong growth in the business platforms & cloud business proposition. Revenue growth was partly achieved via the use of more subcontractors as a result of contractual tender obligations.

Revenue from the financial services segment came in 8.8% higher at EUR 112.8 million (2021: EUR 103,7 million). Financial service providers are also making extensive use of Ordina's high performance teams. Also health insurers and financial institutions are devoting a great deal of attention to digital customer interaction and digital transformation issues.

Ordina operates in a number of subsectors in the industry market, such as utilities, logistics and life sciences. Revenue in the industrial market increased by 4.6% to EUR 132.8 million in 2022 (2021: EUR 126.9 million). In the industry market, we operate at a greater number of relatively small clients. Based on our strategic objective to grow from a valuable IT partner to a digital business partner with our clients, we are focusing on our top 70 clients. This resulted in a shift of revenue from this market to our other markets.

Business proposition revenue as a percentage of total revenue amounts to 47% in 2022 (2021: 40%). For a definition of the revenue from business propositions we refer to the glossary (page 184).

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 2022	31 December 2021
Trade receivables - net	47,693	41,195
Unbilled receivables	17,776	16,125
Contract assets	9,786	7,806
Contract liabilities	6,871	5,889
Provisions for onerous contracts	1,424	1,449

The trade receivables are non-interest-bearing and are subject to payment terms ranging from 20 to 90 days. Billing takes place immediately after the fulfilment of the performance obligation, on the basis of the contract agreement with the customer 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 receivables relate to fulfilled performance obligations for which customers will be billed in the near future.

Contract assets relate to revenue earned from ongoing services. As such, the balances of this item vary and depend on the number of ongoing contracts at the end of the year.

At year-end 2022, Ordina recognizes a provision for expected credit losses on trade receivables, unbilled receivables and contract assets of around EUR 0.5 million (year-end 2021: around EUR 0.7 million).

A contract liability is recognized if a payment is received or a payment is due (whichever is earlier) from a customer before Ordina transfers the related goods or services. It is expected that performance obligations on contract liabilities will be fulfilled within a period of 1 year ('practical expedient' IFRS 15.121). Contract liabilities are recognized as revenue when Ordina performs under the contract (i.e. transfer control of the related goods or services to the customer). All contract obligations recognized at year-end 2021 resulted in revenue in 2022.

The provisions for onerous contracts are related to work still to be carried out on onerous contracts (see note 20).

6.3 Performance obligations

Information about the performance obligations of Ordina are summarised below:

IT services
The performance obligation is met over time. The payment terms generally vary from 20 to 90 days from the moment Ordina bills the services. The contracts related to the delivery of IT services contain no significant financing component. If there is any question of (volume) discount, these are settled with customers 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 recognized revenue.

Sale of hardware and/or software
The performance obligation is met when the hardware and/or software is delivered (transfer of control of the related goods or services to the customer). 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 significant financing component. In general there is no right of possible restitution in the sale of hardware and/or software. When Ordina acts as an agent in the sale of hardware and/or software, Ordina recognizes revenue at the net amount that is retained for these arrangements.

7 Segment information

Ordina's organization is structured in line with its geographical locations. The reportable segments of Ordina are the Netherlands and Belgium/Luxembourg. The Management Board is the Chief Operating Decision Maker (CODM) and monitors the operating results of the reportable segments. Information is reported on a monthly basis to the Management Board in its capacity as CODM in line with this structure. The Management Board's decision-making is based on the information provided for the reportable segments. Ordina discloses segment information on the basis of how the internal governance, reporting and decision-making is organised within the company.

The Management Board's assessment of the reportable segments from a financial perspective focuses primarily on revenue and EBITDA (Earnings before interest, taxes, depreciation and amortisation; a non IFRS measure). Segment information is provided for the segments the Netherlands and Belgium/Luxembourg. Segment results, assets and liabilities are items that are directly or reasonably attributable to a segment. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. Segment capital expenditure is the total amount incurred during the period to acquire assets that are expected to be used for more than one year. Management information related to balance sheet positions and the analysis of same is aggregated at the level of the Netherlands and Belgium/Luxembourg.

The segment results can be specified as follows:

	2022			2021		
	the Netherlands	Belgium / Luxembourg	Total	the Netherlands	Belgium / Luxembourg	Total
Total revenue	287,406	154,234	441,640	263,462	141,987	405,449
Inter-segment revenue	-4,048	-8,176	-12,224	-4,267	-6,711	-10,978
Revenue from contracts with customers	**283,358**	**146,058**	**429,416**	**259,195**	**135,276**	**394,471**
EBITDA	**28,827**	**21,562**	**50,389**	**28,061**	**22,128**	**50,189**
Amortisation intangible assets	-1,474	-218	-1,692	-1,504	-218	-1,722
Depreciation right-of-use assets	-6,737	-4,235	-10,972	-6,793	-3,855	-10,648
Depreciation property, plant and equipment	-1,692	-677	-2,369	-1,486	-583	-2,069
Operating profit	**18,924**	**16,432**	**35,356**	**18,278**	**17,472**	**35,750**
Finance costs – net	-1,093	-264	-1,357	-1,069	-232	-1,301
Share of profit of associated companies	-7	-	-7	2	-	2
Profit before tax	**17,824**	**16,168**	**33,992**	**17,211**	**17,240**	**34,451**
Income tax expense	-4,800	-5,297	-10,097	-4,476	-5,377	-9,853
Net profit for the year	**13,024**	**10,871**	**23,895**	**12,735**	**11,863**	**24,598**

For a Dutch customer, the revenue for 2022 amounts more than 10% of the total revenue. The revenue generated from this customer was approximately EUR 50.9 million (2021: revenue of approximately EUR 51.2 million). Four other customers together account for around 20% of total revenue (each individually less than 10%).

The assets and liabilities can be specified as follows:

	31 December 2022					31 December 2021				
	the Netherlands	Belgium / Luxembourg	Total	Eliminations	Consolidated	the Netherlands	Belgium / Luxembourg	Total	Eliminations	Consolidated
Total assets	270,983	103,281	374,264	-82,342	291,922	273,644	98,504	372,148	-79,282	292,866
Total liabilities	99,450	45,749	145,199	-24,810	120,389	94,696	41,810	136,506	-22,588	113,918

Other segment information can be specified as follows:

		2022			2021		
	Notes	the Netherlands	Belgium / Luxembourg	Total	the Netherlands	Belgium / Luxembourg	Total
Carrying amount at year end of intangible assets	8	113,772	17,144	130,916	115,314	17,363	132,677
Carrying amount at year end of right-of-use assets	9	21,112	8,206	29,318	24,498	8,115	32,613
Carrying amount at year end of property, plant and equipment	10	6,117	2,020	8,137	5,516	1,542	7,058
Carrying amount at year end of financial fixed assets	11/12	6,125	198	6,323	8,640	250	8,890
Purchases of intangible assets	8	-	-	-	67	-	67
New group companies intangible assets	8	-	-	-	6,129	-	6,129
Purchases of right-of-use assets	9	3,352	4,325	7,677	3,536	4,234	7,770
Purchases of property, plant and equipment	10	2,429	1,165	3,594	3,636	898	4,534
Amortisation intangible assets	8	1,474	218	1,692	1,504	218	1,722
Depreciation right-of-use assets	9	6,737	4,235	10,972	6,793	3,855	10,648
Depreciation property, plant and equipment	10	1,692	677	2,369	1,486	583	2,069
Income tax recognised in income statement	25	4,800	5,297	10,097	4,476	5,377	9,853
Income tax paid in reporting period		1,591	5,483	7,074	1,721	5,370	7,091
Number of employees at year-end (fte's)	22	1,712	1,093	2,805	1,690	1,025	2,715
Average number of employees (fte's)	22	1,661	1,056	2,717	1,619	964	2,583

8 Intangible assets

This item can be specified as follows:

	2022				2021			
	Goodwill	**Software**	**Related to customers**	**Total**	**Goodwill**	**Software**	**Related to customers**	**Total**
At 1 January								
Cost	196,825	14,318	2,120	213,263	192,816	14,312	-	207,128
Accumulated amortisation and impairments	-68,321	-12,179	-86	-80,586	-68,321	-10,604	-	-78,925
Carrying amount at 1 January	**128,504**	**2,139**	**2,034**	**132,677**	**124,495**	**3,708**	**-**	**128,203**
Movements in carrying amount								
Additions	-	-	-	-	-	-	-	-
Internally developed	-	-	-	-	-	67	-	67
Acquisition of a subsidiary	-	-	-	-	4,009	-	2,120	6,129
Amortisation	-	-1,432	-260	-1,692	-	-1,636	-86	-1,722
Disposals	-	-69	-	-69	-	-	-	-
Carrying amount at 31 December	**128,504**	**638**	**1,774**	**130,916**	**128,504**	**2,139**	**2,034**	**132,677**
At 31 December								
Cost	196,825	9,120	2,120	208,065	196,825	14,318	2,120	213,263
Accumulated amortisation and impairments	-68,321	-8,482	-346	-77,149	-68,321	-12,179	-86	-80,586
Carrying amount at 31 December	**128,504**	**638**	**1,774**	**130,916**	**128,504**	**2,139**	**2,034**	**132,677**
Of which internally developed	-	337	-	337	-	1,061	-	1,061

8.1 Investments and divestments

In 2022 no investments were made in intangible fixed assets (2021: EUR 0.1 million).

