

BEYOND IT **SCHUBERG**

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Director's Report

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There is no other way to typify the year 2020 than as the year of **Covid-19. The pandemic** has influenced all of our lives and the business of every customer we work with.

> Looking around in our own private circles, we have all seen how people and businesses found themselves in a tight spot during this year. In that sense, we consider ourselves very privileged. We were able to maintain and even grow our operation, be it with many adjustments. We are very much aware that many others have not been so lucky over the past year.

And even though the pandemic seemed to govern everything, 2020 has of course been more than just the year of Covid-19. It was also the year in which we welcomed new colleagues and new customers, and parted with some others. It was the year in which some of our people became parents and others got married. It was a year like no otherand still it was, like all others, just another year in the lives of our people and the people at our customers.

Maybe that is what the pandemic has made more apparent than ever: when it comes down to it, it's all about the people. We are ever so proud to be surrounded by this odd, beautiful, unique bouquet of human beings that Schuberg Philis ultimately is, and this year has made us extra aware of that.





Putting people before profit

At the outbreak of the pandemic there was a sense of insecurity that soon became tangible throughout society. Some companies immediately announced that they would have to let part of their workforce go. Investments and hiring came to a halt. And in many families around the world, the question of job security was suddenly on the table.

At Schuberg Philis we decided to clarify our

viewpoint right from the beginning, so that our

Pim Berger

people could feel safe. We made it clear that we choose people before profit. Even at the expense of ambition, profitability and growth, we are committed to being a safe haven for our people. And we will continue to follow this principle. The fact that we are and will remain our own shareholders enables us to take a decision like that and stand by it. It is not for nothing that we have the portraits of our children and loved ones hanging everywhere in our offices. We always want to keep a clear horizon for the decisions we take. Those pictures keep us aware of the fact that our decisions don't just affect ourselves, but the people at home, too.

Taking action by helping out

Immediately when Covid-19 hit Dutch hospitals' emergency rooms, some of our colleagues came into action. Even more so, because one of them had a partner who was hospitalized with the disease. The fact that he was not able to visit his wife or communicate with her made quite an impression on us. How to stay connected?

Together with several partners, our colleagues invested their time and some of our budget in setting up "StayConnected." This wonderful initiative ultimately delivered over 1,000 iPads to hospitals, so that Covid patients could remain in contact with their loved ones even when in quarantine. We are proud to see that such an initiative can count on so much positive energy, coming out of our team. It also says something about the mentality of our crew. They didn't freeze, but asked themselves: how can we help?

Bridging the Covid gap

Like any other organization, of course we've had to adapt to working from home and to operating at a distance. But fortunately we were already, so to say, tooled up for the occasion. It was almost as if we only had to flip a switch, and in hindsight we have the way we are organized to thank for that. We were already organized in teams that are accustomed to working together online. There was no reason to reorganize ourselves; everybody was already in place.

This also means that in our customers' perception, we were one of the steady factors in that early and insecure phase of the pandemic. We already had the infrastructure up and running. As far as we needed new tooling (for digital contracting, for instance), those tools were easy to plug into our existing infrastructure. So in practice we experienced almost zero delay when we were forced to suddenly switch to working from home. Again, it makes us feel privileged to be in that situation.

Meanwhile, we fully realize that even in our organization, the sudden change has been hard on some of our colleagues. Not everybody is keen on working from their attic or closet. And for our support team at the office, for instance, it has been quite a balancing act to maintain a proactive role in the organization, with almost nobody visiting the office. We applaud them for their constant efforts to still be a positive force within the company, through the many innovative initiatives we've seen from them.

The same must be said for the 90 new colleagues and interns we welcomed over the past year, many of whom have never actually been to the office. It's great to see that we can really get people on board when they put in so much effort to become true members of our team, without ever having been physically part of it. It shows how adaptable we are as a species, and as a company. We have done everything we could think of to keep in touch. We went out for walks and off-site meetings, we created new onboarding



"Even at the expense of ambition, profitability and growth, we are committed to being a safe haven for our people." Annual Report 2020

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tools—and yet, we can only admire the way these new team members are finding their way, without the benefit of meeting each other face to face.

Notwithstanding such encouraging developments, it is safe to say that all of us really miss the 3D versions of each other and we dearly long for the moment we can get back together. It's great that we have kept the family feeling alive, but let's not forget that families thrive on family meetings. We miss being energized by each other's company—not just among colleagues, but especially with customers.

The new normal, the old normal and the road in between

There is also good news to look forward to, however. With the way things are looking as we write this report, we can assume that we are now in the year of recovery. It is not yet completely clear whether we will return to any semblance of the "old normal." Over the past year, we've seen how opinion first leaned towards a radical change: maybe the new normal was much better; maybe we would never go back. And then, as time passed and we started missing the social aspect, opinion seemed to lean back towards the benefits of the way things used to be. In the coming year, we'll see how this plays out. We will probably end up working in a new mixture of working from home, coming together at the office and being on-site. We have launched a new "Remote" project, to help us map out the possibilities.

Helpful handicaps

In the collaboration with our customers, the pandemic has actually helped us forward by handicapping us. The constraints that Covid-19 imposed on our operations have pushed us to learn new skills and develop new solutions. In several cases we've had to creatively bridge distances and time zones, in ways that were never necessary before. It has shown us (and our customers) that we are able to do much more without being on site than we had ever assumed. In one case, we managed the transition of a platform managing billions of dollars—and we did it from the other side of an ocean, without disturbing the business even for a second. Such experiences teach us that there is yet much to be learned. We are sure we can find even more efficiencies by continuing to streamline our way of working along these lines.

A safe haven for our customers

In several cases, our customers had to immediately upscale their efforts on security and compliance, forced by the pandemic. It was good to see that in those cases, we could be their shoulder to lean on. Our experience in this field helped several of our customers to quickly adapt to completely new rules on the playing field of their business. We were able to make them move faster without losing the feeling of control. And we helped them to do something new without adding to the operational risk. We are sure our efforts have improved those relations, because we were able to prove our value at a very critical level.

Finding the question behind the question

We have never been an IT-only company. We've always been far more fascinated by our customers' goals and objectives than by their IT problems as such. And over 2020, we've further solidified our transition from traditional IT outsourcing to the broader, richer world of "Business IT"—a field in which we are now leading the industry. In almost every customer relationship, we are discussing goals that have nothing to do with technology, at first sight. How do I get my production plants organized in a way that is much more flexible? How do I make my e-commerce much more scalable? How can I optimize my supply chain in a dramatically more efficient way? Can I completely rearrange my logistics and continue delivering at the same time?

It's not just us, becoming more and more confident at handling such matters. It's also our customers, who have come to understand what they can ask from us. Some of the very intense business relationships we have today started out as just IT outsourcing. In general, we can say: the longer we work together, the deeper our customers want us to be involved.

It is with contentment that we see this shift in our role taking a more definitive form. For our professionals, it is exciting to be working on the actual core of an organization. It brings us to higher levels of trust and understanding with our customers. We see it as a confirmation of the course we have chosen, and we now actually say no to new customers if we don't think that their question will lead to a long-term, deep and purposeful relationship.



Engineering the question together

In many cases, the conversations with our customers are becoming so strategic, that we're actually engineering the guestion along the way. That means that we have to join hands with the customer and trust together that somewhere during the journey, we may have to change course or scope. It asks for decisions that sometimes lead us into uncharted territory, and demands a high level of trust and flexibility from both sides.

Changing collaborations

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The working relationship with several of our customers has become more intertwined than ever. We often operate so deep in our customers' organization that we need their domain expertise and even that of their partners. You could say that we were used to operating in the safety of our own room, whereas we are now learning to cook in an open kitchen. The customers and their partners are looking at every move we make and taking note of every change in the recipe. This sometimes takes us out of our comfort zone and it challenges us to work together in new ways—which is just how we like it. It means that we have new things to learn, which makes it an exciting development.

Working with more confidence

The year 2020 was also the year in which we felt how much more confident we are with our toolbox. The applications, tools and services that we work with for our customers have matured—to such a degree that we can rely on them much more. As a consequence, we spend much less energy on engineering the use of those tools, and much more on getting everything in the right context for our customers. This is a turning point that is very meaningful for us: we can now actually say that our tools are making us better advisors, not busier technicians.

Meanwhile, the fact that we are becoming an increasingly strategic partner for our customers doesn't mean that we are only hired by the business or by the boardroom. It's all too often the CIO, for example, who comes up with a pressing business guestion. We actually find ourselves hired by all organizational blood types and even by their consultants.

The value of defining value

As a result of the pandemic, we have of course seen some customers shut down projects or even bring their whole funnel to a halt. But in most cases, we've found our business to be guite stable. Even customers that were hit really hard by the lockdown (and forced to shut down their business or part of it), kept most of the projects they were doing with us "in the air." This is the benefit of working on mission-critical trajectories. The transition of a company division doesn't suddenly come to a halt, even if that division's business is temporarily disturbed.

What has certainly helped us is the fact that in many relationships, we work based on an objective that we have clearly defined together with our customer, and that we are constantly measuring and monitoring. That makes it a lot easier to explain to the rest of the customer's organization why this effort is still critical to uphold.

Basically, this is where every conversation we have with a customer starts: what value are we going to create, together? The answer may be anything strategic-a much better time to market, for instance. But that value can often also be very elementary: more control over quality or costs, for example. We never go to work before we've defined what a project's key value is.

Shorter-term projects versus long-term dedication

We have elevated our discussions with customers to a higher level, which sometimes leads us to work on smaller project parts, simply because we don't know about the size

Schuberg Philis through the eyes of our customers

Over the year 2020 we realized a sustained high level of customer satisfaction (the most important KPI in our minds). Our score in the annual Giarte survey is unsurpassed, as it has been over the past 14 years.

We could also measure the contentment of our customers by looking at the contracts we closed. Some of our long-time customers renewed their contracts, while we also welcomed several new customers. And even the customers that left us in the past year did so while giving us the highest recommendation.

Growth

In 2020 Schuberg Philis delivered a continued growth in revenue and profit. Revenue in 2020 was \in 85.4 million, 9% higher than in 2019 (\in 78.4 million). Net profit for 2020 was \in 7.3 million (up from \in 7.0 million in 2019). Net profit was higher than in previous years and the net margin remained 9% (2019: 9%). The contracted revenues at the end of 2020 were \in 97 million.

Our cash position at year-end was €10.2 million (2019: €7.8 million). Solvency remains strong at 43% in 2020 (2019: 39%).

For 2021, we have the ambition to further grow our customer base and our business. Furthermore, we will continue to invest in our people and in innovation.

Risks

The company considers its current capital structure as conservative, which is a foundation for a financially sound business. We do not use any financial instruments. Our price, credit, liquidity and cash flow risks are considered to be limited. Our financial means enable us to invest in highly qualified and talented colleagues as well as sustainable innovation for our customers. In a rapidly changing business and IT environment, not being able to invest in innovation and talented people would be the greatest risk for long term growth and profitability. Schuberg Philis has a low appetite with regards to risks. To be able to absorb financial risks we have an overdraft facility. As per end of 2020 the company has not withdrawn these funds.

To help attract highly qualified and talented new colleagues we have a dedicated recruitment team in place. Our financial means allow us to invest in the quality of new people for the long term in anticipation of future opportunities.

On behalf of the Board and the Managing Directors,

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Profit and loss statement (in €1,000s)	2020
Total revenues	85,408
Net profit	7,292

Balance sheet (in €1,000s)	31-12-2020
Tangible fixed assets	6,009
Working capital (incl. cash)	8,787
Cash	10,249
Debt	0
Equity	14,194

Ratios (in €1,000s)	calculated as	31-12-2020
Net profit margin	Net profit / Net revenue	9%
Current ratio	Current assets / Current liabilities	1.49
Solvency	Total equity / Total liabilities and equity	43%

Contracted revenue (in €1,000s)	calculated as	31-12-2020
Contracted future revenue	n/a	96,909

Trust plus guts. And a little love

Schuberg Philis is no stranger to success. Ever since our company was founded 20 years ago, we've been growing rapidly. So, it comes as no surprise that we set ambitious goals and aim for continued growth in order to reach them. But even so, this isn't a story about the things we want to do to keep on growing it's a story about how growth will allow us to do the things we want.

Impact

What we want to achieve is impact. Impact on the business of the companies we work for, impact on the lives of the people we work with, and impact on the society in which we operate. Yes, that's how far our ambition goes.

