

PUBLIC REPORT 2021

# GUIDING PARTNER



**GUIDING  
PARTNER**

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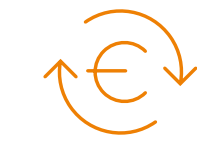
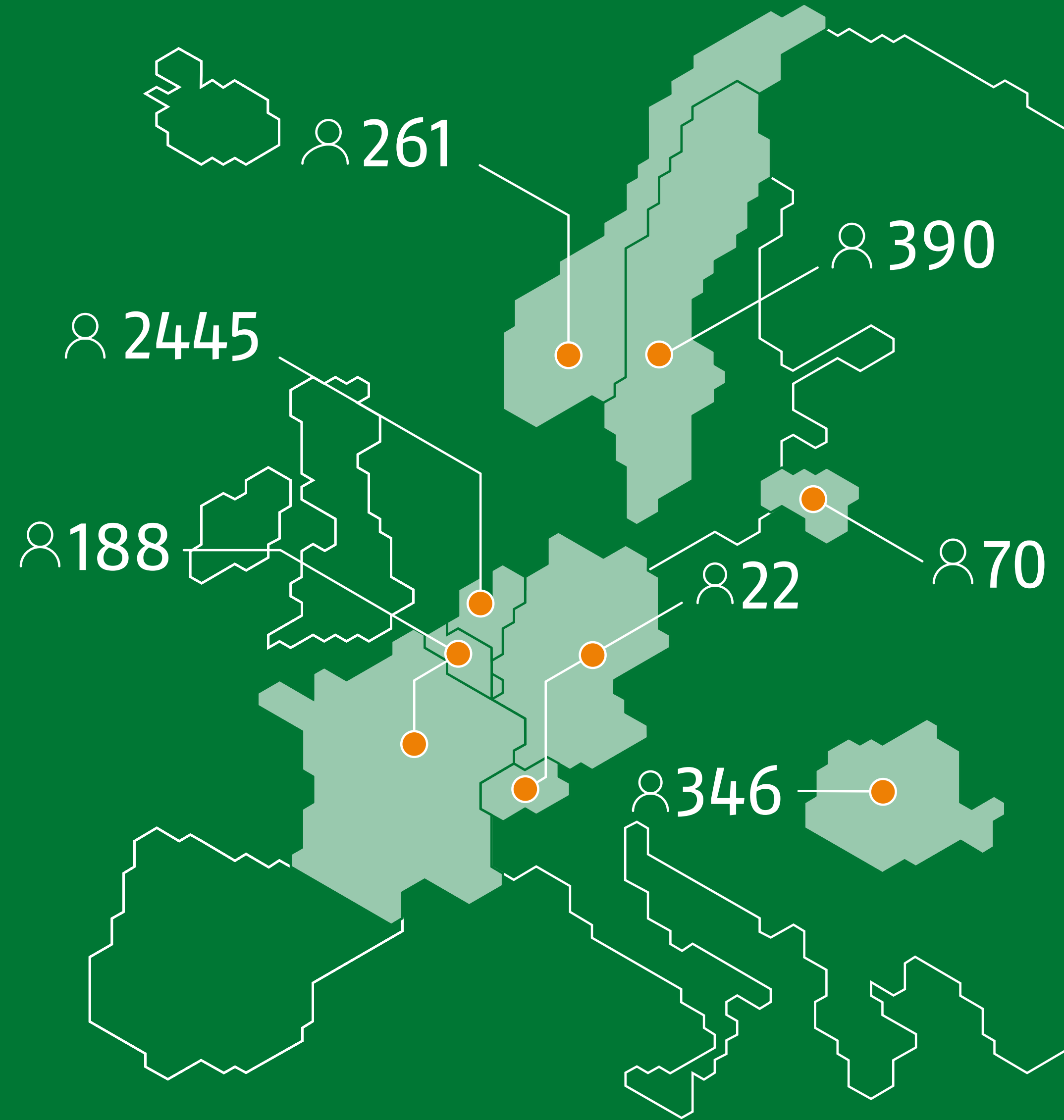
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## Profile

### About Centric

Centric stands out from traditional IT and administrative services providers by combining its in-depth knowledge of IT with many years' experience in industry-specific processes in the public sector, supply chain and the financial industry. This unique ability to stand out in a highly competitive marketplace is reflected in our four main activities: Software Solutions, IT Outsourcing, Business Process Outsourcing and Staffing Services. We offer our customers highly qualified and committed professionals, effective technological solutions and first-rate IT and administrative services. We leave companies free to focus on their core business, work more efficiently and improve their performance.

Centric is an organisation of 3,700 professionals. We operate in Belgium, Germany, France, Lithuania, Luxembourg, the Netherlands, Norway, Romania, Sweden and Switzerland.



turnover  
**422**  
million euros



EBIT  
**17**  
million euros



**46%**  
solvabiliteit

# Management report

Centric looks back on a successful but eventful 2021. Despite the impact of COVID-19 on the various markets, our service to customers continued almost unabated, and we managed to improve our pre-tax operating profit compared to 2020.

Centric is a financially healthy and stable company. That is once again reflected in the annual figures. Although the effects of COVID-19 and the international chip shortage were noticeable, sales remained fairly stable (€422 million), with a slight contraction of 3.3 per cent. Volumes remained constant in what was a trying COVID-19 year, with an improved pre-tax operating profit. Therefore, despite the uncertainties surrounding COVID-19, no state aid was applied for in 2021.

## Legal structure

For Centric Holding B.V.'s legal structure, please see the consolidation principles in the consolidated financial statements.

## Our year in figures

The operating profit rose to €17 million in 2021, up 5 per cent compared to 2020 (€16.1 million). We achieved this with 3,506 FTEs, of which 1,193 FTEs were outside the Netherlands. The net profit was down from €14.1 million (2020) to €12.5 million (2021), partly due to the

measurement of a deferred tax asset in 2020. The solvency ratio is 46%, and liquidity is excellent, with a current ratio of 1.4.

## No external financing

The solvency ratio of 46% and liquidity (current ratio 1.4) show that Centric has been a healthy and stable company for many years. Centric does not make use of external financing.

## Dividend

No dividend was paid in 2021.

## Events after the balance sheet date

In 2022, the activities of Centric Pension and Insurance Solutions B.V. will be transferred to a different party. An appropriate solution has been found for both the customers of Centric Pension and Insurance Solutions and its employees. In 2022, a share premium payment took place up to a sum of €80 million. The payment took the form of the issue of a subordinated loan for that same amount.

## The impact of COVID-19

In our staffing activities abroad, we saw the impact of COVID-19 reflected in a temporarily reduced demand for flexible labour. Centric, like many other companies, had to contend with international shortages of computer chips in

the supply chain market, resulting in postponed orders and longer delivery times for hardware for POS systems, among other things. However, we also saw growth in Retail & Logistics, where we were able to welcome a large supermarket chain to our customer portfolio.

Because of the COVID-19-related restrictions, we also saw an increasing demand for online services, e.g. municipal authorities that want to allow their residents to arrange matters such as applying for a passport or a change of address online. This trend towards more online services had already started but has accelerated due to the pandemic. The scalable online services we develop uniquely position Centric to respond to this.



*Johan Taams, CEO Centric*

### Working from home

The infrastructure and tooling to facilitate customers remotely were already in place. The same applies to the successful switch to working from home as much as possible in 2020. Although working from home took some getting used to, it also offered opportunities and benefits, including less travel time and costs, higher productivity and a better work-life balance.

The past two years have shown that we can also work excellently together in other ways. For that reason, we plan to structurally combine working from home and at the office through the Smart Working programme.

### Balance in markets and activities

We guarantee the stability and continuity of our organisation. We do this by strategically choosing to focus on the public and financial sectors, industry and the supply chain in combination with international cooperation, Staffing Services and IT Outsourcing activities.

Centric's ambition is to continue expanding its position in these markets over the coming years, both in the Netherlands and abroad. Sufficient market share is needed for investments in products and services to pay off and remain successful in the future.

Centric opts for a healthy balance in markets and activities because that is how we ensure the continuity of our organisation for customers and employees. This broad overview across different sectors also gives us a clear insight into the similarities in the IT needs of the markets we serve with generic products and services. A diverse portfolio also allows us to absorb any negative impact of risks and circumstances in a single country or focus area.

At the same time, our focus on core markets forces us to make choices regarding propositions that no longer fit the organisation's strategic direction. In 2021, it was decided to part company with our pension administration

activities and transfer all Centric Pension and Insurance Solutions activities to a specialist party that will optimally support our customers in this area. An appropriate solution has been found for both the customers of Centric Pension and Insurance Solutions and its employees.

### Guiding partner to customers

Last year, under its new leadership, Centric launched a clear strategy for the coming years and translated it into operational objectives. The core of this strategy is that we will organise our organisation closely around our customers and, as a guiding partner, guide them even more intensively to success. Centric's extensive knowledge of the market, technological expertise and insight into developments in various sectors uniquely positions it for this. We want to expand this position further by serving even more customers in the Netherlands and the European countries where we already have a presence.

Centric's role as a guiding partner also fits in with the growing need for unburdening services that we are seeing among many customers: instead of separate solutions, organisations are increasingly demanding integrated services. Adding value means that we are always at our customers' side as advisers and partners. It is crucial that we set the direction in this area and understand their needs and business processes.



**Centric opts a healthy balance in markets and activities because that is how we ensure the continuity of our organisation for customers and employees**

# Johan Taams

Chief Executive Officer



## 'Guide customers even more intensively to success'

*"Now, more than ever, we face radical technological developments and customers who bear little resemblance to the customers we served a decade ago. Centric is pursuing a new strategy to remain at the forefront of this changing world and add as much value as possible. The essence of the new strategy is that we are reducing the distance between ourselves and our customers. That enables us to guide both our customers and our employees more intensively towards success."*

To do this to the best of our ability, we must stay ahead of the curve by keeping abreast of the latest trends, technologies and market developments. We will, therefore, continue to invest in our knowledge and skills. To continue providing the best possible service to customers in the future, we are also redesigning parts of the organisation (see the chapter on Digital Business Solutions).

### Partnerships

To provide customers with an integrated service, we also use the solutions of close partners, with Centric taking a directing role.

### To the cloud with Microsoft

We have partnered up with Microsoft in the area of cloud infrastructure, which we are using to bring our SaaS

services for customers in local government to the cloud. The obvious advantages of the cloud, such as scalability, optimum availability and security, help our customers and enable Centric to continue to grow. The section Investing in the Cloud discusses this in more detail.

### Service desk: IPsoft

We also work with a partner in the service desk area. We have partnered with IPsoft to improve both the quality and scalability of our external and internal customer services. For example, we use the chatbot Amelia, a digital assistant that can communicate with people in spoken language based on Artificial Intelligence (AI). For example, in the public sector. The addition of AI to

our online services for municipalities means that citizens will soon be helped by a digital assistant 24/7. We are also deploying this technology in more and more areas at the Centric service desk for customers and, in time, also for our own internal helpdesk for employees. We enter into and maintain these kinds of partner relationships Centric-wide. This also means that we expand our knowledge of IPsoft and Microsoft and train and supervise colleagues in these areas.

### People development: our employees make the difference

Alongside being a guiding partner, people development is the other pillar of the strategy. At Centric, people come first. Our people make us who we are. That includes clear career paths with training, education and logically organised competencies. This makes employees flexible, broadly deployable and interchangeable: one moment in internal product development and the next in a project team with a customer or client. By providing good support for self-development and growth opportunities, we also ensure that Centric remains an attractive

employer – a key success factor in today's tight labour market.

For this purpose, we have set up programmes that encourage our employees to continue their development. After all, they are the ones who use their knowledge and skill to make a difference for Centric's customers. Internally, we offer learning paths and development programmes in the Centric Academy, and externally we share knowledge and bring IT professionals into contact with each other through our successful CRAFT development programme.

## Patrick Rosengarten

Chief Financial Officer



### 'Investing in the customer and in ourselves'

*"Our pre-tax operating profit rose in 2021. That means we can continue to invest in developing the products and services that customers want. The same applies to our core processes and the alignment of systems. Being a financially healthy company gives us the scope for this. Also, now that the COVID-19-related restrictions are largely behind us, I expect to see a rising trend in demand for our services in several markets. That gives us every reason to confidently look forward to the coming period."*

# Debby de Gelder

Chief People Officer



‘Making improvements through cooperation and trust’

*“It is important to support employees in their development and the changes needed to make our strategy a success. The culture at Centric is changing naturally and organically towards an ever-sharper customer focus. We are making this exciting journey together with all our colleagues at Centric.”*

## Governance

Our new strategy is informed by the promise of guiding partnership for customers and a sharp focus on people development. This strategy was launched in 2021 under the leadership of Johan Taams, who joined us as Chief Executive Officer and Executive Director in August. Johan Taams succeeded CEO Henny Luijrink, who retired in 2020.

As of January 2022, Debby de Gelder joined the board in a new position: Chief People Officer. She guides the organisation through everything needed to be a guiding partner to employees, such as self-development, organisational change, employment conditions and training opportunities.

The board was also strengthened in January 2022 by the arrival of Bart Fehmers as Chief Operational Officer (COO). Bart has been Managing

Director of the Centric Digital Business Solutions (DBS) unit since August 2021 and, as COO, also oversees the primary processes Centric-wide.

*This means that the Centric board is at full strength and consists of five members:*

- Johan Taams, CEO, with management responsibility
- Patrick Rosengarten, CFO, with management responsibility
- Debby de Gelder, CPO
- Freddie Veltmaat, CTO
- Bart Fehmers, COO

*The board also consists of three non-executive directors:*

- Louis Luijten (Chairman)
- Aike Schoots
- Peter Mous

On 4 January 2021, Centric founder Gerard Sanderink stepped down as a

director at his own request. He remains the owner and sole shareholder but has no role in the company’s management. Clear agreements have been made about the roles and responsibilities of the executive and non-executive directors and the shareholder. The position and responsibilities of the non-executive and executive directors are laid down in the Articles of Association. Sanderink’s role as chairman of the one-tier board has been taken over by non-executive board member Louis Luijten. Centric therefore has a solid and well-functioning governance structure.

When vacancies open up on the board, Centric endeavours to find the most qualified candidate while also seeking to comply with the diversity principle.

### Security remains top priority

The importance – and vulnerability – of information security was demonstrated last year by the increasing number of digital attacks, data breaches and other security incidents worldwide. Cybersecurity is naturally at the top of Centric's agenda as an IT company. Protecting our data, networks and systems and those of our customers is a top priority.