In 2022, Ordina fully depreciated decommissioned assets with an initial investment value of approximately EUR 5.0 million (2021: around EUR 0.1 million).

8.2 Impairment and reversal of impairment losses

In 2022 and 2021, Ordina did not recognize any impairments on intangible assets.

Ordina did not reverse any prior-year impairment losses on intangible assets in 2022 and 2021.

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. Ordina distinguishes between the segments the Netherlands and Belgium/Luxembourg.

The table below shows goodwill per segment.

	2022	2021
the Netherlands	111,362	111,362
Belgium/Luxembourg	17,142	17,142
Total	**128,504**	**128,504**

In 2022 no changes have occurred in the amount of goodwill. In 2021, the goodwill attributable to the Netherlands increased with EUR 4.0 million, due to the acquisition of IFS Probity B.V. (see note 30.1).

8.4 Software

The carrying value of software amounts to EUR 0.6 million at year-end 2022 (year-end 2021: EUR 2.1 million). The carrying value at year-end 2022 was primarily related to the ERP application used in the Netherlands and which was partly produced in-house. The useful life of this application is based on the expected life and the assumed obsolescence of such applications, as well as on past experience with previous comparable applications.

8.5 Intangible assets related to customers

The intangible assets that are recognized in this balance sheet item relate to the measurement upon acquisition of, among other things, brand names, customer lists and contract portfolios. The various components are amortised on the basis of the individual useful life of the various components. The intangible assets related to customers can be fully attributed to the Netherlands. At year-end 2022, the carrying amount of the intangible assets related to customers amounts to EUR 1.8 million (year-end 2021: EUR 2.0 million)

8.6 Impairment testing for goodwill

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying amount of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed (see also sections 2.5 and 2.12 and note 5.1). Goodwill is monitored at the level of and allocated to the segments the Netherlands and Belgium/Luxembourg.

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 relating to forecasts for the short and medium term. The market data include sector reports from research agencies, sector organizations and financial institutions.

These five-year projections include estimates related to revenue growth, direct and indirect costs, as well as assumptions regarding developments in investments and working capital. The table below shows the most critical assumptions applied in any impairment test.

	2022		2021	
	the Netherlands	Belgium / Luxembourg	the Netherlands	Belgium / Luxembourg
Average annual growth rate turnover (first 5 years)	5.5%	6.9%	5.1%	6.8%
Average annual EBITDA rate (first 5 years)	12.1%	13.5%	11.8%	13.0%
Long-term growth rate (after 5 years)	1.0%	1.0%	1.0%	1.0%
Discount rate (pre-tax)	12.0%	13.2%	10.5%	11.3%
Discount rate (post-tax)	9.2%	10.2%	8.1%	8.7%

Based on the applied assumptions, the impairment test did not lead to an impairment at year-end 2022. The carrying amount, value in use and the headroom per segment to which goodwill was allocated at year-end 2022 were as follows:

(in euro millions)	Carrying amount	Value in use	Headroom
the Netherlands	103.7	287.3	183.6
Belgium/Luxembourg	62.6	214.3	151.7

Any adjustment of the premises in the use of estimates and assumptions in long-term projections inherently results in a different outcome. Therefore Ordina performed a sensitivity analyses as well. These sensitivity analyses were performed on the basis of the following adjustments to the assumptions used:
- a 0.5% reduction of the EBITDA margin,
- a 1.0% reduction of forward growth, and
- an increase of 1.5% in the discount rate.

The sensitivity analyses showed that any plausible adjustment to the main assumptions in the calculations, in the case of both adjustments to a single assumption and a combination of adjustments to several assumptions, does not result in an impairment.

9 Leases

Lease contracts result in the recognition of right-of-use assets and corresponding lease liabilities. The right-of-use assets are depreciated on a straight-line basis over het shorter of the lease term and the estimated useful lives of the asset.

Ordina has various lease contracts relating to the lease of property, cars and other equipment. The term of the lease contracts generally varies from three to five years. The contract for the office in Nieuwegein ends on 31 March 2028. The term of contracts for cars generally varies from 24 to 48 months.

Ordina also has lease contracts with a term of less than 12 months, as well as lease contracts related to underlying assets with a low value. Ordina applies the exemption for lease contracts with a term of less than 12 months upon commencement, as well as the exemption for lease contracts related to underlying assets with a low value.

The contract remeasurements relating to buildings recognized in 2022 mainly refers to indexations of existing contracts. The contract modifications in 2021 was largely related to the extension of the lease contract for our offices in Windhof in Luxembourg.

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

	2022				2021			
	Buildings	Cars	Other equipment	Total	Buildings	Cars	Other equipment	Total
At 1 January	17,457	14,761	395	32,613	19,699	15,291	501	35,491
Additions	-	7,582	-	7,582	-	7,151	-	7,151
Acquisition of a subsidiary	-	-	-	-	162	290	-	452
Modifications / renewals	-40	-	-	-40	835	-	21	856
Remeasurements	1,086	-953	2	135	215	-901	-3	-689
Depreciation	-3,490	-7,367	-115	-10,972	-3,454	-7,070	-124	-10,648
Carrying amount at 31 December	**15,013**	**14,023**	**282**	**29,318**	**17,457**	**14,761**	**395**	**32,613**

The lease liabilities can be specified as follows:

	2022	2021
At 1 January	34,521	36,692
Additions	7,582	7,151
Acquisition of a subsidiary	-	452
Modifications / renewals	-43	856
Remeasurements	122	-692
Interest costs	857	897
Lease payments	-12,742	-10,835
As at 31 December	**30,297**	**34,521**
Lease liabilities - non-current	19,520	24,018
Lease liabilities - current	10,777	10,503
Total	**30,297**	**34,521**

Lease liabilities are primarily related to offices and cars. The lease liabilities for other equipment is related 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 included in the cash flows from financing activities. Lease payments related to the interest component are included in cash flows from operational activities.

Of the total lease liabilities of EUR 30.3 million at year-end 2022 (year-end 2021: EUR 34.5 million) around EUR 15.8 million is related to lease contracts for buildings (year-end 2021: EUR 19.1 million), around EUR 14.2 million is related to car lease contracts (year-end 2021: EUR 15.0 million) and around EUR 0.3 million is related to other lease liabilities (year-end 2021: EUR 0.4 million). See note 4.3 for an analysis of the future outgoing cash flows related to lease liabilities.

With respect to lease contracts, Ordina recognized the following amounts in profit or loss:

	2022	**2021**
Depreciation right-of-use assets	10,972	10,648
Interest expenses on lease liabilities	857	897
Expenses relating to short-term leases	771	622
Expenses relating to low-value leases	32	41
Expenses relating to variable lease payments	17	6
Total	**12,649**	**12,214**

Total lease payments amount to around EUR 13.6 million in 2022 (2021: EUR 11.5 million).

10 Property, plant and equipment

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

	2022					2021				
	Land	Renovations	Equipment	Fixtures and fittings	Total	Land	Renovations	Equipment	Fixtures and fittings	Total
At 1 January										
Cost	-	5,954	11,440	3,148	20,542	-	6,838	10,794	2,204	19,836
Accumulated depreciation and impairments	-	-2,336	-9,327	-1,821	-13,484	-	-5,147	-8,460	-1,532	-15,139
Carrying amount at 1 January	**-**	**3,618**	**2,113**	**1,327**	**7,058**	**-**	**1,691**	**2,334**	**672**	**4,697**
Movements in carrying amount										
Additions	420	1,123	1,820	231	3,594	-	2,325	1,270	836	4,431
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	103	103
Depreciation	-	-719	-1,360	-366	-2,445	-	-398	-1,491	-284	-2,173
Disposals	-	-32	-12	-26	-70	-	-	-	-	-
Carrying amount at 31 December	**420**	**3,990**	**2,561**	**1,166**	**8,137**	**-**	**3,618**	**2,113**	**1,327**	**7,058**
At 31 December										
Cost	420	6,873	11,931	3,266	22,490	-	5,954	11,440	3,148	20,542
Accumulated depreciation and impairments	-	-2,883	-9,370	-2,100	-14,353	-	-2,336	-9,327	-1,821	-13,484
Carrying amount at 31 December	**420**	**3,990**	**2,561**	**1,166**	**8,137**	**-**	**3,618**	**2,113**	**1,327**	**7,058**

10.1 Investments and divestments

Investment in land in 2022 is related to the Ordina forest in Pelt, Belgium. The investment concerns the purchase of 135 hectares of land for an amount of EUR 0.8 million less an amount of EUR 0,5 million government grant to be received. The government grant is expected to be received in the first half of 2023. In addition an amount of EUR 0.1 million is capitalised related to the planting of trees. The Ordina forest should enable Ordina to be CO2 neutral by 2030. There is no depreciation on the land and the costs related to planting trees.