You might think that this impact would emerge automatically. After all, the role of digitization in all these matters is growing day by day. So as long as we continue to excel at what we do, the importance of our activities will inevitably increase. It's a path that doesn't necessarily require us to grow as a company.



And yet, we feel that following that path would be a big mistake.

Growth

One reason why we will certainly have to pursue continued growth is the ever increasing strategic importance of information technology for companies and institutions. IT has become an essential component of the business process and, as a consequence, of the transformation companies are undergoing. This generates problems that are becoming more complex and that require a variety of disciplines to tackle. For this reason, we will have to develop larger, more diverse teams than we currently have.

Another reason why we want to grow is that our customers' requests are increasing in scope. And this is something we can take some pride in. Customers are extremely satisfied with the way in which we help them manage their mission-critical IT activities. As a consequence, they are turning to us more and more often with questions like: "OK, our IT is not plagued by problems anymore. Thanks for that. But how do we move forward from here?" This is the kind of question that we want to be able to address in the future with a level of confidence that matches the expertise that customers have come to expect from us.



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"What we want to achieve is impact." Impact on the business of the companies we work for, impact on the lives of the people we work with, and impact on the society in which we operate."



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Which leads us to the next reason for us to pursue growth: our conversations with customers are more frequently and more intimately connected to their own vision of their company's future. Businesses and institutions are acknowledging the necessity of digital transformation, which is a process of change that requires more than just technical expertise. That's why we want to continue to develop our company and our skill set—which in turn requires us to grow.

A further, but no less significant, reason to grow is our desire to be a positive force in society. Our world is facing

Ivo Roefs

significant challenges that will have great impact on everyday life. IT will play a crucial part in this process, but in many cases the technology deployed today simply isn't up to snuff. This bothers us to no end. The IT industry should do better, and it can be so much better. Just consider the way in which we interact with government institutions and large corporations, or the country's vital infrastructure. These are all examples of areas in which great progress can be made in terms of availability, ease of use, accessibility, security, and privacy. Such challenges define our age—and we are ready and able to play a big part in addressing them. But to do this, again, we will need to grow bigger.

Ambition

In a nutshell: we need growth to pursue our ambition. Can we summarize that ambition in a single sentence? We'll need to be a bit gutsy, but yes, we can. Look deep into our hearts, and you'll see that everyone at Schuberg Philis wants nothing more than to achieve something that is meaningful. To leave a legacy. So our ambition is this: we only do outstanding work that makes a difference. (There, we said it.)

In the future, we would love to look back and see that the way in which IT is executed in the Netherlands and elsewhere has fundamentally changed and improved because of our contributions. That is a goal that we will continue to grow towards every day. "Greater impact, a wider expertise, more complex challenges. That's the kind of adventure that you can only embark upon with the right people."

Don't try this at home

Greater impact, a wider expertise, more complex challenges. That's the kind of adventure that you can only embark upon with the right people. We use the word *adventure* advisedly, because that's what it really is. To grow with the bar set at the correct (i.e., highest) level, you need to do something that's never been done before. Which is precisely what makes it so much fun, says everyone at Schuberg Philis. Because the beauty of it is, as we've learned in the past 20 years, that with the best people on board, you can achieve anything.

It's the people, actually

By now, we have more than 350 of those people at the company, and we are still 100% independent. This matters to us. It makes sure that we are still free to make the choices that we feel are best for our customers; not for some or other shareholder. And even more importantly, it lets our people do their work the way they actually want to do it.

Because that is the real secret of Schuberg Philis: we have given our experts full responsibility for their customer. Or, to be more precise, for the customer's happiness. That is the only KPI we give them, and the only one we feel truly matters: 100% customer satisfaction.

We achieve this by bringing the right specialists together and letting them work as teams. Teams that have no supervisors, but do work with the experts in the lead. Teams where decisions are made by the people who are most knowledgeable. Teams that create an environment in which experts flourish and in which they can do their best work. We foster an environment where people feel safe to be vulnerable and free to make mistakes; where they work together to find solutions, driven by quality and with a focus on results—not on simply putting in the effort. Skin in the game, that's what we like.

"That is What we want you to judge us on. Not on our growth figures per se, but on what we manage to achieve through that growth. On our work."

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Tom den Hartog



Our people are fully aware of this, and they wouldn't want it any other way. In addition to "experts in the lead," believing in "deliver your own promise" is the second major principle that lets us succeed where others often fall short. But our people are also aware that there is always room to make things better, and that every improvement, no matter how small, will take us closer to that 100%. Quantitative growth depends on a few big things; qualitative growth depends on thousands of little ones.

Hire for attitude, not just for skill

Looking into the future, we see ourselves forming such teams with as many as 100 people. As a result, to realize our ambition, attracting talent will be crucial. After all, in the market in which we operate, people are a rare commodity. But we think we'll succeed in these efforts as well. We know that good people want to have a good place to work; they want their contributions to have impact; and they want to feel connected to a larger story—like ours.

To find the right people, we will establish a number of priorities in our recruitment and selection process. For example, even more than before, we'll focus on attitude. We would rather bring in talented people with an unfinished skillset than fully trained professionals whose mentality just doesn't match our own. After all, to help our people acquire the skills they need, we now have the Schuberg Philis Academy, whereas attitude is something you just can't learn.

The same applies to experience: your work ethic is more important than your years of service. Seniority and expertise don't necessarily correlate with age. Throughout the years, we have often been pleasantly surprised by how well young professionals take up big responsibilities, and how valuable their countless new insights can be.

In addition, we will be opening new locations to be closer to where the talent is. The fun you have at work should contribute to your happiness in life, and we don't want commuting to be a barrier that could stop you from achieving it. It's another example of how we feel that growth, in this case in the number of offices, should be subservient to what we, as a collective, hope to achieve.

Show, don't tell

As you can see, there is an exciting path ahead of us on which we hope to achieve great things. And we believe that, together with our highly qualified professionals, we will achieve them. We're quite determined that way. Because we believe that if we consistently follow that path, we will realize our ambition. And we'll grow—fast, but also, and especially, in the right way. We won't forget that growth is not an end in itself: it is a means that will allow us to do our work the way we feel it should be done.

That is what we want you to judge us on. Not on our growth figures per se, but on what we manage to achieve through that growth. On our work.

Even though on these pages we are speaking—with some trepidation—about who we are and how we think, that's not how we want distinguish ourselves. The story of Schuberg Philis is not a marketing story. We want to be known for our deeds. Deeds through which we offer something truly meaningful to our customers, to each other, and to the Netherlands. If we manage to do that, the stories to be proud of will follow.

So, in the meantime, we will continue to work hard to make our customers' strategic engine rooms the best they can be. We will increasingly join the conversation about how to direct the energy from those engines. And we will never forget that life should also be beautiful. Trust plus guts. And a little love. In the end, that's what it's all about. Actually.



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Unlimited connections in a hybrid multicloud

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Before, during and after the coronavirus pandemic, cloudbased IT services have clearly proven their worth. For many organizations, ramping up the cloud transformation is high on their list of priorities as they aim to service their employees, the business and customers as effectively and as sustainably as they can. Schuberg Philis is perfectly positioned to help customers achieve optimal utilization, flexibility, and operational security for their hybrid multicloud.



That is what we learned from a recent lunch meeting with IT executives from Schiphol Group, CCV Group and Achmea Investment Management, moderated by TEDx Amsterdam founder Jim Stolze. As the economy and society were about to open up again, they got together to talk about their experiences during the Covid-19 crisis. They also discussed the current and future challenges facing the worlds of IT and business, in which the cloud will play a crucial part in several ways.

Knowing who your friends are

Covid had a tremendous impact on 2020. From one day to the next, thousands of people were forced to work from home. Numerous sectors and companies saw their business come to a standstill, without warning. As employees started working remotely, organizations turned to IT and other modern technological solutions, hoping to open up new revenue streams. The crisis lasted a week, a month, a year—and it still hasn't ended completely.

At no time in recent history have people faced such an extreme challenge in their professional and private lives. And never before was the value of technology shown as clearly as now. It may sound ironic, but at many companies both the business process and person-toperson collaboration continued remarkably well, even in times of Covid.

Michiel Bijleveld CCV Group

"It was a resounding success," says Michel Bijleveld. CIO at CCV Group. "The shift to working remotely in a seamless way took place almost overnight, at a scale we hadn't experienced before. I was impressed by the tremendous effort and flexibility we saw from our people, both IT and non-IT. For example, they would come to an empty office building on the weekend to pick up test equipment, and then use that to reinvent their garage as a temporary workplace."



Robil Gergin Achmea Investment Management

"For us as a dataintensive company, flexibility and cost efficiency are of strategic importance. Genuberg Philis delivers us added value in access to a mix of cloud solutions allowing us freedom of choice."



At the same time, in this time of crisis, it became clear who you can really rely on. Not only in terms of employees, but also customers and suppliers. "It's in a situation like this that you really get to know your friends." And, unfortunately, some partners didn't manage to survive the pandemic.

Successful adaptations

As it happens, CCV Group, Achmea Investment Management and Schiphol Group were all ready for the pandemic culturally, organizationally, and technologically. In many cases the companies had already, albeit at a limited scale, organized their work processes to be free of time and place restrictions.

"In the winter of 2017/2018, a period of heavy snowfall already forced us to work remotely," says **Robil Gergin**, COO at Achmea Investment Management". It didn't work perfectly at first, due to bandwidth limitations, but these problems were soon fixed. So in early 2020, having large numbers of people work from home was not a challenge anymore. "We were also quickly able to actively approach both customers and prospects through video connections, which actually landed us considerable commercial success early in the corona crisis." Even so, the successful remote launch and execution of large-scale strategic programs had never been done before.

Tailor-made solutions for employees

Another important aspect for our customers who attended the lunch was delivering tailor-made solutions that focused on the individual. Whether they worked internally or externally, employees were mostly given precisely the support they needed. In some cases—for example, for singles or people who had small children at home—it was possible to continue to work at the office for some of the time. When the realization set in that the crisis would last more than a few weeks, it was decided, in some cases, to accelerate the replacement of the digital workspace. At Schiphol Group they were very pleased to see how flexibly people handled these changes. For example, the relative downtime at the airport was used to accelerate physical renovations that would normally have to take place during off-peak hours. In a similar way, airport employees were also open to adopting new changes in their IT toolkit.

According to Lennert l'Amie, CISO and Manager CIO Office at Schiphol Group, this cooperative spirit is related to the open and honest communication practiced at the board level. "That transparency was really important to getting people personally involved, even if the message was sometimes painful. Everyone knew exactly what their situation was. Now that holiday travel is starting up again, and the number of visitors will increase, our collective attitude as a company is: we're simply going to make it work."

Connected again

The age of Covid has in fact forged new connections between companies, customers, partners, and colleagues. The speed at which this happened is certainly in part due to the proactive approach with which CIOs, COOs, CTOs and other leaders had already taken steps, before the pandemic broke out, in the fields of security, cloud, workplaces, data, and connectivity. More and more, the business and the board are seeing IT as something that generates value, rather than as a cost item. "Our CEO has already stated that we, as Schiphol Group, are becoming more and more a tech company propelled by data and AI,"

says Lennert l'Amie.

But the road towards an ideal IT landscape is not without its pitfalls. Especially for organizations that have to deal with government regulations, embracing the public cloud is a complex operation—just consider the impact of wishes and requirements for data protection and availability along the entire value chain. There is also always some tension between the letter and the spirit of the law. "Just as in the United States, a rule-based interpretation is gaining ground in Europe whereas traditionally a principle-based approach was more common" notes Robil Gergin. Companies sometimes try to use the courts to achieve their desired situation.

Integration and exit

Having flexible, scalable and cost-efficient IT is crucially important if companies want to safeguard sustainable and profitable services for employees, the business, and customers. This requires them to make targeted agreements with suppliers about adaptability, security, performance, and integration. Attention also needs to be paid to exit agreements, so that the IT services will continue to run even if the company switches to a new partner. "In order to achieve this, a partner has to understand the context and



Lennert l'Amie Schiphol Group join us on our journey," says Michiel Bijleveld. "I just can't get used to the idea that with many suppliers, you're a customer for one year and then a patient in the years that follow "

Another challenge is handling the integration into the legacy technology, which are often considered to be entry costs. Is there really a business case? And if so, is it even possible to achieve a fully interoperable hybrid multicloud? Or will it always remain impossible to integrate certain parts of the infrastructure, for commercial or technical reasons? Could that in fact be a reason to prefer using a single provider? Or is it better to go "best of breed"? The guests at our lunch discussion all agree that these are matters that need to be considered very carefully.

