Consolidated Annual Report

SD Worx NV
(SD Worx - Group)
Consolidated IFRS Financial Statements
Regulated information

For the year ended 31 December 2021

For life. For work.

Message from management

SD Worx, the leading European HR and payroll services provider, achieved a consolidated turnover in 2021 of EUR 858.1 million (+15.4% compared to the EUR 743.5 million in 2020) and a normalised EBITDA of EUR 115.6 million, an increase of 20.0% compared to 2020 (EUR 96.3 million). The net result amounts to EUR 46.8 million.

“Reported results are growing for both SD Worx People Solutions, our payroll and HR segment, and for SD Worx Staffing & Career Solutions, the segment that focusses on staffing and flexible working,” says Filip Dierckx, Chairman of the Board of Directors of SD Worx.

“Consolidated turnover is up 15.4% compared to 2020. SD Worx People Solutions, which continued to do well financially during the first year of the COVID-19 crisis, saw its turnover increase last year compared to 2020. Also SD Worx Staffing & Career Solutions delivered a strong growth in revenues. We should mention that 2020 was a difficult year for this segment due to the outbreak of the pandemic. Nevertheless, it is promising that we were able to catch up substantially in 2021. Finally, our acquisitions in 2021 also explain our growth in revenues: Aditro, launch! and Teal Partners joined our Group during the first half of the year, and all three are doing well.”

Another noteworthy fact is that SD Worx for the first time breaks through the EUR 100 million mark for its normalised EBITDA, at EUR 115.6 million. This is an increase of 20% compared to 2020. This is also driven by strong organic growth and the previously mentioned acquisitions. The consolidated net result in 2021 is EUR 46.8 million. This is almost double the EUR 24.1 million of 2020.

Kobe Verdonck, CEO of SD Worx: “We are pleased to see that our growth strategy is working. Special thanks to our employees for putting their shoulders to the wheel, and to our customers for their trust. It is our ambition to become the European reference in payroll and HR. In 2021, we strongly expanded internationally. We opened offices in Poland, Spain and Italy, and with the acquisitions of Aditro and launch!, we are now also active in Denmark, Estonia, Finland, Norway and Sweden. The intention is to eventually have a presence in all of Europe. This international expansion allows us to grow with our customers, wherever they do business. We are literally close to them, with local payroll & HR professionals now in 17 European countries as well as Mauritius. This also takes us into new markets where we see opportunities in all segments, both in the private and public sectors. We invest heavily in digitalisation and have further broadened our offering so that we can offer our customers a complete range of services and digital solutions within payroll and HR. In this way, we can help all of our customers, from smaller local players to large multinationals, and their employees to be successful.”

Overview

Report of the board of directors to the general assembly of shareholders of 3 June 2022.

In accordance with Article 3:32 of the Belgian Company and associations Code, we have the honor of presenting a report on the consolidated activities of our company, SD Worx NV ('the Group'), as of 31 December 2021.

Overview of activities and impact on the financial statements

As from 2021, and in line with the internationalization of the Group, SD Worx reports its financial results applying the International Financial Reporting Standards (IFRS) instead of the Belgian Generally Accepted Accounting Principles. This has an impact on the reported results. In order to compare on a like for like basis, the figures of previous periods are converted to the international standards[1].

Amounts in mio €	31/12/2021	31/12/2020	Difference
REVENUE	**858.1**	**743.5**	**114.6**
- Employee benefit expenses	-614.8	-528.8	-86.0
- other operating cost	-131.8	-122.3	-9.4
+ Other operating income	4.5	4.1	0.4
+/- Income and expenses related to impairments of assets	-0.7	-0.2	-0.5
+/- Operational FX differences	0.2	0.0	0.2
Total net operating costs	-742.5	-647.2	*-95.4*
NORMALIZED EBITDA	**115.6**	**96.3**	**19.3**
Normalized EBITDA margin %	13.5%	13.0%	*0.5%*
- Restructuring and integration costs	-5.4	-3.0	-2.4
- Acquisition & transaction costs related to third parties	-1.7	-0.4	-1.3
- Non-committed stock based compensation	-4.1	-2.1	-1.9
- Impairment of goodwill	0.0	-8.8	8.8
+/- Profit/(Loss) from material business and asset disposal	0.0	-1.3	1.3
+/- Other non-operating income/expense	-0.3	0.2	-0.5

[1] "For the reconciliation of prior period statements of financial position and statements of profit & loss, we refer to the reconciliations provided in our consolidated financial statements."

Amounts in mio €	31/12/2021	31/12/2020	Difference
EBITDA	**104.1**	**81.0**	**23.2**
- Depreciations and amortisations	-23.6	-18.5	-5.1
- Depreciations and amortisations (right of use assets IFRS 16)	-21.4	-19.4	-2.0
- Depreciations and amortisations from purchase price allocations	-3.4	-0.5	-2.9
EBIT	**55.8**	**42.6**	**13.1**
- Financial expenses	-7.4	-11.2	3.8
+ Financial income	1.2	1.6	-0.3
+/- Non-operational FX differences	-0.2	1.0	-1.3
PROFIT BEFORE TAX	**49.3**	**34.1**	**15.3**
- Taxes	-2.7	-10.1	7.4
PROFIT AFTER TAX	**46.7**	**24.0**	**22.7**
Profit and loss associated companies	0.1	0.1	0.0
CONSOLIDATED NET RESULT AFTER TAX	**46.8**	**24.1**	**22.7**
Result of the Group	46.7	24.7	22.0
Profit attributable to non-controlling interest	0.1	-0.6	0.7
CONSOLIDATED NET RESULT	**46.8**	**24.1**	**22.7**

Results per segment

Amounts in mio €		31/12/2021	31/12/2020	Difference
REVENUE	SD Worx People Solutions	606.9	529.5	14.6%
	SD Worx Staffing & Career Solutions	253.8	216.8	17.1%
	Intersegment elimination	-2.6	-2.7	-3.7%
	CONS Revenue	**858.1**	**743.5**	**15.4%**
NORMALIZED EBITDA	SD Worx People Solutions	110.8	90.2	22.8%
	SD Worx Staffing & Career Solutions	6.6	7.2	-8.3%
	SD Worx NV	-1.6	-1.0	60.0%
	Intersegment elimination	-0.1	0.0	n.a.
	CONS nEBITDA	**115.6**	**96.3**	**20.0%**

Within the consolidated turnover of EUR 858.1 million, SD Worx People Solutions, which today provides payroll and HR services to more than 80,000 clients worldwide, increased its turnover from EUR 529.5 million in 2020 to EUR 606.9 million in 2021 (+14.6%). Without the acquisitions, turnover grew by 6.3%. The normalised earnings before depreciation and amortisation (nEBITDA) rose by 22.8%, from EUR 90.2 million in 2020 to EUR 110.8 million in 2021.

SD Worx Staffing & Career Solutions focusses on the flexible working market and provides services relating to temporary employment, secondment, recruitment and selection, career guidance, outplacement and specific payrolling of temporary employees. This segment grew from EUR 216.8 million of revenues in 2020 to EUR 253.8 million in 2021 (+17.1%). Normalised EBITDA decreased from EUR 7.2 million in 2020 to EUR 6.6 million in 2021 (-8.3%). However, if we take into account governmental support measures, such as the NOW subsidy in the Netherlands, the aforementioned EBITDA increases by 44.1%.

Further details about the net result

Normalisations

Restructuring costs and integration costs amount to EUR 5.4 million and have increased by EUR 2.4 million compared to 31 December 2020, mainly as a consequence of the growth plan in the UK, costs incurred for the integration of Aditro, launch! and Protime in SD Worx and the divestment of the Aspex business.

Acquisition and transaction costs have increased by EUR 1.3 million to EUR 1.7 million as a consequence of the acquisition of Aditro, Teal Partners and launch! during the first semester of 2021.

The cost of non-committed share plans for the group management is spread evenly over a vesting period of three years. The increase of EUR 1.9 million is related to the share plans issued in FY2020 and FY2021.

As per 31 December 2020, an impairment of goodwill of EUR 8,8 million had been recognized on the Staffing & Career Solutions segment. The COVID-19 pandemic had slowed down the entire staffing industry, certainly during the first lockdown period in Belgium and the Netherlands, and management had considered it an indication of impairment risk leading to a prudent adjustment of its value-in-use calculation.

The loss of EUR 1.3 million from material business and asset disposal recorded per 31 December 2020 refers to the closing of several offices as a result of the integration of office locations from Staffing & Career Solutions with People Solutions.

Depreciations and amortisations

Depreciations and amortisations on tangible and intangible assets of EUR 48.4 million have been recorded per 31 December 2021 and are mainly related to the Group's important and continuing investments in digital solutions (EUR 23.6 million), the depreciation of leased right-of-use assets such as rented buildings and company cars (EUR 21.4 million) and the amortisation of intangible assets acquired in business combinations (EUR 3.4 million).

Financial results

The financial result per 31 December 2021 amounts to EUR -6.4 million, mainly due to the interest costs of the subordinated EUR 80 million bond issued in June 2019, the committed EUR 125 million revolving credit facility and financial charges on lease liabilities.

The financial result improved by EUR 2.2 million compared to 2020, which is mainly the result of the loss realised per 30 June 2020 on the sale of the Group's cash investments in financial assets held in discretionary management.

Taxes

Tax charges decreased by EUR 7.4 million from EUR 10.1 million to EUR 2.7 million. The lower effective tax rate is mainly a consequence of the recognition of deferred tax assets on fiscal losses carried forward in Belgium, which have been deemed recoverable as a result of a legal merger between two subsidiaries. A fiscal ruling on the tax neutrality of the merger has been obtained.

Net result

The net result, recorded at EUR 46.8 million, increased significantly in relation to the same period last year due to the aforementioned increase in operating profit, the increased financial result and decreased effective tax rate.

Risks and uncertainties

SD Worx' approach to risk

SD Worx believes that good risk management drives better operational and commercial decisions, creating a growing, resilient and sustainable business. Managing risk is an integral part of everything we do.