A high level of security allows us to quickly anticipate digital threats, such as the leak in Kaseya's management system and, at the end of last year, the vulnerability in

Apache Log4J, a common logging tool used in many software components worldwide. Together with partners and customers, we took immediate action, preventing the adverse consequences of this serious security breach. In close contact with customers and through announcements on our site, all stakeholders were continuously kept informed about this.

In addition, our teams in Lithuania and the Netherlands work on Security Information & Event Management (SIEM) and Security Operations services. From these centres, they monitor data traffic on our networks

and the security of IT infrastructure 24/7. That allows us to proactively monitor anomalous behaviour and respond to security risks before they have an impact.

The rise in the number of incidents worldwide leads to growing demand in the market for security solutions and security training. Centric provides customers with an extensive security portfolio. This portfolio consists of various security assessments, awareness training courses and solutions for issues such as secure password management and identity management.

## Freddie Veltmaat

Chief Technology Officer



### 'Unburdening from the cloud'

*"More and more customers have their applications running in the Centric cloud. We are also seeing a growing demand for public cloud services. Centric is also investing heavily in this area. The promise of cloud and SaaS is to unburden customers completely, with significant benefits in terms of efficiency, scalability, security and convenience. Software as a service from the cloud means that customers only use one version, so we only have to test and maintain it once. That makes life easier for our customers."*

### International: working with our colleagues abroad

The labour market for experienced IT specialists and software professionals remains tight. Centric has responded by transferring some of its development activities to countries with sufficient specialist knowledge. For instance, we have already been operating in Romania for years, where software projects for specific customers are now also being carried out in addition to the development of some of our own software.

The colleagues in our nearshore centres in Romania and Lithuania are now an integral part of our delivery organisation. Centric's board is in daily contact with these countries regarding continuity and safety to guarantee continuity. Other than that, we are strengthening our commercial position in the countries where we operate – including Belgium, Germany, Norway and Sweden – with sector-specific solutions and generic IT services, such as HR services, workplace support and service desk services. Our unique combination of market knowledge and generic services creates scalable propositions that can be deployed in multiple countries. This presents opportunities to increase our market share and achieve our international growth ambition.

### Investing in the cloud

The transition to the cloud plays an important role in this. That also applies to the public sector, where we are now also operating in Belgium with solutions for local government. An important trend in the Netherlands is increasing scale, as seen in municipal boundary changes. This trend is also reflected in the growing number of municipalities cooperating in various fields or placing civil servants under joint arrangements. This scale has implications for the supporting software: it must be flexible and scalable.

Centric has therefore been investing in the 'SaaSification' of its portfolio – offering software as a service from the cloud – for some time and will continue to do so. We provide the transition to SaaS in the public sector and, for example, for customers of our state-of-the-art eHRM proposition Motion and market-leading solutions for retail and logistics.

### Microsoft cloud partnership further extended

Centric is convinced that the cloud is the best solution for many customers in the long term. In 2021, we therefore intensified our cooperation with Microsoft in a multi-year strategic partnership to help organisations achieve successful digital transformation. Centric adopts the Microsoft cloud portfolio, enabling Centric's customers to accelerate their digital transformation.

The internal 3Horizons programme gives substance to this: with this programme, we look to a future in which we approach the market together with new technology, cloud services and workplace management from the cloud. We are further preparing our organisation for this by certifying professionals and working with Microsoft to offer products and services via the cloud.



Centric is convinced that the cloud is the best solution for many customers in the long term

## Bart Fehmers

Chief Operating Officer



### 'Introducing new services, optimising existing ones'

*"As COO of Centric, my portfolio includes delivery and operations. An operating model that connects and enables customer obsession and employee obsession. We focus on growth from these two primary focus areas by continuously introducing new services while further optimising the existing ones. That is how we are and continue to be of added value to our customers."*

#### Administrative information: new ERP and CRM

In the coming years, we will continue to work on improving the IT landscape within our own organisation and harmonising the core processes across all organisational units. This will make us more efficient and streamlined, ultimately benefiting our customers.

To further improve the administrative information provision needed for this, programmes have been started for matters such as implementing a new ERP system and a further roll-out of CRM. In 2021, Centric opted for the IFS platform combined with Microsoft's CRM online solution.

The data-driven management information we are investing in will enable us to work more efficiently, look further ahead and serve customers better in line with the new strategy.



**In 2021, Centric opted for the IFS platform combined with Microsoft's CRM online solutions.**

### R&D and innovation

The strategic partnership we started last year with Microsoft means we can deploy the latest Defender Security suite and gain access to the Low-Code Power Apps platform. The Microsoft Learner Experience has meanwhile also been integrated into Centric Academy, our online learning environment. This enables us to offer our clients the full Microsoft 365 suite.

### Blockchain for the public sector

Centric is active in the area of blockchain technology, through R&D projects with a focus on distributed ledgers and decentralised IDs. The first blockchain pilots are being developed in the public sector, with interested frontrunner municipalities actively participating in the development.

Centric is also involved in a line of research at Utrecht University, where we are supporting a PhD candidate. For example, we contribute to Dutch knowledge development in decentralised autonomous organisations (DAO) and the alternatives for a legal form of smart contracts.

### DevOps application development

Based on open source technology, we have developed tooling to efficiently and fully automate cloud environments for both test and production. This so-called 'Nebula technology' is 'cloud agnostic' (independent of the cloud vendor). Centric supports modern application development based on DevOps and the SAFe Scaled Agile Framework.

### Augmented Reality

Centric has been developing solutions in Augmented Reality (AR) and virtual reality technology for several years. Recently, for example, AR was used in our design platform Furban, which allows municipalities to have their residents co-design their living environment. The accompanying AR app offers a true-to-life view of the future streetscape, thus contributing to stronger commitment and support among members of the public. We are also looking into the possibilities and applications of a 'metaverse', in which information about members of the public and their physical world is made available online via a three-dimensional, virtually experienceable version of that world.

### Using data to the full with data science

Data science is a promising field of research that has become indispensable. Recently, we have carried out data science projects together with clients in various fields: from house valuations for municipalities and algorithms for self-checkout checks, to systems for accurately predicting preventive maintenance work on rail systems. We help customers get even more value out of their data with these projects.



## OUTLOOK

In 2022 and beyond, we will continue to focus on innovative solutions and technology. We are also building on what we have proudly put in place over the past decades. On the way to further growth in our core markets, we are now enthusiastically entering a period of change and improvement with a renewed strategy with our employees, customers, and partners. To manage this optimally, we proactively measure the satisfaction and engagement of both employees and customers – it is they who ultimately determine our success.

We are convinced that by investing in our employees at both the nearshore locations and in several Western European countries, we can optimally meet the demand and needs of the market. Centric has every reason to look to the coming period with confidence and enthusiasm, working on trendsetting solutions that help our customers to achieve success.



## Governance, risk and compliance

### How we manage risks

The world we and our customers operate in is changing apace, and so are the potential risks. To manage the risks that may affect our organisation, we use the Centric Risk and Control Framework. An overview of the main risks and what we are doing to control them.

### Governance

In 2021, Centric will be managed by a one-tier board consisting of:

- 3 non-executive directors, including the chairman of the board
- 2 executive directors (Chief Executive Officer and Chief Financial Officer)
- Chief Technology Officer

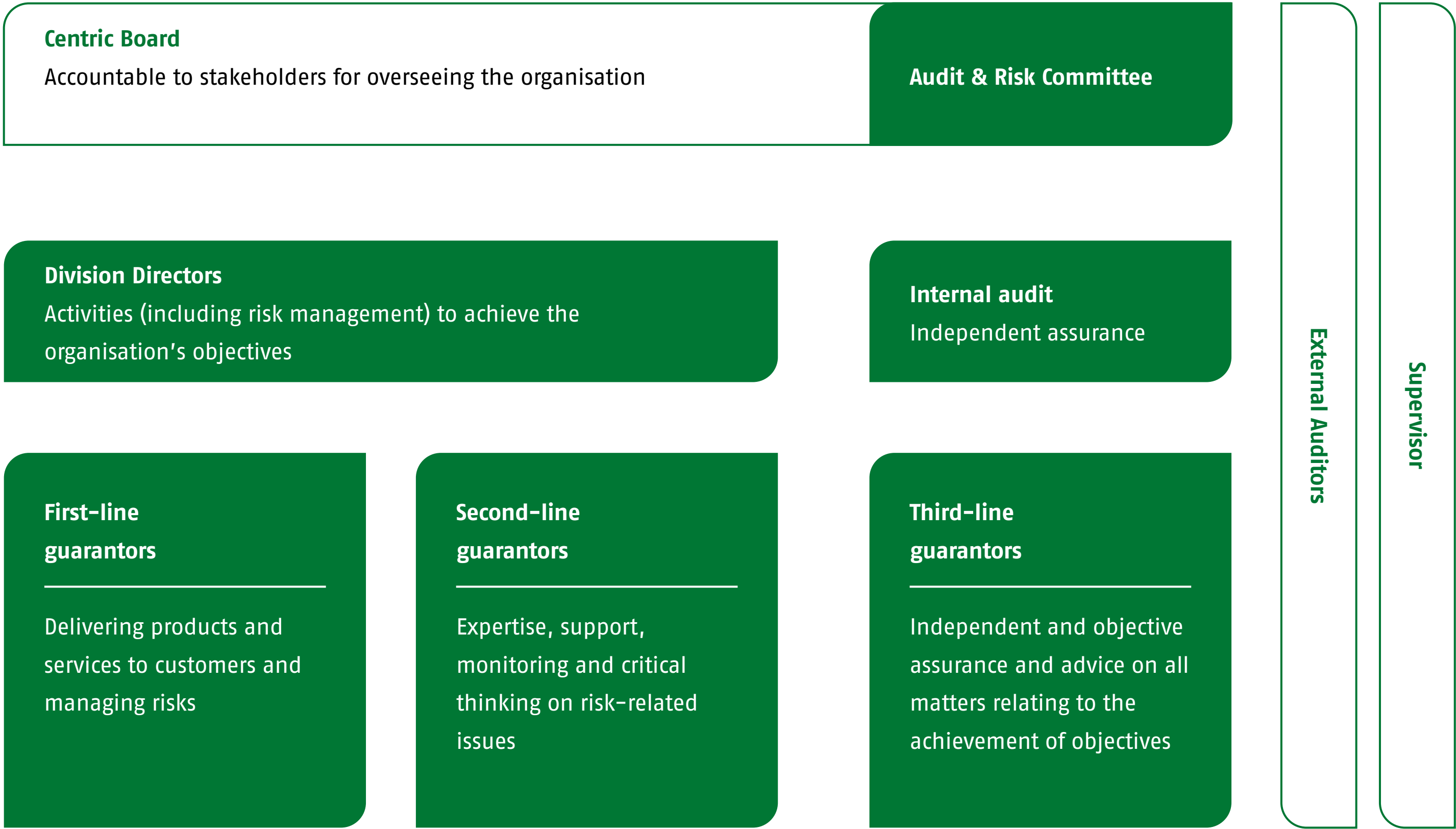
To focus sufficiently on Centric's strategic objectives, the Board was augmented on 1 January 2022 to include a Chief Operating Officer and a Chief People Officer.

### The risk management organisation

Centric's board is responsible for the effective management of Centric's risks, with responsibilities for risk management delegated according to the Three Lines Model. In this model, the first-line business roles are supported by the corporate second-line roles, and the internal audit organisation has an independent assurance role towards customers and Centric's board.

**Audit & Risk Committee**

In 2021, Centric took risk management a step further by establishing the Centric Audit & Risk Committee, chaired by the CEO. This committee supports the Centric board in obtaining assurances on risk management and internal controls.





### Risk management framework

Centric uses a structured risk management framework to ensure that strategic, operational, financial and compliance risks are identified and appropriately mitigated across all business units, with due regard for risk appetite. This contributes to enhanced risk awareness throughout the organisation.

### Risk appetite

The Centric board has established Centric's risk appetite. This is the degree of risk we as an organisation are prepared to take to pursue our goals.

### Strategic risks

Centric's ambition is to be a guiding partner to our customers. To achieve this, Centric is willing to take risks, as long as they are in reasonable proportion to the results to be achieved and the possible impact on the organisation.

### Operational, financial reporting and compliance risks

Centric has a low level of risk acceptance in financial reporting and sets out to fully comply with laws and regulations. Centric aims to be a high-performance, self-learning organisation,

which is why we accept that employees make mistakes, as long as this improves the quality of our services.

### Financial instruments

Centric uses financial instruments that expose us to market and credit risks in the ordinary course of business. These financial instruments concern items included in the balance sheet, such as receivables and debts. We do not trade in these financial instruments or apply derivatives. Centric has procedures and codes of conduct in place to limit the extent of credit risk with counterparties.

### Risks

Centric operates in a dynamic environment full of opportunities, risks and uncertainties. Centric sets out to control these risks to successfully implement its chosen strategy.

*These are the key risks Centric faces:*

### Market developments

Our customers' expectations are constantly changing. Centric operates in various market segments, each with its own specific properties and requirements. To make the best possible use of our knowledge of these markets and better fulfil its core value of customer obsession, Centric initiated an organisational change in 2021. We structure the organisation according to our four main market segments. This change is expected to be completed in the course of 2022.

### Events in Ukraine

Since 24 February 2022, Ukraine has been in turmoil due to the Russian invasion. We have set up a crisis team to ensure the continuity of our offices in Lithuania and Romania. There is daily contact with the local management to monitor the situation. As far as the continuity and financial situation of the Centric companies are concerned, no impact is currently expected as a result of the war.

### Rapidly changing technology

Technology changes potentially impact our competitive edge. Centric combines its existing knowledge of technologies to remain a leading IT player and support our customers in their digital transformation. We also exploit both the possibilities of new technologies and the knowledge of leading partners in the IT world.

### Labour market

Our people are of strategic importance to Centric. Centric appointed a Chief People Officer as of January 2022 with the key task of increasing our attractiveness as an employer. Centric runs various programmes aimed at making Centric a great place to work. These programmes aim to increase employee satisfaction and create a culture where learning and self-development are part of the job.

### Operations

In 2021, the Harmony programme was launched. This programme focuses on optimising the internal business processes, providing information, and implementing a new Centric-wide ERP system.

### Centric In Control Programme

Parallel to implementing a new ERP system, Centric launched a programme leading to an optimal risk management process and a uniform internal control framework for the entire Centric organisation.