Realizing freedom of choice

Everyone around the table knows the sometimes difficult discussions with the powerful American based cloud providers—which, as an organization or as an IT leader, you often simply cannot avoid. Also, they often find themselves locked into previously made choices. Despite the promises of "lift & shift," in practice it's often quite complicated to port an IT environment from one cloud to another. We will have to wait and see whether European regulations can help to resolve the lock-in problem. But as things stand now, expectations are not high.

"A trusted partner like Schuberg Philis can play a part in the transferability between clouds," says Robil Gergin. "For us as a data-intensive company, flexibility and cost efficiency are of strategic importance. Schuberg Philis delivers us added value in access to a mix of cloud solutions allowing us freedom of choice." According to Lennert l'Amie, lifecycle management is also part of this process: looking into the future and, at the same time, also assessing what to do with the current IT solutions. "The goal is to realize an IT environment that is flexible and scalable, so as to optimally support customers' primary business."

The question behind the IT question

This aligns perfectly with the development Schuberg Philis is going through. In addition to the IT question, we are focusing more and more on the question *behind* the IT question. The goal is to realize an IT environment that is flexible and scalable, so as to optimally support customers' primary business. We work closely together to find the best solutions, taking into account the costs for entry, operation, and exit. Not only to disburden customers and let them sleep at night, but also to let them wake up with a song in their heads.

And let's say that everything comes together... That there are no more technical or legal limitations in the cloud. In that scenario, which steps would Schiphol Group, CCV Group and Achmea Investment Management hope to make?

In a practical sense, all three organizations are gradually shifting to the public cloud. At Achmea Investment Management, for example, they want to move towards cloudbased data storage in which all information that is now distributed over several locations is brought together in one place. "We're doing this together with Schuberg Philis," says Robil Gergin.

Scalable and moveable

In his ideal IT world everything is flexibly scalable and transferable. "Then you can switch the parts of your IT environment on or off as desired. In the end, that may even let us create completely different products. In that case, IT would no longer partially be a cost item, but we would sell technologically driven solutions to customers. In fact, we're already doing that on a limited scale. For example, Schuberg Philis's own services are now part of one of our products on the market."

Michiel Bijleveld says that it's the total cloud transformation that matters. We have to move towards sustainable utilization and as little vendor lock-in as possible. Schuberg Philis proves its value by having an actionable plan B or plan C, for every cloud supplier. If you can help us follow an alternative path if required, then you really have a meaningful position in the market."

Digital Trust Framework



More and more companies are migrating to the public cloud, which allows them to innovate faster and in a more business-oriented way. This means their IT environments are becoming increasingly connected, which in turn affects the risk profile. After all, such companies are spreading sensitive data across several cloud services, and that impacts their ability to control the process and comply with laws and regulations.

> This is why Schuberg Philis offers its Digital Trust Framework: a solid foundation for the analysis, setup and management of cloud environments on the enterprise scale. The result? No one need have sleepless nights about their digital transformation and the risks involved.

CIOs and other managers used to focus primarily on the current performance and uptime of a specific application or IT environment. However, in recent years they have turned their attention to the digital transformation and the related shift towards the public cloud.

And with good reason: the cloud offers considerable benefits for organizations. For example, an organization will have the most up-to-date IT solutions at their fingertips, with advanced security features that are available directly and without major prior investments. In this way, they can transfer many of the IT-related tasks and responsibilities to their cloud suppliers, which lets them free up time and energy to accelerate and develop business-oriented activities.



Trust Fr

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Daan Stakenburg

This is a novel phase of technology adoption, and companies can get entangled in its unfamiliar complexity. It all seems easier at first sight, but gradually companies lose control. As the transformation progresses, organizations lose their grip on costs, security, compliance, robustness, and flexibility. And this can bring their intended acceleration to a grinding halt.

In order to address this challenge, Schuberg Philis is deliberately expanding its service offerings from the technical management of mission-critical applications to include complete control over the primary process for organizations and supply chains. In this shift of focus, the Digital Trust Framework takes center stage.

An honest message

Mission-critical IT has always been one of our fortes. In order to expand operational safety and control over traditional infrastructure outsourcing and incorporate the cloud, we developed the Digital Trust Framework. It's a model that offers insight into risks and problem areas, and also makes suggestions for resolving current and future complications. We always begin with an assessment in which we leave no stone unturned. This lets customers know exactly what their situation is. After all, mission-critical environments are too important to let real problems be glossed over or trivialized due to internal relations or politics. That's why it's important to send out an honest, sometimes even harsh message—always keeping in mind the context, challenges, and development stage. With its Digital Trust Framework, Schuberg Philis can make detailed analyses and communicate clearly about the findings: in the right way and with the right impact. The focus is always on delivering the best solutions, now and in the future.

From implicit to explicit

From the customers' point of view, in traditional infrastructure outsourcing, the "how" often remains hidden under the surface. Audits would show that the application or IT environment met requirements, and the guaranteed availability would be evident mostly from day-to-day use. But what went on under the hood remained a black box for customers. The Digital Trust Framework works differently: risk areas are explicitly anchored, so that both the customer and Schuberg Philis remain fully in control, even in a complex cloud environment.

Sandeep Gangaram Panday



Instead of taking over part of the IT landscape and disburdening the customer, we now support customers and help them in their IT and business transformations, on the enterprise scale. The IT solutions and architecture are adjusted to match the strategy, which always remains the central focus.

This has been a transition for us as well: we've moved from being implicitly technology-driven to clearly showing in advance what needs to be set up within a larger ecosystem

"Supporting digital transformation by controlling complex cloud environments."

of partners, based on specific requirements. In addition to handling the technical management of a mission-critical environment or application, we also see it as our responsibility to illuminate the proposed changes to the customer in detail.

Even though we started out as an outsourcer with guarantees for uptime, Schuberg Philis is now becoming the enabler of digital transformation: supporting the customer's strategy, operations and architecture on the enterprise scale.

Flexible and scalable

A transformation to a new IT environment is never achieved in one fell swoop. There will always be elements that continue to play a part into the future. For example, there may be crucial legacy systems or other IT components with limited compatibility that need to be integrated. But while the concrete solutions may differ—due to the available building blocks in the framework, for instance—they will always be scalable and aligned with the customer's history and reality.

For a financial services provider, we recently executed a risk analysis for part of their IT environment. The request was prompted in part because they were already aware that there were some challenges there. Based on the analysis, we approached these challenges in two different ways: a short-term fix for the current situation, which included covering the fundamental controls, in combination with accelerating the cloud transformation. That allowed this customer to kill two birds with one stone.

By paying close attention to a customer's wishes and requirements, and by combining this with a strong focus on strategy, domain know-how, and business expertise, we can deliver a flexible and targeted IT solution that performs to the customer's expectations both in the short and long term.

"By Weighing the benefits of business decisions against the associated risks, which we have carefully mapped out, we can fine-tune the security level to meet the customer's wishes and requirements."

Tailor-made security

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With the Digital Trust Framework, we can set up exactly the correct level of security or compliance. By weighing the benefits of business decisions against the associated risks, which we have carefully mapped out, we can fine-tune the security level to meet the customer's wishes and requirements. This is done in part using standard components and measures, but also, if necessary, with bespoke elements.

We choose this approach because organizations' risk profiles can vary considerably: for example, a retailer will usually be prepared to take larger risks than a bank. It all depends on differences in industry regulations and risk tolerance. Together with our customer, we determine what is needed or desirable for each relevant context or industry.

IT service providers have to meet ever higher standards. This is due to the rise in security incidents and the related risks, but also because of increased pressure from lawmakers and regulatory agencies. As Schuberg Philis implements an increasing share of its customers' IT services, our engineers will always critically inspect the robustness, continuity, and future-proofing of the choices that are made.

Based on our own experiences and industry standards, Schuberg Philis will make sure that the risks remain within parameters that are acceptable to the customer.

Anchored expertise

As stated, Schuberg Philis's services and focus are shifting from mission-critical applications to the primary business. That means that we are increasingly taking charge of the entirety of processes and systems—which you can only do if you have a clear idea of the relevant technical and organizational risks.

We are also experiencing this shift in the way we do our work. At smaller scales and for limited mission-critical services, it is still possible for us as an outsourcer to insert our own security experts into the concerned DevOps teams. But on the enterprise scale, you quickly encounter the limits of your capabilities: even without considering the aspect of cost, we simply do not have that many people available.

Here we again see the benefits of the Digital Trust Framework, which is a hub for all required expertise. Customers can more easily and quickly adopt the required services, which also scale better: security choices and validation controls are already integrated into the blueprint at the build stage.



Jeroen Borst

Making a difference for the business

If a company wants to use IT to make a real difference for its business success, long-term control and operational security are quintessential. It's the only way to free up time and energy for the things that will make you distinctive in the market.

Without control, you would continuously be pulled back into the here and now, instead of working on the future you'd spend today and tomorrow fixing yesterday's problems. And you wouldn't be able to fully capitalize on the cloud, realize acceleration, or truly enter the connected economy.

Many IT leaders are speeding up their digital transformations, but they are struggling with the complexity of dealing with a variety of clouds and suppliers. Schuberg Philis's Digital Trust Framework offers IT leaders the control and direction they need, and it addresses both the needs of the business and the requirements based on laws and regulations. This new model makes our know-how, expertise, and experience easily available to our customers. No matter what stage of their digital transformation they're in.

Waking up with a song in your head

At Schuberg Philis, we have by now established quite a reputation with our work on so-called missioncritical activities in environments that are essential to our customers' business. In a nutshell: the systems we are responsible for have to work, always. We are at our best in an environment where failure gets you at least an angry phone call from management, possibly a harmful article on the front page of the Financial Times, and probably costs that run into the millions of euros.

Over the course of the years, we have specialized in creating solutions that can withstand that kind of pressure, that are stable. Solutions which ensure that the crucial processes are failproof, secure, compliant, and auditable. To put it more simply: we make sure that our customers can sleep at night.

More than a good night's sleep

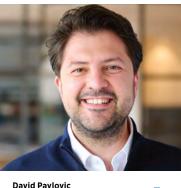
It's already guite something that we would stake our careers on that. Make no mistake, making sure that everything runs smoothly is incredibly important and not half as easy as many people think. And we are proud that we do this so well. But our ambition reaches much further as do our customers' aspirations. After all, a company's mission is never "getting through today without making mistakes," but always: going for future success.

So while it's nice to sleep well at night, the fun only really begins if you also get to wake up with a song in your head. If, so to speak, you spend the day singing and whistling with joy because you know that you're capable of acting swiftly in a world that is changing (and changing faster) every day; that you can spend your time and resources on the question: what's next? What else could I be doing? Where will we go in the future, and what exactly is that future?

That's what peace of mind will do for you. Peace creates room. Room to make the step from *doing things better* to *doing* better things. Room to stop spending your time eliminating obstacles or cracking open silos, and instead invest your time in creating new things, innovating your business, building something new.

A faster horse

We play a crucial part in providing that much-needed room; but we can also be of great value in helping to capitalize on it. After all, companies that encounter challenges in shaping their future may be experts in their own fields, but not always in the field of IT. And nowadays almost every problem is also an IT problem.



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To adequately tackle such challenges and come up with new ideas, you first have to know what lies within the realm of possibility. Or, as Henry Ford once said, "If I had asked people what they wanted, they would have said: a faster horse." It's a typical example of a solution that you only arrive at if you don't know what's already possible.

Failure is not an option

We invest a lot in such know-how and then add our "ability to execute" into the mix. That's another skill that goes beyond the technical aspects. We've developed a way of working that makes sure that "going live," after two years of painstaking preparations, doesn't end up resulting in a tremendous snafu. (Have you been there? We hope not.)

Following the principle of "if you want to eat an elephant, take small bites," we rely a lot on prototyping. That lets us accelerate our learning, gives us much-needed room for experimentation, and allows us to take significant steps sooner. We know customers who almost sounded disappointed as they confided in us that going live with Schuberg Philis just wasn't an exciting moment anymore.

We don't do all of this alone, of course. "Having room" also

means: being able to work together with different experts

and disciplines. Listening to each other. Asking questions.

Arthur van Schendel

Collaborating. Uncovering glitches. And then taking an empty sheet of paper and thinking: what if ...?

The value of not knowing

What we like best of all, by the way, is a question we don't have the answer to. That may sound counterintuitive. After all, why would we prefer not to know something, when we're the club that has made a high art out of guaranteeing the availability of all data, all the answers, all knowledge?