SD Worx therefore operates a "three line of defense" model, where the first line of defense owns and manages risk, maintains effective internal controls and executes risk and control procedures for provision of services to our Customers. Our second line of defense is our subject matter resource function that supports and challenges management in managing risk and our internal control environment. It proposes policies and controls frameworks to manage risks and issues and assists, monitors and verifies compliance to internal policies, processes, laws and regulations. Our third line of defense is our Group Internal Audit function that provides independent, reasonable assurance and advice over governance, risk management and internal controls to support achievement of our objectives.

SD Worx recognizes that its risk appetite varies according to the activity undertaken. In accepting risk, we always ensure that potential benefits and risks are fully understood before business developments are authorized, and that sensible measures to mitigate risk are established.

COVID-19 and the financial impact of the pandemic

As of 31 December 2021, our financial position continues to remain strong with substantial additional committed borrowing facilities remaining available for use by the Group. We currently anticipate that cash as of 31 December 2021, along with projected operating cash flows will support our business operations and capital expenditures for the foreseeable future. Our strong balance sheet and operational flexibility have allowed us to successfully manage through the impacts of the COVID-19 pandemic to date while protecting our cash flow and liquidity. We continue to evaluate the nature and extent of changes to the market and economic conditions related to the COVID-19 pandemic and assess the potential impact on our business and financial position.

Other risk factors

In view of the participations held by SD Worx NV, the risks are not limited solely to its own activities. The risks are concentrated primarily in software, consultancy, HR activities, payroll and interim within an international setting. Key risk factors include the macroeconomic climate in the various countries, as the results of the Group are highly dependent of the level and type of employment within its domestic markets, losses or loss of turnover among key customers, and competition caused by the entry of new players into the market. In addition to the risks associated with the payroll & HR and staffing market, the Group's performance is subject to the following risks:

- **Financial stability: investments, liquidity and solvability**

SD Worx wants to maintain its long term financial viability and overall financial strength through sustainable investment practices whilst maintaining a sustainable pay-out ratio of net profits and limiting financial leverage to a conservative level, as set and agreed by the Board of Directors.

- **Financial performance**

Our financial strategy and ambitions envisage long-term value creation for current and future shareholders, ultimately pursuing maximized shareholder returns over time. Therefore we aim to generate a sustainable stream of net operational cash flows whilst continuing the necessary investments and capital expenditure to strengthen our competitive position towards the future.

- **Customer services**

As a premium provider, SD Worx must see to it that our services adhere to the principles of completeness, correctness and timeliness. Employers and employees are at the center of everything we do and we want to be leading edge in our sector in delivering value through digital solutions to our customers at all stages of the employee journey. By embracing technology and being innovative through development of new digital solutions, SD Worx wants to continuously grow and improve its capabilities in this area.

- **People**

As HR services provider, SD Worx aims to value and develop the full potential of its people to make SD Worx a stimulating place to work. To foster innovation in HR practices as well as to support our core business in developing new HR concepts, we have a strong appetite towards HR innovation and want to apply new HR concepts to our own organization as quickly as possible. As such, the Group has the objective to continue to be able to attract, develop and retain skilled personnel and skilled senior management within the current tight labor market ("war for talent").

- **Operating environment, cybersecurity and data protection**

With more focus on digital solutions and cybersecurity becoming a growing threat, the protection of customer data is key for establishing and maintaining the trust and confidence of our customers. We place great importance on compliance with regulatory requirements for all services that we offer and have no appetite for any breaches in regulations, professional standards, ethics or fraud.

- **Mergers & acquisitions**

Our differentiating strategy will be focused on organic growth complemented by selective M&A activity.

SD Worx strives to manage the above risks as well as possible by incorporating supervisory bodies, a robust corporate governance structure and internal controls. As far as possible, the Group concludes insurance policies, develops adequate financing structures and acquires interest coverage where necessary. Legal, contractual, credit and insurance risks are assessed by means of the requisite risk analyses as much as possible.

Events after the end of the financial year

War in Ukraine and geopolitical tensions

On 24 February 2022, Russian troops started invading Ukraine. In response, multiple jurisdictions have imposed economic sanctions on Russia and Belarus. In addition, a growing number of public and private companies have announced voluntary actions to curtail business activities with Russia and Belarus. As the impacts of the war in Ukraine and related events are generally considered to be non-adjusting events, they do not affect amounts recognized as of 31 December 2021.

SD Worx itself has no presence or net assets in Ukraine nor in Russia. However, the Group currently serves a limited number of customers in Russia through its payroll partners, these are all local branches of international companies. The Group is examining whether it can continue to serve them in the current circumstances, in view of its corporate values and of the political sanctions taken. The size of these operations are immaterial.

A software development supplier of our Nordic operations uses workforces located in Russia. We have halted the corporation with these workforces located in Russia, and have taken the necessary measures to ensure business continuity.

We are actively monitoring and hardening our cyber security policies in light of the heightened threat status around cyber-attacks.

The current conflict in Ukraine could have wider implications for European economic and market conditions as well as geopolitical relations. However, we believe our approach and focus on customer excellence and operating efficiency is the right strategy for dealing with volatile operating conditions.

Other events after the balance sheet date

On 2 January 2022, the Group sold all of its interest in SD Worx Real Estate NV to WorxInvest NV. The entity holds office spaces used by the Group, and for which a leaseback agreement is in the process of being reached.

On 14 January 2022, the Group acquired all the shares in Pro-Pay NV, a Belgian based payroll and HR services company. Pro-Pay is specialized in Belgian payroll for large international companies and by acquiring Pro-Pay, the Group aims at strengthening its position as payroll and HR partner for international companies.

On 24 March 2022, the Group acquired a majority share in Huapii BV, a Belgian based company that specialises in software and advice on talent management. Huapii offers a talent platform that gives employees ownership of their career through skill and performance management and by investing in Huapii, the Group aims at strengthening its talent management offering.

On 29 March 2022, SD Worx NV has entered into a share repurchase transaction following which 7,286,113 shares have been repurchased at a price of 37.45 euro each share. The shares were subsequently cancelled through a notarial deed on the same date.

On 4 April 2022, the Group successfully renegotiated its Senior Facility Agreement, replacing it with a Revolving Facility Agreement. Under the new loan agreement, the Group has access to a revolver loan of EUR 250 million with a maturity date of 31 March 2026.

Circumstances that could have a significant impact on the development of the consolidated company

We refer to the points set out in the risk factors.

Research and development activities

Research and development activities are ongoing at the various companies belonging to SD Worx NV. The primary activities include developments relating to payroll software at SD Worx' domestic markets and the development of an international platform (SPARC) that connects various national payroll engines used with global components like the SD Worx Assistant, our workforce management solution Protime and other partner solutions. The Group is also continuing to invest in the development of its international Core HR solution by means of expanding the acquired GlobePayroll solution. Several new propositions have been developed in the last years including Data&insights, Learning platform and our Finbox solution. The Group continues to invest in robotic process automation and the digital transformation of her operations.

Conflicts of interest on the part of the directors

There have been no conflicts of interest during 2021.

Use of financial instruments

The Group uses a very limited amount of financial instruments to hedge its interest rate risk on its bank debts.

25 April 2022,

On behalf of the directors,

BV GINKGO Associates
with permanent representative
Filip Dierckx,
Chairman of the Board of Directors

Filip Dierckx (26 apr 2022 14:07 GMT+2)

BV ELLEZE
with permanent representative
Kobe Verdonck,
Director

Jakob Verdonck (26 apr 2022 13:37 GMT+2)

Consolidated Financial Statements

for the year ended 31 December 2021

A. Consolidated Statement of Profit and Loss

Amounts in thousand €	Note	31/12/2021	31/12/2020
REVENUE	8	**858,134.4**	**743,498.2**
- Services and other goods	9	-131,819.3	-118,041.8
- Employee benefit expenses	10	-620,128.0	-532,513.0
- Other operating expenses	11	-6,028.6	-6,650.3
+ Other operating income	11	4,490.3	4,958.2
- Depreciations and amortization expenses	12	-48,370.3	-38,316.6
+/- Operational FX differences		162.8	-4.3
- Impairment of assets	12	-675.0	-10,267.5
Total net operating costs		*-802,368.3*	*-700,835.2*
OPERATING PROFIT		**55,766.2**	**42,663.0**
- Financial expenses	13	-7,399.2	-11,172.3
+ Financial income	13	1,205.1	1,552.4
+/- Net exchange difference relating to financing activities	13	-223.8	1,037.3
Finance costs net		**-6,417.9**	**-8,582.6**
+ Share of profit of associates and joint ventures		120.3	85.2
PROFIT BEFORE TAX		**49,468.6**	**34,165.7**
- Taxes	14	-2,663.4	-10,074.0
PROFIT FOR THE YEAR		**46,805.2**	**24,091.7**
Attributable to:			
Equity holders of the parent		46,674.1	24,053.8
Non-controlling interests	6	131.1	38.0

B. Consolidated Statement of Comprehensive Income

Amounts in thousand €	Note	31/12/2021	31/12/2020
PROFIT FOR THE YEAR		**46,805.2**	**24,091.7**
Exchange differences on translation of foreign operations		2,723.9	-4,279.7
Net gain/(loss) on cash flow hedges		-	-
Deferred tax on items that may subsequently be reclassified		-	-
NET OTHER COMPREHENSIVE INCOME/(LOSS) THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS		**2,723.9**	**-4,279.7**
Remeasurement gain/(loss) on defined benefit plans	25	24,826.4	-9,049.4
Deferred tax on items that will not be subsequently reclassified	14	-5,830.3	2,016.0
NET OTHER COMPREHENSIVE INCOME/(LOSS) THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS		**18,996.0**	**-7,033.4**
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		**21,719.9**	**-11,313.1**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**68,525.1**	**12,778.6**
Attributable to:			
Equity holders of the parent		68,393.9	12,740.6
Non-controlling interests		131.1	38.0