### Data privacy

As technological innovation progresses, the use of data grows, making data privacy more and more complex. In the area of compliance, specific attention needs to be paid to regulations relating to privacy (like the GDPR). Centric constantly works on optimising its privacy programme to identify and protect the personal data of both customers and its employees.

### Information security and cybersecurity

At Centric, we consider information security a crucial part of our operations and of the services we provide our customers. Robust information security is the basis of our reliability as a supplier, business partner and employer. For this purpose, Centric has implemented an Information Security Baseline across the entire organisation.

### Business continuity

Safeguarding the continuity of business operations, information provision and services to customers is essential to Centric. Periodic risk and business impact assessments are carried out to validate the control measures in line with contractual agreements and relevant legislation and regulations.

### COVID-19

Also in 2021, COVID-19 had a major impact on the world (economically and geopolitically) and thus on Centric and its partners. Centric opted to allow employees to work from home as much as possible, entirely in line with government recommendations. With modern digital tools and workplace support, we guaranteed the continuity of our services.

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# MARKETS & BUSINESS

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## Public

IT plays an increasingly important role in municipal services, from civil affairs to social security. As a partner to the public sector for many years, Centric has been supplying the software and technical solutions that municipal authorities, water boards and other local government bodies need to perform their tasks.

Although municipalities still predominantly use their own on-premise IT infrastructure, this is rapidly shifting towards using cloud-based applications. Centric takes care of maintenance, implementation, consultancy, support and training. In short, everything needed for municipal business operations and services to residents to run smoothly.

### Successful year

COVID-19 again restricted our freedom of movement last year. We nevertheless responded well to this and were often able to strengthen our relationship with existing customers and welcome new ones remotely. This made 2021 a successful year financially as well. By introducing the Scaled Agile Framework, we also made customers part of the development process.

We thus strengthened the bond with them and saw their satisfaction rise again. Cooperation with the Centric Users' Association also continued to improve during the year under review. Constructive talks were held on steps to be taken together on all relevant topics and domains. A change in management provided fresh impetus and new insights.



### Common Ground

Common Ground is the guiding perspective for renewing our existing products and developing new ones. We see that this is gradually being handled more professionally with clear guidance and attention to the interests of market parties. We welcome this, and it makes it possible for us to take further steps in this direction. We actively contribute to further policy formulation with our revised

position paper on Common Ground and our participation in the Association of Netherlands Municipalities' (VNG) strategic meetings.

### Transition to SaaS

In 2021, we invested heavily in renewing our applications and transitioning them to the cloud. The goal remains to offer all solutions on a Software-as-a-Service (SaaS) basis

by the end of 2023. We have noticed that our customers, too, are taking more concrete steps in this direction and that there is more interest in the transition process we are engaged in. Apart from moving to the cloud, Centric is also investing heavily in further improving the look and feel, openness and security of its applications.

### Security

Attention to security intensified in response to hacks at municipal authorities and the Log4J crisis at the end of 2021. We were able to mitigate the vulnerability of Log4J in close consultation with VNG, the Information Security Department and our customers. Centric recognises the importance of responding to organisations' increased vulnerability due to digitisation and plans to further expand its proposition in this area in collaboration with partners.

### Success paths

The shared services centre of the city of Leeuwarden provides IT services for a large part of Friesland province, which makes it one of the largest customers in the public domain. The reaffirmation of our relationship in a multi-year contract was one of the commercial highlights. The same is true of winning the tender of the Regionale Belasting Groep in Schiedam, an existing client who chose us again.

A No Cure No Pay pilot was carried out with the city of Amsterdam, in which incoming objections can be dealt with in a simplified manner using AI. This will achieve a considerable saving on implementation costs for the city of Amsterdam.



### At the strategic meetings of the Association of Netherlands Municipalities (VNG), we contribute to the further policy formulation around Common Ground

The city of Rotterdam went into production with the eDienst Geboorte and the city of Eindhoven with our Inzicht SaaS solution. Both municipalities are leading the way in digital services to citizens and use our solutions for this purpose.

We are also proud of the twenty consecutive tenders we have won with Centric Leefomgeving. Finally, for finance, we welcomed the city of Oss and GR de Bevelanden, the partnership of the cities of Borsele, Goes, Kapelle, Noord-Beveland and Reimerswaal.



A person with dark hair, wearing a blue t-shirt and grey jeans, is riding a red bicycle on a gravel path. Their arms are outstretched to the sides. The path is surrounded by green grass and wildflowers. In the background, there are trees and a cloudy sky.

## OUTLOOK

The theme 'Next Gear, we are in this together' refers to our product renewal and the movement that has started under the new leadership towards One Centric. This theme is aimed at our One Centric colleagues and our customers that we work with to achieve the highest possible, measurable customer satisfaction. We can only achieve this together.

Although we are now operating at all levels of government, that was not sufficiently the case from the perspective of One Centric. We want to improve this, which is why all our activities are bundled in the Public 'vertical'.

We pay particular attention to supporting our customers in the area of security and to innovation in the area of interaction with members of the public.

Our people are our most important asset. We are, therefore, doing everything we can to captivate and retain them. This is always of great importance but is especially true in today's difficult labour market. A good example of combining customer focus and employee engagement is the Data Analytics course that we are following with our customers.



## Retail & Logistics

The turbulence in the supply chain is greater than ever. Various developments have received a tremendous boost, such as chain transparency and unified commerce. Companies now have some decisions to make. What trends do you embrace? And which technology is the best fit for that? We smoothly continued our services for this sector in a year that was almost entirely dominated by the COVID-19 pandemic. In these turbulent times, retailers need stability, and Centric can provide it like no other.

Customer behaviour has changed radically in recent years due to the COVID-19 pandemic. For example, consumers no longer follow a linear process from initial consideration to purchase. That has been replaced by various touchpoints, where there is no longer any question of online or bricks and mortar, but rather an integrated landscape. Online convenience plays an increasingly important role when a purchase is made in the shop:

the consumer decides how to pay: at the line checkout, self-service checkout or with their own device.

We also see that the last mile (the final part of the chain) is becoming increasingly efficient. Our Locus WMS customer Jumbo, for example, announced its collaboration with Gorillas last year. This cooperation enables supermarket chain Jumbo to provide flash deliveries (within ten minutes) in the Netherlands. Last year, we wrote a [white paper](#) on developments in the last mile with useful tips for the organisation of the last mile and the experiences of food retailer Dekamarkt.



The consumer decides  
how to pay

### Resilience and creativity

COVID-19 was also the most important issue for the retail industry in 2021. With the closure of traditional shops, less income was generated, while fixed costs continued to be incurred. Also, manufacturers' uncertainties such as stock and chip shortages and longer delivery times meant that the delivery of several hardware projects took longer than expected this year.

### Investing in the future

We have continued to invest in the future, such as in our regulatory compliance, to make it easier for customers to roll out to other European countries. We made improvements in project methodology and performance to create a European-driven organisation. We use standardised processes and resources to increase project predictability and flexibility. For Locus WMS, we laid the foundation for

DevOps this year. This methodology brings together people, processes and technologies: it is a software development method that links development and management activities. In 2022, we will continue to develop Locus WMS for a successful transition to the cloud.

### For Locus WMS we laid the foundation for DevOps

Finally, we would like to mention an investment in a Crisis Management Team. This team deals with all activities related to security to ensure the safety and stability of our software.

### Successful processes

Food retailer Coop went live with the Point of Sale platform Omnichannel Retail Suite (ORS) at 314 of its supermarkets in the past year. Coop's sales transactions and other essential data are securely available in real-time everywhere with this platform. Sweden's largest pharmacy/drugstore chain, Apoteket AB, also chose ORS. The choice was based on the solution's user-friendliness and the short learning curve. In the area of services, we handled the transformation and conversion of the former Deen supermarkets. These stores were sold to Centric clients DekaMarkt (19 shops) and Vomar Voordeelmarkt (23 shops).

Action, Europe's fastest-growing non-food discounter, opened its 2,000th store in Prague on 20 January. As its preferred IT partner, Centric supported the retailer in the roll-out of this store as well.

We also signed long-term contracts with organisations such as IJsvogel Retail for Locus WMS and Lidl Nederland for Managed Services for Retail. IJsvogel Retail and Lidl thus express their confidence in Centric and our strategy. Both companies share their experiences with Centric in the [Omnichannel Magazine](#).

## OUTLOOK

Next year, we will focus more on pursuing the customer obsession strategy and delivering products and services on time and exceeding customer expectations with high reliability. We want and need to be continuously engaged in determining what drives our customers and how we can help them with their business challenges.



## Finance & Insurance

Financial institutions are increasingly developing into technology companies, in much the same way as many important building blocks of our vital infrastructure. Developments in payment transactions and pension administration are moving quickly and make strong demands on the infrastructure, applications, and associated processes to keep this ecosystem safe and resilient against threats and incidents. Centric helps banks and insurers with this.

With smart applications, financial institutions are becoming increasingly data-driven. Besides many opportunities, this also brings risks. The business process must always be safe and reliable. That is why financial institutions place the strongest demands on the availability and continuity of their systems and processes.

An important priority is the resilience, design and follow-up of processes and measures that arise from legislation and regulations to prevent cybercrime and money laundering (Instant Payments and Anti-Money Laundering). As an IT partner, we consider it one of our core tasks to support customers in this regard.

### **Payment transactions and pension administration**

Financial institutions can outsource to Centric any administrative processes that do not add to their ability to set themselves apart from their competition, such as payment transactions and pension administration. We work to the highest standards in terms of security and compliance. This, combined with our extensive knowledge of IT and financial processes, makes us a unique party in the financial industry. Centric also seconds experienced software development, testing and IT infrastructure professionals to this sector.

For Centric, 2021 was partly about reassessing our strategy. To remain relevant as a leading service provider in this sector, it is important to keep up with the digital agenda of our clients and those of potential new clients.

### Financial sector

#### *Instant Payments and Anti Money Laundering (AML)*

We have succeeded in setting up the payment systems of NWB Bank and BNG Bank to receive and send Instant Payments. Setting up and monitoring processes and measures to prevent money laundering (AML) is a priority for our customers and for the financial services sector as a whole. In 2022, we will implement TIPS, the new central bank system that handles the settlement and clearing of European instant SEPA payments.

### Pensions/insurance (PaIS)

#### *Data quality*

The priority in 2021 was to carry out a quality survey on the accuracy and completeness of the data of the pension fund clients and to further increase the STP (straight-through processing) rate of the pension administration processes.

**In 2022 we will continue to focus on the optimisation and further expansion of the services we provide concerning our customers' payment transactions**





## OUTLOOK

Mounting competition in the banking and insurance world increases the pressure to cut costs among our customers and to further digitalise and innovate products and services they can use to stand out in the market. For this purpose, the processes must become more efficient and cost-effective, contribute to an optimal customer experience, and comply with increasingly stringent legal requirements. This development offers opportunities for our BPO services. Since our customers will increasingly focus on their market differentiating activities, they need more than ever a reliable partner with the knowledge to optimise and manage their business-critical processes.

In 2022, we will, therefore, continue to focus on optimising and further expanding the services we provide for our customers' payment transactions. Customers benefit from the in-depth knowledge we have gained on this subject within the team. Centric stands out in the market by

combining our BPO services with our ITO (IT Outsourcing) services. This combination enables us to relieve our customers of all their worries. Together with our customers, we will also be looking into which processes we can support them with even more.

Another important development within the financial sector is the transition from on-premise to the cloud. This is not just about the applications but also about business-critical data. Customers are increasingly asking Centric to contribute ideas on this subject. A concrete example of this is moving workplaces to the cloud. This brings advantages for the customer organisation but also challenges. This concerns matters such as the links between the workplace in the cloud and the applications in the computer centres (on-premise). Centric designed a modern workplace for this in Azure, including a customised transition plan. The same applies to the data. Centric is used to

securely managing and providing large quantities of data. The knowledge and experience gained from this are now also being used to develop new data platforms for customers in the cloud. The demand for these services is expected to grow strongly as banks and insurers continue to focus on digitising their services to remain competitive and improve the customer experience. After all, digitisation creates more data, and that in turn makes demands on the quality and availability of data.

The latest development we will focus on is the increase in legal and regulatory requirements that banks and insurers have to meet. Centric takes this concern off their hands for the processes we manage. The process established for this purpose ensures that we are compliant with the latest guidelines. This year, together with our customers, we will be looking into whether this service can be used more widely.



## Industry

IT has become increasingly important in recent years, and many companies are transitioning to a data-driven organisation. That places digital transformation and data at the heart of many new business models. Thanks to this change, processes can be optimally designed to be digitally supported, controlled or processed from start to finish. Moreover, digital transformation allows organisations to react quickly and appropriately to events that pose a risk to their business.

Part of the digital transformation is the combination of physical products and digital services, enabling organisations to increase sales and improve customer loyalty. Ecosystems are also increasingly being shaped by digitalisation.

We support our large enterprise customers with various IT services from Industry, including Application Management, Infra Management,

End User Management, and Security Management. These services are developed with a view to customer orientation, reliability and continuity.



**Centric ensures the safe exchange of electronic data with Managed EDI**

### Cloud

In 2021, Centric helped organisations like Strukton set up a basic infrastructure for the cloud. We have also drawn up cloud migration strategies. Organisations that use data in the cloud can combine it with other data and use Artificial Intelligence (AI) to make informed choices and predictions.



### The New World of Work

COVID-19 made it more and more necessary to work independently of place, time and device. Centric has helped organisations implement this new way of working more quickly. For example, we have set up complete home workstations for customers. In the process, we provided them with new screens and the right connections. We also migrated numerous mailboxes and ensured that organisations could transition to Microsoft Office 365 without any problems.

### We have intensified our collaboration with Microsoft

#### Cybersecurity

Cybersecurity remains an important issue. The media reported several serious security incidents this year, such as major ransomware attacks at VDL and Kaseya. To help our customers keep their data and systems safe, we partnered with Commvault to bring a unique solution for Office 365 backup to market in 2021: Office 365 Backup & Restore. This makes us Commvault's first European partner to offer this solution.

### Service desk with emphasis on hospitality

At a large Dutch high-tech company, we built a unique service desk this year, entirely according to users' wishes. This service desk focuses on the principles of hospitality. The service desk employees are not techies but people who have worked in the hospitality industry. They include former flight attendants or people who have worked on a cruise ship. They know better than anyone how to make users feel comfortable.

#### EDI

EDI (Electronic Data Interchange) is and will remain a widely used form of communication between customer and supplier platforms. We have been offering the Managed EDI service since 2021 to unburden our customers in this area. With this Software as a Service (SaaS), Centric provides the secure exchange of electronic data and the smooth processing of messages. Centric sees to the maintenance and can implement changes quickly at the customer's request. There are currently 450 customers using this service.