The answer: because that is just today's knowledge. And it therefore remains to be seen whether it will be useful in the

"The real challenge of having a song in your head is using the room it provides to work in a multidisciplinary way, and to take the opportunity to really listen to each other."

future. That's why for us, once we've made sure everyone can sleep soundly, The sound of silence is the best song to wake up with in our heads. It is the sound of tranquility in your mind, which lets you look at things you don't know yet. Time to examine guestions we cannot answer with what we already know. And that, in turn, means following your curiosity, which is where innovation and progress begin.

So, how do you make the most of ignorance? Not by thinking only from technology; and also not by mainly looking for answers from a business perspective. Both points of view will have to agree to meet each other halfway. The real challenge of having a song in your head is using the room it provides to work in a multidisciplinary way, and to take the opportunity to really listen to each other. If you create the optimum setting and everyone's on board, you can get IT and business to transform their internal tug of war into true collaboration. Don't forget: the real challenges are not within, but outside.

Mediator in optimization

We aim to play a major part in this process, almost like a mediator. When it comes to our engineering skills, we've been called IT's heart surgeons. But in this case, you could call us a matchmaker. We can facilitate the creation of a safe space in which everyone-whether you're a business lead or an IT nerd-is allowed *not* to know things. A space that is not threatening but supportive, even though both parties may seem to be at odds much of the time.

Thinking in terms of conflict simply isn't productive. And it just isn't possible to arrive at an optimal solution along just one of the two paths: either IT or the business. The future is a song that must be played in concert, like a well-tuned orchestra.



Setting the right pace

"As far as

we're concerned,

beyond IT also

We can imagine that by now you're thinking, "Peace, space, looking at things you know nothing about, building bridges, an orchestra... that's all fine and dandy and you've probably hit the nail on the head-but we don't have time for this, do means beyond we? Everything is moving fast, faster, fastest. One way or another, we'll have to keep up with the rest or we'll miss out."

> Respectfully, we beg to differ. Are things really moving that fast? And is there no other option than going full steam ahead? Of course, we also realize that companies seem to be operating in a continuous storm of innovation, change and disruption. For example, we recently read that there are, apparently, billions of startups. This also includes eager teenagers in their bedrooms, hoping to jump-start a career as an influencer, but still-you cannot escape the feeling that the world is always on your heels, and that if you don't watch out you'll end up being overrun on every side.

> Even so, we still think that, in order to stay ahead, you don't necessarily always have to surf the cutting edge. Just look at the Dutch fintech landscape. There are many hundreds of little companies there, small players aiming to make a big difference-but in reality, all of these startups together make up less than 1% of the market. So if you look at them individually, it may seem like a big, tumultuous wave, but in practice their effect and impact are limited.

Innovation at scale

By contrast, the innovation going on at the big corporate entities-our primary area of operations-is indeed something to behold. Compared to a few years ago, many of them are now working in a completely different way. The real challenge, then, is not to keep up with all those startups; instead, in light of the complexity of IT at such large-scale companies and institutions, the problem lies in finding the room to create true innovation. And that is exactly the kind of challenge we have been talking about here.

As far as we're concerned, "beyond IT" also means "beyond today's hype." (Maybe it's time for us to come out of our shell and start saying what we think about things; after all, there aren't that many others who really know this stuff.) We don't want to get all philosophical, but no matter how fastpaced and complex things seem to be-and no matter what has already occurred or may yet happen-in the end, what matters is now. Today. Am I doing the best I can today? And that same question will be just as relevant today 100 days from now and also today 10 years into the future.



Kim van Wilgen

In order to be who you have to be today, and not spend your time thinking about yesterday or tomorrow, you need to be confident that you can make whatever adjustments are needed. And that, in essence, is what we bring to the table: safeguarding adaptability. Which requires the kind of approach we've outlined above.

Final chord

Which brings us to the end of this story. This is the long and short of it: to let our customers wake up with a song in their head, we first help them sleep at night.

We do that by enabling control of daily operations and having everything run as it should. And then, once they've woken up, we make sure that day after day, they can make any necessary adjustments, based on the best insights. We generate those insights by working together-with IT, the business and the experts from Schuberg Philis-to think beyond IT.

And we hope, of course (apologies, but we couldn't resist) that all of this will be music to your ears.

The essence of mission-critical IT

The question behind the IT question that's where the real problem is typically found. And often you even have to look a little deeper: into the core of the primary business process. Understanding every aspect of such usually hidden issues and translating them into the best-fitting IT is the domain where Schuberg Philis operates. Our experts always address the underlying business challenge with solutions that are relevant, honest, scalable, and maintainable.

It's not hard to tell the difference between regular and mission-critical IT: something is mission-critical if the CEO or CIO wants to get a call in the middle of the night in case of a problem. It's IT that goes beyond the support of optional processes and that directly enables the primary operations. And that kind of IT, which sustains the core business, simply has to work.

A bank's customers should always be able to check their balance or make a transaction. The IT at energy companies, (air)ports, and logistics providers cannot be allowed to fail. And in many sectors companies have to comply with increasingly strict laws and regulations. The missioncritical IT behind all of this comes in many different flavors. For example, the transaction system at a bank has to be operational 24/7, while a system for traders in the energy industry needs to function flawlessly especially during office hours.

But although the execution of the IT behind such primary processes may differ, it is always mission-critical. This requires a specific form of expertise that Schuberg Philis excels at. By understanding the context, by knowing the problem behind the IT problem, we can deliver the optimal solution. Which lets everyone sleep at night.

The question behind the IT question

A problem encountered by many CIOs, CTOs, and other IT managers is that some part of the IT is not under control-there are outages, the performance is subpar, or there is some other problem related to technology. But the real urgency only becomes clear when you start asking questions about the business impact.

In reality, the IT problem at the surface often obscures challenges that remain hidden unless you keep asking questions. If a customer wants an application to perform better, you first need to find out why it's so important.

"Experts translate business challenges

into solutions.



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Depending on the answers, the engineers can then identify the right solution.

A traditional SLA might include agreements about the uptime for a system. But that IT-centered focus fails to tackle the essential. Based on information about the business process, Schuberg Philis will outline a worst-case scenario, with an application failing at the worst possible moment. Based on that business context, you can then make realistic agreements about the required service availability of the solution. That availability should be founded on a bespoke solution instead of a monthly agreed average percentage.

Jeroen de Korte

Probing deeper can also deliver other insights. For example, you might normally want to schedule maintenance to a mission-critical system for power plants to take place at night. But after talking to the plant operations managers, it may become clear that the early afternoon is a much better moment. At that time, all the energy for the day has already been registered, and there is no pressure yet from the need for nighttime capacity.

So what really matters is a thorough understanding of a customer's business, far beyond the IT challenge. Don't work based on assumptions, but do what is really needed—for maximum impact and optimal results.

Focus on the business process

In practice, for financial or relational reasons, companies often choose an IT solution that doesn't optimally fit their needs. But if you start by examining the business process, it will become clear which processes need to be supported, who the stakeholders are, and where things might go wrong.

The planning system of the Dutch Pilotage Service is essentially important for the execution of their legally mandated responsibility: safely piloting every ship into and out of its harbor. To let our engineers fully grasp this core mission-critical process, they personally joined the pilot on a shift—both by helicopter and in the tender. The knowledge and experience that this generated helped us optimally accommodate the Pilotage Service's needs.

In another example, in the process of setting up the new Argenta savings and mortgage bank, Schuberg Philis was closely involved in the design of the business processes, right from the start. In such situations our engineers are often asked why they're always so curious about everything. After all, sometimes people are in a hurry and the customer simply wants an operational system to get things running as soon as possible. But mission-critical IT professionals always want to understand the business on a higher level, because without that context, they cannot deliver the best-fitting solution.

A decade or two ago, the function of IT was purely to support the company processes. But technology has now become part of the core of every activity. That's why you have to start with the business, and only then think about the IT.

Fit-for-purpose IT

Things used to be either mission-critical or not. But that line has now been blurred. By dividing the IT infrastructure into components, you can set priorities for their design and support. Every element in the service provided is assigned a specific value: more or less mission-critical.



A company's primary process is influenced by many factors, both technical and human. That's why, to optimize support, we never lose sight of how everything is connected across the supply chain. In some cases, our contribution will involve developing new software. We do this through micro-releases, which guarantees fast load times and a high degree of agility and operational safety.

For example: in the development of a new bank, standardized software is available for money transfers, while Ed Annual Rei

two streams come together somewhere in the business process—but there is no software yet to link the two applications together. In such a case, our engineers will closely inspect the process as well as the requirements for security and compliance. And then they find a way to fill in the blanks and build up the system.

> In most cases, the end result will be a mix & match solution, incorporating both purchased standard components and bespoke additions developed in-house. The balance will depend in part on how innovative and distinctive a customer wants to be. The end result is always "fit-for-purpose" IT, developed in collaboration with key business stakeholders and the people who use the solution in their day-to-day work.

> another package is used to run ATM withdrawals. Those

Honest solutions

Schuberg Philis will always provide fitting solutions that help customers move ahead. That honesty is fundamentally important. Our incentives are always aligned with the customer's business goals, guaranteeing fit-for-purpose solutions that deliver real value for money. There are no additional markups and no hidden agenda to increase the hours spent in order to meet a sales quota. Quite the contrary: what matters most is scalability and long-term maintainability.

Hugo Trippaers



As we have our own software developers, our own data engineers, and our own innovation team, we can work closely together with customers to deliver solutions that are good, flexible, and economically efficient. This allows us to dynamically align with their specific needs, wishes, and requirements. The details, of course, will differ from case to case.

Schuberg Philis's perspective focuses on the long term, which complements our customers' detailed know-how of

their short-term operational priorities. By aligning these two visions, we help customers pursue their day-to-day business targets, while making sure that there will be no unwelcome IT surprises down the road.

In this way, Schuberg Philis will never deliver solutions that are actually misaligned to a customer's needs. Organizations that want to continue working with us even after an honest "no" will have to be receptive to our experts' vision, which is always driven by the long-term perspective. We don't engage in this dialogue simply because we think we know best, but to ensure that organizations always choose Schuberg Philis for the right reasons.

Experts in the lead

Mission-critical IT is almost always complex. That's why in direct contacts with, for example, the CIO, CTO, or VP Operations, it is our experts who always take the lead, instead of a project's customer director. This gives our mission-critical engineers room to directly bring in their advanced know-how and perspectives.

The team that comes up with a solution should also build and maintain it, so no one can hide behind "not invented here." That end-to-end responsibility is really felt in every detail, even if Schuberg Philis only delivers a small part of the IT. Our experts always check that their contribution fits

Thanks to structural training programs and knowledge exchanges, the specialists and engineers involved can gain and uphold a deep insight into the business domains we service.

into the larger picture and continues to work perfectly.

In some cases, an organization may already have a fully developed IT plan on the table. Their request is then simply to provide good people—because they know that Schuberg Philis has them. But even in these cases, our engineers will "As we have our

developers, our own

data engineers, and

our own innovation

team, we can work

closely together with

customers to deliver

solutions that are

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économically efficient."

own software

The essence of IT that goes beyond IT is to apply the available knowledge and experience in ways that let the customer improve their business. To arrive at the best solution, experts are always in the lead.

The optimal toolsets

All professionals like to work using the instruments they are familiar with, and the same applies to Schuberg Philis's engineers. However, if a customer prefers to use other tools, we can trial, screen, and test them for compliance with our 100% guarantee for functional uptime, and incorporate them into the solution.

Schuberg Philis operates in a software- and cloud-agnostic way, applying a wide range of tools. Solutions can be built in a variety of different environments. If a customer is working on a proprietary capability, the toolsets suggested by them will be used. This makes it easier to execute a handover further down the road. And that, in turn, is good for in-company acceptance, adoption, and the swift development of competencies—or, as we like to call it: "For you, with you, by you."

In cases where the customer wants to hand over management for a number of years, tooling will be selected with which Schuberg Philis's engineers have the best experience.

Everyone involved will have their own background, toolset, and experiences. But within the teams of diverse experts, the specific selection of tools and technologies is always subservient to finding the best-fitting solutions.

Teams and partnership

Dedicated teams play a key role in the "ability to execute." They are responsible for taking decisions that are aligned with the question behind the question.

In addition to engineers, the teams comprise the customer operations manager, business analysts, and, for example, specialists who focus on the way of working. Put together, their combined know-how and expertise covers a much greater area than simply engineering power. Schuberg Philis is active in different markets and our specialized consultants can offer detailed insights into the functional operations of a given business.