C. Consolidated Statement of Financial Position

Amounts in thousand €	Note	31/12/2021	31/12/2020	01/01/2020
NON-CURRENT ASSETS		**528,027.7**	**413,456.6**	**421,504.6**
Goodwill	15	318,484.9	219,722.6	222,222.6
Intangible assets	16	94,936.3	44,885.7	30,411.1
Property, plant and equipment	17	17,045.7	56,388.8	60,534.9
Right of Use assets	18	54,429.9	60,845.6	75,498.0
Investments in associates and joint ventures		485.5	365.2	280.0
Financial assets	19	2,038.1	1,473.7	2,823.9
Other assets	19	13,501.2	10,016.8	12,918.3
Deferred tax assets	14	27,106.1	19,758.1	16,815.8
CURRENT ASSETS		**328,458.5**	**346,010.6**	**359,736.2**
Inventory		398.7	472.8	476.9
Trade and other receivables	20	195,842.7	163,451.4	168,120.2
Current income taxes	14	6,641.0	7,765.8	4,662.0
Other financial assets	19	2,128.8	50,841.8	70,128.2
Cash and cash equivalents	23	64,485.9	122,372.8	115,243.4
Funds held for clients	23	1,162.4	1,106.1	1,105.5
Assets held for sale	7	57,799.1	0.0	0.0
TOTAL ASSETS		**856,486.3**	**759,467.3**	**781,240.8**

Amounts in thousand €	Note	31/12/2021	31/12/2020	01/01/2020
EQUITY		**463,271.0**	**388,602.5**	**390,098.0**
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**463,017.0**	**388,543.0**	**390,855.5**
Issued capital	21	596,553.6	592,632.0	601,244.0
Share premium		0.9	0.2	0.8
Currency translation reserve		-1,549.0	-4,272.8	0.0
Other reserves		24,116.6	-2,668.2	3,462.7
Accumulated losses		-156,105.2	-197,148.2	-213,852.0
NON-CONTROLLING INTEREST		**254.0**	**59.5**	**-757.5**
NON-CURRENT LIABILITIES		**175,387.4**	**204,810.2**	**207,885.7**
Borrowings	23	78,819.5	85,734.6	90,986.6
Lease liabilities	18, 23	38,329.3	44,939.7	56,314.9
Other financial liabilities	23	6,653.1	7,188.8	3,378.5
Provisions	24	6,518.9	5,899.2	5,015.4
Employment benefit obligations	25	37,400.2	57,781.6	47,762.9
Deferred tax liability	14	5,315.6	1,057.5	2,012.2
Other non-current liabilities		2,350.8	2,208.8	2,415.1
CURRENT LIABILITIES		**217,827.9**	**166,054.6**	**183,257.0**
Borrowings	23	204.9	5,278.2	6,231.6
Lease liabilities	18, 23	18,650.6	17,397.1	19,501.2
Other financial liabilities	23	989.2	2,055.0	378.9
Provisions	24	0.0	0.0	7,930.3
Trade and other payables	26	182,946.1	136,166.6	142,691.1
Funds held for clients		1,162.4	1,106.1	1,105.5
Current tax liabilities	14	4,804.6	4,051.6	5,418.6
Liabilities classified as held for sale	7	9,070.2	0.0	0.0
TOTAL EQUITY & LIABILITIES		**856,486.3**	**759,467.3**	**781,240.8**

D. Consolidated Statement of Cash Flow

Amounts in thousand €	Note	31/12/2021	31/12/2020
CASH FLOW FROM OPERATING ACTIVITIES			
PROFIT FOR THE YEAR		**46,805.2**	**24,091.7**
Adjustments for:			
Income tax expense recognised in profit and loss		2,663.4	10,074.0
Depreciations, amortizations and impairments		49,045.4	48,584.0
(Gain)/loss on disposal of intangibles and PPE		197.0	43.0
Impairment loss/(reversal) recognised on receivables		836.5	2,616.0
Increase/(decrease) of provisions		1,036.7	-3,627.8
Net financing (income)/cost		6,417.9	8,830.4
Change in employee benefit obligation		16,774.3	10,742.7
Share of (profit)/loss of associates		-120.3	-85.2
Unrealized exchange rate differences		742.7	-618.0
Other adjustments		-243.1	19.0
Change working capital			
Decrease/(Increase) in trade and other receivables		-13,117.0	5,346.0
(Decrease)/ Increase in trade and other payables		15,149.8	-4,092.1
Decrease/(Increase) in other items		9,958.1	-4,486.8
Other items			
Use of provisions	24	-1,537.9	-4,756.8
Contribution to pensions	25	-12,626.6	-7,733.0
Income tax (paid)/received		-14,728.8	-15,719.0
CASH FLOW FROM OPERATING ACTIVITIES		**107,253.3**	**69,227.9**

Amounts in thousand €	Note	31/12/2021	31/12/2020
CASH FLOW FROM INVESTING ACTIVITIES			
Purchases of intangibles and PPE	16, 17	-36,677.0	-29,832.3
Proceeds from sale of intangibles and PPE	16, 17	0.0	26.0
Government grants obtained		0.0	600.0
Purchases financial assets		-2,234.5	-353.0
Proceeds from sale of financial assets		0.0	66,676.4
Interest received		139.7	50.0
Dividends received		85.7	64.0
Repayment of loans granted		-100.0	0.0
Proceeds from loans granted		200.0	1,370.0
Net cash outflow on acquisition of subsidiaries	5, 23	-130,035.2	-11,463.9
Net cash inflow on disposal of subsidiaries		0.0	1,273.7
CASH FLOW FROM INVESTING ACTIVITIES		**-168,621.2**	**28,410.9**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings	23	115,000.0	125,000.0
Repayment of borrowings	23	-133,919.7	-131,258.0
Repayment of lease liabilities	18, 23	-26,457.0	-19,558.6
Proceeds from capital increase	21	3,921.7	1,388.0
Repayment of capital	21	0.0	-10,000.0
Dividends paid		-55.0	0.0
Interest paid	23	-5,242.3	-5,591.4
Payment for debt issue costs		0.0	0.0
CASH FLOW FROM FINANCING ACTIVITIES		**-46,752.3**	**-40,020.0**
TOTAL INCREASE/(DECREASE) IN CASH		**-108,120.3**	**57,618.9**
TOTAL CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**172,385.8**	**115,243.9**
Total increase/(decrease) in cash		-108,120.3	57,618.9
Impact exchange differences		220.3	-467.5
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**64,485.9**	**172,395.3**
Of which:			
Cash deposits > 3 months, included in other current financial assets	19	0.0	50,022.4
Cash and cash equivalents	23	64,485.9	122,372.8

E. Consolidated Statement of Changes in Equity

Amounts in thousand €

	ATTRIBUTABLE TO THE OWNERS OF SD WORX						NON-CONTROLLING INTERESTS	TOTAL EQUITY
	Issued capital	Share premium	Currency translation reserve	Other reserves	Accumulated losses	TOTAL		
BALANCE PER JANUARY 1ST, 2020	**601,244.0**	**0.8**	**0.0**	**3,462.7**	**-213,852.0**	**390,855.5**	**-757.5**	**390,098.0**
Profit for the year					24,053.8	24,053.8	38.0	24,091.7
Other comprehensive income/(loss) for the year, net of tax			-4,279.7	-9,049.4	2,016.0	-11,313.1	0.0	-11,313.1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX			**-4,279.7**	**-9,049.4**	**26,069.8**	**12,740.6**	**38.0**	**12,778.6**
Capital increase	1,388.0	0.0				1,388.0		1,388.0
Repayments of equity and share capital	-10,000.0					-10,000.0		-10,000.0
Transactions with non-controlling interests					-7,238.0	-7,238.0	821.3	-6,416.7
Non-controlling interests on business combinations						0.0		0.0
Share based payments				2,918.5	-2,110.7	807.8		807.8
Other		-0.6	6.9		-17.2	-10.9	-42.3	-53.2
TOTAL TRANSACTIONS WITH OWNERS	**-8,612.0**	**-0.6**	**6.9**	**2,918.5**	**-9,365.9**	**-15,053.2**	**779.0**	**-14,274.2**
BALANCE PER DECEMBER 31ST, 2020	**592,632.0**	**0.2**	**-4,272.8**	**-2,668.2**	**-197,148.2**	**388,543.0**	**59.5**	**388,602.5**

E. Consolidated Statement of Changes in Equity

Amounts in thousand €

	ATTRIBUTABLE TO THE OWNERS OF SD WORX						NON-CONTROL-LING INTERESTS	TOTAL EQUITY
	Issued capital	Share premium	Currency translation reserve	Other reserves	Accumulated losses	TOTAL		
BALANCE PER JANUARY 1ST, 2021	**592,632.0**	**0.2**	**-4,272.8**	**-2,668.2**	**-197,148.2**	**388,543.0**	**59.5**	**388,602.5**
Profit for the year					46,674.1	46,674.1	131.2	46,805.2
Other comprehensive income/(loss) for the year, net of tax			2,723.9	24,826.4	-5,830.3	21,719.9	0.0	21,719.9
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX			**2,723.9**	**24,826.4**	**40,843.7**	**68,393.9**	**131.2**	**68,525.1**
Capital increase	3,921.7					3,921.7		3,921.7
Repayments of equity and share capital						0.0		0.0
Transactions with non-controlling interests					-215.8	-215.8	-26,9	-242.7
Dividend distribution					-55.0	-55.0		-55.0
Non-controlling interests on business combinations						0.0	113.1	113.1
Share based payments				1,960.1	471.0	2,431.1		2,431.1
Other		0.7		-1.7	-1.0	-1.9	-22.9	-24.8
TOTAL TRANSACTIONS WITH OWNERS	**3,921.7**	**0.7**	**0.0**	1,958.4	199.3	6,080.1	63.3	6,143.4
BALANCE PER DECEMBER 31ST, 2020	**596,553.6**	**0.9**	**-1,549.0**	**24,116.6**	**-156,105.2**	**463,017.0**	**254.0**	**463,270.9**

Note 1. General information

SD Worx NV (the "Company") is a limited liability company (naamloze vennootschap / société anonyme) incorporated in Belgium. The registered office is located at Brouwersvliet 2, 2000 Antwerp, Belgium. SD Worx NV is the holding company of the SD Worx group, which is structured in two sub-groups:

- SD Worx People Solutions provides services in the areas of payroll, HR (including HR administration), workforce management, legal support, training, automation, HR consultancy and outsourcing; and
- SD Worx Staffing & Career Solutions is active in the areas of flexible work, temporary work, secondment, recruitment & selection, career guidance, outplacement, specific payroll for temporary workers and consultancy.