Investments in equipment in 2022 were primarily replacement investments. Investments in inventory and renovations in 2022 are largely related to the renovation of the office in Groningen. Of the total investments, around EUR 1.2 million was related to our offices in Belgium and Luxembourg (2021: EUR 0.9 million).

Ordina made no material divestments in 2022 and 2021.

In 2022, Ordina decommissioned fully depreciated assets with an original purchase value of around EUR 1.6 million (2021: around EUR 3.9 million).

10.2 Impairment and reversal of impairment losses

Ordina did not recognize any impairment losses on property, plant and equipment in 2022 or 2021. Ordina did not reverse any prior-year impairments on property, plant and equipment in 2022.

11 Associated companies

This item can be specified as follows:

	2022	2021
At 1 January	326	323
Additions	-	-
Share of profit and impairment of associated companies	-7	3
Dividends	-	-
Disposals	-	-
At 31 December	**319**	**326**

Ordina has two associated companies at year-end 2022 and 2021: Quli B.V. (the Netherlands, 25.0% interest) and Passwerk CVBA (Belgium, 37.3% interest).

The result from associated companies in both 2022 and 2021 is entirely due to Quli B.V. Ordina did not recognize any result for Passwerk in 2022 and 2021 in connection with the restrictive conditions under which it is possible to pay out dividends associated with the social purpose of this company. These restrictive conditions have been taken into account when determining the carrying value.

In both 2022 and 2021, Ordina did not provide any services to or make use of any services of Quli B.V. or Passwerk CVBA.

The item investments in associated companies, on the basis of the financial information at year-end 2022, can be specified as follows:

Based on 100%	Quli B.V.	Passwerk CVBA
Assets	923	6,685
Liabilities	147	1,466
Revenue	829	9,121
Profit	-26	1,010
Other results (OCI)	-	1
Total comprehensive income	-26	1,011
Share	25.0%	37.3%

12 Deferred income tax

Deferred taxes can be specified as follows:

	2022		2021	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets and property, plant and equipment	5,817	458	7,046	525
Employee related provisions	143	-	235	-
Other provisions	44	-	53	-
Recognised tax losses	-	-	1,230	-
At 31 December	**6,004**	**458**	**8,564**	**525**

In the statement of profit and loss for 2022, Ordina has recognized deferred taxes of around EUR 2.4 million (2021: around EUR 3.7 million). Deferred taxes are measured at the set tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the reporting date. In 2021 the Dutch government enacted the increase of the Dutch corporate income tax rate from 25.0% to 25.8%. The impact of the tax rate increase has been reflected in the value of the deferred tax assets in the 2021 financial statements. As a result of the adjustment of the future nominal tax rates in the Netherlands, Ordina recognized income of more than EUR 0.2 million in 2021 (2022: nil).

12.1 Deferred tax assets

At year-end 2022, deferred tax assets amount to EUR 6.0 million (year-end 2021: EUR 8.6 million)

The table below shows the movement in deferred tax assets in the years 2022 and 2021.

	2022					2021				
	Opening balance	Acquisition of a subsidiary	Recognised in income statement	Recognised in consolidated statement of comprehensive income	Closing balance	Opening balance	Acquisition of a subsidiary	Recognised in income statement	Recognised in consolidated statement of comprehensive income	Closing balance
Intangible assets and property, plant and equipment	7,046	-	-1,229	-	5,817	7,926	-	-880	-	7,046
Employee related provisions	235	-	-7	-85	143	254	-	19	-38	235
Other provisions	53	-	-9	-	44	71	-	-18	-	53
Recognised tax losses	1,230	-	-1,230	-	-	4,072	-	-2,842	-	1,230
	8,564	**-**	**-2,475**	**-85**	**6,004**	**12,323**	**-**	**-3,721**	**-38**	**8,564**

At year-end 2022, EUR 4.8 million of the total deferred tax assets have a maturity of more than one year (year-end 2021: EUR 6.1 million).

The deferred tax asset associated with intangible assets and property, plant and equipment relates to temporary differences due to the difference between the actual economic depreciation period and minimum fiscal depreciation period.

The deferred tax asset associated with 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 (year-end 2021: around EUR 0.5 million). Due to the fact that expensed costs under the application of IFRS 16 are not fiscally accepted, a deferred tax position is recognized on the basis of the difference in the measurement of the right-of-use asset and the lease liability. These deferred tax assets and tax liabilities are netted. The balance of EUR 0.5 million (year-end 2021: EUR 0.5 million) consists of a deferred tax asset of EUR 8.0 million (year-end 2021: EUR 8.9 million) and a deferred tax liability of EUR 7.5 million (year-end 2021: EUR 8.4 million).

The deferred tax asset associated with employee benefits and provisions relates to temporary measurement differences with respect to pension provisions.

The deferred tax asset associated with other provisions is related to the provision for expected credit losses on trade receivables.

Deferred tax assets are recognized for tax losses carry forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. Estimates are an inherent part of this process and they may differ from the actual future outcome. Recognition is at the nominal tax rate that will apply in future years on the basis of existing legislation. At year-end 2022 all available tax losses have been fully set off, as a result of which the balance of carry forward losses at year-end 2022 is nil (year-end 2021: EUR 4.8 million). At year-end 2021 the available tax losses were fully recognized.

12.2 Deferred tax liabilities

Deferred tax liabilities amount to EUR 0.5 million at year-end 2022 (year-end 2021: EUR 0.5 million).

The table below shows the movement in deferred tax liabilities in 2022 and 2021:

	2022					2021				
	Opening balance	Acquisition of a subsidiary	Recognised in income statement	Recognised in consolidated statement of comprehensive income	Closing balance	Opening balance	Acquisition of a subsidiary	Recognised in income statement	Recognised in consolidated statement of comprehensive income	Closing balance
Intangible assets	525	-	-67		458	-	530	-5	-	525
	525	**-**	**-67**	**-**	**458**	**-**	**530**	**-5**	**-**	**525**

At year-end 2022, EUR 0.4 million of the deferred tax liabilities have a maturity of more than one year (year-end 2021: EUR 0.4 million).

Deferred tax liabilities are related to the temporary measurement differences in the measurement of intangible assets related to customers upon the acquisition of a subsidiary. Deferred tax liabilities are recognized using tax rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax liability is settled.

13 Financial instruments by category

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

	2022					2021				
	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 current assets	75,703	-	-	-	75,703	65,848	-	-	-	65,848
Trade payables and other current liabilities	-85,698	-	-	-	-85,698	-72,747	-	-	-	-72,747
Total at 31 December	**-9,995**	**-**	**-**	**-**	**-9,995**	**-6,899**	**-**	**-**	**-**	**-6,899**

14 Trade receivables and other current assets

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

	2022	2021
Trade receivables	48,141	41,831
Provision for expected credit losses	-448	-636
Trade receivables - net	**47,693**	**41,195**
Unbilled receivables	17,776	16,125
Contract assets	9,786	7,806
Other receivables	767	439
Prepayments and accrued income	4,001	2,464
At 31 December	**80,023**	**68,029**

Trade and other receivables are due within one year.

Net receivables rose by around EUR 6.5 million in 2022. This increase was mainly due to an increase in revenue compared to the previous year.

As at 31 December 2022, trade receivables of around EUR 5.7 million (31 December 2021: around EUR 4.8 million) were past due but did not result in recording a specific provision. Despite the fact that they were past due, there were no indications on the reporting 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:

	2022	2021
Trade receivables not impaired and not past due	41,955	36,422
Trade receivables not impaired and past due:		
Less than 1 month	3,405	3,627
1 to 2 months	1,850	793
2 to 3 months	289	329
More than 3 months	194	24
	5,738	**4,773**
Trade receivables - net	**47,693**	**41,195**

Movements in the provision for expected credit losses on trade receivables were as follows:

	2022	2021
At 1 January	636	862
Additions during the year	130	79
Receivables written off during the year as incollectible	-133	-52
Unused amounts reversed	-185	-253
At 31 December	**448**	**636**

All trade receivables are denominated in euros. Ordina therefore has no trade receivables that are denominated in currencies other than the euro.