5

Marcel de Vroed

Within the teams as well as in the relationship with customers, there is an active process of mutual exchange in which everyone complements each other. That's why trust plays such an important role in our work.

In realizing a solution, Schuberg Philis sometimes takes on part of the risk by working with a fixed price or by sharing in the value creation. This helps to foster a relationship in which all parties work cooperatively towards a joint objective: everyone is incentivized to do the right thing.

The shift in focus from IT platforms to business processes perfectly matches this joint focus on value creation. It involves long-term collaboration, which allows everyone to get to know each other better, improves the primary process, and creates room for innovation. And that is the essence of mission-critical IT.

"Gehuberg Philis operates in a softwareand cloud-agnostic Way, applying a Wide range of tools. Golutions can be built in a variety of different environments."

Our long-term relationship with the cloud Founded in 2003, Schuberg Philis is now officially of age. Commonly traced back to 2006, the concept of cloud computing seems to be turning 15. On the occasion of these cardinal years and because 2020 was one that only accelerated digital technologies—it's an ideal time to reflect on our long-term relationship with the cloud. To take stock, we're sharing here which cloud practices, processes, and products we're over, which we're committed to, and which we're still exploring.



Buyers huddle at an industrial storage facility while a fasttalking auctioneer scans the group and, before long, the highest bidder wins. A unit's metal door rolls up. What's inside? How much would that art deco armoire resell for? Did Hendrix really play that guitar? Can we call an antiques appraiser? The classic scene from an episode of *Storage Wars* makes for suspenseful reality TV, but it reminds us precisely of what makes some companies so cloudskeptical. Peering into a whole new system of storage, with its shrouded architecture and endless containers, questions abound: what lies within, what can be cashed in on, what's worth keeping? For us, it's simple: every move to the cloud should generate value—and do so suspense-free. We empower customers to pursue that value by applying solutions that combine our IT expertise with our hands-on understanding of the daily business and needs for security and compliance.



5

Radoslaw Wiankowski

It sounds seductively easy, like "plug and play" or "shake and bake," but a lift-and-shift approach to cloud migration is rough and tough. In its haste and one-size-fits-all treatment, lifting and shifting just moves existing problems and limitations to a different datacenter. Once there, total cost of ownership usually rises. That's why before doing any deployment or design, we evaluate the potential that each workload or application, if migrated, would have to lower costs.

Specifically, we seek to reduce the cost of change, which the cloud's agility very generously allows. We determine which applications make sense to refactor and which to make cloud-native. We make our customers an integral part of this sifting and sorting process because it's, literally, their business. So together, we define value streams, assign or reassign operational focus, and make technology decisions. In sum, our contemplative, choosy method to migration urges for plenty of sifting before any lifting.

Martijn van Dongen

Vendor lock-in anxiety

The lift-and-shift fantasy

Vendors in cloud technology are, like rain in the Netherlands, part of everyday life. There's no way around it and it can get annoying. But letting anxiety about vendor lock-in drive decision-making deprives customers of the many benefits and innovations that hyperscalers offer. After nearly two decades of handling mission-critical cloud technologies, including in highly competitive markets, we understand that value for a company lies in daily business practices, not daily IT practices.



"Gone are the days of siloed thinking and thus siloed working. When it comes to the cloud, all parties must have a seat at the table to hold effective conversations that lead to productive actions."

We therefore guide customers to take advantage of the cloud's velocity and speed to value for the sake of their greater business goals. Being intimately acquainted with their operations, we find it becomes second nature to integrate an exit strategy within their greater business strategy. And by facilitating proper exits, if they're needed, we reduce the risk of lock-in in the first place, while also helping companies enjoy and profit from the freedom to forget about heavy-lifting.



Getting cozy with the whole system in the room

Gone are the days of siloed thinking and thus siloed working. When it comes to the cloud, all parties must have a seat at the table to hold effective conversations that lead to productive actions. Cloud work is necessarily teamwork. It requires multidisciplinary expertise and the simultaneous application of specialized skills. Within our organization and in all our customer partnerships, we therefore nurture a horizontal work culture in which everyone draws from their own knowledge and professional insights to execute a project.

In short: we get the whole system in the room. Even if something was done before, it likely wasn't done in the context of a given organization or an ever-changing market. This makes for a complex system, in which acting within a space changes the space. No one person is capable of holding in their mind such complexity in its entirety. Hence, the whole system in the room.

Certificates sealed with experience

When Dorothy and her crew finally meet the Wizard of Oz, he gives Scarecrow a diploma, Tin Man a heart, and Cowardly Lion a medal. The characters are relieved to get these souvenirs of external validation, while movie viewers understand that they'd already developed smarts, emotional intelligence, and courage through their lived experiences.

Our view on certifications is similarly discerning. Certificates have merit—they honor all that's gone into achieving theoretical understanding and they facilitate career progress. However, they're most meaningful when backed by what IT professionals have actually worked through. We therefore measure success not according to whether someone sits though 100 hours of courses or checks off having learned every feature of every service in the cloud, but rather how they apply on the job all the experience they've internalized while in the co-pilot's seat during our educational journey together. In short, we count flight not simulator hours.

Making ourselves redundant

We love our jobs and we love offering training to customers. However, we're committed to transferring as much of our knowledge as possible to all the cloud specialists we can. Alas, we realize this means that one day we may make our teaching services redundant. Our end game is not to keep enrolling new course participants. Rather, we foster an educational environment that promotes continuous learning among trainees and emphasizes self-correction and selfimprovement.

On top of that, we urge IT professionals to share what they've learned within their own teams and to train colleagues within their own workplaces. Ideally, they become leaders, or frontrunners in their own unique ways. We seek to enable others to grow, even if it means that they might not need us one day. And if they come back to teach us something in return, we are delighted and excited to share that lesson with others. **Roeland Kuipers**



We're still exploring

Missions to the moon

Aim for the moon—if you miss, you may land on a star. That old saying well encapsulates our attitude towards emerging technologies. When it comes to the cloud, we encourage customers to entertain far-out thoughts, to dream big, and to set their ambitions high.

Why wouldn't we? Once a company has good digital hygiene and feels at home in a hyperscaler's ecosystem, the cloud promises to be so much more than safe and secure storage space. It's a playground. Unlike traditional infrastructure, the cloud is elastic, dynamic, and expansive by nature. If an experiment works, it can quickly yet securely be scaled up. Plus, in this context, costs are likely to occur only per cloudnative service transaction. Inexpensive, easy-to-do (and also undo), aiming for the moon has thus become an option for everyone, not just the C-suite, the folks at headquarters holding the purse strings, or black-turtleneck-wearing visionaries.

But just because an out-of-this-world project doesn't fully

Stellar discoveries along the way

Ilja Heitlager

launch, that hardly means all is lost. In fact, more mundane discoveries often occur too, and those seemingly small wins can become gains. We saw this scenario unfold years ago, when a retail customer still using monolithic on-premise technology was struggling with Christmas peak costs because its pre-cloud platform was meant for steady loads throughout the year.

We built a cloud-based proof of value running on serverless technology that cut costs since functions would only be billed per transaction. In the end, the company didn't feel ready to be an early adopter of what was then new technology, but our proof of value uncovered the scalability



"Aim for the moon-if you miss, you may land on a star. That old saying well encapsulates our attitude towards emerging technologies. When it comes to the cloud, we encourage customers to entertain far-out thoughts, to dream big, and to set their ambitions high."

problem and showed the power of deploying code without infrastructure. That's but one example of why we encourage customers to aim for the moon in their cloud journeys, while staying open to stellar discoveries along the way.

Carpe diem, carpe nubes

Emerging technology makes the impossible possible. The cloud has virtually no limits. Such statements capture how exciting and entertaining digital innovations can be. But as our *annus horribilis* has shown: cloud technology unequivocally saves lives. This became painfully obvious as pharmaceutical companies raced to develop Covid-19 vaccines, and we heard publicly that Moderna, for one, relied on Amazon Web Services' cloud platform to accelerate research of mRNA medications.

From our own healthcare industry experience, we've witnessed the power of AI applied with CCTV cameras. On that project, our partnership with a global vision technology leader ensures 100% uptime in caregiving-facility software that monitors patients' behaviors and comfort levels. So while we've always treated the cloud as serious business, today we have even more expertise to explore life-improving, life-saving solutions with our customers, including within vertical markets. And yet for everyone really, seizing the day necessitates seizing the cloud.



TechTalk



IoT meets Azure at 2020 Tweakers event

Annual Report 2020

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At Schuberg Philis, we want to stay close to the community. This matters to us as a leader in cloud technology: it lets us listen, learn, and also share knowledge and provide the opportunity to explore new technologies. Together with Tweakers, we organized an event showcasing deployments of Internet-of-Things (IoT) solutions to Microsoft Azure. After opening with a quick introduction, we dove into the technology right away.

We believe that the best way to learn is through a hands-on approach. That's why we created an interactive workshop that allowed participants to actively explore the potential of IoT and Microsoft Azure. The workshop presented the Tweakers with a challenge: connect a smart lightbulb to Microsoft Azure and make it change its color based on events collected through cloud-based services. An IoT-connected home beer tap initiated these events and streamed the data to an Azure IoT hub.

We also explored the possibilities of automating IoT deployment resources. We worked in groups with Schuberg Philis engineers, spontaneously joining different teams to help and discuss the challenge. Hungry after the workshop, we enjoyed dinner together to share stories and demonstrate even more possibilities of IoT in our Lab 271. We concluded the event with a keynote speech delivered by a Microsoft MVP who shared a wealth of cases and experiences from the field—leaving all participants inspired and sparked with new know-how. We all felt empowered to go create the next great thing. **Frank Zomer**

2020 COIN meetup

It's one of those classic questions: "Do you remember where you were when that thing happened?" Everybody remembers such pivotal moments, frozen in time. Like the day life as we knew it suddenly came to a halt with the Covid lockdown. It was around this time, while we were getting used to the basic rules of social distancing, that we at Schuberg Philis had the last on-site Continuous Innovation Framework (COIN) meetup for 2020.



At the event, Blinklane's Arent van 't Spijker, founder of the COIN framework, introduced his book about the framework and shared insights behind the stories featured in the book. Achmea's Nicole Stroeken shared her learnings from their company-wide implementation, and lessons from the transition. Our own Ilja Heitlager shared his views on innovation management for Schuberg Philis. For example, he discussed how COIN inspired the company's specific innovation strategy, which applies both to Schuberg Philis internally and to the innovation work we do for customers.

We look back on this special meeting as the very last get-together of the "old normal." And we look forward to continuing our innovation efforts face-to-face as soon as possible. **Ilja Heitlager**





Devopsdays oNLine

Many tech conferences had to be held online in 2020, due to the Covid restrictions. And devopsdays Amsterdam was no exception. In just two months' time, we pulled it off: organizing one of the largest devopsdays in our history, online, with more than 700 attendees and more than 20 speakers.

Schuberg Philis has always been a fan of devopsdays, and probably always will be. Devopsdays is all about improving our industry by connecting people, sharing experiences, and sharing technology. And devopsdays continues to be a success. Around the globe, more and more devopsdays are organized every year, all by volunteers.

Technology is a big part of the conference, of course—but what's more important is the open spaces where people come together to talk about the things that matter most in IT: people. Our logo represents the love we have for working well together, in a safe environment.

Unfortunately, the devopsdays we had hoped to organize in Eindhoven in 2020 did not come to pass. But 2022 will go some way towards making up for that, as we will be organizing our 10th devopsdays in Amsterdam. We look forward to seeing you there! Warm regards, Harm Boertien chairman devopsdays Amsterdam Foundation **Harm Boertien**

Well-being and health: our top priorities, even during a pandemic

When we were faced with Covid-19 in early 2020, we decided to close our office, which was a very tough call. This decision was prompted by the rules laid down by the Dutch government, and also by our own incentive to keep everyone within Schuberg Philis safe and healthy. After being closed down for a couple of months, we started investigating options to reopen our office with enough control and safety measures to make sure that everyone could return to the office without any concerns for their health.

After some research and trials, we decided to go with an app called BeeSafe. BeeSafe gave us the capability to roll out an iOS app to all company iPhones. The app is very user-friendly: it makes it possible to reserve a desk in the app, together with the option to book a lunch at our office. To make sure we limited the number of people moving around in the building, the meal your ordered would then be delivered straight to your desk.