The consolidated financial statements of the Company include SD Worx NV, its two sub-groups and their subsidiaries (hereafter "the Group") for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on 25 April 2022.

Note 2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below.

2.1. Basis of preparation

The Group's consolidated financial statements for the year ended 31 December 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

The consolidated financial statements provide comparative information in respect of the previous period. An additional statement of financial position as at 1 January 2020 is presented in these consolidated financial statements due to the first time adoption of IFRS (refer to note 2.3.A for further information on the remeasurements following the first time adoption). The consolidated financial statements are presented in euro, which is the parent company's functional currency, and are presented in thousands, except when otherwise indicated. They are prepared on the historical cost basis except for derivative financial instruments that have been measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 Share based payments, leasing transactions that are within the scope of IFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

2.2. Basis of consolidation

A. Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities directly or indirectly controlled by the Company. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Company controls an investee if, and only if, the Company has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Company loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value in accordance with IFRS 9 Financial Instruments.

B. Equity accounted investees

Equity-accounted investees include associates. An associate is an entity over which the Group has significant influence and that is not a subsidiary. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

In its consolidated financial statements, the Group uses the equity method of accounting for investments in associates. Under the equity method, the investment is initially recognised at cost in the consolidated statement of financial position and adjusted thereafter to recognise the Group's share of the profit or loss of the associate and other comprehensive income of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included in the carrying amount of the investment.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.3. Changes in accounting policies and disclosures

A. First time adoption of IFRS

For all periods up to and including the year ended 31 December 2020, the Group prepared its financial statements in accordance with Belgian Generally Accepted Accounting Principles ("BE GAAP"). Accordingly, the Group has prepared these consolidated financial statements that comply with IFRS applicable as at 31 December 2021, together with the comparative period data. In preparing the consolidated financial statements, the Group's opening statement of financial position was prepared as at 1 January 2020, the Group's date of transition to IFRS.

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS. The Group has applied the following exemptions:

- IFRS 3 Business Combinations has not been applied to acquisitions of subsidiaries that are considered businesses under IFRS that occurred before 1 January 2020. Use of this exemption means that the BE GAAP carrying amounts of assets and liabilities, that are required to be recognised under IFRS, are their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with IFRS. Assets and liabilities that do not qualify for recognition under IFRS are excluded from the opening IFRS statement of financial position. The Group did not recognise any assets or liabilities that were not recognised under BE GAAP or exclude any previously recognised amounts as a result of IFRS recognition requirements.
- Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1 January 2020.
- The Group assessed all contracts existing at 1 January 2020 to determine whether a contract contains a lease based upon the conditions in place as at 1 January 2020.
- Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at 1 January 2020. Right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 January 2020.

The schedules provided below provide an overview of the remeasurements following the first time adoption of IFRS. These remeasurements have been determined by applying the accounting policies as included in note 2.4.

A.1 Consolidated Statement of Financial Position at 1 January 2020

Amounts in thousand €	1 January 2020 BE GAAP	Remeasurements IFRS 1 First time adoption	Remeasurements IFRS 15 Revenue recognition	Remeasurements IFRS 16 Lease accounting	Remeasurements IFRS 9 Fair value	Remeasurements IAS 20 Government grants	Remeasurements IAS 38 Intangible assets	Remeasurements IAS 12 Income taxes	1 January 2020 IFRS
NON-CURRENT ASSETS	**349,664.9**	**-1,935.0**	**1,801.0**	**75,384.4**	**0.0**	**-1,122.5**	**-3,105.0**	**816.8**	**421,504.6**
Formation expenses	1,935.0	-1,935.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Goodwill	222,222.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	222,222.6
Intangible assets	34,638.6	0.0	0.0	0.0	0.0	-1,122.5	-3,105.0	0.0	30,411.1
Property, plant and equipment	60,648.9	0.0	0.0	-114.0	0.0	0.0	0.0	0.0	60,534.9
Right of use assets	-0.4	0.0	0.0	75,498.4	0.0	0.0	0.0	0.0	75,498.0
Investments in associates and joint ventures	280.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	280.0
Financial assets	2,823.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,823.9
Other Non-Current Assets	11,117.3	0.0	1,801.0	0.0	0.0	0.0	0.0	0.0	12,918.3
Deferred tax assets	15,999.1	0.0	0.0	0.0	0.0	0.0	0.0	816.8	16,815.8
CURRENT ASSETS	**350,489.9**	**0.0**	**10.3**	**-472.1**	**9,708.0**	**0.0**	**0.0**	**0.0**	**359,736.2**
Inventories	476.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	476.9
Trade and other receivables	168,582.0	0.0	10.3	-472.1	0.0	0.0	0.0	0.0	168,120.2
Current income taxes	4,662.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4,662.0
Other financial receivables	60,420.2	0.0	0.0	0.0	9,708.0	0.0	0.0	0.0	70,128.2
Cash and cash equivalents	115,243.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	115,243.4
Funds held for clients	1,105.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,105.5
TOTAL ASSETS	**700,154.8**	**-1,935.0**	**1,811.3**	**74,912.3**	**9,708.0**	**-1,122.5**	**-3,105.0**	**816.8**	**781,240.8**

A.1 Consolidated Statement of Financial Position at 1 January 2020

Amounts in thousand €

		Remeasurements			
	1 January 2020 BE GAAP	IFRS 1 First time adoption	IFRS 15 Revenue recognition	IFRS 16 Lease accounting	IAS 19 Employee benefits
EQUITY	**389,292.3**	**0.0**	**-590.7**	**1,309.8**	**-579.4**
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**390,049.8**	**0.0**	**-590.7**	**1,309.8**	**-579.4**
Capital	601,244.0	0.0	0.0	0.0	0.0
Share premium	0.8	0.0	0.0	0.0	0.0
Currency translation reserve	-7,348.9	7,348.9	0.0	0.0	0.0
Other reserves	1,338.1	0.0	0.0	0.0	-579.4
Accumulated losses	-205,184.2	-7,348.9	-590.7	1,309.8	0.0
NON-CONTROLLING INTERESTS	**-757.5**	**0.0**	**0.0**	**0.0**	**0.0**
NON-CURRENT LIABILITIES	**148,470.6**	**-1,895.0**	**1,951.1**	**56,314.9**	**579.4**
Borrowings	92,881.6	-1,895.0	0.0	0.0	0.0
Lease liabilities	0.0	0.0	0.0	56,314.9	0.0
Other financial liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	7,784.2	0.0	0.0	0.0	0.0
Employment benefit obligations	47,183.5	0.0	0.0	0.0	579.4
Deferred tax liability	157.1	0.0	0.0	0.0	0.0
Other non-current liabilities	464.1	0.0	1,951.1	0.0	0.0
CURRENT LIABILITIES	**162,391.9**	**0.0**	**451.0**	**17,287.7**	**0.0**
Borrowings	6,231.6	0.0	0.0	0.0	0.0
Lease liabilities	0.0	0.0	0.0	19,501.2	0.0
Other financial liabilities	2.4	0.0	0.0	0.0	0.0
Provisions	7,930.3	0.0	0.0	0.0	0.0
Trade and other payables	144,453.7	0.0	451.0	-2,213.6	0.0
Funds held for clients	1,105.5	0.0	0.0	0.0	0.0
Current tax liabilities	2,668.5	0.0	0.0	0.0	0.0
TOTAL EQUITY & LIABILITIES	**700,154.8**	**-1,895.0**	**1,811.3**	**74,912.3**	**0.0**

	Remeasurements							
	IFRS 3 Business combinations	IFRS 9 Fair value	IAS 20 Government grants	IAS 37 Provisions	IAS 38 Intangible assets	IFRS 2 Share based payments	IAS 12 Income taxes	1 January 2020 IFRS
EQUITY	**-3,755.0**	**9,708.0**	**-1,122.5**	**588.9**	**-3,145.0**	**2,179.9**	**-3,788.4**	**390,098.0**
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**-3,755.0**	**9,708.0**	**-1,122.5**	**588.9**	**-3,145.0**	**2,179.9**	**-3,788.4**	**390,855.5**
Capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	601,244.0
Share premium	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8
Currency translation reserve	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other reserves	0.0	0.0	0.0	0.0	0.0	2,704.0	0.0	3,462.7
Accumulated losses	-3,755.0	9,708.0	-1,122.5	588.9	-3,145.0	-524.1	-3,788.4	-213,852.0
NON-CONTROLLING INTERESTS	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**-757.5**
NON-CURRENT LIABILITIES	**3,378.5**	**0.0**	**0.0**	**-588.9**	**0.0**	**-2,179.9**	**1,855.1**	**207,885.7**
Borrowings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	90,986.6
Lease liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	56,314.9
Other financial liabilities	3,378.5	0.0	0.0	0.0	0.0	0.0	0.0	3,378.5
Provisions	0.0	0.0	0.0	-588.9	0.0	-2,179.9	0.0	5,015.4
Employment benefit obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	47,762.9
Deferred tax liability	0.0	0.0	0.0	0.0	0.0	0.0	1,855.1	2,012.2
Other non-current liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,415.1
CURRENT LIABILITIES	**376.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**2,750.0**	**183,257.0**
Borrowings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6,231.6
Lease liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	19,501.2
Other financial liabilities	376.5	0.0	0.0	0.0	0.0	0.0	0.0	378.9
Provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7,930.3
Trade and other payables	0.0	0.0	0.0	0.0	0.0	0.0	0.0	142,691.1
Funds held for clients	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,105.5
Current tax liabilities	0.0	0.0	0.0	0.0	0.0	0.0	2,750.0	5,418.6
TOTAL EQUITY & LIABILITIES	**0.0**	**9,708.0**	**-1,122.5**	**0.0**	**-3,145.0**	**0.0**	**816.7**	**781,240.8**