Movements in the provision for expected credit losses on trade receivables have been included in `other operating expenses´ in the consolidated statement of profit and loss. Amounts charged to the provision are generally written off when the related receivable is deemed irrecoverable.

Ordina has pledged trade receivables and other current assets, amounting to EUR 60.8 million, as a security for credit facilities.

At year-end 2022, Ordina recognized a provision of around EUR 0.5 million for expected credit losses on trade receivables, unbilled receivables and contract assets (year-end 2021: around EUR 0.7 million). The other classes within trade receivables and other current assets do not contain any impaired assets.

Prepayments and accrued income include, among other things, prepaid expenses. Prepayments and accrued income have a maturity of less than twelve months at both year-end 2022 and year-end 2021, except for the amount of EUR 0.8 million at year-end 2022 regarding prepayments related to the design and implementation of a new SAAS ERP application that is expected to be taken into use in 2023.

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, unbilled receivables and contract assets (all gross) can be specified as follows per geographical area:

	2022	2021
the Netherlands	31,016	41,574
Belgium/Luxembourg	44,763	24,274
Total	**75,779**	**65,848**

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

	2022	2021
Public	11,804	7,952
Finance	10,497	9,115
Industry	25,840	24,764
At 31 December	**48,141**	**41,831**

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 table includes a breakdown of the creditworthiness of the debtors, less provisions:

	2022	2021
Debtors with external credit rating		
A-AA	12,437	11,768
B-BBB	2,072	431
	14,509	**12,199**
Debtors without external credit rating		
Low credit risk	30,332	23,973
Medium credit risk	2,825	4,918
High credit risk	27	105
	33,184	**28,996**
At 31 December	**47,693**	**41,195**

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 cash and cash equivalents are at free disposal. At year-end 2022, an amount of around EUR 4.0 million (year-end 2021: around 2.1 million) is held in a blocked account, the ability to spend is limited to tax obligations.

At the reporting date, Ordina has no financial derivatives.

The cash and cash equivalents have been deposited with professional market parties with a good credit rating. The following table is a breakdown of available cash and cash equivalents based on the external credit rating of these market parties:

	2022	2021
A-AA	37,205	43,599
B-BBB	-	-
At 31 December	**37,205**	**43,599**

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 financing facility has a maximum term of five years, with an initial term of three years and an option to extend this twice by one year. In 2021, Ordina and its banks agreed a second extension as a result of which the agreement now ends in July 2024. In 2022 no use was made of the credit facility.

The most important elements of the covenants related to this financing facility comprise a maximum leverage ratio (calculated on the basis of total net debt/adjusted EBITDA) and an Interest Cover Ratio (calculated on the basis of the (adjusted) EBITDA/total interest as defined in the financing agreement). The leverage ratio has been set at a maximum of 2.5. The Interest Cover Ratio has been set at a minimum of 5.0. The covenants are based on the consolidated financial statements drawn up in accordance with IFRS. The net debt is the total of short-term and long-term borrowings and current account debt, less the available cash and cash equivalents. The adjusted EBITDA is determined on the basis of the EBITDA recognized in the statement of profit and loss, corrected for the impact of IFRS 16 Leases and the EBITDA of acquisitions in so far as these are not consolidated. The adjusted EBITDA used to determine the leverage ratio is subject to a correction for one-off costs and restructuring costs set at a maximum of 1% of revenue and with a maximum of EUR 4.0 million.

The financing agreement also stipulates that the total EBITDA of the companies that have agreed joint and several liability for the purposes of the financing agreement should account for a minimum of 80% of the consolidated EBITDA, as laid down in the credit agreement (the Guarantor Cover Ratio) and that a minimum of EUR 30 million of the trade receivables are pledged as security for the lender (the Security Cover 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 have been realized at year-end 2022.

	Realization year-end 2022	Finance agreement
Leverage ratio	-0.9	=< 2.5
Interest Cover Ratio	197.3	>= 5.0
Guarantor Cover Ratio	93%	>= 80%
Security Cover (in euro millions)	60.8	>= 30.0

16 Share capital

16.1 Authorised and issued capital

The total authorised capital amounts to EUR 20 million at year–end 2022, and consists 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

Movements in issued share capital in 2022 and 2021 are as follows:

	2022		2021	
(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	-	-	-	-
Cancellation of treasury shares	-3,240	-324	-	-
At 31 December	**90,016**	**9,002**	**93,256**	**9,326**

At year-end 2022, one priority share and 90.015.795 ordinary shares were issued and fully paid (year-end 2021: one priority share and 93,255,929 ordinary shares). The reduction in the number of shares outstanding is the result of the execution of the share buy-back program in 2022 (see note 16.2).

No new shares were issued in 2022 or 2021.

For details of the issued priority share, refer to the articles of association of Ordina.

16.2 Share buy-back program

Ordina has successfully completed a share buy-back program for the amount of EUR 15 million. In the period from May through July 2022 Ordina repurchased in total 3,240,134 of its ordinary shares at an average price of EUR 4.63.

On 18 October 2022 Ordina completed the procedure for the cancellation of the 3,240,134 shares. After the cancellation of these shares, Ordina's issued capital consists of one priority share and 90,015,795 ordinary shares. Following the cancellation of the repurchased shares, an amount of EUR 0.3 million has been deducted from the issued capital. Of the remaining amount of EUR 14.7 million, EUR 11.8 million has been deducted from the share premium reserve and EUR 2.9 million from the retained earnings.

The execution of the share buy-back program and cancellation of the repurchased shares is in accordance with the authorisation granted by Ordina N.V.'s General Meeting of 7 April 2022 regarding the share buy-back program with a maximum value of EUR 15 million.

16.3 Share and share option schemes

At both year-end 2022 and year-end 2021, there were no outstanding options on Ordina N.V. shares.

For the settlement of the variable long-term bonuses for the period 2019-2021, which took place in the first half of 2022, Ordina acquired and then immediately paid out a total of 374,080 treasury shares. The purchase of 374,080 shares included the purchase of 92,032 shares for the Management Board's bonus scheme and the purchase of 282.048 shares for the senior management's bonus scheme. These shares were purchased at an average share price of EUR 4.42 per share. In addition, due to the net settlement of the long-term bonusses in 2022, Ordina has paid an amount of EUR 1.1 million for payroll tax on behalf of the employees. The total amount paid in 2022 to settle the obligation related to the variable long-term bonusses for the period 2019-2021 amounts to EUR 2.8 million. Ordina N.V. did not hold any treasury shares at either year-end 2022 or year-end 2021.

The members of the Management Board and the senior management have been granted a variable long-term bonus which involves a payment in shares (see also section 2.14.2). In the context, at year-end 2022 shares in Ordina N.V. were awarded conditionally in line with the bonus schemes for the members of the Management Board (total of 304,514 shares) and in line with the bonus schemes for the senior management (total of 671,314 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 schemes applicable to the senior management at year-end 2022 can be specified as follows:

	2022						2021
	Conditionally granted number of shares	Grant date	Share price at grant date	Fair value on grant date	(estimated) pay out in % of weighting target	Recognised in profit & loss 2022	Recognised in profit & loss 2021
LTI 2019-2021						-41	397
LTI 2020-2022	206,271	22/06/20	1.92	396	117%	81	264
LTI 2021-2023	234,699	19/04/21	3.42	803	117%	326	271
LTI 2022-2024	226,137	28/06/22	4.80	1,085	100%	245	n.a.
LTI 2022-2024	4,207	28/09/22	3.73	16	100%	4	n.a.
	671,314			**2,300**		**615**	**932**

17 Reserves

Movements in reserves can be specified as follows:

	2022				2021			
	Share premium reserve	Retained earnings	Net profit for the year	Total	Share premium reserve	Retained earnings	Net profit for the year	Total
At 1 January	136,219	8,805	24,598	169,622	136,219	9,976	22,290	168,485
Appropriation of profit previous year	-	24,598	-24,598	-	-	22,290	-22,290	-
Dividend distribution	-	-14,734	-	-14,734	-	-22,288	-	-22,288
Shares purchased in relation to the share buy-back program	-11,786	-2,890	-	-14,676	-	-	-	-
Shares purchased in relation to the share-based payments settlement	-	-2,802	-	-2,802	-	-2,602	-	-2,602
Share-based payments - personnel expenses	-	976	-	976	-	1,314	-	1,314
Actuarial gains and losses	-	250	-	250	-	115	-	115
Net profit for the year	-	-	23,895	23,895	-	-	24,598	24,598
At 31 December	**124,433**	**14,203**	**23,895**	**162,531**	**136,219**	**8,805**	**24,598**	**169,622**

The value of the cancelled shares above the nominal value of EUR 14,7 million has been deducted from the share premium reserve (EUR 11.8 million) and the retained earnings (EUR 2.9 million) based on the ratio of these reserves at the beginning of the financial year.