When someone comes in to the office, all they need to do is to "check in". BeeSafe helped us greatly in keeping our office a safe place to work, while still being able to meet and talk with colleagues. At Schuberg Philis we see the well-being of our colleagues as a top priority, and with the support of BeeSafe we can safely let people work from the office whenever they need too. #StaySafe #BeeSafe **Dennis Brouwer**

Schuberg Philis sponsors AWS Community Day

AWS Community Day events are community-led conferences where event logistics and content are planned, sourced, and delivered by community leaders. In October 2020, in the middle of the pandemic, the Dutch AWS Community organized the first AWS Community Day in the Netherlands. With top-notch speakers like Werner Vogels and Corey Quinn, 1,000+ registrations, and over 600 live attendees, the event was a resounding success.

Schuberg Philis was a very proud Diamond sponsor. With Sepehr Lorestani and Lotta Croiset van Uchelen on virtual stages and David Webster participating in a 2.5-hour live office-hour marathon, our company was very well represented. Now that Martijn van Dongen has joined Schuberg Philis and David Webster earned a position as community organizer, we are excited to move towards the next AWS Community Day and many other inspiring community events. **Martijn van Dongen**



Perspectives on the Rotterdam port

To get acquainted with the important topics within the domain of transport and logistics and specifically in and around the port of Rotterdam—we visited (and sponsored) the 2020 Havencongres at Theater Zuidplein in Rotterdam.

In the midst of the first Covid lockdown, this partly remote conference gave us a lot of insights into topics like: What will the long-term impact of Covid-19 be on business, innovation and cooperation at the port? Which effects can we expect from the growing pressure on free world trade, the rise of nationalism, and global powerhouses that are gaining even more influence, such as China? And of course: what impact will all of this have on the Rotterdam port?

Keynote speaker Allard Castelein (CEO of Port of Rotterdam) talked about the organization's ambitions and transition paths, aimed at the permanent creation of social and economic value, including a port memorandum and a revised vision of the port's evolving role.

Jeroen de Korte

re:Cap on the cutting edge

Today's technology landscape is changing ever more rapidly, so staying up to date with the latest and greatest tools and techniques is of the utmost importance for our colleagues. The environments we build and manage are changing at an intimidatingly high pace, in order to leverage what technology vendors make available to support our customers' businesses.

To a large extent, this pace is dictated by the tools and services provided by the three largest public-cloud providers: Amazon Web Services (AWS), Microsoft, and Google. To stay abreast of the latest developments in the AWS ecosystem, colleagues from Schuberg Philis have for many years been visiting AWS's flagship technology conference: "re:Invent" in Las Vegas.

At Schuberg Philis, it is customary that colleagues who travel to such an event share their new insights with the whole Schuberg Philis family upon their return to the mothership. This family includes, of course, our customers. Hence, in January 2020, after attending re:Invent the month before (together with the Dutch AWS User Group), we organized and hosted a so-called "re:Cap" event for approximately 200 participants (colleagues, customers, and members of the wider local AWS community) to scrutinize specific product announcements and more general technology developments.

Centering on the theme of Big Data, re:Cap featured experience reports and case studies presented by cloud practitioners from Schuberg Philis and a technology showcase by AWS's Antje Barth. It's gatherings like this that provide us with much-needed but also fun opportunities to share with our relations the know-how that is so critical for achieving success in current-day IT.

Stefan Holdermans





Social Matters



Winter Family Day

In January 2020 we organized our annual Winter Family Day at the office. To us, this is one of the most important events of the year: it's a way to show our gratitude for all of our colleagues' hard work. On this day, everybody can bring their family to enjoy a day they'll never forget.

We transformed our office into a true paradise for kids and grown-ups alike. There were different kinds of activities for kids of all ages, but the adults also had plenty of fun things to do. The excellent food on offer caught everyone's eye and delighted their palates throughout the event.

But the true eyecatcher of the day were the bumper cars outside, where we created a fair. We also built an arcade hall, an archeology room and a cinema for kids, a casino (with live performances) and a cocktail bar. You could even get a complete makeover if you felt like it. The activities were endlessly varied.

Our restaurant was transformed into an urban jungle where everybody could enjoy delicious treats created by our very own chefs. We're proud of our hospitality & event team, who made this yet another Family Day to remember.

compliment BOX

Compliments for Valentine's Day

February 14 is Valentine's Day—a day that's all about sharing love and positive vibes. On this particular Friday in 2020, we spread some compliment cards across all our pantries and in the restaurant. Everybody was invited to grab a card and write down a quick compliment for one or more colleagues, a team or for Schuberg Philis in general.

Everyone was free to put their name on the card or send it in anonymously. We made a "compliment box" where all cards were collected. In the end, we collected so many cards that we created a big wall of compliments in the restaurant, for all to see. It was the perfect way to say thank you, and to feel appreciated.

Flora Kokjes

For the last couple of years, we have supported a foundation called Flora Kokjes. Every Friday, we donate our leftover food of the week to help low-income families and to avoid any waste from our restaurant. With these leftovers, they can cook an appetizing meal with children from the age of 4. In addition, a lot of our colleagues donate used toys, baby strollers, or clothing they no longer need.

During the Covid lockdown, we didn't have enough leftovers to be picked up. But we kept supporting Flora Kokjes with ingredients anyhow, every week. We provided healthy products such as fruit, bread and veggie snacks for the kids to take to school. In this way, we help support around 160 families. This means the world to them.

We will keep supporting them and when the office is up and running again, we will continue to donate our healthy weekly leftovers. In March, the people behind this great foundation were featured on national television while they picked up our food at Schuberg Philis, on the TV show "De andere kant van Nederland." Every year we also donate part of our Christmas boxes to the twelve volunteers who staff Flora Kokjes. For more information about the Flora Kokjes foundation, visit their website: www.flora-kokjes.nl



Coming together when you can't get together

Since our Summer Family Day for 2020 was canceled due to the pandemic, we had to be creative in finding a new way to surprise our colleagues and say thank you for all their hard work and dedication.

We started off with beautiful tulips: it was the perfect way to send some positivity and sunshine to everybody's homes. We sent out Easter bread for Easter, a Pathé movie package for snuggling up on the couch on lazy summer days, and an autumn package with some hot chocolate and other goodies to get us through the colder days.

Every year, our teams organize inspiring team-building events. Since this was not physically possible in 2020, we again had to be creative and organize such team events online. For example, we set up online pub quizzes, online Friday afternoon drinks, and online lunch meetings. For these events, it was possible to reserve lunch packages, celebratory drinks packages or coffee & tea packages. This was really fun and we're proud of what we achieved—but we can't wait to organize live events again!

Staying connected

It's March 2020. Covid-19 has affected all of us in many different ways. We couldn't go to the office anymore, video conferencing was becoming the standard of communication, there was no face-to-face contact with friends or family for a long time, no life outside our homes, and we were searching the news every day, hoping to read something encouraging.

Stay Connected

The coronavirus crisis became even more palpable for us when, in the second half of 2020, the partner of one of our colleagues

came down with a fever and was hastily transported by ambulance to the hospital. It doesn't get more real than that. All of a sudden, the virus wasn't only an item in our news feeds, but something very near, very threatening.

Our colleague didn't even have a chance to visit her loved one, hold their hand, or just be there. That is where we learned what a difference an iPad could make. For our colleague, connecting through FaceTime became the only possibility for communicating with hospital staff or her partner. These were very precious moments in an extremely stressful and uncertain situation. So we thought: this should be available to everyone. And that's how our plan got started.

The key idea was that not being able to see a loved one is the worst thing in the world. Imagine having your grandmother, father, daughter or spouse isolated on the incentive care ward for days, or even weeks. That is why we introduced StayConnected: an initiative to give iPads to hospitals for free, so that they can use them to communicate with the outside world and their patients' loved ones.

Everything was connected though a social platform and website where anyone in the Netherlands could support this initiative. The iPads were intended for people in hospitals who could not receive visitors. Over 30 hospitals ordered iPads from StayConnected and we supplied close to 1,000 iPads in total. In all, over €250K was collected for the charity. Many individuals and several of our partners, including Apple, were part of this initiative.

Creative family fun

We love our Schuby kids! Since we couldn't organize our annual Cine Sunday, LEGO Saturday and Summer Family Day, we made sure we didn't forget the kids. For example, we organized a cupcake challenge for King's Day.



Who would be Schuberg Philis' next cupcake king or queen? We received a lot of pictures of fantastic, creatively decorated cupcakes. We also organized a contest for best cake decoration and a best autumn photograph contest, which was really fun!



Wencke & Vanessa go live

In October we organized a special virtual performance by two colleagues from our restaurant team: Wencke & Vanessa. It was a moment for our colleagues at home to sit back, relax and enjoy a special performance, live from our DNA room.

The ladies made a beautiful set especially for Schuberg Philis and everybody could post their reactions in Slido, so both performers could read them and respond. This was really fun! After this performance we enjoyed virtual Friday afternoon drinks and had a casual chat with each other.



How to engineer a **Christmas dinner**

Each year, our restaurant team provides a Christmas menu that can be picked up at the office at cost price. Colleagues take home twelve delicious courses with wine pairing, amuses and friandises.

This year some of our engineers chipped in to make our lives a little easier. We struggled to bring together the planning, the orders and the financial side of this event. To give you some idea: last year we prepared and packaged 4,108 courses!

Our engineers quickly built an app with minimum effort and maximum impact. They even made a business case out of this—and, above all, they had a lot of fun! With the help of our marketing team, we made pictures of the dishes and filmed the food plate presentations. These visual elements were then incorporated into the app.

The end result was simply amazing. The app was really easy to access and handle, and we will definitely use it again next year.

Recognition



Schuberg Philis has been awarded with top scores in the annual Giarte IT Experience survey.

For 14 years now, Schuberg Philis has participated in the Giarte IT Experience survey. Also this time Schuberg Philis has maximum scores within the new IT Experience model of Giarte.

Erik-Jan Kool, Managing Director of Schuberg Philis, commented: "We are very proud of this customer recognition, during an exciting year of growth, transformation and acceleration. This year Giarte introduced a new model with a strong emphasis on two important indicators of our industry: how competent we are and how strong our focus is on serving the needs of our customers. We're very pleased that we received high scores for our competencies as well as our customer focus. For instance, we received a score of 94 (out of 100) on 'Schuberg Philis has the right expertise and skills to provide the services' and a score of 93 on 'Schuberg Philis puts in the effort to satisfy us as a customer'.

This once again confirms our 100% dedication to the mission-critical activities of our customers and to customer satisfaction. We see that the right combination of expertise, skills and a customer-centric attitude leads more and more to substantial impact on our customers' business."

The 2020 Giarte IT Experience report measures customer loyalty and satisfaction with IT Services suppliers. This national survey is based on evaluations from 974 CIOs and IT executives of top-level Dutch companies and large public organizations.



AWS Cloud Evangelist

This year Martijn van Dongen joined Schuberg Philis as the Cloud Evangelist. He is an AWS Community Hero who also started the AWS User Group in the Netherlands. Martijn loves to learn, make an impact and magnify those around him. Thanks to his guidance Martijn and David have become AWS APN Ambassadors making Schuberg Philis one of the only partners in EMEA to have two ambassadors simultaneously in this program.

AWS Partnership

Aiming for higher levels of partnership, we achieved the Migration competency this year, which is no small feat. After months of gathering documentation, Aron successfully proved to AWS via an independent auditor that we have successfully migrated four of our customers. We also became an Immersion day partner and now can provide our customers with training and workshops on both AWS and our homegrown solutions.