A.2 Consolidated Statement of Financial Position at 31 December 2020

Amounts in thousand €		Remeasurements				Remeasurements				
	31 December 2020 BE GAAP	IFRS 1 First time adoption	IFRS 15 Revenue recognition	IFRS 16 Lease accounting	IAS 19 Employee benefits	IFRS 3 Business combinations	IAS 20 Government grants	IAS 38 Intangible assets	IAS 12 Income taxes	31 December 2020 IFRS
NON-CURRENT ASSETS	**342,167.1**	**22,319.0**	**611.6**	**60,845.6**	**1,716.3**	**-6,827.2**	**-3,090.6**	**-5,140.4**	**855.3**	**413,456.6**
Formation expenses	1,603.0	-1,603.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Goodwill	204,903.8	24,092.0	0.0	0.0	0.0	-9,273.1	0.0	0.0	0.0	219,722.6
Intangible assets	50,840.8	-170.0	0.0	0.0	0.0	2,445.9	-3,090.6	-5,140.4	0.0	44,885.7
Property, plant and equipment	56,388.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	56,388.8
Right of use assets	0.0	0.0	0.0	60,845.6	0.0	0.0	0.0	0.0	0.0	60,845.6
Investments in associates and joint ventures	365.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	365.2
Financial assets	1,473.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,473.7
Other Non-Current Assets	7,688.9	0.0	611.6	0.0	1,716.3	0.0	0.0	0.0	0.0	10,016.8
Deferred tax assets	18,902.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	855.3	19,758.1
CURRENT ASSETS	**346,541.5**	**0.0**	**44.3**	**-575.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**346,010.6**
Inventories	472.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	472.8
Trade and other receivables	163,982.3	0.0	44.3	-575.2	0.0	0.0	0.0	0.0	0.0	163,451.4
Current income taxes	7,765.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7,765.8
Other financial receivables	50,841.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	50,841.8
Cash and cash equivalents	122,372.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	122,372.8
Funds held for clients	1,106.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,106.1
TOTAL ASSETS	**688,708.7**	**22,319.0**	**655.9**	**60,270.5**	**1,716.3**	**-6,827.2**	**-3,090.6**	**-5,140.4**	**855.3**	**759,467.3**

A.2 Consolidated Statement of Financial Position at 31 December 2020

Amounts in thousand €

		Remeasurements										
	31 December 2020 BE GAAP	IFRS 1 First time adoption	IFRS 15 Revenue recognition	IFRS 16 Lease accounting	IAS 19 Employee benefits	IFRS 3 Business combinations	IAS 20 Government grants	IAS 37 Provisions	IAS 38 Intangible assets	IFRS 2 Share based payments	IAS 12 Income taxes	31 December 2020 IFRS
EQUITY	**380,203.2**	**23,897.3**	**-1,976.7**	**679.8**	**-622.7**	**-13,193.1**	**-3,090.6**	**4,947.6**	**-5,140.4**	**2,978.2**	**-80.1**	**388,602.5**
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**380,143.7**	**23,897.3**	**-1,976.7**	**679.8**	**-622.7**	**-13,193.1**	**-3,090.6**	**4,947.6**	**-5,140.4**	**2,978.2**	-80.1	388,543.0
Issued capital	592,632.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	592,632.0
Share premium	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Currency translation reserve	-11,581.3	7,348.9	0.0	-40.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-4,272.8
Other reserves	1,861.7	0.0	0.0	0.0	-8,172.5	0.0	0.0	0.0	0.0	3,642.6	0.0	-2,668.2
Accumulated losses	-203,368.9	16,548.4	-1,976.7	720.3	7,549.7	-13,193.1	-2,490.6	4,947.6	-5,140.4	-664.3	-80.1	-197,148.2
Capital grants	600.0	0.0	0.0	0.0	0.0	0.0	-600.0	0.0	0.0	0.0	0.0	0.0
NON-CONTROLLING INTERESTS	**59.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**59.5**
NON-CURRENT LIABILITIES	**157,270.8**	**-1,578.0**	**1,674.8**	**44,738.3**	**2,339.3**	**4,312.4**	**0.0**	**-1,259.8**	**0.0**	**-2,978.2**	**290.6**	**204,810.2**
Borrowings	90,845.5	-1,578.0	0.0	0.0	0.0	0.0	-3,532.9	0.0	0.0	0.0	0.0	85,734.6
Lease liabilities	0.0	0.0	0.0	44,939.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	44,939.7
Other financial liabilities	0.0	0.0	0.0	0.0	0.0	3,655.9	3,532.9	0.0	0.0	0.0	0.0	7,188.8
Provisions	10,338.6	0.0	0.0	-201.4	0.0	0.0	0.0	-1,259.8	0.0	-2,978.2	0.0	5,899.2
Employment benefit obligations	55,442.4	0.0	0.0	0.0	2,339.3	0.0	0.0	0.0	0.0	0.0	0.0	57,781.6
Deferred tax liability	110.4	0.0	0.0	0.0	0.0	656.5	0.0	0.0	0.0	0.0	290.6	1,057.5
Other non-current liabilities	534.0	0.0	1,674.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,208.8
CURRENT LIABILITIES	**151,234.6**	**0.0**	**958.3**	**14,852.7**	**0.0**	**2,053.5**	**0.0**	**-3,687.8**	**0.0**	**0.0**	**643.2**	**166,054.6**
Borrowings	5,278.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5,278.2
Lease liabilities	0.0	0.0	0.0	17,397.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	17,397.1
Other financial liabilities	1.5	0.0	0.0	0.0	0.0	2,053.5	0.0	0.0	0.0	0.0	0.0	2,055.0
Provisions	1,068.0	0.0	0.0	0.0	0.0	0.0	0.0	-1,068.0	0.0	0.0	0.0	0.0
Trade and other payables	140,372.4	0.0	958.3	-2,544.4	0.0	0.0	0.0	-2,619.8	0.0	0.0	0.0	136,166.6
Funds held for clients	1,106.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,106.1
Current tax liabilities	3,408.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	643.2	4,051.6
TOTAL EQUITY & LIABILITIES	**688,708.7**	**22,319.3**	**656.5**	**60,270.8**	**1,716.5**	**-6,827.2**	**-3,090.6**	**0.0**	**-5,140.4**	**0.0**	**853.7**	**759,467.3**

A.3 Consolidated Statement of profit and loss for the year ended 31 December 2020

Amounts in thousand €		Remeasurements						Remeasurements					
	31 December 2020 BE GAAP	**IFRS 1 First time adoption**	**IFRS 15 Revenue recognition**	**IFRS 16 Lease accounting**	**IAS 19 Employee benefits**	**IFRS 3 Business combinations**	**IFRS 9 Fair value**	**IAS 20 Government grants**	**IAS 37 Provisions**	**IAS 38 Intangible assets**	**IFRS 2 Share based payments**	**IAS 12 Income taxes**	**31 December 2020 IFRS**
REVENUE	**743,318.3**	**30.0**	**150.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**743,498.2**
Services and other goods	-198,794.6	63,245.0	0.0	13,411.9	0.0	145.8	0.0	0.0	3,950.2	0.0	0.0	0.0	-118,041.8
Employee benefit expenses	-485,279.2	-59,816.3	-1,631.5	7,786.1	9,047.3	0.0	0.0	0.0	467.0	-3,084.0	-2.5	0.0	-532,513.0
Other operating expenses	-6,593.1	0.0	0.0	1.3	0.0	0.0	0.0	0.0	-58.5	0.0	0.0	0.0	-6,650.3
Other operating income	20,446.5	-15,488.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4,958.2
Depreciation and amortisation expenses	-52,555.3	32,762.3	0.0	-19,351.5	0.0	-505.1	0.0	224.5	0.0	1,108.6	0.0	0.0	-38,316.6
Operational FX differences	-0.3	-4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-4.3
Impairment of assets	-688.5	-8,760.0	0.0	-819.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-10,267.5
Da Vinci	-11,780.3	11,780.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total net operating costs	*-735,244.9*	*23,719.1*	*-1,631.5*	*1,028.8*	*9,047.3*	*-359.3*	*0.0*	*224.5*	*4,358.7*	*-1,975.4*	*-2.5*	*0.0*	*-700,835.2*
OPERATING PROFIT	**8,073.4**	**23,749.1**	**-1,481.5**	**1,028.8**	**9,047.3**	**-359.3**	0.0	**224.5**	**4,358.7**	**-1,975.4**	**-2.5**	**0.0**	**42,663.0**
Finance costs net	2,554.6	210.2	0.0	-1,639.4	0.0	0.0	-9,708.0	0.0	0.0	0.0	0.0	0.0	-8,582.6
Share in the results of investments in associates and joint ventures (equity method)	85.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	85.2
PROFIT BEFORE INCOME TAX	**10,713.2**	**23,959.3**	**-1,481.5**	**-610.6**	**9,047.3**	**-359.3**	**-9,708.0**	**224.5**	**4,358.7**	**-1,975.4**	**-2.5**	**0.0**	**34,165.7**
Income taxes	-10,170.7	0.0	0.0	0.0	-1,522.6	131.5	0.0	-1,592.6	0.0	0.0	0.0	3,080.5	-10,074.0
PROFIT FOR THE PERIOD	**542.5**	**23,959.3**	**-1,481.5**	**-610.6**	**7,524.7**	**-227.8**	**-9,708.0**	**-1,368.1**	**4,358.7**	**-1,975.4**	**-2.5**	**3,080.5**	**24,091.7**