The settlement of share-based bonuses via the purchase of treasury shares resulted in a negative financing cash flow of EUR 2.8 million in 2022 (2021: EUR 2.6 million). This cash flow is related to the purchase of treasury shares for the settlement of the obligation (see note 16.3).

Share-based bonuses in the amount of EUR 1.0 million were expensed in 2022 (2021: EUR 1.3 million) (see note 22). Approximately EUR 0.4 million of this amount is related to the Management Board's share-based bonuses (2021: EUR 0.4 million).

For an amount of approximately EUR 0.3 million (2021: approximately EUR 1.0 million) Ordina has formed a legal reserve as a reduction to retained earnings in the company financial statements (see note 36).

18 Liabilities arising from financing activities

At year-end 2022 and year-end 2021, Ordina had no non-current borrowings, other than liabilities arising from lease contracts.

The table below shows the changes in liabilities arising from financing activities for both current year and prior year:

	2022				2021			
	At 1 January	Cash flows	Other	At 31 December	At 1 January	Cash flows	Other	At 31 December
Non-current borrowings	-	-	-	-	-	-	-	-
Current borrowings	-	-	-	-	-	-	-	-
Lease obligations	34,521	-11,901	7,677	30,297	36,692	-9,943	7,772	34,521
Share-based payments - treasury shares settlement	-	-2,802	2,802	-	-	-2,602	2,602	-
Dividend distribution to shareholders	-	-14,734	14,734	-	-	-22,288	22,288	-
Shares purchased in relation to the share buy-back program	-	-15,000	15,000	-	-	-	-	-
Total liabilites from financing activities	**34,521**	**-44,437**	**40,213**	**30,297**	**36,692**	**-34,833**	**32,662**	**34,521**

The other changes related to lease liabilities are mainly contract extensions and indexation obligations in lease contracts and new car lease contracts entered into in the relevant reporting years, plus the recognition of the lease obligations of new group companies.

The other changes regarding share-based payments are related to the settlement of the variable long-term bonuses for the period 2019-2021, 2018-2020 respectively (see note 16.3).

The other changes regarding dividend distributions to shareholders are related to the General Meeting's resolutions to pay out a dividend adopted on 7 April 2022 and 8 April 2021. Following these resolutions, in 2022 and 2021 Ordina paid out an amount of EUR 14.7 million and EUR 22.3 million from the net profit for 2021 and 2020 respectively as dividend to its shareholders. Ordina recognizes 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.

The amount presented as other changes regarding the share buy-back program is related to the execution of the share buy-back program in 2022 (see note 16.2).

19 Employee benefits

Employee benefits are related exclusively to pension liabilities and can be specified as follows per region:

	2022	2021
the Netherlands	555	772
Belgium/Luxembourg	-	140
At 31 December	**555**	**912**

19.1 Provision arising from defined benefit pension plans the Netherlands

The provision arising from defined benefit pension plans in the Netherlands can be specified as follows:

	2022	2021
Defined benefit obligation	6,216	9,611
Less: fair value of plan assets	5,661	8,839
At 31 December	**555**	**772**

Movements in the defined benefit obligation were as follows:

	2022	2021
At 1 January	9,611	10,420
Current service cost	-	-
Interest cost	115	83
Contributions by plan participants	-	-
Benefits paid	-123	-88
Actuarial gains and losses	-3,387	-804
Defined benefit obligation at 31 December	**6,216**	**9,611**

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

	2022	2021
At 1 January	8,839	9,584
Expected return on plan assets	106	76
Employer contributions	31	30
Benefits paid	-123	-88
Actuarial gains and losses	-3,192	-763
Fair value of plan assets at 31 December	**5,661**	**8,839**

The pension provision is related to obligations for defined benefit plans (pension plans based on average salary or final salary plans), measured at present 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 2022, 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 measured at fair value. Actuarial gains and losses are charged or credited in other comprehensive income (OCI). All pension plans operated by Ordina are administered by professional insurers. The plan assets are comprised of qualifying insurance policies.

The cumulative net actuarial gains and losses charged to OCI amounts to EUR 2.5 million negative at year-end 2022 (year-end 2021: EUR 4.3 million negative).

The amounts recognized in the statement of profit or loss were as follows:

	Notes	2022	2021
Current service cost		-	-
Interest cost		115	83
Expected return on plan assets		-106	-76
Total included in personnel expenses	22	**9**	**7**

The costs that will be charged to the 2023 result are expected to amount to approximately EUR 18 thousand. The actual return on plan assets amounts to EUR 3.1 million negative (2021: EUR 0.7 million negative). Plan assets comprise 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:

	2022	2021
Discount rate at 31 December	3.70%	1.20%
Expected return on plan assets	3.70%	1.20%

The sensitivity analysis indicated that if the discount rate is raised or lowered by 0.20%, the pension obligation would amount to EUR 6.0 million (2021: EUR 9.2 million) or EUR 6.4 million (2021: EUR 10.0 million) respectively.

Assumptions with respect to life expectancy are based on published statistics. The life expectancy at year end 2022 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:

	2022	2021
Male, age of 65	22.1	21.9
Female, age of 65	24.6	24.3
Male, age of 66	21.2	20.9
Female, age of 66	23.6	23.4
Male, age of 67	20.2	20.0
Female, age of 67	22.7	22.4

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

	2022	2021
Male, age of 65	24.1	24.2
Female, age of 65	26.5	26.5
Male, age of 66	23.2	23.2
Female, age of 66	25.6	25.5
Male, age of 67	22.4	22.3
Female, age of 67	24.7	24.5

The following table contains a specification of the valuation of the defined benefit obligation and the fair value of plan assets for the years 2018 through 2022:

	2022	2021	2020	2019	2018
Defined benefit obligation	6,216	9,611	10,420	9,734	8,160
Less: fair value of plan assets	5,661	8,839	9,584	8,732	7,300
Defined benefit obligation	**555**	**772**	**836**	**1,002**	**860**
Actuarial gains/losses on plan liabilities	3,387	804	-640	-1,479	73
Actuarial gains/losses on plan assets	-3,192	-763	789	1,326	-78

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 19, and the projected unit credit method has been used to calculate the present value of the obligation. The value of the plan assets amounts to EUR 5.3 million at year-end 2022 (year-end 2021: EUR 4.9 million). The present value of the obligations amounts to EUR 5.3 million at year-end 2022 (year-end 2021: EUR 5.0 million). Based on the principles used the obligation is equal to the assets and therefore the provision at year-end 2022 is nil on balance (year-end 2021: EUR 0.1 million).

The cumulative change for actuarial profits and losses recognized in the OCI amounts to EUR 0.1 million at year-end 2022 (year-end 2021: minus EUR 18 thousand).

20 Other provisions

Other provisions can be specified as follows:

	2022				2021			
	Onerous contracts	**Redundancy costs**	**Other**	**Total**	**Onerous contracts**	**Redundancy costs**	**Other**	**Total**
At 1 January	1,449	-	2,423	3,872	689	250	-	939
Acquisition of a subsidiary	-	-	-	-	-	-	2,314	2,314
Additions	41	-	266	307	1,449	-	109	1,558
Used during the year	-50	-	-1,000	-1,050	-129	-250	-	-379
Unused amounts	-16	-	-669	-685	-560	-	-	-560
Reclassed to other current liabilities	-	-	-1,020	-1,020	-	-	-	-
At 31 December	**1,424**	**-**	**-**	**1,424**	**1,449**	**-**	**2,423**	**3,872**
Non-current	-	-	-	-	-	-	1,481	1,481
Current	1,424	-	-	1,424	1,449	-	942	2,391

A provision is recognized for certain contracts with customers for which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received. The provisions for onerous contracts also include a provision for a past dispute with one of our suppliers. This supplier initiated legal proceedings, which resulted in a ruling in the first half of 2021. An appeal has been lodged against this ruling. The outcome of the appeal is uncertain. On the basis of the status at year-end 2022, Ordina has estimated the potential settlement of the dispute. The actual outcome may differ from the estimate used as a basis for the recognition of the provision. The formal process is expected to resume in the second half of 2023.