Other fun facts:

We have gone from 75 - 113 certs or a 66% increase Our current AWS customer satisfaction score is an 8.92

FINANCIAL **SCHUBERG** STATEMENTS **PHILIS**

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2020

Before distribution of profit (in € 1,000s)

Assets	Notes	December 31, 2020	December 31, 2019
Fixed assets			
Tangible fixed assets	0	6,009	7,361
Total fixed assets		6,009	7,361
Current assets			
Receivables and prepayments	2	16,452	15,816
Cash	3	10,249	7,790
Total current assets		26,701	23,606
Total assets		32,710	30,967
Liabilities			
Group equity		14,194	12,142
Provisions			
Other provisions	4	602	549
Short-term liabilites			
Trade payables		4,364	4,110
Taxes and social security contributions		5,610	4,680
Other liabilities and accrued expenses	5	7,940	9,486
Total short-term liabilites		17,914	18,276
Total liabilities		32,710	30,967

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR 2020

(in € 1,000s)	Notes	2020	2019
Total operating revenues		85,408	78,377
Services and components		22,698	19,889
Personnel costs	6	43,793	38,973
Depreciation of fixed assets		2,996	3,261
Housing costs		2,338	2,414
Other operating costs		4,560	5,230
Total operating costs		76,385	69,767
Earnings before interest and tax		9,023	8,610
Other interest and similar income		49	5
Interest and similar expenses		-105	-46
Balance of interest and similar revenue and costs		-56	-41
Earnings before tax		8,967	8,569
Corporation tax	7	-1,675	-1,578
Net Profit		7,292	6,991
Direct equity movements		-	1
Total Result		7,292	6,992

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2020

(in € 1,000s)	Notes	2020	2019
Cash flows from operations			
Earnings before interest and tax		9,023	8,610
Adjustments for			
Depreciation		2,996	3,261
Increase (decrease) in provisions		53	54
Decrease of fiscal reserves		18	7
		3,067	3,322
Changes in working capital			
Movements in receivables	2	-636	30
Increase (decrease) in payables		-362	4,246
Other changes in working capital		-1,937	-61
		-2,935	4,215
Cash flow from operating activities		9,155	16,147
Interest received		-	5
Interest paid		-41	-41
Income tax received	7	229	-1,526
		188	-1,562
Cash flows from operations		9,343	14,585
Cash flow from investing activities			
Purchase of property, plant and equipment	0	-1,642	-1,903
Proceeds from sales of property, plant and equipment	0	-2	48
Cash flow from investing activities		-1,644	-1,855
Cash flow from financing activities			
Dividend paid		-5,240	-15,000
Change in cash		2,459	-2,270

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Change in Cash	2020	2019
Cash and cash equivalents at the beginning of the period	7,790	10,060
Increase (decrease) cash and cash equivalents	2,459	-2,270
Cash and cash equivalents at the end of the period	10,249	7,790

Entity information

Registered address and registration number trade register

The registered and actual address of Schuberg Philis Group B.V. is Boeing Avenue 271, 1119 PD in Schiphol-Rijk Nederland. Schuberg Philis Group B.V. is registered at the Chamber of Commerce under number 34181542.

General notes

The most important activities of the entity

The activities of Schuberg Philis Group B.V. consist mainly of providing IT services.

The location of the actual activities

The actual address of Schuberg Philis Group B.V. is Boeing Avenue 271, 1119PD in Schiphol-Rijk. The revenue of Schuberg Philis Group B.V. is realized in The Netherlands.

Disclosure of going concern

With the outbreak of the Coronavirus and preventive measures taken by governments, there is high economic uncertainty. The main risks have been identified and mitigating measures have been taken. The company did not make use of any government support. However, things remain very uncertain and subject to change. For Schuberg Philis, the impact on 2020 financials was limited. The financial statements have been prepared on the basis of the going concern assumption.

Disclosure of group structure

Schuberg Philis Group B.V. is the head of the group. The following entities are included in the consolidated financial statements:

- Schuberg Philis B.V., Schiphol-Rijk, The Netherlands
- Schuberg Philis Asset Management International B.V., Schiphol-Rijk, The Netherlands
- Schuberg Philis Management B.V., Schiphol-Rijk, The Netherlands
- Schuberg Philis US LLc, Glendale Colorado, United States

All entities are direct or indirect 100% owned by Schuberg Philis Group B.V..

Disclosure of estimates

In applying the principles and policies for drawing up the financial statements, the directors of Schuberg Philis Group B.V. make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

Disclosure of consolidation

The consolidated financial statements comprise the financial statements of Schuberg Philis Group B.V. and Schuberg Philis B.V.. In preparing the consolidated financial statements, intra-group debts, receivables and transactions are eliminated.

The application of Article 402

Since the consolidated profit and loss account for 2020 of Schuberg Philis Group B.V. is included in the consolidated financial statements, an abridged income statement has been disclosed (in the company financial statements) in accordance with Section 402, Book 2 of the Dutch Civil Code.

General accounting principles

The accounting standards used to prepare the financial statements

The consolidated financial statement is drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code.

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

An asset is recognized in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be reliably measured.

A liability is included in the balance sheet when it is expected to result in an outflow of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability.

If a transaction results in a transfer of future economic benefits and when all risks relating to an asset or liability are transferred to a third party, the asset or liability is no longer recognized in the balance sheet. In addition, assets and liabilities are not recognized in the balance sheet as, from the moment the conditions with respect to the probability of economic benefits, expectations of outflow of resources embodying economic benefits and the ability to measure cost with sufficient reliability are not met anymore.

Certain comparative amounts have been reclassified to conform to current years' presentation. Reclassification does not have an impact on equity or result.

Conversion of amounts denominated in foreign currency

The financial statement is presented in euros, which is the functional and presentation currency of Schuberg Philis Group B.V..

Basis of Conversion and Processing of Exchange Rate Differences Relating to Foreign Currency Transactions for the Balance Sheet

Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the consolidated profit and loss account.

Non-monetary assets valued at historical cost in a foreign currency are converted at the exchange rate on the transaction date.

Foreign currency translation and the processing of foreign currency translation differences in foreign currency transactions

Transactions in foreign currencies are stated in the financial statements at the exchange rate of the functional currency on the transaction date.

Operating leases

The company has lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of or incurred by the company. These lease contracts are recognised as operational leasing. Lease payments are recorded on a straight-line basis, taking into account reimbursements received from the lessor, in the consolidated profit and loss account for the duration of the contract.

Financial instruments

Within Schuberg Philis Group B.V. and its subsidiaries financial instruments include receivables, cash and cash equivalents, and long-term liabilities and short-term liabilities. Financial instruments are recognized initially at fair value, including direct attributable transaction costs. After initial recognition, financial instruments are stated against amortized cost. If there are no premiums or discounts and directly attributable transaction costs, the amortized cost is equal to the nominal value. On receivables, a provision deemed necessary is taken for risk of bad debt.

Securities included in financial and current assets are stated at fair value, if these are related to securities held for trading or if they relate to equity instruments not held for trading, as well as derivatives of which the underlying object is listed on a stock exchange. All other on-balance financial instruments are carried at (amortised) cost.

Credit risk

For details about the credit risks on accounts receivable from participating interests and the other receivables, reference is made to the principles of valuation of receivables.

Cash flow, liquidity and price risk

These risks for the company are limited.

Interest rate risk

The company's policy is not to use derivative financial instruments to control interest rate fluctuations.

Foreign exchange risk

The foreign exchange risk is limited, as the company has limited volume of foreign currencies.

Fair value

The fair value of most of the financial instruments stated on the balance sheet, including accounts receivable, cash, and current liabilities, is close to the carrying amount.

Accounting principles

Property, plant and equipment

Tangible fixed assets are valued at acquisition costs or production costs plus additional costs less straight-line depreciation based on the expected life, unless stated otherwise. Impairments expected on the balance sheet date are taken into account.

Impairment of property, plant and equipment

On each balance sheet date, the corporation assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the realisable value of the asset is determined. If it is not possible to determine the realisable value of the individual asset, the realisable value of the cash-generating unit to which the asset belongs is determined.

An impairment occurs when the carrying amount of an asset is higher than the realisable value; the realisable value is the higher of the realisable value and the value in use. An impairment loss is directly recognised in the consolidated profit and loss account while the carrying amount of the asset concerned is concurrently reduced.

Land and buildings

Land and buildings (leasehold improvements) are valued at historical cost plus additional costs or production cost less straight-line depreciation based on the expected useful life. Impairments expected on the balance sheet date are taken into account. With regard to the determination as to whether a tangible fixed asset is subject to an impairment, please refer to the relevant section.

For obligations to restore the asset after use (dismantling cost) a provision is recognised for the expected amount at the time of capitalisation. This amount is recognised as part of the carrying amount of the asset against which a provision is recognised for the full amount. A provision for major maintenance has been created for the future costs of major maintenance to the buildings. The addition to the provision is determined based on the expected amount of the maintenance work and the intervals between the times when major maintenance work is carried out.

Buildings and constructions are depreciated in 5-20 years.

Machinery

Machinery and equipment are valued at historical cost plus additional costs or production cost less straight-line depreciation based on the expected useful life and impairments expected.

Subsidies on investments will be deducted from the historical cost price or production cost of the assets to which the subsidies relate.

Depreciation period of machinery: Emergency power suppplies: 20 years Security and communication equipment: 10 years Computer equipment: 3-5 years

Other tangible assets

Other tangible assets are valued at historical cost plus additional costs of production costs less straight-line depreciation based on the expected useful life and impairments expected.

Other fixed assets are depreciated in 3-10 years.

Receivables

Receivables are initially valued at the fair value of the consideration to be received. Receivables are subsequently valued at the amortised cost price. If there is no premium or discount and there are no transaction costs, the amortised cost price equals the nominal value of the accounts receivable. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Provisions for bad debts are deducted from the carrying amount of the receivable.

Tax receivables

Tax receivables are valued at their nominal value.

Provisions

Provisions are measured at the best estimate of the amount that is necessary to settle the obligation as per the balance sheet date. The provisions are carried at the nominal value of the expenditure that is expected to be necessary in order to settle the obligation, unless stated otherwise.

If obligations are expected to be reimbursed by a third party, such reimbursement is included as an asset in the balance sheet if it is probable that such reimbursement will be received when the obligation is settled.

Provision for Maintenance costs

A provision for maintenance is recognized for expected maintenance costs of buildings and equipment based on a long-term maintenance program.

Other provisions

Other kinds of provisions are included in accordance with the nominal value of the expenditure which is expected to be necessary to settle the obligations.

Accounting principles for determining the result

The result represents the difference between the value of the services rendered and the costs and other charges for the year. The results on transactions are recognized in the year they are realized; losses are taken as soon as they are foreseeable. Costs are recognized at the historical cost convention and are allocated to the reporting year to which they relate.

Revenue recognition

The company takes the revenue from sales to the total operating revenue if there is convincing evidence of a sales agreement, when delivery has taken place, the prices have been agreed or can be determined, and there is reasonable certainty that the selling price is collectable. Revenue from projects is recognized over the duration of the project. Normally, these criteria are satisfied at the moment the product or the service is delivered and acceptance has been obtained, if required.

Net revenue

Total operating revenue represents amounts invoiced for goods and services supplied during the financial year reported on, net of discounts and value added taxes.

Revenues ensuing from the sale of goods are accounted for when all major entitlements to economic benefits as well as all major risks have transferred to the buyer. The cost price of these goods is allocated to the same period.

Revenues from services are recognized in proportion to the services rendered. The cost price of these services is allocated to the same period.

Applied policy of pension costs

Schuberg Philis Group B.V. applies a defined contribution pension plan. The payables during the reporting year is recorded as an expense. The contributions are recorded as personnel costs from the date that they become payable. Prepaid contributions are reported as accruals. Contributions that are not yet paid are included as a liability in the balance sheet. The pensionplan of the company is excecuted by Be Frank PPI NV, Amsterdam.

Depreciation of property, plant and equipment

Tangible fixed assets are depreciated from the date of initial use over the expected future economic life of the asset, while taking into account any applicable restrictions with respect to buildings, investment property, other tangible fixed assets. Land is not depreciated.

Future depreciation is adjusted if there is a change in estimated future useful life.

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

Income tax expense

Tax on the result is calculated based on the result before tax in the consolidated profit and loss account, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

In the financial statements of group companies a tax charge is calculated on the basis of the accounting result. The corporate income tax that is due by these group companies is charged into the current accounts with Schuberg Philis.

Cash flow statement

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand except for deposits with a maturity longer than three months. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received, dividends received and income taxes are included in cash from operating activities. Dividends paid are recognised as cash used in financing activities. The purchase consideration paid for the acquired group corporation has been recognised as cash used in investing activities where it was settled in cash. Any cash at banks and in hand in the acquired group corporation have been deducted from the purchase consideration. Transactions not resulting in inflow or outflow of cash, including finance leases, are not recognised in the cash flow statement. Payments of finance lease instalments qualify as repayments of borrowings under cash used in financing activities and as interest paid under cash generated from operating activities.