A.4 Consolidated Statement of Cash Flow for the year ended 31 December 2020

Amounts in thousand €

		Remeasurements			
	31 December 2020 BE GAAP	IFRS 1 First time adoption	IFRS 15 Revenue recognition	IFRS 16 Lease accounting	IAS 19 Employee benefits
CASH FLOW FROM OPERATING ACTIVITIES					
PROFIT FOR THE YEAR	**542.5**	**23,959.3**	**-1,481.5**	**-610.6**	**7,524.7**
Adjustments for:					
Income tax expense recognised in profit and loss	10,170.7	0.0	0.0	0.0	1,522.6
Depreciations, amortizations and impairments	53,243.8	-23,959.3	0.0	20,170.5	0.0
(Gain)/loss on disposal of intangibles and PPE	43.0	0.0	0.0	0.0	0.0
Impairment loss/(reversal) recognised on receivables	2,616.0	0.0	0.0	0.0	0.0
Increase/(decrease) of provisions	730.8	0.0	0.0	0.0	0.0
Net financing (income)/cost	-1,719.0	0.0	0.0	1,639.4	-798.0
Change in employee benefit obligation	18,992.0	0.0	0.0	0.0	-8,249.3
Share of (profit) / loss of associates	-85.2	0.0	0.0	0.0	0.0
Unrealized exchange rate differences	-618.0	0.0	0.0	0.0	0.0
Other adjustments	19.0	0.0	0.0	0.0	0.0
Change working capital					
Decrease/(Increase) in trade and other receivables	3,864.4	0.0	1,481.5	0.0	0.0
(Decrease)/ Increase in trade and other payables	-4,092.1	0.0	0.0	0.0	0.0
Decrease/(Increase) in other items	-4,566.4	225.4	0.0	0.0	0.0
Other items					
Use of provisions	-4,756.8	0.0	0.0	0.0	0.0
Contribution to pensions	-7,733.0	0.0	0.0	0.0	0.0
Income tax paid	-15,719.0	0.0	0.0	0.0	0.0
CASH FLOW FROM OPERATING ACTIVITIES	**50,932.7**	**225.4**	**0.0**	**21,199.3**	**0.0**

	Remeasurements							
	IFRS 3 Business combinations	IFRS 9 Fair value	IAS 20 Government grants	IAS 37 Provisions	IAS 38 Intangible assets	IFRS 2 Share based payments	IAS 12 Income taxes	31 December 2020 IFRS
CASH FLOW FROM OPERATING ACTIVITIES								
PROFIT FOR THE YEAR	**-227.8**	**-9,708.0**	**-1,368.1**	**4,358.7**	**-1,975.4**	**-2.5**	**3,080.5**	**24,091.7**
Adjustments for:								
Income tax expense recognised in profit and loss	-131.5	0.0	1,592.6	0.0	0.0	0.0	-3,080.5	10,074.0
Depreciations, amortizations and impairments	505.1	0.0	-224.5	0.0	-1,151.6	0.0	0.0	48,584.0
(Gain)/loss on disposal of intangibles and PPE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	43.0
Impairment loss/(reversal) recognised on receivables	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,616.0
Increase/(decrease) of provisions	0.0	0.0	0.0	-4,358.7	0.0	0.0	0.0	-3,627.8
Net financing (income)/cost	0.0	9,708.0	0.0	0.0	0.0	0.0	0.0	8,830.4
Change in employee benefit obligation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10,742.7
Share of (profit) / loss of associates	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-85.2
Unrealized exchange rate differences	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-618.0
Other adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	19.0
Change working capital								
Decrease/(Increase) in trade and other receivables	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5,346.0
(Decrease)/ Increase in trade and other payables	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-4,092.1
Decrease/(Increase) in other items	-145.8	0.0	0.0	0.0	0.0	0.0	0.0	-4,486.8
Other items								
Use of provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-4,756.8
Contribution to pensions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-7,733.0
Income tax paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-15,719.0
CASH FLOW FROM OPERATING ACTIVITIES	**0.0**	**0.0**	**0.0**	**0.0**	**-3,127.0**	**-2.5**	**0.0**	**69,227.9**

A.4 Consolidated Statement of Cash Flow for the year ended 31 December 2020

Amounts in thousand €

	31 December 2020 BE GAAP	IFRS 1 First time adoption	IFRS 15 Revenue recognition	IFRS 16 Lease accounting	IAS 19 Employee benefits	IFRS 3 Business combinations	IFRS 9 Fair value	IAS 20 Government grants	IAS 37 Provisions	IAS 38 Intangible assets	IFRS 2 Share based payments	IAS 12 Income taxes	31 December 2020 IFRS
CASH FLOW FROM OPERATING ACTIVITIES	**50,932.7**	**225.4**	**0.0**	**21,199.3**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**-3,127.0**	**-2.5**	**0.0**	**69,227.9**
Cash flow from investing activities													
Purchases of intangibles and PPE	-32,720.0	-196.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3,084.0	0.0	0.0	-29,832.2
Proceeds from sale of intangibles and PPE	26.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26.0
Government grants obtained	600.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	600.0
Purchases financial assets	-353.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-353.0
Proceeds from sale of financial assets	66,997.0	-320.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	66,676.4
Interest received	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	50.0
Dividends received	64.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	64.0
Proceeds from repayment of loans granted	1,370.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,370.0
Net cash outflow on acquisition of subsidiaries	-11,463.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-11,463.9
Net cash inflow on disposal of subsidiaries	1,273.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,273.7
CASH FLOW FROM INVESTING ACTIVITIES	**25,843.8**	**-516.8**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**3,084.0**	**0.0**	**0.0**	**28,411.0**
Cash flow from financing activities													
Proceeds from borrowings	125,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	125,000.0
Repayment of borrowings	-131,258.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-131,258.0
Repayment of lease liabilities	0.0	0.0	0.0	-19,558.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-19,558.6
Proceeds from capital increase	1,388.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,388.0
Repayment of capital	-10,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-10,000.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest paid	-3,952.0	0.0	0.0	-1,639.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-5,591.4
Payment for debt issue costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CASH FLOW FROM FINANCING ACTIVITIES	**-18,822.0**	**0.0**	**0.0**	**-21,198.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**-40,020.0**
TOTAL INCREASE/(DECREASE) IN CASH	**57,954.5**	**-291.4**	**0.0**	**1.3**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**-43.0**	**-2.5**	**0.0**	**57,618.9**
TOTAL CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**115,243.9**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**115,243.9**
Total increase/(decrease) in cash	57,954.5	-291.4	0.0	1.3	0.0	0.0	0.0	0.0	0.0	-43.0	-2.5	0.0	57,618.9
Impact exchange differences	-513.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	43.0	2.5	0.0	-467.5
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**172,685.4**	**-291.4**	**0.0**	**1.3**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**172,395.3**

A.5 Narrative explanation on the remeasurements

The header includes mainly reclassifications following the different treatment of elements between BE GAAP and IFRS. Reclassifications relate to transaction costs relating to the issuance of debt instruments which were previously presented as Formation expenses and under IFRS are deducted from the proceeds following the issuance of the debt instrument.

In addition the amount recognized as goodwill at the date of transaction has been fixed and any goodwill amortizations have been excluded from the statement of profit and loss as goodwill is not amortized under application of IFRS. Nevertheless, the Group recognized in the statement of profit and loss an impairment loss at 31 December 2020 due to the general decline in economic conditions during the outbreak of COVID-19. This impairment loss has been adjusted to reflect the depreciations which were reversed with regards to the related goodwill.

Finally, under BE GAAP, the Group recognised translation differences on foreign operations in a separate component of equity. Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1 January 2020. The resulting adjustment was recognised against accumulated losses.

IFRS 15 – Revenue recognition

Under BE GAAP, the Group previously only considered whether services were distinct in the contract to determine separate performance obligations and accounted for them accordingly. Under IFRS, as explained in the accounting policies, the Group also assesses the different revenue streams and whether the services stipulated in the contract are capable of being distinct in order to determine the performance obligations. As a result of this analysis, implementation services relating to software developed by the Group are no longer always considered distinct services and, when applicable, are grouped with the other services in the contract as a single performance obligation. In the related case, implementation related revenues and costs are deferred until the go-live date of the project which is typically the date at which the client starts benefitting from the services offered.

IFRS 16 – Leases

Under BE GAAP, a lease is classified as a finance lease or an operating lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term. Under IFRS, as explained in the accounting policies, a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets and recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the date of transition to IFRS, the Group applied the transitional provision and measured lease liabilities at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate at the date of transition to IFRS. Right-of-use assets were measured at the amount equal to the lease liabilities adjusted by the amount of any prepaid or accrued lease payments.

IAS 19 – Employee benefits

Under BE GAAP, the Group recognised costs relating to the Belgian pension plan with a guaranteed WAP return, as well as the French retirement obligation on a cash basis. Under IFRS, these plans are recognized as defined benefit plan obligations and are measured using the projected unit credit method.

IFRS 3 – Business combinations

In the course of 2020, the Group obtained control over PointLogic and Adessa. Under BE GAAP, the Group did not measure the assets acquired and the liabilities assumed through a purchase price accounting process. As both acquisitions are considered business combinations under IFRS, the Group has reevaluated the measurement of the assets acquired and liabilities assumed in line with IFRS. As such, the purchase price has been allocated to intangible assets (customer contracts, internally generated software and trade name) and liabilities related to earn-outs were recognised to the extent that their settlement was probable and the amounts could be measured reliably. Note 5 of these financial statements provides more detail with regards to the business combinations of the Group.

During 2020, the Group acquired additional interest in Globepayroll, a French software development company over which it exercised control at the date of transition to IFRS. Under BE GAAP, the additional interest was recognized as goodwill; under application of IFRS, the additional interest acquired does not qualify as a business combination, but as a change in ownership without a loss of control and was thus presented as an equity transaction.

IFRS 9 – Fair value

At 1 January 2020, the Group possessed an investment portfolio which was measured at cost under BE GAAP, resulting in a carrying value of thousand € 59,569.1. Under IFRS, the value of this asset was adjusted to its market value at the date of transition, which equaled thousand € 69,277.1. The investment portfolio was sold during the first six month period of the year ended 31 December 2020.

IAS 20 – Government grants

In the process of developing its software, the Group obtains various forms of government assistance which under BE GAAP were either recognized directly in equity and subsequently amortized in line with the amortizations of the assets to which they related, or recognized as deduction from current income tax expenses. Under IFRS, the related government grants are recognized as part of the cost to develop the related software and are hence presented net of the intangible asset to which they relate. Note 16 of these financial statements describes in more detail the different forms of government grants that the Group receives.

IAS 37 – Provisions

Under BE GAAP, a provision has been recorded for repair and maintenance as well as a provision relating to digital transformation initiatives. These provisions do not qualify for recognition as a liability according to IAS 37, and have been derecognised.

IAS 38 – Intangible assets

The Group uses several third party software solutions which qualify as cloud based solutions. Under BE GAAP, the cost incurred to implement these solutions is recognized as an intangible asset. Under IFRS, these assets do not qualify for recognition as the Group has no control over them.