Ordina recognized a provision for the earn-out obligations with respect to the acquisition of IFS Probity B.V., of which the name was changed to Ordina Subscription Management & Utilities B.V. in 2022 (see also note 30.1). The unwinding of the discount (presented as finance cost) in relation to the earn-out obligation amounted EUR 0.3 million in 2022 (2021: EUR 0.1 million). Regarding the first part of the earn-out obligation in 2022 Ordina made a payment of EUR 1.0 million. Settlement of the second and final part of the earn-out obligation was initially planned for 2024. In connection with the accelerated integration of Ordina Subscription Management & Utilities B.V. at the end of 2022 parties opted to enter into a settlement agreement on the basis of which the remaining earn-out obligation will be settled early. Following this settlement agreement a second earn-out payment has been agreed upon for an amount of EUR 1.0 million. Due to the fact that payment of the final earn-out took place at the beginning of 2023, the obligation is reclassed to the other current liabilities at year-end 2022. The release of EUR 0.7 million under the unused amounts of the other provisions has been credited to the profit and loss account under the operating expenses.

At year-end 2022, the full amount of the total provisions of EUR 1.4 million has a maturity of less than one year.

21 Trade payables and other current liabilities

Trade payables and other current liabilities can be specified as follows:

	2022	**2021**
Trade payables	17,191	10,705
Contract liabilities	6,871	5,889
Taxes and social security	27,723	25,229
Pension contributions	75	123
Accruals and other current liabilities	33,838	30,801
At 31 December	**85,698**	**72,747**

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 2022, EUR 12.6 million is related to payroll tax and social security contributions (year-end 2021: EUR 11.3 million) and EUR 15.1 million is related to value-added tax (year-end 2021: EUR 13.9 million).

The accrued liabilities include obligations to pay holiday allowance, leave entitlements, (year-end) bonuses, redundancy costs and other personnel expenses, as well as items charged to profit and loss for the year under the prevailing accounting policies. Also an amount of EUR 1.0 million is included in the other liabilities for earn-out payments regarding acquisitions (see note 20). The reservation for redundancy costs included in accrued liabilities stood at EUR 0.5 million at year-end 2022 (year-end 2021: EUR 0.6 million).

The trade payables and other current liabilities have a maturity of less than one year at both year-end 2022 and year-end 2021.

22 Personnel expenses

The personnel expenses can be specified as follows:

	2022	2021
Salaries	173,307	160,412
Social charges	32,046	28,872
Pension expenses defined benefit obligation	9	7
Pension expenses defined contribution obligation	9,178	8,733
Other personnel expenses	32,578	27,121
Total	**247,118**	**225,145**

Other personnel expenses include car expenses (2022: around EUR 16.8 million; 2021: around EUR 14.6 million), hotel and travel expenses (2022: around EUR 2.1 million; 2021: around EUR 0.8 million) and study costs (2022: around EUR 3.2 million; 2021: around EUR 2.6 million). The 2022 car expenses include a sum of around EUR 5.1 million for the service component in car lease contracts (2021: EUR 5.5 million).

In 2022 Ordina expensed an amount of around EUR 1.1 million in personnel expenses for redundancy costs (2021: around EUR 1.3 million). Of these redundancy costs EUR 0.9 million were incurred in the Netherlands (2021: EUR 1.1 million), and the remaining EUR 0.2 million were incurred in Belgium/Luxembourg (2021: EUR 0.2 million).

Personnel expenses include an expense of approximately EUR 1.0 million for share-based payments in 2022 (2021: around EUR 1.3 million). Around EUR 0.4 million (2021: around EUR 0.4 million) of these expenses is related to the Management Board's bonus schemes and around EUR 0.6 million (2021: around EUR 0.9 million) is related to bonus schemes for senior management.

In 2022 the item personnel expenses includes the recognition of wage cost subsidies of around EUR 1.0 million (2021: around EUR 0.9 million). Both in 2022 and in 2021 Ordina did not make any use of the government's covid-19 support measures.

The average number of employees in FTE amounts to 2,717 (2021: 2,583). At year-end 2022, Ordina employed 2,805 FTEs (year-end 2021: 2,715 FTEs). For more details on the personnel numbers per segment reference is made to note 7.

23 Other operating expenses

Other operating expenses can be specified as follows:

	2022	2021
Office accommodation costs	2,893	2,349
Marketing and selling expenses	2,380	2,797
Other expenses	8,134	9,403
Total	**13,407**	**14,549**

Office rental costs includes an amount of around EUR 0.3 million in 2022 (2021: around EUR 0.3 million) related to lease contracts. In addition to office rental costs included in other operating expenses, Ordina recognized depreciation of right-of-use assets on leased offices of EUR 3.5 million (2021: EUR 3.5 million) and an interest expense on the lease liability of EUR 0.5 million (2021: EUR 0.6 million) (see note 9). The service component is the only part of the office rental costs still included in other operating expenses.

Marketing and communications expenses amount to EUR 2.4 million in 2022 and were EUR 0.4 million lower than in 2021 (EUR 2.8 million).

Other expenses include information management, the cost of insurance and audit and consulting fees.

Audit fees included in `other operating expenses´ in recent financial years were as follows:

	2022			2021		
	EY the Netherlands	Other EY network	Total EY network	EY the Netherlands	Other EY network	Total EY network
Audit of the financial statements	397	54	451	434	49	483
Other assurance activities	243	2	245	193	2	195
Tax advise	-	-	-	-	-	-
Other non-audit activities	-	-	-	-	-	-
Total	**640**	**56**	**696**	**627**	**51**	**678**

24 Finance income and expenses

Finance income and expenses can be specified as follows:

	2022	2021
Finance income	-	-
Finance costs	-1,357	-1,301
Total	**-1,357**	**-1,301**

Finance expenses can be specified as follows:

	2022	2021
Interest costs finance agreement	-113	-99
Other finance costs	-387	-305
Finance costs - other	**-500**	**-404**
Finance costs - lease liabilities	-857	-897
Total finance costs	**-1,357**	**-1,301**

The interest expenses on the financing facility are related to negative interest on current account positions held with banking institutions. The other financial expenses relate to commitment fees and interest expenses for the settlement of earn-out obligations.

The interest expenses for lease liabilities are related to the interest component of lease contracts recognized under the application of IFRS 16 Leases (see note 9).

25 Income tax expense

	2022	2021
Current income tax for the year	-7,613	-6,182
Current income tax prior years	-77	44
Total current income tax	**-7,690**	**-6,138**
Deferred income tax for the year	-2,400	-3,960
Deferred income tax prior years	-7	-
Deferred income tax impact rate adjustment	-	245
Total deferred income tax	**-2,407**	**-3,715**
Total	**-10,097**	**-9,853**

	2022	2021
Net profit for the year	23,895	24,598
Income tax expense	10,097	9,853
Profit before income tax	**33,992**	**34,451**
Effective tax rate	29.7%	28.6%

	2022		2021	
	%	Income tax expense	%	Income tax expense
Applicable tax rate	25.8	8,770	25.0	8,613
Differences with foreign tax rates	-0.4	-136	0.1	35
Non-deductible expenses	4.2	1,422	4.3	1,500
Tax exempt income	-	2	-	-1
Incidental items	-0.1	-44	-0.7	-250
Adjustments for prior years	0.2	83	-0.1	-44
Effective tax rate	**29.7**	**10,097**	**28.6**	**9,853**

The effective tax rate in 2022 is 29.7% (2021: 28.6%). Main reason for the increase of the effective tax rate by 1.1% is the increase of the nominal tax rate in the Netherlands as of 2022 from 25.0% to 25.8%. In addition, the effective tax rate in 2021 was influenced to a large degree by the movement resulting from the tax rate change and tax loss settlement rules enacted in the Netherlands. The adjusted effective tax rate for 2021, which did not take into account the impact of the renewed adjustment of the future reduction of corporate income tax rates in the Netherlands, amounted to 29.3%.

The nominal tax rate was 25.8% in 2022 , as applicable in the Netherlands (2021: 25.0%). The effective tax rate of 29.7% is around 3.9% higher than the nominal tax rate in the Netherlands. The impact of the tax rate differences outside the Netherlands is 0.4% negative, as the nominal tax rates in Belgium and Luxembourg are slightly lower than in the Netherlands. The difference between the effective tax rate and the nominal tax rate is largely due to the non-deductible amounts (impact: tax rate 4.2% higher). These non-deductible amounts are related to income components that cannot be charged to the taxable income and includes share-based bonuses, the non-deductible part of the so-called mixed expenses and costs related to the acquisition of new group companies. The adjustments for prior years have an impact of 0.2% on the effective tax rate due to the settlement of prior year income tax filings.

26 Earnings per share

26.1 Earnings per share

Basic earnings per share is calculated by dividing profit for the year by the weighted average number of ordinary shares outstanding during the year.