## OUTLOOK

In 2022, we will continue to help companies with their digital transformation by moving to the cloud. We will also continue with our security services, develop our data services and roll out our new Managed Modern Workplace (MMW) concept. In 2022, we will also make this modern workplace compatible with Apple devices, making it completely device-independent. Finally, we intend to strengthen our focus on the sector-specific requirements and preferences for our services.



## HR & Payroll

With HR & Payroll Solutions, Centric aims to provide digital support for the entire HR domain with our HR solution Motion. The starting point is our belief that we can, in collaboration with our partners, offer customers the best, most complete HR solution. Technology is therefore an important spearhead in the Motion strategy: all components are native cloud and have Always On availability on all devices, without requiring apps. We offer the Business Process Outsourcing (BPO) service to customers who want to be completely relieved of the burden of payroll administration.

### The most important market developments

The eHRM market, where we supply to both the public and the private sector, is a competitive market with many established names. In 2021, we saw some new entrants into the public market, while the market for these services is not continuing to grow. The number of local government bodies, for example, will decrease in the coming years as municipalities are merged.

Another market movement we see in the local government segment is the increased level of detail with which invitations to tender are prepared. Many providers are finding it increasingly difficult to meet all the requirements. This presents a risk of tendering processes, which are intended to boost competition, actually undermining competition. Organisations change their suppliers on average every ten years in the business world. That opens up sufficient market to operate in every year.

### The eHRM market is competitive

We have also noted that complete digitalisation is now an even more important spearhead for many companies, not least owing to COVID-19. Our cloud-based eHRM solution fits in perfectly with this trend.



### Motion

Centric continued to invest in the eHRM solution Motion in 2021. This cloud solution now serves over 170 customers with some 65,000 connected users. The further development of Motion is mainly aimed at supporting the professional user by placing all processes as low as possible in the organisation. Because Motion can be fully customised, organisations can decide for themselves how much to delegate processes.

### Investing in growth

2021 was also about investing in growth. The outbreak of COVID-19 curbed growth ambitions in 2020. Ongoing sales activities were halted for more than six months before the market adopted online conferencing. In 2021, the sales machine picked up again. This resulted in growth in sales of 65%.

### Business Process Outsourcing

HR and Payroll Services also focused on BPO (Business Process Outsourcing). With this service, we relieve our customers of the burden by taking the payroll administration process completely out of their hands. The combination of Motion and BPO ensures continuity, accuracy and compliance. Centric's response to growing customer demand is driven by a focus on core business and scarcity of specialist staff.

### Low staffing levels

We have noticed that some customers have suffered from low staffing levels at the HR & Payroll service desk. COVID-19 and some departing colleagues set us some challenges here. The growth in the number of Motion implementations also caused tensions at times; we could not always serve our customers as efficiently as we would have liked to.

The combination of Motion and BPO ensures continuity, accuracy and compliance

## OUTLOOK

For 2022, the focus is on improving our services. For example, we will invest in increasing the number of staff, tightening up processes and implementing a new automation system. This year will also be characterised by the roll-out of Motion's new user interface to further support HR & Payroll professionals. The focus on sales is also being sharpened.



## Professional Staffing

For Centric Professional Staffing, 2021 was all about finalising the organisational changes started in 2020. Despite the pandemic, the changes had a positive effect on flexibility, efficiency, and results. We also found that the new reality that COVID-19 confronts us with makes our secondment formula more adaptable and flexible. That meant that Centric Professional Staffing had another successful year. It was a year in which our way of working and the flexibility of our staff minimised the ongoing challenges relating to COVID-19.

Our labels XCENT and Qmagic (our secondment organisations for local government and graduates of secondary vocational education) also achieved good results. Demand for professionals in local government remains high, as does demand for starters. This year we expanded Qmagic internationally with the opening of Qmagic in Belgium.

The COVID-19 pandemic posed risks, but its positive impact allowed us to invest in new IT trends, such as cloud-based services. Of course, we have trained and certified our professionals in this field. This has enabled us to carry out projects using modern cloud and data platforms.

Although temporary IT support still comprises a significant proportion of services, Professional Staffing increasingly supports clients' digital transformation with services based on the specific business problem. With advice, training, coaching, and support, we enable our clients' IT professionals to realise cloud solutions that are perfectly aligned to their organisations.

## We increasingly focus on clients digital transformation

### High Performance Teams

The adoption of cloud technology is growing. This does not always mean that clients are willing or able to move their IT environment entirely to the cloud. Organisations opt for a hybrid environment. To support clients in their cloud journey, we have established High Performance Teams (HPTs). In these teams, our subject specialists work Agile to approach projects from different areas of expertise.

### CRAFT

We guide our professionals personally and professionally. We also encourage them to acquire knowledge and grow. In 2021, we relaunched CRAFT, our growth and knowledge-sharing platform. Especially in a difficult period such as that caused by COVID-19, we attach importance to investing in a platform

where our thought leaders and Microsoft Most Valuable Professionals can share their knowledge and experience with IT professionals worldwide.

### Hybrid working

For us, 2021 was also about hybrid working. Even before the pandemic, we had already taken the first steps towards working independently of location, time and device, but the ongoing lockdown has accelerated this development.

### Specialist knowledge

Due to the speed of digital transformation and the ever-growing demand for cloud services, clients have a pressing need to hire in specialist knowledge combined with a specific multidisciplinary approach. That is why we have invested in HPTs, digital strategy, DevOps and cloud.

These developments are shifting the focus of clients' management teams from traditional IT management with in-house hardware and applications to cloud management and application management in the cloud. Hybrid environments are created because existing, unique, and company-specific functionalities are indispensable for business continuity. Part of the functionality is on-premise in these environments, and part is in the cloud. We deploy our IT professionals across this entire spectrum of management services among our customers. We also advise and support them in transitioning to a (hybrid) cloud architecture. This support is provided by our HPTs, for and under the direction of our clients.



DAF

Centric has been DAF's IT partner for years. We support the truck manufacturer with our expertise in support, infrastructure, development, data and project management. This year, together with DAF, completed the supplier performance evaluation for the 2021 period in the IT area. This evaluation combines the findings of DAF's hiring managers and the experiences recorded in DAF's resource management and vendor management systems. Centric was judged by DAF as the best-performing preferred supplier, stating that Centric stands out primarily in the percentage of supply, the delivery of good staff and the added value to DAF's objectives and business.

PGGM

Centric has once again deployed High Performance Teams (HPTs) at cooperative pension administration organisation PGGM. The management and further development of software to support the investment process within PGGM is carried out within the Azure cloud by these teams. The collaboration between PGGM and Centric started in 2018. PGGM experiences Centric as a competent supplier. After a period of familiarisation, Centric HPT had the full measure of the applications. The team works proactively with PGGM, and the cooperation and communication are pleasant. The composition of the Centric team provides stability for PGGM, guaranteeing knowledge and expertise. Centric HPT also offers extra flexibility when more capacity or special expertise is required.



OUTLOOK

In 2022, we will focus on hybrid working, security, cloud services, Low Code/ No Code and data platforms, among others. Another important topic is cloud technology. Gartner predicts that cloud-native platforms will form 95% of the basis for technological developments by 2025. We want to be well prepared for this.



## Digital Business Solutions

In 2021, the executive board expressed its wish to merge Centric Managed Services (MS) and Centric Solution Engineering (SE) according to a new operating model. This merger became a reality as of January 2022. This new Centric unit will continue as Digital Business Solutions (DBS).

With DBS, we help organisations to implement and accelerate their digital transformation. We do this by advising and supporting organisations in implementing, managing and optimising future-proof IT environments. These environments meet all security and compliance requirements.

DBS can also take over the IT of companies wholly or partially, allowing them to focus on their core business.

### Increase in orders

Before the start of 2021, it was clear that COVID-19 would not be leaving us any time soon.

This meant that our clients resumed previously postponed projects, and we saw a further rise in orders. The need to work from home as much as possible in 2021 made it a challenge to attract new clients.

### Modern IT applications

In cooperation with Microsoft, we have developed several initiatives to provide our employees and those of our clients with modern IT applications, including Microsoft 365 and cloud backup solutions. Our adoption approach allowed customers to quickly adopt the new capabilities of these solutions, supported by our End-User-Services, such as the service desk and on-site support. Immediately following this, we accelerated the move of services to the public cloud. For example, we have realised 'landing zones' at various companies on which company-specific applications can land.

## We help organisations implement and accelerate digital transformations

### Data centre migration

In the first half of 2021, we parted company with our data centres in Gouda, Eindhoven and Zoetermeer. We then started consolidating the remaining private cloud environments in two data centres in Amsterdam.

### Secure by design

Another important development was making and keeping company and personal data secure. That is why we have invested heavily in the principle of secure by design. This means that all IT facilities must meet all requirements and preferences regarding reliability, integrity and confidentiality that arise from our clients' organisational policies.

### Customer obsession

The second half of 2021 was largely dominated by the new strategy in a corresponding operating model. This strategy aims to put the customer and their needs at the centre of everything we do. By choosing customer obsession as our guiding theme, we know the customer better than our competitors, and customer interests come before the interests of individual Centric units.

### Microsoft collaboration

Microsoft and Centric have greatly intensified their collaboration in 2021. The strengths of both organisations are combined in multi-year strategic cooperation arrangements. The aim is to bring innovative solutions to the market together. Centric adopts the Microsoft cloud portfolio and adds knowledge and experience to it, enabling our customers to accelerate their digitalisation. A good example is the Managed Modern Workplace (MMW). This secure, reliable and flexible workplace is based on the latest Microsoft 365 technologies and is provided as a service. We see to implementation, optimisation and management so that the workplace is also future-proof.

### User support

Support for users has changed in line with the modern way of working. The traditional service desk and on-site support have made way for integrated end-user support, in which user satisfaction is central. By facilitating change and adoption management, the user experience is optimised, and productivity increased.

### DevOps

The DevOps way has now reached full maturity. This year, the DevOps support organisation grew into a mature partnership between our Netherlands, Lithuania, and Romania offices. In this cooperation, the development process of our IT applications has been substantially accelerated. The implementation of Continuous Integration/Continuous Delivery (CI/CD) played an important role. With the internal cloud platform (Nebula), we roll out cloud-based SaaS services via complete development chains (from development to production).





### Service Integration And Management

Customers today work with various IT partners. Moreover, in almost all cases, the IT they acquire is business-critical. In this playing field, it is vital that the parties cooperate optimally. That is why Centric has made the Service Integration And Management (SIAM) service a permanent feature of its portfolio. SIAM helps clients direct the cooperation between the customer's various IT service providers.

The customer benefits from this, as the quality and efficiency of integrated IT management are improved. This also entails harmonising the chain, creating an effective, sustainable and proactive partnership. Centric recognises the importance of this field for the future and is therefore participating in the SIAM Community NL. We thus contribute to the maturing of this service with applied standards and methods.



## Much has been invested in security by design

### OLVG

In 2021, Centric upgraded the OLVG hospital to the latest version of Windows 10. This upgrade was rolled out on the hospital's laptops, desktops, and Computers On Wheels (COWs). Around 3,000 outdated machines that no longer met current requirements were also replaced. The project was completed on time, with no significant impact on OLVG's crucial services and despite the COVID-19-related restrictions.

### OOM Verzekeringen

We have supported OOM Verzekeringen in optimising their customer journey and applying online marketing tools to personalise the customer journey. By consulting intensively with OOM Verzekeringen's internal stakeholders and by engaging a user experience specialist early on in the process, we tailored the modules within the website seamlessly to the end-user.

The online marketing ambitions have thus been realised on an open-source basis. This has resulted in significant cost savings.

## OUTLOOK

In 2022, we will introduce a flexible business model. We focus on the continuous development of customer value (customer obsession), the efficient delivery of our services, and the continuous growth of our employees' knowledge and skills.

GUIDING  
PARTNER

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# Recruitment & HR

Also in 2021, Corona impacted some of our recruitment activities. Talks were still mainly conducted online, and few activities took place on location. The onboarding of new colleagues also largely took place online. In 2021, we focused on optimising our onboarding journey and the induction of colleagues. For instance, we made the content of our onboarding event even more attractive and set regular feedback moments for new colleagues.

We are currently facing a very tight labour market in the Netherlands. This makes employee engagement all the more important. To reward colleagues for actively contributing to the organisation, we started to refresh our referral policy in 2021 and set up a new referral bonus structure. This will be implemented in January 2022.

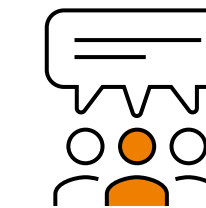
After starting in 2020 with insight into relevant recruitment figures, we succeeded in expanding this in 2021 with an insight into the cost per applicant and the cost per hire. This makes it possible to make even better decisions about resources to be deployed and strategies to be adopted.



## COVID-19 team

Centric has been keeping a close eye on the COVID-19 situation all year and has taken all the necessary measures to keep the virus out and prevent it from spreading. The COVID-19 team that was put together from the start of the pandemic was disbanded after September 2021, as the situation within Centric was under control, and we were strictly following government measures.

Throughout the year, we kept employees informed about the COVID-19 situation, our measures and their impact on their work through regular internal newsletters and intranet updates.



Centric Academy offers  
a robust learning  
environment that supports  
employee development

### Smart Working: Hybrid work is the future

The COVID-19 crisis has changed how we work with each other enormously. For the future, the combination of working from home and in the office presents many advantages, with positive effects on the quality of work and the wellbeing of employees. In September we launched a programme to shape our hybrid way of working for the future: Smart Working.

To support this new way of working, we are adapting the layout of our offices and training managers in a new way of leadership. Employees receive a per diem and a homeworking allowance and choose a division of work at the office and remotely that is right for them.

We will continue to implement this new way of working in 2022. The technology is already fully ready for it. Some offices have been closed down or scaled down, and the floors of our Gouda

headquarters have been largely adapted to it over the past period. We have created wonderful meeting places where you can sit comfortably with a good cup of coffee. This internal transition is currently in full swing. We are proud of how quickly our people have adapted to working from home due to COVID-19. Our services to customers and our internal projects have hardly been affected by this at all.

### Learning & Development

Technological developments follow each other in rapid succession. This calls for constant development among our employees to equip them for the future. Our Centric Academy learning platform supports this. In 2022, this online platform will continue to be improved and enriched.

In addition to the learning lines, we set up learning paths that help develop technical, professional and personal

skills. Centric Academy is a robust learning environment that provides appropriate support for employee development.