IFRS 2 – Share based payments

Under BE GAAP, the accounting of the share-based payments depends on whether existing shares are used or new shares are issued to settle the transaction. For share-based payments by the issuance of new shares, no expense is recognized. When the transaction is settled using existing shares, a cost is recognized on a pro-rata basis for the difference between the exercise price at grant date and the estimated fair value at the exercise date.

Following the IFRS accounting principles, the existing share-based payment plans have been categorized as equity-settled plans. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, if any, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled share-based payment reserve.

IAS 12 – Income taxes

Following the adjustments made, as detailed above, the Group has remeasured the deferred tax assets and liabilities applying the tax rates enacted or substantively enacted at each balance sheet date. In addition, the Group has reassessed the tax positions throughout the different tax jurisdictions where it is currently active, and adjusted current income tax provisions, taking into account ongoing discussions with tax authorities at that time.

B.New and amended standards and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The Group intends to apply these standards and interpretations when applicable:

- Amendment to IFRS 16 Leases: COVID-19-Related Rent Concessions beyond 30 June 2021 (applicable for annual periods beginning on or after 1 April 2021)
- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use (applicable for annual periods beginning on or after 1 January 2022)
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts — Cost of Fulfilling a Contract (applicable for annual periods beginning on or after 1 January 2022)
- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework (applicable for annual periods beginning on or after 1 January 2022)
- Annual Improvements to IFRS Standards 2018–2020 (applicable for annual periods beginning on or after 1 January 2022, but not yet endorsed in the EU)
- IFRS 17 Insurance Contracts (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)

The above changes are not expected to have a significant effect on the Group.

2.4. Specific accounting policies

2.4.1. Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.4.2. Business combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Goodwill represents the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the fair value of the Group's share of the net identifiable assets acquired and liabilities assumed of the acquired subsidiary at the date of acquisition. Separately recognized goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The goodwill recognized in the statement of financial position is allocated to the aggregations of Cash Generating Units (CGUs), since this is the lowest level at which goodwill is monitored for internal management purposes and it is not possible to allocate goodwill to individual CGU's on a reasonable and non-arbitrary basis. These aggregations of CGUs are People Solutions and Staffing & Career Solutions.

2.4.3. Foreign currency transactions

Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates (functional currency). The euro is the presentation currency of the Group.

Transactions and balances

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date. Foreign exchange differences arising on translation are recognised in the statement of profit and loss. Non-monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction.

Foreign exchange gains and losses that relate to interest-bearing debts and cash and cash equivalents are presented in the statement of profit and loss within respectively Financial expenses or Financial income. All other foreign exchange gains and losses are presented as a separate line item in the statement of profit and loss.

Foreign operations

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into euro using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

2.4.4. Intangible assets

Intangible assets mainly concern software and the expected useful lives range from 3 to 5 years.

A. Intangible assets acquired separately or in the context of a business combination

Intangible assets are recognised if and only if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of that asset can be measured reliably. Intangible assets that are acquired separately are measured at cost less accumulated amortisation and accumulated impairment losses. The cost of a separately acquired intangible asset comprises its purchase price. Any directly attributable cost of preparing the asset for its intended use is also included in the cost of the intangible asset. Amortisation is recognised on a straight-line basis over the estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Recognition of costs in the carrying amount of an intangible asset ceases when the asset is in the condition necessary for it to be capable of operating in the manner intended by the Group.

Intangible assets acquired in a business combination are measured at cost at the date of acquisition. Subsequent to initial recognition, intangible assets acquired in a business combination are subject to amortisation and impairment test, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

B. Internally-generated intangible assets

To assess whether an internally generated intangible asset meets the criteria for recognition, the Group classifies the internal generation of assets into a research phase and a development phase. Expenditure on research is recognised as an expense when it is incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique projects controlled by the Group are recognized as intangible assets when the Group can demonstrate that the following criteria are met:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Management uses its judgement to assess whether the above conditions are met.

The cost of an internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria. The cost of an internally-generated intangible asset comprises all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by

management. After initial recognition, intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets are amortised
on a straight-line basis over their estimated useful life. Amortisation begins when the asset is capable of operating in the manner intended by management. Until that date intangible assets are tested for impairment on an annual basis.

C.Government grants

The Group obtains various forms of government assistance such as investment grants, R&D tax credits, … with regards to the intangible assets which it develops internally. These grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. The grant is presented net of the carrying amount of the intangible asset to which it relates and is subsequently recognized in profit or loss over the useful life of the depreciable asset by way of a reduced depreciation charge.

2.4.5. Property, plant and equipment

Property, plant and equipment are recognised as assets at acquisition or production cost if and only if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The cost of an item of property, plant and equipment comprises its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, together with the initial estimation of the costs of dismantling and removing the asset and restoring the site on which it is located, if applicable.

After initial recognition at historical cost, property, plant and equipment owned by the Group are depreciated using the straight-line method and are carried on the statement of financial position at cost less accumulated depreciation and impairment. Depreciation begins when the asset is capable of operating in the manner intended by management and is charged to profit or loss, unless it is included in the carrying amount of another asset. Land is not depreciated. The residual value and the useful life of property, plant and equipment are reviewed at least at the end of each reporting period. The depreciation method is also reviewed annually.

The expected useful lives for the main items of property, plant and equipment are as follows:

- Buildings: 20-33 years
- Leasehold improvements: over the period of the lease agreement (or the expected useful lives if lower)
- Plants, machinery & equipment: 3-5 years
- Office equipment & furniture: 3-10 years
- IT equipment: 3 to 5 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.4.6. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

A. Right-of-use-assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the duration of the contract.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

B. Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

C. Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value, which is defined as being less than € 5.000. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.4.7. Impairment of non-financial assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When applying the fair value less cost of disposal, the fair value is defined as the market price to sell the related asset or transfer the related liability in an at arm's length transaction, measured at the reporting date. The cost of disposal is deducted from the fair value and concerns costs other than those that have been recognized as a liability, such as (but not limited to) legal costs and non-refundable taxes.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

An impairment loss is recognised whenever recoverable amount is below carrying amount. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses for assets, excluding goodwill, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

2.4.8. Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash consist of cash and cash equivalents, as defined above, as well as mid-long deposits with a maturity date above three months which are considered an integral part of the Group's cash management.

2.4.9. Financial assets and liabilities

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial assets

Initial recognition and measurement

Investments in financial assets are divided into various categories. Classification of these investments depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Management determines the classification at the time of the purchase.

Purchase and sale of financial assets are recognized on the settlement date, which is the date an asset is delivered to or by the Group. In case of financial assets classified and measured at amortised cost, the cost also includes transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as either financial assets at amortised cost or financial assets at fair value through profit or loss.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes trade and other receivables, and non-current financial assets.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when the rights to receive cash flows from the asset have expired, or the Group has transferred substantially all the risks and rewards of the asset.

Impairment

The Group considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

B. Financial liabilities

Initial recognition and measurement

Initially, financial liabilities are measured at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and other financial liabilities.

Subsequent measurement
For purposes of subsequent measurement, financial liabilities are classified as either financial liabilities at amortised cost or financial liabilities at fair value through profit or loss.

Financial liabilities at amortised cost are subsequently measured using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any significant financial liability as at fair value through profit or loss.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

C. Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.4.10. Shareholder's equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

The Company recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Company. Under Belgian law, a distribution is authorised when it is approved by the shareholders. A corresponding amount is subsequently recognised directly in equity.

2.4.11. Income tax

The tax currently payable is based on taxable profit for the year, which differs from profit as reported in the statement of profit and loss because of temporary or permanent tax differences (items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible). Income tax for the current and prior periods is recognised as a liability to the extent that it has not yet been settled, and as an asset to the extent that the amounts already paid, exceed the amount due. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxes are recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and tax losses carried-forward to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and tax losses carried-forward can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of goodwill or assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates/laws that have been enacted or substantively enacted by the end of the reporting period. The measurement reflects the Group's expectations, at the end of the reporting period, as to the manner in which the carrying amount of its assets and liabilities will be recovered or settled.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Although the current and deferred tax assets and liabilities are separately recognised and measured, they are offset in the statement of financial position to the extent that the Group plans to settle the current tax asset and current tax liability on a net basis, when they relate to income taxes levied by the same taxation authority and the taxation authority permits the entity to make or receive a single net payment.

2.4.12. Share-based payments

A share-based payment is a transaction in which the Group receives goods or services either as consideration for its equity instruments or by incurring liabilities for amounts based on the price of the Group's shares or other equity instruments of the Group. The accounting for share-based payment transactions depends on how the transaction will be settled, that is, by the issuance of equity, cash, or both equity or cash.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, if any, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled share-based payment reserve.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is re-measured, with any changes in fair value recognised in profit or loss for the year.

2.4.13. Provisions

A provision is recognised when the Group has a present obligation (legal or constructive), at the end of the reporting period, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows when the effect of time value of money is material.

2.4.14. Employee benefits

The Group grants its employees post-employment benefits (pension plans, retirement indemnities, etc.) and other long-term benefits (e.g. long-service awards). For post-employment benefits, a distinction is made between defined benefit plans and defined contribution plans.

A. Post-employment benefits – Defined benefit plans

The obligations under defined-benefit plans are calculated by the projected unit credit method, which determines the present value of entitlements earned by employees at year-end under all types of plan, taking into consideration estimated future salary increases.

Such post-employment benefit obligations are measured using the following methods and main assumptions:

- retirement age, determined on the basis of the applicable rules for each plan, and the requirements to qualify for a full pension;
- career-end salary levels, with reference to employee seniority, projected salary levels at the time of retirement based on the expected effects of career advancement, and estimated trends in pension levels;
- forecast numbers of pensioners, determined based on employee turnover rates and applicable mortality tables;
- a discount rate that depends on the duration of the obligations, determined at the year-end date by reference to the market yield on high-quality corporate bonds or the rate on government bonds whose duration is coherent with the Group's commitments to employees.

The amount of the provision corresponds to the value of obligations less the fair value of the plan assets that cover those obligations.