	2022	2021
Net profit for the year	23,895	24,598
Average number of outstanding shares (in thousands)	92,599	93,256
Earnings per share- basic (in euros)	**0.26**	**0.26**

26.2 Earnings per share – diluted

Diluted earnings per share is calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year, including all conditionally awarded shares under share-based bonus schemes.

	2022	2021
Net profit for the year	23,895	24,598
Average number of outstanding shares (in thousands)	92,599	93,256
Adjustment for share-based payment obligations	976	1,284
Total	**93,575**	**94,540**
Earnings per share - diluted (in euros)	0.26	0.26

27 Dividend per share

Pursuant to the prevailing dividend policy, a dividend payment of 0.265 euro per share in cash will be proposed to the General Meeting, to be charged to the 2022 net profit (pay out of 100%). In addition, the Management Board proposes to pay an additional distribution of 0.130 euro per share in cash. The total distribution to shareholders based on this proposal amounts to 0.395 euro per share in cash.

The General Meeting of 7 April 2022 approved the payment of a dividend of 0.158 euro per share. In accordance with this decision, Ordina paid out a total of EUR 14.7 million in dividend to its shareholders.

28 Preference shares

Ordina N.V.'s authorised capital includes 39,999,995 preference shares with a nominal 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 2022 or year-end 2021.

29 Commitments, contingencies and contractual obligations and rights

Ordina N.V. and its group companies issued guarantees for a total amount of around EUR 2.0 million in 2022 (2021: around EUR 1.7 million). Around EUR 1.2 million of these guarantees is related to lease liabilities (year-end 2021: around EUR 1.2 million) and around EUR 0.8 million is related to customer relations (year-end 2021: around EUR 0.5 million).

With respect to property, plant and equipment, Ordina has no material investment obligations at year-end 2022 (year-end 2021: EUR 0.3 million). The investment obligations at year-end 2021 were related to the refurbishment of Ordina's offices in Nieuwegein and Groningen.

The other financial obligations at year-end 2022 and 2021 can be specified as follows:

				2022				2021
	Buildings	Cars	Other	Total	Buildings	Cars	Other	Total
Not later than 1 year	514	5,693	1,133	7,340	346	5,714	1,344	7,404
Later than 1 year and not later than 5 years	2,890	13,072	1,729	17,691	429	10,738	1,679	12,846
Later than 5 years	5,171	-	-	5,171	-	-	-	-
Totaal	**8,575**	**18,765**	**2,862**	**30,202**	**775**	**16,452**	**3,023**	**20,250**

Company cars provided to employees are usually acquired on the basis of lease contracts with a term of 24 to 48 months. In this context, Ordina has a total contractual obligation of around EUR 5.7 million (2021: around EUR 5.7 million) for the service component of car lease contracts with a term of less than one year, including the liability pursuant to the lease contracts with respect to the cars which have not been delivered at year-end 2022.

All buildings where group companies are located are leased. Ordina does not own any buildings. Ordina has a total contractual obligation related to building leases of around EUR 0.5 million with respect to the service components of rental contracts with a term of less than one year (2021: around EUR 0.3 million). In addition at year-end 2022 Ordina entered into a lease agreement for a new office building in Belgium. We expect to start using this new location in early 2024. The total duration of the lease contract is 12 years from the expected commencement date. Because of the accounting for under IFRS 16 leases will start at the commencement date, at year-end 2022 the obligation is fully included in the off-balance sheet liabilities.

The other contractual obligations are related to long-term contract agreements between Ordina and suppliers.

In a number of instances, Ordina has assumed joint and several liability within its normal operations for the performance of contractual obligations by a group company.

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 parties. However, it is not always possible to avoid such discussions resulting in legal actions. Provisions are recognized at the moment it is probable that a financial claim will result in a payment and the amount of the payment can be measured reliably. Claims from Ordina against third parties that are the subject of ongoing legal procedures are in principle not capitalised, unless payment of the claims is virtually certain.

Belgium has an arrangement that makes it possible to receive subsidies for R&D activities. In this context, each year companies submit subsidy applications and subsidies are received in line with the applications submitted. The subsidy provider has not yet issued any formal decisions, as a result of which it is still uncertain whether Ordina is fully entitled to the subsidies received. Ordina will recognize these amounts in its statement of profit and loss 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 fiscal unity 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 whole fiscal unity.

Ordina N.V. and the majority of its group companies have assumed joint and several liability under the financing facility as explained under note 15. At year-end 2022, trade and other receivables valued at around EUR 60.8 million are pledged as security (year-end 2021: around EUR 53.7 million) for the financing facility.

30 Acquisitions and divestments

30.1 Acquisitions

No acquisitions took place in 2022. In 2021, Ordina acquired 100% of the shares in in IFS Probity B.V. in Barneveld. In February 2022 the name of IFS Probity B.V. was changed into Ordina Subscription Management & Utilities B.V.

Acquisition of IFS Probity B.V.
On 31 August 2021, Ordina acquired 100% of the shares in IFS Probity B.V. The acquisition price for IFS Probity B.V. includes two earn-out payments. The first earn-out payment was made in August 2022 for the amount of EUR 1.0 million. The second earn-out payment was initially planned for 2024. In connection with the accelerated integration of Ordina Subscription Management & Utilities B.V. at the end of 2022 parties opted to enter into a settlement agreement on the basis of which the remaining earn-out obligation will be settled early. Following the settlement agreement a second earn-out payment has been agreed upon for an amount of EUR 1.0 million. Payment of the second earn-out took place in the beginning of 2023. After this payment, Ordina paid the full purchase price for the shares in IFS Probity B.V. The accounting impact of the accelerated settlement has been incorporated in the 2022 financial statements.

30.2 Divestments

Ordina did not divest any group companies or activities in 2022 and 2021.

31 Related parties

31.1 Identity of related parties

Ordina's related parties are its group companies, the associated companies (see note 11), the members of the Supervisory Board and the members of the Management Board. The members of the Supervisory Board and the Management Board qualify as key management.

The total remuneration for Management Board and the Supervisory Board in 2022 and 2021 can be specified as follows:

	2022	2021
Salary	988	922
Variable component/short-term, settled in cash	332	393
Variable component/long-term, settled in shares	371	415
Pension costs	15	15
Other benefits	35	63
Total	**1,741**	**1,808**

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 to the Remuneration report on page 80.

31.2.2 Remuneration members of the Management Board

With respect to the remuneration of the members of the Management Board, the following amounts were expensed in 2022 and 2021 respectively:

	J.G. Maes		J.F. van Donk - van Wijnen		Total	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Base salary	442	430	296	260	738	690
Variable component/short-term, settled in cash	199	245	133	148	332	393
Variable component/long-term, settled in shares	249	337	122	78	371	415
Pension expense	8	8	7	7	15	15
Other benefits	16	46	19	17	35	63
Total	**914**	**1,066**	**577**	**510**	**1,491**	**1,576**

Total remuneration of the members of the Management Board combined amounts to around EUR 1.5 million in 2022 (2021: around EUR 1.6 million).

The long-term component of the variable remuneration is related 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 based on 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 are related to revenues and the EBITDA margin. The non-financial targets are based on clearly measurable (qualitative and quantitative) targets and are related to customer satisfaction, employee engagement, the growth in added value and the implementation of the sustainability strategy. At the end of the three-year period, the shares are awarded unconditionally on the basis of the targets realized 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 reporting date based on the long-term bonus benefits. Based on this estimation, the costs of the variable long-term remuneration component are recognized in the statement of profit or loss, 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 recognized in equity as retained earnings.

As part of their variable long-term remuneration for the period 2020-2022, Mr. Maes and Ms. Van Donk-van Wijnen are unconditionally granted a total of 110,650 and 14,875 Ordina N.V. shares respectively. This is equivalent to a payment percentage of approximately 117% of the on-target remuneration. Of the total payment percentage, 95% is related to the financial targets and 22% to the non-financial targets. The shares granted to the CFO, Ms. Van Donk-van Wijnen, pursuant to the 2020-2022 scheme are awarded under the senior management bonus scheme.

The cost of the long-term remuneration is around EUR 0.4 million in 2022 (2021: around EUR 0.4 million).