### Fit for Work

The health and wellbeing of employees are top priorities at Centric, and in 2021 extra attention was paid to this. Due to hybrid working, the vitality themes in 2021 focus on the healthy home workplace, getting your mind fit and exercising to get fit. There have also been sessions on stress management, such as Grip on work stress and Dealing with work stress. Almost everything was online. Employees were also able to participate in inspirational webinars on mindless eating, exercising without going to the gym and vital hybrid work.



One of the main goals is to increase internal mobility



**Centric smoke-free**

Centric will be an entirely smoke-free working environment as of January 2022. As an employer, we believe it is important to contribute to a healthy and smoke-free life for employees. To help smoking employees quit smoking, we have launched two quit smoking programmes. Under the guidance of professionals and stimulated by each other, many employees managed to quit smoking.

**Strategic HR planning**

In 2021, strategic human resource planning will be even more widely deployed within the organisation. The tool with which we map out the qualities of employees based on performance and potential has already borne its first fruit. The conversation about our talents, strengths and areas for improvement is conducted according to a new standard.

This helps to identify groups within the business units and across borders, for which targeted actions can be defined. Increasing internal mobility is one of the main objectives here. By understanding these groups and their individual qualities and needs, we can more closely align them to business plans.

This enables us to offer our employees continuous development opportunities and prospects while responding to social and business developments such as labour shortages and the adoption of new technologies.

**OUTLOOK**

We have more information at our disposal than ever. Making smart use of this data is important for gaining insight and guidance for decision-making. In 2022, we will continue to process the available data from eHRM systems into analyses that will enable us to properly advise the organisation and the business in decision-making.

To remain an attractive employer, it is important to keep the terms of employment attractive as well. We will use 2022 to review various working conditions and see where flexibility, modernisation and renewal are possible. Examples include mobility opportunities and employees choosing their own leave days and holiday pay.

Further professionalisation, eHRM development and optimisation of our HR application Motion are planned for 2022. This application allows Centric employees

to check and edit their personal details, personnel file, sickness absence details, payslips, leave and HCM review cycle any time, anywhere and on any device. It is also possible to submit time, place and device-independent expense claims and leave requests or apply for a home working scheme. This will improve HR processes and our HR services to employees.



## Corporate Social Responsibility

The theme of CSR – corporate social responsibility – is more important than ever. We are constantly on the lookout for ways in which our products and services can have a positive impact on people, society and the environment. In 2021, for example, we entered into new partnerships with social enterprises and were allowed to start training courses again for people who are at a disadvantage in the labour market. Furthermore, the launch of Smart Working in 2021 has led to good results in terms of CO<sub>2</sub> reduction and circularity.

### **Social responsibility**

At Centric, people come first. We think it is important to create opportunities not only for our colleagues but also for people who are at a disadvantage in the labour market. Centric is committed in various ways to helping them get a foothold in the labour market and giving them a fair and reasonable chance of participating in society.

### Collaboration with social enterprises

We have been working with Swink since 2021 to test the digital accessibility of our applications (according to the Web Content Accessibility Guidelines 2.1). The results show whether our products are also accessible for people with visual or hearing impairments. These studies are carried out by people with autism, in a safe environment where they are supported by work coaches. If an application is not fully compliant with the Web Content Accessibility Guidelines 2.1, a new task is generated that we pass on to 2TestIT. This social enterprise also works with people who are disadvantaged in the labour market and helps them find regular jobs in safe environments.

### At Centric, people come first

Social collaboration also takes place in other areas of our organisation. Centric provides POS systems for various customers, for example. Many of these POS systems are assembled through Promen by people with vulnerable positions on the labour market. The POS systems are delivered to Promen as individual parts and then packaged and sent to the customers after assembly.



#### The 'Handling Computers' course at the Gooise Meren municipality

Centric held its second computer course today for jobseekers without computer skills. The five participants obtained their certificates and so they are well on their way to finding a job. Centric provides these computer courses because they are in line with our shared goals in terms of social returns.

– *Gooi & Vechtstreek Employers' Service Desk*

### IT courses for jobseekers

In 2021, almost everything is digital. But what is this all like if you know nothing at all about computers? To bring this target group a little closer to the labour market, Centric offers a course called 'Handling Computers,' a low-threshold course for people with little or no knowledge of computers. During this course, they learn for instance how to write an email and how to send it with an attachment. This helps them find their way in the process of applying for a new job. The COVID-19 pandemic meant that we were only able to give the course twice in 2021, as it has to be done physically rather than online.

### Outlook

A lot of new courses are planned for 2022 and we are confident that they will be able to go ahead. In addition to the 'Handling Computers' course, Centric developed a new course in 2021 called 'Inclusive Writing.' It was designed to help municipalities write inclusive job advertisements. In 2022, we hope to use this course and several others (including the basic Excel, Outlook and Word courses) more often to help people who are at a disadvantage in the labour market. Additionally, we will continue to seek new collaborations in 2022 with social enterprises and other partners with whom we can make a positive social contribution.

### Smart Working

Numerous steps were taken in 2021 for CO<sub>2</sub> reduction, with a positive impact on the environment and the CO<sub>2</sub> emissions of our services.

### Smart Working and CO<sub>2</sub> reduction

The COVID-19 pandemic meant that in 2021 once again many colleagues worked largely from home throughout the year. As a result, our CO<sub>2</sub> emissions from mobility in 2021 were reduced by 29 per cent compared to 2020. The pandemic has shown us that many activities and services can also be performed remotely and digitally. That is why Centric started Smart Working in September 2021. This new way of working embeds hybrid working. Depending on the type of employment, staff can work from home several days a week.

This has been laid down for each employee in an addendum to their employment contract. This way of working results in structurally fewer transport movements.

Smart Working is not only about hybrid working: it also affects our business locations. The occupancy rate at our offices is lower than before the COVID-19 crisis thanks to the advent of Smart Working. Combined with more efficient utilisation and organisation of workplaces, Centric was able to dispose of two office buildings in 2021. When that is combined with our environmental management system (with an ISO 14001 certificate since 2010) and energy management, it will give a 13 per cent reduction in our energy consumption in 2021, well above our target of two per cent a year.

### Smart Working and circularity

Smart Working also means that the buildings we keep are furnished differently and that office work is better suited to collaboration. For instance, the general meeting rooms at all Centric sites in the Netherlands are kitted out with video conferencing equipment, letting people participate in meetings either in person or online, without necessarily having to come to the office for consultations. The atriums at our Gouda headquarters have also been redesigned, with the emphasis on social contacts and cooperation. Centric partnered with Vepa for this.



### Sustainable furnishings

For furnishing the atriums, we went for recycled furniture that has been given a second lease of life or furniture made from waste materials: circular-economy office furniture that Plastic Whale and Vepa introduced at the beginning of last year to combat the problem of plastic waste. In the boardroom, the Whale boardroom table is topped by Barnacle lamps, all made from recycled PET bottles from Amsterdam's canals. The bottles are cleaned, shredded and then felted.

The furniture is not merely sustainable thanks to the reuse of raw materials: it is also 100% 'made in Holland.' This means that the furniture components are purchased and assembled in the Netherlands too. As a result, the atriums are not only attractive and comfortable but also very sustainable.





### Circular business practices

Circularity is high on Centric's sustainability agenda. Although Centric is an IT service provider and therefore does not produce any physical products of its own, important steps have been taken within our organisation in this area too. Our focus as a company is primarily on reuse and refurbishment, in which parts are repaired and used again. This applies not only to products for customers but also to our own hardware, such as laptops. For example, our certified engineers repair defective hardware, including servers.

When hardware cannot be reused, we separate out the hardware components in our own recycling centre and prepare them for transport to the disposal company. Each waste stream is separated so that the waste processing company can dispose of it as sustainably as possible. Data centre hardware is leased and later returned to the supplier, who remains the owner of the

hardware and ensures environmentally sound disposal, upcycling or recycling when it is returned.

When purchasing goods and services, we aim to use an environmentally friendly purchasing policy that we have implemented in specific business units. The challenge for 2022 is to roll out a Centric-wide sustainable procurement policy in which we want to work together with our suppliers to make us all more sustainable.



The Centric warehouse in Moordrecht where POS systems and other items are assembled for our customers: The packaging of hardware components is reused for packing other products. Crates are used in replacement projects and they are then returned. We also take packaging materials back from customer sites so that they can be reused or disposed of sustainably at our recycling centre.

### Corporate Social Responsibility: education

Education matters a great deal at Centric. For example, we invest in students through cooperation with educational institutions. We supervise practical cases at colleges, organise workshops and offer around sixty internships and graduation project placements a year. 2021 was also the year that Centric extended its golden partnership with the Goudse Weekendschool (Gouda Weekend School,

GWS) until 2023. The GWS is a non-profit organisation that offers extra opportunities to young people from all districts of the town of Gouda. For instance, GWS students are taught on Sundays about healthcare, law and order, and information technology.

Centric has been the main sponsor of the Goudse Weekendschool since the school was founded in 2010. We not only support this school financially but also

through Centric staff who enjoy volunteering their time during the lessons. We also donate the deposits on plastic soft-drink and water bottles from Centric's company canteen in Gouda to the GWS. This is a nice win-win situation: staff are encouraged to separate plastic and we are sponsoring a good cause.

Centric also sponsored JINC in 2021. This national non-profit organisation helps

create equal opportunities and skills for socio-economically disadvantaged children in many places in the Netherlands through various educational and other programmes. Centric specifically sponsors the Digital Skills project, in which children are given a playful introduction to programming. In 2022, we will also start as a partner of JINC to create a positive social impact together on several fronts.





# People & Society Offices

**Gouda**

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**GUIDING  
PARTNER**

**FINANCIAL  
STATEMENTS**

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## Consolidated Financial Statements Centric Holding B.V.

## Consolidated balance sheet as per 31 December

In thousands of euros

	Notes		2021		2020
<b>ASSETS</b>					
<b>Fixed assets</b>					
Intangible fixed assets	1.1	119		1,012	
Tangible fixed assets	1.2	10,617		10,733	
Financial fixed assets	1.3	<u>46,065</u>		<u>46,510</u>	
			56,801		58,255
<b>Current assets</b>					
Inventories	2.1	10,373		4,167	
Receivables	2.2	88,328		88,243	
Cash	2.3	<u>54,633</u>		<u>42,331</u>	
			153,334		134,741
<b>TOTAL ASSETS</b>			<b>210,135</b>		<b>192,996</b>
<b>LIABILITIES</b>					
Shareholders' equity	3.1	95,623		83,196	
Third-party share in group equity	3.2	<u>0</u>		<u>-17</u>	
Group equity			95,623		83,179
Provisions	4		7,713		14,178
Current liabilities	5		106,799		95,639
<b>TOTAL LIABILITIES</b>			<b>210,135</b>		<b>192,996</b>

## Consolidated profit and loss account

In thousands of euros

	Notes		2021		2020
<b>Net sales</b>					
	6	422,149		436,572	
Other operating income		<u>630</u>		<u>585</u>	
<b>Total operating income</b>			<b>422,779</b>		<b>437,157</b>
Purchase price of goods for resale		39,129		32,722	
Outsourced work		90,615		97,910	
Wages and salaries	7.1	220,609		224,488	
Depreciation and amortisation of					
(in) tangible fixed assets	7.2	3,454		3,439	
Other operating costs	7.3	<u>51,991</u>		<u>62,467</u>	
<b>Total operating costs</b>			<b>405,798</b>		<b>421,026</b>
<b>Operating profit</b>			<b>16,981</b>		<b>16,131</b>
Net financial income and expenses	8		64		-187
<b>Profit before tax</b>			<b>17,045</b>		<b>15,945</b>
Income taxes	9		-4,550		-1,746
Profit/loss from financial participations			-2		-100
<b>Net profit</b>			<b>12,493</b>		<b>14,099</b>

## Consolidated cash flow statement

In thousands of euros

		2021	2020
Net profit	12,493		14,099
<b>Changes without cash flow:</b>			
Third-party share in group profit	2		100
Interest received and paid	117		-42
Income taxes	3,576		3,119
Depreciation/amortisation and impairments	3,454		3,439
Disinvestments in tangible fixed assets	157		398
Changes in provisions	-6,465		6,335
Cash flow from operating activities for changes in working capital	13,334		27,248
<b>Changes in working capital:</b>			
Accounts payable	4,140		-6,093
Accrued current liabilities	4,630		2,484
Inventories	-6,206		885
Trade accounts receivable	1,323		11,399
Other receivables, prepayments and accrued	-1,153		5,736
	2,734		14,411
Income taxes paid	-1,684		-2,565
	1,051		11,846
<b>Cash flow from operating activities</b>		<b>14,385</b>	<b>39,094</b>

		2021	2020
Investments in intangible fixed assets	-50		0
Investments in tangible fixed assets	-2,425		-2,721
Changes in other financial fixed assets	445		62,954
<b>Cash flows from investing activities</b>		<b>-2,030</b>	<b>60,233</b>
Dividends paid out	0		-80,000
<b>Cash flows from financing activities</b>		<b>0</b>	<b>-80,000</b>
<b>Total net cash flow</b>		<b>12,335</b>	<b>19,237</b>
Balance of cash and cash equivalents on 1 January		42,331	23,148
Differences on exchange of cash and cash equivalents		-53	-144
<b>Balance of cash and cash equivalents on 31 December</b>		<b>54,633</b>	<b>42,331</b>

## Consolidated statement of comprehensive income

In thousands of euros

		2021	2020
Net profit	12,493		14,099
Foreign currency translation adjustment	-66		-48
<b>Total other comprehensive income (loss)</b>		<b>-66</b>	<b>-48</b>
<b>Comprehensive income</b>		<b>12,427</b>	<b>14,051</b>

# Accounting policies

## General

### *Year under review*

The financial year under review ran from 1 January 2021 to 31 December 2021.

### *Company activities*

Businesses and government bodies can approach Centric Holding B.V. and its subsidiaries for temporary assistance in the form of secondment of professionals, software products that support business processes and the complete outsourcing of IT infrastructure or specific business processes. To maintain our focus on the strategic market segments, the organisation has been divided into four commercial pillars: Public Sector, Retail & Logistics, Finance & Insurance, and Industry.

### *Parent company*

The company is wholly owned by Sanderink Investments B.V. in Gouda (ultimate parent company).

### *Address*

Antwerpseweg 8  
2803 PB Gouda, Netherlands  
Chamber of Commerce registration  
number: 38023630

## *Standards applied*

The financial statements were prepared as per the statutory stipulations in Part 9, Book 2 of the Dutch Civil Code. The accounting policies applied are based on historical cost unless otherwise stated in the further policies.