Fixed assets

Tangible fixed assets

(in € 1,000s)	Leasehold improvements	Machinery and equipment	Other fixed assets	Total
Balance as at 1 January 2020				
Cost or manufacturing price	20,080	22,238	3,284	45,602
Accumulated depreciation	-16,729	-18,633	-2,831	-38,193
Correction and reclassifcations	-	-47	-1	-48
Book value as at 1 January 2020	3,351	3,558	452	7,361
Movements				
Additions	127	1,505	10	1,642
Depreciation	-1,190	-1,921	-108	-3,219
Disposals	-75	-10,327	-2,464	-12,866
Depreciation on disposals	298	10,327	2,464	13,089
Correction and reclassifications	97	-123	28	2
Balance movements	-743	-539	-70	-1,352
Balance as at 31 December 2020				
Cost or manufacturing price	20,505	13,416	830	34,751
Accumulated depreciation	-17,994	-10,274	-476	-28,744
Correction and reclassifcations	97	-123	28	2
Book value as at 31 December 202	0 2,608	3,019	382	6,009

Current assets

Receivables and prepayments 📀

Receivables from associated companies	29	42
Other receivables	5.604	4 737
Other receivables	5,604 16,452	4,737 15.816

Disclosure of receivables

Trade receivables and receivables from associated companies are due within one year. The other receivables are due within one year, excluding the deferred tax assets.

Disclosure of trade receivables

In 2019 Schuberg Philis Group B.V. has entered into a credit facility with ABN AMRO. As part of this agreement the accounts receivable of the Group have, in case of default, been pledged. As per yearend the company meets the covenant requirements. As per 31 December 2020 the credit facility is not withdrawn.

Other receivables

(in € 1,000s)	31-12-2020	31-12-2019
Deferred tax assets	86	105
Accruals and prepaid expenses	5,518	4,632
	5,604	4,737

Deferred tax assets

(in € 1,000s)	31-12-2020	31-12-2019
Deferred tax assets	86	105

Cash 🔳

Deposits

In the Cash and cash equivalents deposits are included for €275k. The other cash and cash equivalents are available on demand.

Provisions

Other provisions

(in € 1,000s)	31-12-2020	31-12-2019
Asset retirement obligation	509	494
Maintenance equipment	93	55
	602	549

Based on a long-term maintenance program a provision is recognized for the expected maintance costs of the in-house power supply. An asset retirement obligation is recognized for bringing the leased building back in its original state.

(in € 1,000s)	2020	2019
Asset retirement obligation		
Balance as at 1 January	494	479
Additions	15	15
Balance as at 31 December	509	494
(in € 1,000s)	31-12-2020	31-12-2019
Maintenance equipment		
Provision for maintenance equipment	93	55
(in € 1,000s)	2020	2019
Provision for maintenance equipment		
Balance as at 1 January	55	16
Additions	38	39
Balance as at 31 December	93	55

Short-term liabilities

Other liabilities and accrued expenses

	7.940	9,486
Other accrued expenses	360	138
Deferred income	680	1,514
Accrued expenses	1,076	2,926
Accrued personnel related expenses	5,824	4,908
(in € 1,000s)	31-12-2020	31-12-2019

NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR 2020

Contingent assets and liabilities

Disclosure of off balance sheet commitments

Schuberg Philis has long term hardware leases, building leases and other lease contracts totaling EUR 13,670 (2019: 14,723)

Assets and liabilities not recognised in balance sheets: Operating lease commitments: Breakdown

(in € 1,000s)	31-12-2020	31-12-2019
Lease payments from operating leases during the period	3,439	4,275
Total of payments of operating leases during the period	3,439	4,275

Assets and liabilities not recognised in balance sheets: Operating lease commitments for lessors: Breakdown other

Total of minimal lease payments of operating leases for lessors	13,670	14,723
Minimal lease payments of operating leases for lessors with a maturity exceeding five years	-	-
Minimal lease payments of operating leases for lessors with a maturity exceeding one year and within five years	9,357	10,657
Minimal lease payments of operational leases for lessors with a maturity within one year	4,313	4,066
(in € 1,000s)	31-12-2020	31-12-2019

Personnel costs 6

	43,793	38,973
Other personnel costs	8,369	8,570
Social security charges and pensions cost	4,422	4,070
Salaries	31,002	26,333
(in € 1,000s)	2020	2019

Remuneration of directors

Based on the exemption in Article 383 Section 1 of Part 9, Book 2 of the Dutch Civil Code, the Directors' remuneration is not disclosed.

Average number of employees

	31-12-2020	31-12-2019
Number of people involved in operations	355	292
- of whom are employed by Schuberg Philis	312	256
Expressed in full time equivalents	281	242

Specification audit fees

Description audit fee type (in € 1,000s)	Amount external auditor	Other fees to external auditor	Total amount
Audit costs, review of the annual accounts	36	-	36
Total audit fees	36	-	36

Corporation tax 🛛 🕖

(in € 1,000s)	2020	2019
Deferred taxes	-18	-7
Current tax	-1,657	-1,571
	-1,675	-1,578
	%	%
Effective tax rate	18,34	18,40
Applicable tax rate	25	25

Disclosure of income tax expense

In 2018 Schuberg Philis successfully applied with the tax authorities for the applicability of the fiscal facility Innovatiebox for the period 2017-2020.

Disclosure of other income tax expense

The effect due to different tax rates in foreign jurisdictions in 2020 is 0% (2019: 0%).

Disclosure of fiscal unity for income tax

The company forms a tax unity for corporation income tax purposes within the group. Each of the companies recognizes the portion of corporation income tax that the relevant company would owe as an independent taxpayer, taking into account the tax facilities applicable to the company.

Schuberg Philis Group B.V., as head of the group, acts as counterpart for the tax authorities. Taxes owed by other group companies are presented as intercompany positions to the head of the group, Schuberg Philis Group B.V.. As head of the group, Schuberg Philis Group B.V. accounts for deferred taxes position. Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and the corresponding tax basis used in the computation of taxable income. Deferred tax assets and liabilities are generally recognized for all temporary differences.

Specification of related party transactions of importance and not taken under market conditions

During the year transactions with Stichting Administratiekantoor Schuberg Philis Group (STAK) took place. As part of the Employment Ownership Plan (EOP) the company supports the STAK in its operation. The company carries costs for the STAK and related costs for tax matters, if any.

Other notes to the income statement

Indefeasible Right of Use

Schuberg Philis has been granted an Indefeasible Right of Use (IRU) to 20 selected fiber pairs owned by euNetworks B.V. for a period of 20 years, starting January 14, 2003. At a current market price, the IRUs received are valued at EUR 480k (net value of IRUs granted to Schuberg Philis B.V. is EUR 480k).

Related parties

Transaction with related parties occur when a relationship exists between the company, its participating interests and their directors and key management personnel. There were no transactions with related parties that were not at arm's length.

CORPORATE BALANCE SHEET AS AT 31 DECEMBER 2020

Before profit appropriation (in € 1,000s)

Assets	Notes	31-12-2020	31-12-2019
Fixed assets			
Financial assets	8	13,217	11,167
Total fixed assets		13,217	11,167
Current assets			
Receivables and prepayments	5		
Receivables from group co	mpanies	1,594	1,098
Other receivables	9	86	105
		1,680	1,203
Cash		958	3
Total current assets		2,638	1,206
Total assets		15,855	12,373
		,	,
Liabilities			
Equity	0		
Share capital		19	19
Other reserves		6,883	5,130
Undistributed profit		7,293	6,994
		14,195	12,143
Short-term liabilites	1	1,660	230
Total liabilities		15,855	12,373

CORPORATE PROFIT AND LOSS STATEMENT FOR THE YEAR 2020

(in € 1,000s)	2020	2019
Total Result	7,293	6,992

Fixed assets

Financial assets 🛛 🕄

(in € 1,000s)	31-12-2020	31-12-2019
Participations in group companies	13,217	11,167

Financial assets

(in € 1,000s)	Participations in group companies		
Balance as at 1 January 2020			
Principal value	11,167		
Balance as at 1 January 2020	11,167		
Movements			
Result	7,294		
Dividend received from participations	-5,244		
Balance movements	2,050		
Balance as at 31 December 2020			
Principal value	13,217		
Balance as at 31 December 2020	13,217		

Register of participations

(in € 1,000s)	Share in issued capital in %	Shareholders' equity latest adopted accounts	Result latest adopted accounts
Schuberg Philis B.V., Schiphol-Rijk	100	12,556	6,951
Schuberg Philis Asset Management International B.V., Schiphol-Rijk	100	661	343

Participations in group companies

(in € 1,000s)	31-12-2020	31-12-2019
Schuberg Philis B.V.	12,556	10,849
Schuberg Philis Asset Management International B.V.	661	318
	13,217	11,167

Schuberg Philis B.V.

Book value as at 31 December	12,556	10,849
Dividend received	-5,244	-15,000
Profit/(Loss)	6,951	6,775
Book value as at 1 January	10,849	19,074
(in € 1,000s)	2020	2019

Schuberg Philis Asset Management International B.V.

Book value as at 31 December	661	318
Profit/(Loss)	343	218
Investments	-	100
Book value as at 1 January	318	-
(in € 1,000s)	2020	2019

Current assets

Receivables and prepayments

Other receivables

(in € 1,000s)	31-12-2020	31-12-2019
Deferred tax assets	86	105

Equity 🕕

The authorized capital of Schuberg Philis Group B.V. amounts to \leq 90,000, divided into 7,200,000 ordinary shares of \leq 0.01 each and 180,000 preferred shares of \leq 0.10 each. The schedule below explains the movements in equity for the year. 1,940,000 ordinary shares are issued and paid up. There are no preferred shares issued.

Movements in equity were as follows:

(in € 1,000s)	Share capital	Other reserves	Undistributed profit	Total
Balance as at 1 January 2020	19	5,130	6,994	12,143
Result for the year	-	-	7,293	7,293
Appropriation of result	-	6,994	-6,994	-
Dividend payment	-	-5,241	-	-5,241
Balance as at 31 December 2020	19	6,883	7,293	14,195

Short-term liabilities 🛛 🕕

(in € 1,000s)	31-12-2020	31-12-2019
Company tax	1,646	221
Accruals and deferred income	14	9
	1,660	230

Subsequent events

No subsequent events to be reported.

Proposal appropriation of result

The management of the company proposes to appropriate the result as follows:

The appropriation of profit for the period 2020 in the amount of \in 7,293,000 will be fully added to the other reserves.

This proposal needs to be determined by the General Meeting and has therefore not yet been processed in the annual accounts 2020 for the company.

NOTES TO THE CORPORATE PROFIT AND LOSS ACCOUNT FOR THE YEAR 2020

Average number of employees

During the financial year 2020 the average number of employees, converted into full time equivalents, amounted to 0 (2019: 0).

Share in result of participations

Management international B.V.	7,293	6,992
Result from Schuberg Philis Asset	342	218
Result from Schuberg Philis B.V.	6,951	6,774
(in € 1,000s)	2020	2019

Schiphol-Rijk, April 7, 2021

On behalf of the Board and the Managing Directors,

Pim Berger

OTHER INFORMATION

According to Article 28 of the Articles of Association, the profit shall be at the disposal of the General Meeting. The company may only make distributions of profit to the shareholders and other persons entitled to the dividends to the extent that its shareholders' equity exceeds the paid and called up portion of the capital, together with the reserves which must be maintained pursuant to law.

Dividends shall only be distributed following adoption of the annual accounts which show that the distribution is permitted. The company may make interim dividends insofar as the preceding provisions have complied with. The General Meeting may decide to make interim dividends which consists wholly or partly of dividends in kind. The company shall not receive a dividend on shares for its own account. A demand for payment of a dividend will lapse after five years.

The independent auditors' report by Mazars Accountants N.V. has been included on the next page.

To: The shareholders of Schuberg Philis Group B.V.

Report on the audit of the financial statements 2020 included in the annual accounts

Our opinion

We have audited the financial statements 2020 of Schuberg Philis Group B.V., based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Schuberg Philis Group B.V. as at 31 December 2020, and of its result for 2020 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 2020;
- 2. the consolidated and company profit and loss account for 2020; 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 on 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 Schuberg Philis Group 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.

Report on the other information included in the annual accounts

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

- the management boards' report;
- other information as required by Part 9 of Book 2 of the Dutch Civil Code.

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 management boards' 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.

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.

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 skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- 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 company'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 management 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.

Amsterdam, 7 April 2021

MAZARS ACCOUNTANTS N.V. Original was signed by: drs V.J.M. Stappers RA

ANNUAL REPORT 2020

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Special thanks: Jim Stolze

You can download our Annual Report 2020 on our website schubergphilis.com

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WE WOULD LIKE TO THANK ALL COLLEAGUES, CUSTOMERS, PARTNERS, AND FRIENDS WHO HAVE MADE THIS YEAR A SUCCESS. UNTIL NEXT YEAR.