The current schemes can be specified as follows:

	Conditionally granted number of shares	Grant date	Share price at grant date	Fair value on grant date	(estimated) pay out in % of weighting target	Recognised in profit & loss 2022	Recognised in profit & loss 2021
J.G. Maes							
Scheme 2019-2021							149
Scheme 2020-2022	94,573	12/02/20	2.16	204	117%	72	112
Scheme 2021-2023	74,783	18/02/21	3.22	241	117%	109	76
Scheme 2022-2024	53,902	02/03/22	4.30	232	100%	68	n.a.
	223,258					**249**	**337**
J.F. van Donk - van Wijnen							
Scheme 2019-2021 *							19
Scheme 2020-2022 *	12,714	22/06/20	1.92	24	117%	10	13
Scheme 2021-2023	45,217	18/02/21	3.22	146	117%	66	46
Scheme 2022-2024	36,039	02/03/22	4.30	155	100%	46	n.a.
	93,970					**122**	**78**
Total	**317,228**					**371**	**415**

* Awarded under the senior management scheme.

The members of the Management Board can participate in the pension scheme provided by Ordina. If a member of the Management Board participates in this scheme, Ordina pays the pension premium. If a member of the Management Board declines to participate, they receive a gross payment from Ordina. This is the same as the amount Ordina would have been due to pay if the member of the Management Board in question were to participate in the pension scheme provided by Ordina.

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 2022 (2021: 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 2022, the members of the Management Board held 352,708 Ordina N.V. shares (year-end 2021: 300,028 shares). The shares are distributed among the members of the Management Board as follows:

	2022	2021
J.G. Maes	332,783	292,476
J.F. van Donk - van Wijnen	19,925	7,552
Total	**352,708**	**300,028**

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

At year-end 2022 and year-end 2021, 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:

	2022	2021
J. van Hall, chairman	65	66
C. Princen, vice chairman	48	48
T. Menssen	48	48
D.R. de Breij (appointed per 8 April 2021)	45	33
B. van Reet (appointed per 8 April 2021)	45	33
F. Michiels (resigned per 4 February 2021)	-	4
Total	**250**	**232**

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 2022 and year-end 2021, the members of the Supervisory Board held no shares in Ordina N.V.

32 Events after the reporting period

No events occurred after 31 December 2022 that have a material impact on, or warrant restatement of the financial statements.

Company statement of financial position as at 31 December

(Before appropriation of profit)

(In euro thousands)	Notes	2022	2021
Assets			
Non-current assets			
Financial fixed assets	34	171,855	176,966
Deferred income tax assets	35	121	1,389
Total non-current assets		**171,976**	**178,355**
Total current assets			
Other receivables		6	1
Current income tax receivables		-	592
Total current assets		**6**	**593**
Total assets		**171,982**	**178,948**

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

Company statement of financial position as at 31 December

(Before appropriation of profit) (continued)

(In euro thousands)	Notes	2022	2021
Equity and liabilities			
Equity			
Issued capital	36	9,002	9,326
Share premium	36	124,433	136,219
Legal reserve	36	337	1,061
Retained earnings	36	13,866	7,744
Net profit for the year	36	23,895	24,598
Total equity		**171,533**	**178,948**
Liabilities			
Current liabilities			
Current income tax payable		449	-
Trade payables and other current liabilities		-	-
Total current liabilities		**449**	**-**
Total liabilities		**449**	**-**
Total equity and liabilities		**171,982**	**178,948**

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

Company statement of profit and loss

(in euro thousands)	Notes	2022	2021
Revenue		**-**	**-**
Operating expenses			
Other operating expenses		-2	-2
Total operating expenses		**-2**	**-2**
Operating profit		**-2**	**-2**
Finance income		12	-
Finance costs		-	-23
Finance costs - net		**12**	**-23**
Share of profit of group companies	34	23,889	24,742
Profit before tax		**23,899**	**24,717**
Income tax expense		-4	-119
Net profit for the year		**23,895**	**24,598**

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

Notes to the company financial statements

33 General

33.1 Basis of preparation of company financial statements

Ordina N.V. is a private limited liability company, incorporated in 1973, and has its registered office at Ringwade 1, in Nieuwegein, the Netherlands, under Trade Register number 30077528. The company financial statements of Ordina N.V. have been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code. In accordance with subsection 8 of section 362, Book 2 of the Dutch Civil Code, the recognition and measurement principles applied in these parent company financial statements are the same as those applied in the consolidated financial statements (see accounting policies relating to financial statement captions included in the relevant notes to 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 subsidiaries

Investments in subsidiaries in which Ordina N.V. exercises control or where Ordina N.V. is responsible for central management are measured at net asset value. The net asset value is measured whereby the net assets, liabilities and provisions of the group company are measured and profit is calculated on the basis of the accounting policies used in the consolidated financial statements.

Receivables from group companies are measured on the basis of the accounting policies used in the consolidated financial statements. The expected credit losses on receivables on group companies, as stated in IFRS 9, are recognized as part of the carrying amounts of the group companies.

34 Financial assets

This item can be specified as follows:

	2022			2021		
	Investments in group companies	Receivables from group companies	Total	Investments in group companies	Receivables from group companies	Total
At 1 January	172,673	4,293	176,966	170,604	3,666	174,270
Investments and distributions	-31,825	2,575	-29,250	-22,788	627	-22,161
Actuarial gains and losses	250	-	250	115	-	115
Share of profit of group companies	23,889	-	23,889	24,742	-	24,742
At 31 December	**164,987**	**6,868**	**171,855**	**172,673**	**4,293**	**176,966**

The investments and distributions within the participations in group companies are related to internal dividend payments (2022: EUR 30.0 million, 2021: EUR 20.5 million) as well as equity movements related to share-based payments (see notes 17 and 22). The actuarial gains and losses are related to employee-related provisions (see notes 12 and 19).

35 Deferred income tax assets

Deferred income tax assets can be specified as follows:

	2022	2021
Intangible assets and property, plant and equipment	121	159
Recognised tax losses	-	1,230
At 31 December	**121**	**1,389**

Ordina N.V. is the head of the fiscal unity 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 associated with intangible assets and property, plant and equipment relates to temporary measurement differences due to the difference between actual economic useful life and the minimum fiscal write-down period. Deferred tax assets are recognized at the applicable tax rates.

At year-end 2022 Ordina has utilised all of its tax losses. At year-end 2022 no tax losses are recognized (recognized tax losses at year-end 2021: around EUR 4.8 million).

At year-end 2022, around EUR 0.1 million (year-end 2021: around EUR 0.1 million) of the deferred tax assets has a maturity of more than one year. For more details on the deferred taxes of Ordina, see note 12.

36 Equity

Movements in equity in 2022 and 2021 can be specified as follows:

	2022						2021					
	Issued capital	Share premium reserve	Legal reserve	Retained earnings	Net profit for the year	Total	Issued capital	Share premium reserve	Legal reserve	Retained earnings	Net profit for the year	Total
At 1 Januari	9,326	136,219	1,061	7,744	24,598	178,948	9,326	136,219	1,676	8,300	22,290	177,811
Appropriation of profit previous year	-	-	-	24,598	-24,598	-	-	-	-	22,290	-22,290	-
Dividend distribution	-	-	-	-14,734	-	-14,734	-	-	-	-22,288	-	-22,288
Shares purchased in relation to the share buy-back program	-324	-11,786	-	-2,890	-	-15,000	-	-	-	-	-	-
Shares purchased in relation to the share-based payments settlement	-	-	-	-2,802	-	-2,802	-	-	-	-2,602	-	-2,602
Share-based payments - personnel expenses	-	-	-	976	-	976	-	-	-	1,314	-	1,314
Actuarial gains and losses on defined benefit plans	-	-	-	250	-	250	-	-	-	115	-	115
Net profit for the year	-	-	-	-	23,895	23,895	-	-	-	-	24,598	24,598
Movement regarding legal reserve	-	-	-724	724	-	-	-	-	-615	615	-	-
At 31 December	**9,002**	**124,433**	**337**	**13,866**	**23,895**	**171,533**	**9,326**	**136,219**	**1,061**	**7,744**	**24,598**	**178,948**

The share premium reserve at year-end 2022 includes share premium of around EUR 2.9 million which does not qualify as tax approved share premium reserve which is related to share-based payments (year-end 2021: around EUR 2.9 million).

The legal reserve relates to the carrying amounts of the internally generated intangible assets (see section 2.5.2 and note 8.4).

In 2022 Ordina executed a share-buy-back program for the amount of EUR 15 million. Ordina acquired 3.2 million of its ordinary shares. These shares were cancelled in October 2022. After the cancellation of these shares, Ordina's issued capital consists of one priority share and 90,015,795 ordinary shares. For details on the share buy-back program, see note 16.2.

At year-end 2022 and year-end 2021, Ordina N.V. had not purchased any treasury shares.
At year-end 2022 and year-end 2021, 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, 15 February 2023

Management Board
J.G. Maes, *CEO*
J.F. van Donk-van Wijnen, *CFO*

Supervisory Board
J. van Hall, *Chair*
C. Princen, *Vice-Chair*
T. Menssen
D.R. de Breij
B. van Reet