### *Going concern*

The accounting policies are based on the going concern assumption.

## *Estimates*

The group's management makes various judgements and estimates in the application of the accounting policies and rules for drafting the financial statements.

The group makes estimates and assumptions based on the prevailing circumstances and information available at the time when the financial statements were compiled. Estimates based on future events (or the failure of expected events to materialise) are subject to future changes in the market and circumstances outside the group's control. Changes to such estimates are accounted for prospectively.

## *Consolidation principles*

### *Scope of consolidation*

The consolidation includes the financial data of Centric Holding B.V. plus its group companies and other legal entities within which it exercises dominant control or over which it has central management. Group companies are legal entities in which Centric Holding B.V. can exercise dominant control directly or indirectly because it has the majority of the voting rights or where it can control the financial and operational activities in any other way. Potential voting rights that can be exercised directly on the balance sheet date are also taken into account.

Newly acquired financial participations are included in the consolidation from the date when a decisive influence on policy could be exercised. Financial participations that have been disposed of are included in the consolidation until the date when such influence ends.



**The following companies are recognised in full in the consolidated financial statements:**

**Centric Netherlands Holding B.V., Gouda**

- Centric Netherlands B.V., Gouda
- Centric Training B.V., Gouda
- Centric IT Workforce B.V., IJsselstein
- Q-Magic Uitzendbureau B.V., Gouda
- Bakerware B.V., Emmen
- Bitlibre B.V., Badhoevedorp

**Centric International Holding B.V., Gouda**

- Centric Nordic Holding AS, Oslo
- Centric IT AS, Oslo
  - Centric IT Professionals AS, Oslo
  - Centric Partner Network AS, Oslo
  - Centric Finance Professionals AS, Oslo
- Centric Care AS, Oslo
- Centric Finance AS, Oslo
- Centric IT Academy AS, Oslo
- Centric IT Solutions AS, Hamar
- Centric Professionals AB, Sundbyberg
  - Centric Partner Network AB, Sundbyberg
  - Sellcore Consulting AB, Sundbyberg
- Centric Care AB, Göteborg
- Centric IT Solutions Sweden AB, Sundbyberg
- Centric Waregem N.V. (99,7%), Oostkamp
- Centric Oostkamp N.V. (99,9%), Oostkamp
- Centric Belgium N.V. (99,9%), Oostkamp
- Qmagic SARL, Luxemburg

- Centric IT Solutions Luxembourg SA, Luxemburg
- Summit Retail B.V.B.A. (99,9%), Oostkamp
- Centric Germany GmbH, Essen
  - Centric IT Solutions GmbH, Essen
  - Centric Cloud Solutions, Hamburg
- Centric IT Solutions Holding AG, Eggenwil
- Centric France SAS, Olivet
- Centric IT Solutions Romania SRL, Iași
- Centric Lithuania Holding UAB, Skuodo r.
  - Centric ITS Lithuania UAB, Kaunas
  - Centric Care UAB, Vilnius

**Centric Offices Holding B.V., Gouda**

- Centric Financial Solutions & Services B.V., Gouda
- Trigger IT Services B.V., Deventer
- Centric Ventures B.V., Gouda
- Centric Pension and Insurance Solutions B.V., Gouda

All financial participations are wholly owned subsidiaries unless stated otherwise.

*Consolidation method*

The items in the consolidated financial statements have been drawn up as per the group's uniform accounting policies.

The group companies and other legal entities within which it can exercise dominant control or over which it has central management are included in full in the consolidation. The shares of third parties in group equity and in the group profit are stated separately. Intercompany shareholdings, debts, receivables and transactions have been eliminated in the consolidated financial statements. The gains or losses on transactions between group companies have also been eliminated insofar as those gains or losses were not achieved through transactions with third parties outside the group and insofar as there is no impairment. The accounting policies of group companies and other legal entities included in the consolidation have been amended as necessary to align them with the applicable accounting policies for the group.

Financial participations over which dominant control could not be exercised (associates)

are not included in the consolidation.

The companies and other equity stakes listed below are not consolidated but are measured at net asset value.

**Antea Ventures Beheer B.V. (50%), Oosterhout**  
**CAG Ventures C.V. (50%), Heerenveen (comes under Centric Ventures B.V.)**

The following equity stake is not consolidated but has been stated at cost.

**Vyzyr B.V. (20%), Kerkrade**

Currency

The euro, the group’s functional and presentation currency, is the currency used in the consolidated financial statements. Every entity within the group determines its own functional currency and the items in the financial statements for every entity are measured on the basis of this functional currency.

A transaction in foreign currencies is measured upon initial recognition at the functional exchange rate on the transaction date. Monetary balance sheet items in foreign currencies are converted at the functional exchange rate on the balance sheet date. Non-monetary balance sheet items in foreign currencies, which have been measured at historical cost, are converted at the functional exchange rate on the transaction date. Non-monetary balance sheet items in foreign currencies, which have been measured at the current value, are converted at the functional exchange rate

applicable at the time of item measurement. Differences in exchange rates occurring upon settlement or conversion of monetary items in foreign currencies are recognised in the profit and loss account, except for differences in exchange rates resulting from net investments in business activities in foreign countries and loans taken out to fund or effectively hedge net investments in business activities in foreign countries, respectively.

These exchange differences are recognised directly in the translation differences reserve. The translation differences reserve has been included under the ‘Legal reserves’ item. On the balance sheet date, the assets and liabilities from business activities in foreign countries are converted into the group’s performance currency (the euro) at the rate on the balance sheet date; and the income and expenditure in the profit and loss accounts is converted at the average rate for the year. The resulting exchange differences are recognised directly in the statutory

reserves in the ‘Translation differences reserve.’ Upon disposal of the foreign business activities, the relevant accumulated sum of the translation differences that was included in the shareholders’ equity in the profit and loss accounts is recognised as part of the sales profits.

Fair value

The fair value of the financial instruments is determined using available market information or estimation methods. The following estimation methods are used to determine the fair value:

- fair value is derived from the fair value of its components or a comparable instrument if a reliable fair value can be identified for the components or a comparable instrument; or
- using generally accepted measurement models and measurement techniques.

Amortised cost

The amortised cost is determined using the effective interest method minus any write-downs (directly, or by creating a provision) due to impairment or uncollectible debt. In the calculation, share premiums/ discounts at the time of acquisition are taken into account, as are transaction costs and fees that are an integral part of the effective interest rate.

Operating leases

The company may have lease contracts in which a large proportion of the benefits and disadvantages associated with ownership do not reside with the company. Such lease contracts are accounted for as operating leases. Lease payments are recognised on a linear basis in the profit and loss account over the term of the agreement, taking into account the compensation received by the lessor.

### Financial instruments

Insofar as they relate to the trading portfolio or to equity instruments outside the trading portfolio, securities included in the financial current and fixed assets are measured at fair value. All other financial instruments recognised in the balance sheet are measured at their (amortised) cost.

The fair value is the amount for which an asset could be exchanged or a liability settled between properly informed parties that are independent of each other and willing to enter into a transaction.

#### General

The most important financial instrument is cash and cash equivalents. The primary objective of the financial instruments is to obtain financing for business activities. Furthermore, various other financial fixed assets and liabilities, for example trade accounts receivable and debts to suppliers, also result directly from business activities. There are no derivatives or financial instruments for trading purposes.

### Interest rate risk

The amount paid in interest is linked to the EURIBOR rate.

### Currency risk

Most of the group's activities are carried out within the eurozone. The subsidiaries outside the eurozone generally trade in their own national currencies. The transaction risk for shareholders' equity and loans extended to subsidiaries outside of the eurozone is not hedged. The currency risk is limited to the foreign subsidiaries.

### Intangible fixed assets

Goodwill, paid when acquiring companies, is the amount by which upon initial recognition the cost of an entity exceeds the net fair value of the identifiable assets and liabilities. If separately identifiable intangible assets can be identified when acquiring an entity, they are capitalised and amortised over the relevant amortisation period. An amortisation period varying from 4 to 12 years applies to the value of a customer portfolio, depending on the type and expected churn rate.

Goodwill paid on the acquisition of operations is capitalised and amortised over a period varying from 3 to 12 years.

Intangible fixed assets relating to the capitalisation of software packages developed in-house are amortised during the period in which the sale of the packages concerned is expected to occur.

### Tangible fixed assets

The tangible fixed assets are measured at purchase price less depreciation using the straight-line method, based on the expected economic life. In the year of investment, the depreciation is proportional to time.

The depreciation rates are:

- Computer systems (hardware and software): 20% – 33 $\frac{1}{3}$ %
- Renovations and other operating assets: 20%
- Buildings and premises: 0–10%



**Financial fixed assets**

*Financial participations*

Acquisitions are recognised in the financial statements using the purchase accounting method. This means that, on the acquisition date, the acquired assets and liabilities are measured at fair value. The difference between the purchase price and the company's share in the fair value of the acquired identifiable assets and liabilities at the moment of the transaction of a financial participation is recognised as goodwill.

Financial participations in which the company exercises significant influence over financial and business policy are measured at net asset value.

Where the measurement of a financial participation is negative, according to the net asset value, it is measured at zero. If and insofar as the company fully or partly guarantees the debts of the financial participation, or firmly intends to enable the financial participation to pay its debts, a provision will be created.

Financial participations in which the company does not exercise significant influence over financial and business policy are measured at the acquisition price or the recoverable amount, if lower. In the profit and loss account, dividends are recognised as revenue from financial participations.

*Deferred tax assets*

Deferred tax assets are recognised in the case of offsettable tax losses or offsettable temporary differences between the value of the assets and liabilities, as per the tax rules on the one hand and the measurement basis applied in these financial statements on the other, on the understanding that deferred tax assets are only recognised insofar as there are likely to be future fiscal profits that the temporary differences can be offset against and with which losses or unused fiscal settlement possibilities can be compensated.

Deferred tax assets are calculated at the tax rates applicable at the end of the year under review (or at the rates applicable in future years, insofar as those rates have already been established in law). Deferred tax assets are measured at nominal value.

*Other receivables*

Other receivables included as financial fixed assets are loans that have been granted and other receivables, as well as purchased loans that will be held until maturity. These loans are initially measured at fair value and subsequently measured at amortised cost. If a discount (or premium) applies to a loan when issued, it is credited to (or debited from) the profit and loss account as part of the effective interest rate over the term of the loan. Transaction costs are also included in the initial measurement and taken to the profit and loss account as part of the effective interest. Impairments are deducted from the profit and loss account.



### Inventories

Inventories of raw materials and consumables are measured at cost using a FIFO method (first in, first out) or at the net realisable value if lower.

Acquisition or production costs comprise all costs relating to the acquisition or production plus costs incurred for getting stocks to their present location in their current condition. Production costs include direct wage costs and surcharges for indirect fixed and variable costs related to production, including the costs of the operational office, the maintenance department and internal logistics.

The net realisable value is the estimated sales price minus directly attributable selling costs. Obsolescence of inventories is taken into account when determining the net realisable value.

### Receivables

Trade accounts receivable and other receivables are recognised at the original invoice sum (historical cost) minus impairments based on estimates of creditworthiness of the debtors in question, while also taking historical data into account. The recognised impairment is the best estimate of the outstanding amount that the company will not be able to collect. Doubtful debts are written off as soon as it is determined that they are uncollectible.

### Cash and cash equivalents

Cash and cash equivalents are measured at nominal value. Cash that is expected not to be at the group's disposal for over twelve months is classified as a financial fixed asset.

The bank accounts of the company are recognised in the interest and balance set-off arrangement of Sanderink Investments B.V., for which joint and several liability has been agreed.

### Shareholders' equity

Financial instruments that are classified as equity instruments based on the economic reality of the instrument are presented under shareholders' equity. Disbursements to holders of these instruments are deducted from shareholders' equity after deduction of any related rewards pursuant to the tax on profits. Financial instruments that are classified as financial liabilities based on the economic reality of the instruments are presented under liabilities. Interest, dividends, income and expenses associated with these financial instruments are recognised in the profit and loss account as costs or revenue.

**Provisions**

A provision is formed when the group has a legally enforceable or constructive obligation on the balance sheet date that is likely to require an outflow of cash for settlement and the size of which can be reliably estimated. The size of the provision is determined by the best estimate of the amounts necessary to settle the relevant obligations and losses on the balance sheet date. Unless otherwise stated, provisions are measured at present value.

*Provision for jubilee benefits*

The provision for anniversary allowances is based on actuarial calculations of future payments that have been converted to their net present value, taking into account the probability of leaving the company and of death.

*Provision for onerous contracts*

A provision for onerous contracts is recognised in the balance sheet when the economic benefits from a contract are expected to be lower than the unavoidable costs to be incurred in meeting the obligations under the contract.

*Restructuring provision*

A provision is made for restructuring if a formal, detailed plan has been drawn up for the restructuring and the restructuring is either underway or has been announced. A provision is not created for future operating costs. The restructuring provision covers primarily redundancy schemes, transitional payments, and reassignment of employees whose job has been discontinued.

*Provision for claims*

Judgements and estimates regarding the provision for ongoing legal proceedings are based on documentation and meetings with the counterparty and consultations with lawyers or on estimates made by the management.

*Provision for vacancy of real estate*

The non-occupancy provision is made for vacant office and/or warehouse space during the remaining term of the lease.

*Deferred tax liabilities*

Deferred tax liabilities are recognised for temporary differences between the value of assets and liabilities, as per tax rules on the one hand and the carrying amounts used in these financial statements on the other. Deferred tax liabilities are calculated at the tax

rates applicable at the end of the year under review (or at the rates applicable in future years, insofar as those have already been established in law).

**Current liabilities**

Current liabilities are measured at the fair value of the consideration and subsequently measured at amortised cost using the effective interest method.

**Financial assets and liabilities that are no longer recognised**

A financial instrument will no longer be recognised in the balance sheet if a transaction leads to the transfer to a third party of all or virtually all entitlements to economic benefits and all or virtually all risks relating to the position.

# Accounting policies for the determination of the profit or loss

**Net sales**

*Revenue from the sale of goods*

Revenue from the sale of goods is recognised in net sales at the fair value of the compensation received or due to be received, taking into account any trade discounts or volume discounts. Revenue from the sale of goods is recognised in the profit and loss account when the significant risks and rewards of ownership have been transferred to the buyer, the revenue amount can be determined reliably, collection of the amount payable is likely, the associated costs or return of goods, where applicable, can be estimated reliably and there is no ongoing involvement in the goods.

The transfer of risks and rewards depends on the terms and conditions in the associated sales contract. In the case of sales of products, the product is transferred when it is received in the customer's warehouse.

*Revenue from services rendered*

Revenue from services rendered is recognised in net sales at the fair value of the compensation received or due to be received, net of provisions and discounts.

Revenue from services rendered is recognised in the profit and loss account when the revenue amount can be determined reliably, collection of the associated compensation is likely, the extent to which the services have been performed as at the balance sheet date can be determined reliably and the costs incurred or any costs still to be incurred in order to complete the service can be established reliably.

If the profit or loss on a particular service contract cannot be determined, the revenue is recognised up to the amount of the service costs that are covered by the revenue.

Revenue from services rendered is recognised in the profit and loss account in proportion to the

stage of completion of the transaction as at the balance sheet date. The stage of completion is determined by assessing the activities or services performed up to that date as a percentage of all the services to be performed, or the costs incurred up to that point in proportion to the total estimated costs of the services to be performed.

*Licence fees*

Licence fees are received for the use of the assets, namely the software. Revenues are recognised when the amount of the fees payable can be determined reliably and when collection is likely.

**Costs**

Costs are determined with due observance of the aforementioned accounting policies and are allocated to the financial year to which they relate. Profits are recognised in the year in which the goods were delivered or the services rendered. Losses are taken into account in the year in which they are foreseeable.

**Employee benefits**

Wages, salaries and social security contributions are recognised in the profit and loss account on the basis of the terms and conditions of employment.

*Dutch pension plans*

Centric Holding B.V. has a number of pension plans. These plans are recognised by Centric Holding B.V. using the liability method. The main pension plan for the Dutch entities is a defined contribution plan that is insured with BeFrank PPI N.V.

This pension plan is subject to the stipulations of the Dutch Pensions Act, and Centric Holding B.V. pays mandatory, contractual or voluntary contributions to the fund. The contributions are recognised as personnel expenses as soon as they fall due. Contributions paid in advance are included as prepayments and accrued income if this results in a refund or a reduction in future payments. Contributions that have not yet been paid are recognised as a liability in the balance sheet.

*Foreign pension plans*

Liabilities relating to foreign pension plans are recognised and measured in accordance with the measurement of the Dutch pension plan. These are pension plans that are similar in their set-up and the way they function to the Dutch pension system. In the case of foreign pension plans that are not similar to the Dutch pension system in their set-up and the way they function, a best estimate has been made of the liabilities as at the balance sheet date.

**Depreciation and amortisation**

Depreciation and amortisation are based on the straight-line method using the expected economic life. Purchases made in the financial year are written off in proportion to the time period.

**Financial income and expenses**

Interest income and interest charges are recognised on a time-weighted basis, taking into account the effective interest rates of the assets and liabilities in question. When recognising interest charges, the recognised transaction costs for the loans received are taken into account.

Exchange differences that occur when settling or converting monetary items are recognised in the profit and loss account in



the period in which they occur, unless hedge accounting is applied.

**Profit/loss from financial participations**

The profits or losses from financial participations are recognised using the net asset value method.

**Income taxes**

Income taxes are calculated on the basis of the recognised profit or loss, taking into account any items eligible for tax exemption and expenses that are fully or partially non-deductible. The tax is attributed to the profit in accordance with the share.

**Group tax entity**

Centric Holding B.V. and Sanderink Investments B.V. together constitute a group tax entity for Dutch corporate income tax purposes. Taxes are offset within this tax entity as if each company were independently liable to tax. Centric Holding B.V. and its Dutch group companies also jointly constitute a group tax entity for Dutch VAT purposes.

## Accounting policies for the cash flow statement

The cash flow statement is drawn up using the indirect method. Amounts received and paid relating to interest and income taxes are included in the cash flow from operating activities. The sums used for acquiring new group companies, insofar as they are paid for in cash, are included in the cash flow from investing activities. Cash available in new group companies is deducted from the cash outflow.

## Notes to the consolidated balance sheet

In thousands of euros

### 1.1 Intangible fixed assets

Balance at 1 January 2021
Investments or takeover
Amortisation
Transfer to tangible fixed assets
Exchange gains/losses
<b>Balance at 31 December 2021</b>
Purchase price
Accumulated amortisation

Software	Goodwill	Total
855	157	1,012
0	50	50
-213	-93	-305
-680		-680
38	4	43
<b>0</b>	<b>119</b>	<b>119</b>
0	4,050	4,050
0	-3,931	-3,931

In March 2021, the remaining 49% of the shares in Centric Care UAB were acquired by Centric International Holding B.V. for €50,000.

### 1.2 Tangible fixed assets

Balance at 1 January 2021
Investments or takeover
Depreciation
Exchange gains/losses
Disinvestments and sales
Depreciation on disinvestments
Transfer from intangible fixed assets:
Investments or takeover
Amortisation
Exchange gains/losses
<b>Balance at 31 December 2021</b>
Purchase price
Accumulated depreciation

Buildings and renovations	Computer systems (machinery and plant)	Other fixed operating assets	Total
2,142	4,707	3,885	10,733
240	1,267	918	2,425
-480	-1,745	-923	-3,148
0	-9	92	83
-1,023	-2,726	-947	-4,695
1,018	2,732	797	4,538
		922	922
		-280	-280
		38	38
<b>1,897</b>	<b>4,217</b>	<b>4,503</b>	<b>10,617</b>
13,287	14,879	14,456	42,622
11,390	-10,662	-9,953	32,005

1.3 Financial fixed assets

Cash pool receivable  
Deferred tax asset  
Loans receivable  
Minority shareholdings

2021	2020
37,894	37,646
629	1,603
7,493	7,212
49	49
46,065	46,510

The financial fixed assets item has developed as follows:

	Cash pool receivable	Deferred tax asset	Loans receivable	Minority shareholdings
Balance at 1 January 2021	37,646	1,603	7,212	49
Repayments/Write-downs	0	-974	0	0
Addition	248	0	281	0
Balance at 31 December 2021	37,894	629	7,493	49

Cash pool receivable

The cash pool receivable concerns Centric Holding B.V.'s cash in the cash pool with Sanderink Investments B.V. that is not at the free disposal of Centric Holding B.V. Only the balance of the cash pool after the accounts of all entities have been set off against one another is freely available. Because other entities within the cash pool have a negative position, this means not all the cash is freely available. This is recognised as the cash pool receivable. This receivable does not have a specific term or interest rate and is part of a credit facility with balances and interest set-off. In this arrangement, the conditions include a six-monthly review of the solvency ratio (must be at least 30%) and an EBITDA coverage ratio test (must be at least 75%). The maximum debit balance (the negative position entities are permitted to hold within the cash pool) will be reduced by €10 million to €30 million with effect from 1 May 2022. The maximum debit balance will then be reduced again by €15 million to €15 million with effect from 1 May 2023. By 1 May 2024 at the latest, the maximum debit balance will be reduced once again by €15 million to €0.

Deferred tax asset

At 31 December 2020, a receivable was recognised for the difference (measured at 25%) between the measurement for tax purposes and the commercial measurement regarding the goodwill (acquired in 2017) to be amortised in 2021.

The offsettable losses in Belgium amount to €2.9 million in 2021 (2020: €5.1 million). The deferred tax asset measured at 25% has declined as a result.

In addition, there are offsettable losses totalling €10.7 million that have not been measured, of which €9.8 million in Germany and €0.9 million in Norway.

Loans receivable

The 'Loans receivable' item concerns a €0.2 million loan provided by Centric Ventures B.V. to CAG Ventures C.V. Centric Holding B.V. has furthermore provided loans to two other affiliated companies in 2020, the interest on which for 2021 has been added.

**2.1 Inventories**

Goods for resale

2021	2020
10,373	4,167
<b>10,373</b>	<b>4,167</b>

**2.2 Receivables**

Trade accounts receivable

Provision for doubtful debts

Receivables from other affiliated companies

Taxes and social security contributions

Prepaid pension contributions

Accrued revenue

Prepaid costs

Other receivables

2021	2020
55,685	59,361
-902	-1,438
4,005	3,003
446	376
894	924
12,825	13,411
13,814	11,480
1,561	1,126
<b>88,328</b>	<b>88,243</b>

The 'Prepaid costs' item includes an amount of €1.5 million (2020: €2.4 million) with a term of more than 1 year.

The 'Accrued revenue' item includes an amount of €1.3 million (2020: €2.2 million) with a term of more than 1 year.

The 'Provision for doubtful debts' item developed as follows:

	2021	2020
Balance at 1 January	1,438	1,272
Allocations	80	516
Withdrawal	-284	-150
Release	-334	-200
Exchange gains/losses	2	0
<b>Balance at 31 December</b>	<b>902</b>	<b>1,438</b>

**2.3 Cash**

The balance is not entirely at the free disposal of the company and its financial participations. For this reason, an amount of €37.9 million (2020: €37.6 million) in cash that is not at the free disposal of the company is recognised under 'Financial fixed assets'.

There is also a balance of €98,000 in blocked G accounts (2020: €236,000).

**3.1 Shareholders' equity**

Please refer to the company balance sheet for more information on the shareholders' equity.

**3.2 Third-party share in group equity**

Balance at 1 January

*Changes:*

Result of third-party share in group profit

Balance at 31 December

2021	2020
-17	-10
17	-7
<b>0</b>	<b>-17</b>

**4 Provisions**

Provision for jubilee benefits

Provision for onerous contracts

Restructuring provision

Provision for claims

provision for vacancy of real estate

Pension provision

Deferred tax liabilities

Provision for investments in group companies

Other provisions

2021	2020
2,916	2,888
3,226	6,931
0	846
358	1,310
64	242
618	580
175	205
109	107
247	1,069
<b>7,713</b>	<b>14,178</b>

The provisions developed as follows:

	Provision for jubilee benefits	Onerous contracts	Restructuring provision	Claims	provision for vacancy of real estate
Balance at 1 Jan. 2021	2,888	6,931	846	1,310	242
Allocation	265	1,231	0	215	0
Release	-236	-2,696	-390	-650	-38
Withdrawal	0	-2,240	-456	-517	-139
<b>Balance at 31 Dec</b>	<b>2,916</b>	<b>3,226</b>	<b>0</b>	<b>358</b>	<b>64</b>
<i>of which:</i>					
Term ≤ 1 year	0	2,930	-	308	17
Term > 1 year	2,916	296	-	50	47

	Pension provision	Deferred tax liabilities	Provision for investments in group companies	Other	Total
Balance at 1 Jan. 2021	580	205	107	1,069	14,178
Allocation	38	164	2	423	2,338
Release	0	-190	0	-52	-4,252
Withdrawal	0	0	0	-1,194	-4,546
Exchange gains/losses		-4			-
<b>Balance at 31 Dec</b>	<b>618</b>	<b>175</b>	<b>109</b>	<b>247</b>	<b>7,713</b>
<i>of which:</i>					
Term ≤ 1 year	23	0	109	247	3,634
Term > 1 year	596	175	0	0	4,080

#### *Provision for onerous contracts*

The provision for onerous contracts concerns service contracts in which the estimated unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. These are contracts that will be loss-making in the remaining contract term, whereby the loss is recognised in the provision for onerous contracts as the unavoidable costs minus the contractual revenues.

#### *Pensions provision*

Centric Germany GmbH has recognised a pension provision for future obligations based on an average salary scheme. The pension plan in effect at Centric Germany GmbH is administered by the company and the company has taken out additional insurance for this for its employees. The pension liabilities are paid from Centric Germany's own cash resources.

Every employee participates in the pension plan from the start of employment.

The Projected Unit Credit Method is used to calculate the relevant pension liabilities.

For the actuarial basis, the following assumptions are applied in determining future obligations:

- Discount rate = 1,87%
- Expected remaining years of service for employees = 15 years
- Salary increase = 1.5% per annum
- Mortality table = Heubeck-Richttafeln 2018 G

These assumptions are reviewed and modified at the end of each financial year.

#### *Deferred tax liabilities*

A deferred tax liability has been recognised for the untaxed reserves of the Swedish entities.

5 Current liabilities

	2021	2020
Trade accounts payable	27,733	19,079
Liabilities to other affiliated companies	0	4,016
Pension liabilities	305	0
Taxes and social security contributions	13,099	18,394
Corporate income tax payable	2,335	1,357
Personnel expenses payable	23,105	18,692
Accrued expenses	9,892	9,580
Deferred income	28,442	21,916
Other liabilities	1,888	2,605
	106,799	95,639

The Dutch corporate income tax payable to the amount of €2.8 million (2020: €1.9 million) is paid to Sanderink Investments B.V. as part of the group tax entity.

The ‘Deferred income’ item includes a sum of €2.3 million (2020: €0 million) with a term of more than one year.

The ‘Other liabilities’ item includes an amount of €0.8 million (2020: €1.5 million) with a term of more than 1 year. This largely concerns rent supplements received in advance and attributed to the year 2023.

Off-consolidated balance sheet liabilities

The total contractual obligations for payment of rental, purchase and lease liabilities are as follows.

	2021	2020
Within 1 year	13,924	17,346
After one year but within five years	17,618	22,714
After five years	532	812
	32,074	40,872

These off-balance-sheet liabilities include an amount of €0.7 million (2020: €1.2 million) in purchase commitments. Of this amount, €0.2 million (2020: €0.5 million) will fall due within one year and €0.6 million (2020: €0.7 million) will fall due within five years. There are no commitments with a term of more than five years.

Centric Holding B.V. and its financial participations have issued bank guarantees totalling €3.6 million (2020: €3.9 million).

Centric Nordic Holding AS and its financial participations have a credit facility totalling NOK 20 million.

Sanderink Investments B.V. is the head company of the group tax entity for Dutch corporate income tax. However, all the Dutch group companies within Centric Holding B.V. are jointly and severally liable for the tax debt of the group tax entity as a whole.

All the Dutch group companies within Centric Holding B.V. jointly form a group tax entity for VAT and are all jointly and severally liable for the VAT debt of the group tax entity as a whole.

## Notes to the consolidated profit and loss account

In thousands of euros

### 6 Net sales

Licences  
Maintenance and administration  
Services  
Trade  
Other

	2021	2020
Licences	9,104	9,563
Maintenance and administration	199,514	223,041
Services	168,291	167,131
Trade	42,529	35,288
Other	2,711	1,549
	<b>422,149</b>	<b>436,572</b>
Sales in the Netherlands	320,609	338,778
Sales in Europe	101,272	96,908
Other	268	886
	<b>422,149</b>	<b>436,572</b>

### 7.1 Wages and salaries

Salaries  
Pension costs  
Social security contributions

	2021	2020
Salaries	181,823	183,858
Pension costs	9,580	9,633
Social security contributions	29,206	30,997
	<b>220,609</b>	<b>224,488</b>

### Employees

Number of employees at year-end

Average number of employees expressed as full-time equivalents (FTEs)

Senior management  
Sales and marketing  
General administration  
Production

	2021	2020
Number of employees at year-end	3,722	3,917
Average number of employees expressed as full-time equivalents (FTEs)		
Senior management	40	41
Sales and marketing	169	155
General administration	401	422
Production	2,896	3,066
	<b>3,506</b>	<b>3,684</b>

With 1,193 employees working outside the Netherlands (2020: 1,125).

### Remuneration of executive and non-executive directors

Executive directors  
Non-executive directors

	2021	2020
Executive directors	894	337
Non-executive directors	253	75
	<b>1,147</b>	<b>412</b>

Remuneration comprises fixed pay, social security contributions paid by the employer, pension obligations, anniversary allowances, profit sharing, bonuses and termination benefits.

### 7.2 Amortisation and depreciation

Amortisation of intangible fixed assets  
Depreciation of tangible fixed assets  
Impairments

	2021	2020
Amortisation of intangible fixed assets	305	102
Depreciation of tangible fixed assets	3,149	3,294
Impairments	0	43
	<b>3,454</b>	<b>3,439</b>

**7.3 Other operating costs**

	2021	2020
Other personnel expenses	24,089	27,071
Office expenses	12,996	13,247
Communication expenses	1,550	1,655
Accommodation	10,879	11,546
Selling costs	3,293	2,533
Temporary agency staff/other temporary staff	799	351
Change in provisions	-2,039	5,345
Miscellaneous costs	424	718
	<b>51,991</b>	<b>62,467</b>

**R&D costs**

In 2021, Centric Holding B.V. spent €35 million (2020: €35 million) on research and development.

**8 Financial income and expenses**

	2021	2020
Interest income	26	42
Interest income from other affiliated companies	281	39
Interest expenses	-65	-124
Interest expenses for other affiliated companies	-125	0
Exchange gains/losses	-53	-144
	<b>64</b>	<b>-187</b>

Interest income and expenses were received and paid in the course of the year. The interest income from other affiliated companies in 2021 was added to the loan that was provided.

**9 Taxation**

Payable corporate income tax (due immediately)  
Deferred taxes (change)

	2021	2020
Payable corporate income tax (due immediately)	3,576	2,723
Deferred taxes (change)	974	-977
	<b>4,550</b>	<b>1,746</b>

The effective corporate income tax rate is 27% (2020: 11%). This is due to the measurement of the offsettable losses in Belgium, foreign corporate income tax, and the 'innovation box' scheme.

Centric Holding B.V. and Sanderink Investments B.V. together constitute a group tax entity.

The Dutch corporate income tax for the financial year is settled through the intercompany current accounts.

**Events after the balance sheet date**

In 2022, the activities of Centric Pension and Insurance Solutions B.V. will be transferred to a external party. An appropriate solution has been found for both the customers of Centric Pension and Insurance Solutions and its employees.

In 2022, a share premium payment took place up to a sum of €80 million. The payment took the form of the issue of a subordinated loan for that same amount.



**Company financial statements**  
Centric Holding B.V.

# Company balance sheet as per 31 December

After the proposed profit appropriation. In thousands of euros

ASSETS	Notes		2021		2020
Fixed assets					
Financial fixed assets	10	99,326	99,326	86,872	86,872
Current assets					
Receivables	11.1	150		142	
Cash	11.2	0	150	214	356
TOTAL ASSETS			99,476		87,228
LIABILITIES					
Paid-up and called-up share		16		16	
Legal reserves		-1,185		-1,119	
Other reserves		96,792		84,299	
Shareholders' equity	12		95,623		83,196
Current liabilities	13		3,853		4,032
TOTAL LIABILITIES			99,476		87,228

# Company profit and loss account

In thousands of euros

	2021	2020
Profit/loss from financial participations after tax	12,937	14,518
Other income and expenses after tax	-444	-419
Net profit	12,493	14,099

## Notes to the company balance sheet

In thousands of euros

### General information

The company has drafted the company financial statements in accordance with the legal stipulations in the Dutch Civil Code, Part 9, Book 2. The accounting policies are the same as the policies specified for the consolidated financial statements.

Consolidated group companies are measured at net asset value. The profit from financial participations corresponds to the share of the profit for the companies in question in that financial year.

Given that the profit and loss account of Centric Holding B.V. for 2021 has been included in the consolidated financial statements, only an abridged profit and loss account has been included in the company financial statements in accordance with Section 2:402 of the Dutch Civil Code.



**10 Financial fixed assets**

Cash pool receivable  
Deferred tax asset  
Loans receivable  
Share in group companies

2021	2020
0	348
0	335
7,281	7,000
92,045	79,189
<b>99,326</b>	<b>86,872</b>

The financial fixed assets item has developed as follows:

	Cash pool receivable	Deferred tax asset	Loan receivable	Share in group companies
Balance at 1 January 2021	348	335	7,000	79,189
Repayments/Write-downs	-348	-335		0
Addition			281	0
Profit/loss from financial participations				12,937
Foreign exchange adjustment				-66
Disinvestment				-15
<b>Balance at 31 December 2021</b>	<b>0</b>	<b>0</b>	<b>7,281</b>	<b>92,045</b>

*Cash pool receivable*

The cash pool receivable concerns Centric Holding B.V.'s cash in the cash pool with Sanderink Investments B.V. that is not at the free disposal of Centric Holding B.V. Only the balance of the cash pool after the accounts of all entities have been set off against one another is freely available, and therefore recognised as cash and cash equivalents. Because other entities within the cash pool have a negative position, this means not all the cash is freely available. This is recognised as the cash pool receivable. This receivable does not have a specific term or interest rate and is part of a credit facility with balances and interest set-off. In this arrangement, the conditions include a six-monthly review of the solvency ratio (must be at least 30%) and an EBITDA coverage ratio test (must be at least 75%).

*Deferred tax asset*

At 31 December 2020, a receivable was recognised for the difference (measured at 25%) between the measurement for tax purposes and the commercial measurement regarding the goodwill (acquired in 2017) to be amortised in 2021.

*Loans receivable*

Centric Holding B.V. provided loans totalling €7 million to two other affiliated companies in 2020, to which the interest for 2021 has been added.

*Share in group companies*

The financial participations held directly by Centric Holding B.V. are:

Name, place of business	Share in the issued capital in %
Centric Netherlands Holding B.V., Gouda	100
Centric Offices Holding B.V., Gouda	100
Centric International Holding B.V., Gouda	100
Centric Pensioenbelangen Personeel B.V., Gouda (ceased to operate on 31 October 2021)	100

**11.1 Receivables**

Receivables from group companies  
Receivables from other affiliated companies  
Corporate income tax receivable  
Taxes and social security contributions  
Prepaid costs

2021	2020
0	35
0	37
36	43
90	5
24	22
<b>150</b>	<b>142</b>

The corporate income tax receivable is settled between Centric Holding B.V. and Sanderink Investments B.V. as part of the group tax entity.

11.2 Cash

The bank accounts of the company are included in the interest and balance compensation of Sanderink Investments B.V., for which joint and several liability has been agreed. As a result, not all of the balance is at the free disposal of the company.

12 Shareholders equity

	Paid-up and called-up share capital	Legal reserves	Other reserves	Total
Balance at 31 December 2019	16	-1,070	150,200	149,146
2020 profit			14,099	14,099
Translation differences reserve		-49		-49
Dividend			-80,000	-80,000
Balance at 31 December 2020	16	-1,119	84,299	83,196
2021 profit			12,493	12,493
Translation differences reserve		-66		-66
Balance at 31 December 2021	16	-1,185	96,792	95,623

The authorised share capital amounts to €45,400 divided into 200 shares of €227 each. 70 shares have been issued and paid up.

The legal reserves are for currency translation adjustments for foreign financial participations.

2021 profit appropriation

At the Annual General Meeting of Shareholders in which the 2021 financial statements are adopted and approved, the board will propose adding the profit of €12.5 million to the 'Other reserves.' This proposal has been incorporated into the balance sheet as at 31 December 2021.

13 Current liabilities

Debts to credit institutions  
Trade accounts payable  
Liabilities to other affiliated companies  
Other liabilities, and accruals and deferred income

2021	2020
3,569	0
279	15
0	4,000
6	18
3,853	4,032

Off-balance sheet liabilities

Sanderink Investments B.V. is the head company of the group tax entity for Dutch corporate income tax. However, all the Dutch group companies within Centric Holding B.V. are jointly and severally liable for the tax debt of the group tax entity as a whole.

All the Dutch group companies within Centric Holding B.V. jointly form a group tax entity for VAT and are all jointly and severally liable for the VAT debt of the group tax entity as a whole.

14 Audit fees

Audit firm's fees:

Audit of the financial statements by RSM  
Audit of the financial statements by other audit firms  
Other audit assignments by other audit firms  
Other non-audit assignments by other audit firms

2021	2020
478	328
9	364
920	762
37	77
1,444	1,531

Audit firm's fees are presented in accordance with Section 382(a) of the Dutch Civil Code, Part 9, Book 2.

Signing of the financial statements

Gouda, 19 April

Executive Board:

J.G.P. Taams  
P.P.J. Rosengarten



## Other information

### Profit appropriation

*Statutory provision in respect of profit appropriation*

Profit appropriation is handled in accordance with the articles of association, which state that the profit is at the disposal of the general meeting of shareholders'.

### Branch offices

In addition to the head office in Gouda (Netherlands), the company has branch offices in the Netherlands in Almere, Amsterdam, Badhoevedorp, Budel,

's-Hertogenbosch, Deventer, Emmen, Groningen, Hogeveen, IJsselstein, Moordrecht, Rijssen, Son en Breugel, Wezep and Zoetermeer, as well as in Mechelen (Belgium), Oostkamp (Belgium), Zaventem (Belgium), Essen (Germany), Hamburg (Germany), Olivet (France), Vilnius (Lithuania), Bergen (Norway), Drammen (Norway), Hamar (Norway), Oslo (Norway), Stavanger (Norway), Trondheim (Norway), Iași (Romania), Gothenburg (Sweden), Jönköping (Sweden), Linköping (Sweden), Malmö (Sweden), Stockholm (Sweden) and Eggenwil (Switzerland).

# Independent auditor's report

To: The shareholder and the board of Centric Holding B.V.

**A. Report on the audit of the financial statements 2021 included in the annual report**

**Our opinion**

We have audited the financial statements 2021 of Centric Holding B.V. based in Gouda.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Centric Holding B.V. as at 31 December 2021 and of its result for 2021 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- 1. the consolidated and company balance sheet as at 31 December 2021;
- 2. the consolidated and company profit and loss account for 2021; and
- 3. the notes comprising a summary of the accounting policies and other explanatory information.

**Basis for our opinion**

We conducted our audit in accordance with Dutch law, including the Dutch Standards of Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Centric Holding B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**B. Report on the other information included in the annual report**

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our

audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

**C. Description of responsibilities regarding the financial statements**

**Responsibilities of management for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The non-executive directors are responsible for overseeing the company's financial reporting process.

**Our responsibilities for the audit of the financial statements**

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion. Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.

*Our audit included among others:*

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of

management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

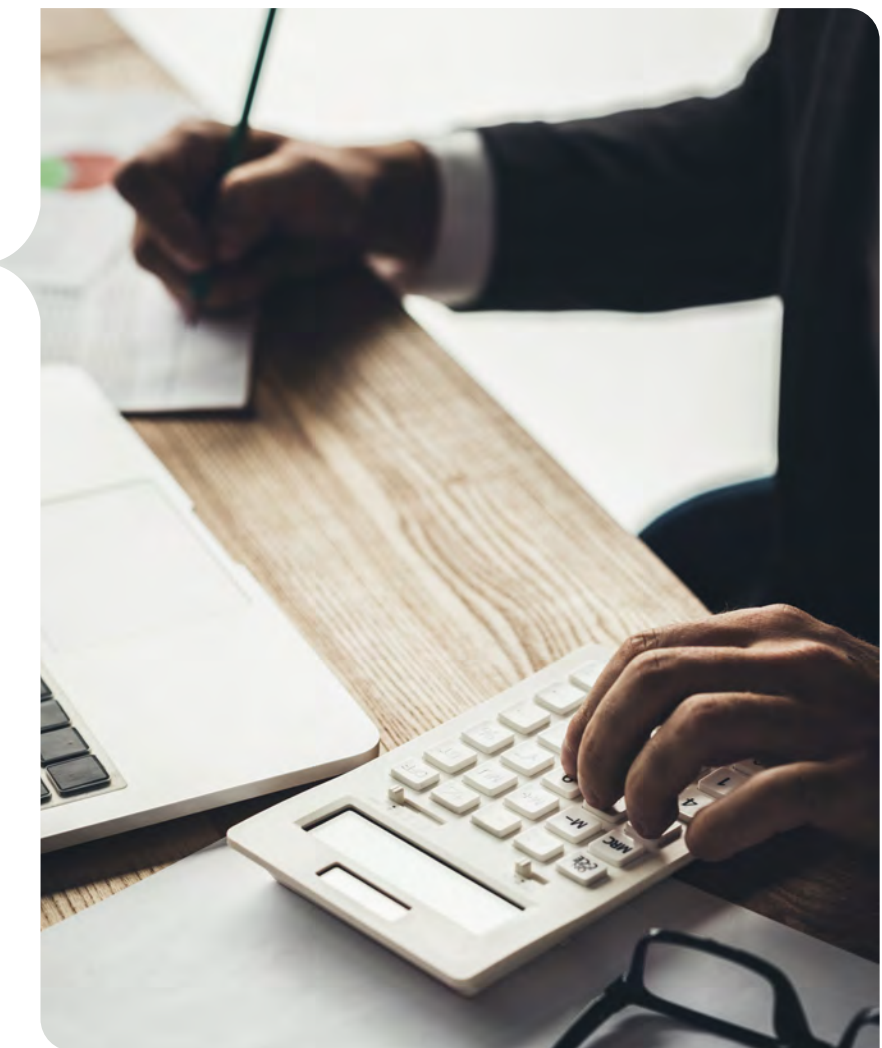
Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

**Utrecht, 11 April 2022**

RSM Netherlands Accountants N.V.

drs. H.R. Hollander RA



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