Current service cost which is the actuarial cost of providing benefits in respect of service rendered is recognised as an expense in profit or loss for the current period.

Interest cost which arises as a result of the unwinding of the discount in the present value calculation is recognised in net finance cost in profit or loss for the current period. It is determined by multiplying the net defined benefit liability (asset) with the discount rate, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings (or accumulated losses) through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

B. Post-employment benefits – Defined contribution plans

With respect to defined contribution plans, the contributions payable are recognised when employees have rendered the related services. These related contributions are expensed as incurred. Any amount unpaid at the end of the period is recognised as a liability.

Following IAS 19R, defined contribution plans with a minimum funding guarantee are accounted for as defined benefit pension plans.

C. Other long-term benefits

Other long-term employee benefits, such as service awards, are also accounted for using the projected unit credit method. The accounting treatment is similar to the method applied for post-employment benefits.

D. Termination benefits

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

2.4.15. Revenue from contracts with customers

Revenue comprises the expected consideration for services rendered and goods sold during the year and is recognized when control over the promised goods and services is transferred to the customer. A performance obligation is a promise in a contract to transfer a distinct service to the customer. When the outcome of the contract cannot be measured reliably, revenue is recognized only to the extent that expenses incurred are eligible to be recovered. No revenue is recognized if it does not satisfy the "highly probable criterium".

SD Worx People Solutions provides services in the areas of payroll, HR (including HR administration), workforce management, legal support, training, automation, HR consultancy and outsourcing. SD Worx Staffing & Career Solutions is active in the areas of flexible work, temporary work, secondment, recruitment & selection, career guidance, outplacement, specific payroll for temporary workers and consultancy.

Revenue from contracts with customers is recognised when control of these services (and the related goods when applicable) are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services.

A. HR managed services

Revenue from HR managed services ranges from SaaS only to more complex managed services offerings. In addition within managed service offerings additional elements such as software, managed expenses and analytics services are typically offered. These revenues are recognized over time when the services are rendered.

These revenues can consist of a basic fixed fee and/or variable revenue based on a number of factors, such as number of employees, number of pay slips generated, number of expense reports produced, … As all the deliverables within the context of a contract are usually highly interdependent, they are deemed to be one performance obligation.

When the services provided relate to own developed software, the Group has assessed that any implementation services provided in connection to the contract do not qualify as a separate performance obligation as the client cannot benefit from the implementation services on a standalone basis (e.g. are not distinct within the context of the contract). Payments and receivables related to these implementation services are hence deferred along with associated costs until the go-live. The release of deferred implementation revenue and costs is recognised on a straight-line basis over the contract term. The adjusted revenue from the provision of services will be recognised over the period that the service for a performance obligation is provided.

The transaction price for the contract is determined as the sum of fixed considerations, expected monthly billing, less an estimate of volume discounts if any. Other variable items such as higher / lower employee numbers for PEPM charge (per employee per month amounts charged to customer), credits for service level, third party penalties or inflation increases are taken in the month they are received or incurred. Termination fees are taken at a point in time when the termination is complete.

The outright sale of third-party software under reseller agreements is a single performance obligation which is fulfilled at a point in time when the license ownership is transferred to the customer. Revenue arising from such contracts is recognised at this point.

B. Consulting and advisory services

The Group also enters into contracts with customers for installation, customisation, maintenance or other technical services or consultancy on third party software, and other advisory services. Each promise under these contracts is a separate performance obligation and revenue is recognised for such contracts on a time and material basis or percentage of completion method.

C. Staffing and Career services

Through the staffing and career services, the Group obtains revenue through temporary placements. The revenue for these contracts is recognized over time based on the number of hours worked, and includes the amounts received or receivable for the services delivered by the temporary workers, including their salary and salary-related employment costs (gross basis). The employment costs for these temporary workers are presented in the statement of profit and loss under staffing costs. Revenue from services rendered is recognized in the statement of profit and loss in proportion to the progress in execution of the contract as of the balance sheet date, which is measured on the basis of costs (mainly hours) incurred to date as a percentage of total estimated costs for each contract.

Revenue from permanent placements includes the fee received or receivable for the services provided. This fee is generally determined as a percentage of the remuneration package of the selected candidate (net basis). The revenue related to the permanent placement is recognized at a point in time when the service is complete, in most cases being the start date of the candidate placed. In the case of 'retained assignments', revenue is recognized upon the completion of certain pre-agreed stages of the service, and for which the fee is considered non-refundable. Allowances are established to estimate losses due to candidates placed who do not remain employed during the agreed guarantee period.

Revenue from outplacement services is recognized over time during which the service is provided. The recognition is based on the progress of the contract, measured in terms of hours.

D. Contract balances

If a customer pays, or the Group has an unconditional right to receive consideration, before the performance obligation is completed, then the revenue is not recognised and a deferred liability is created.

If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the revenue is recognised and an accrued revenue asset is created. The assets are assessed for impairment in line with IFRS 9.

An asset is recognised for costs to fulfil contracts if the following criteria are met:

- The costs are directly related to a contract;
- The costs generate or enhance the Group's resources used in satisfying performance obligations in thefuture;
- The costs are expected to be recovered.

The nature of costs that are eligible include direct labour and associated costs, sub-contractor costs, contract management and materials. Other costs such as general and administration, wasted resources and expenses that relate to satisfied performance obligations are all recognised as expenses.

The asset is amortised over the period that the benefit will be transferred to the customer. Assets are assessed for impairment in line with IFRS 15. An impairment loss is recognized in profit or loss when the carrying value of the asset exceeds the remaining amount of consideration that the entity expects to receive in exchange for the goods or services to which the asset relates less the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

Note 3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The actual outcome may differ from these judgments, estimates, and assumptions, and therefore could have a material effect on the carrying amount of the asset or liability involved. In preparing these consolidated financial statements, the Group has applied consistent judgement in applying the Group's accounting policies, and the key sources of estimation uncertainty were the same as those that applied at 31 December 2020, with the exception of those specifically impacted by the first time adoption of IFRS and which are detailed below:

Impairment testing of goodwill (estimate with respect to recoverable amounts; refer to note 15)
When testing goodwill for impairment, the Group uses the latest budgets and forecasts available. These budgets rely on expected profitability which is based on historical knowledge and adjusted for forward looking expectations. Although the Group concluded that no impairment was required, the Group's ability to meet these budgets and forecast could influence the outcome of impairment testing in the future.

Actuarial valuation of employee benefits (estimate with respect to the determination of actuarial gains/ losses; refer to note 25)
Provisions for post-employment benefits depend on certain assumptions made with regards to future developments, such as mortality tables, attrition rates, … Any results from these actuarial revaluations are presented in other comprehensive income. The future evolution of the liability depends on whether these assumptions correctly reflect actual evolutions.

Impairment testing of software under development (judgement with respect to future marketability; refer to note 16)
When testing the Group's software under development for impairment, the Group is required to use judgement to determine the future marketability of each piece of software under development. Even though the Group might conclude that marketability is possible at the balance sheet date, future evolutions in the market and/ or technology might result in a different conclusion in future periods.

Provisions for income taxes (judgement in determination of deferred tax assets refer to note 14)
The Group applies judgement in determining the probability, as well as the timing when future taxable profit will be available against which tax losses carried forward can be used. As the Group is subject to market risk, the timing when these profits are available might not be the same as the initial judgement made.

Revenue recognition (judgment in determination of performance obligation; refer to note 8).
Judgement is required to determine the performance obligation when providing similar services under different contracts. The Group applied judgement to determine when implementation services are considered distinct.

Note 4. Group structure

The Group's subsidiaries, joint ventures, associates and participations are listed below. The table indicates the percentage hold by the Group of ownership as well as dividend interests.

			Percentage of voting rights	
	Name	Country	31/12/2021	31/12/2020
1	SD Worx Real Estate NV	Belgium	100%	100%
	People Solutions			
2	SD Worx People Solutions NV	Belgium	100%	100%
3	GlobePayroll	France	100%	100%
4	SD Worx SA	Luxembourg	100%	100%
5	SD Worx Nederland BV	The Netherlands	100%	100%
6	SD Worx France SAS	France	100%	100%
7	SD Worx GmbH	Germany	100%	100%
8	SD Worx Belgium NV	Belgium	100%	100%
9	Aspex NV	Belgium	0%	100%
10	LWB NV	Belgium	100%	100%
11	Sodeco NV	Belgium	100%	100%
12	SD Worx Switzerland AG	Switzerland	100%	100%
13	SD Worx Austria GmbH	Austria	100%	100%
14	SD Worx (Mauritius) Ltd.	Mauritius	100%	100%
15	SD Worx UK Ltd.	United Kingdom	100%	100%
16	SD Worx Ireland Ltd.	Ireland	100%	100%
17	Protime NV	Belgium	100%	100%
18	Protime BV	The Netherlands	100%	100%
19	Protime SAS	France	100%	100%
20	Protime WFM Ltd.	United Kingdom	100%	100%
21	Protime WFM GmbH	Germany	100%	100%
22	Protime Luxembourg SARL	Luxembourg	0%	100%
23	Pointlogic HR BV	The Netherlands	100%	100%
24	Synades SA	Switzerland	100%	100%
25	Adessa Consulting SA	Belgium	100%	100%
26	Adeconsult SA	Switzerland	100%	100%
27	AGCS Sàrl	Switzerland	0%	100%
28	Adessa Iberia SA	Spain	100%	100%
29	Adessa Deutschland GmbH	Germany	100%	100%
30	Teal Partners BV	Belgium	74%	6%
31	Aditro Enterprise AS	Norway	100%	0%
32	Aditro BPO AS	Norway	100%	0%

	Name	Country	Percentage of voting rights 31/12/2021	31/12/2020
33	Aditro BPO AB	Sweden	100%	0%
34	Aditro Estonia Oü	Estonia	100%	0%
35	Aditro Enterprise Oy	Finland	100%	0%
36	Aditro BPO Oy	Finland	100%	0%
37	Aditro Shared Services Oy	Finland	100%	0%
38	Aditro Enterprise AB	Sweden	100%	0%
39	Aditro Shared Services AB	Sweden	100%	0%
40	Aditro XXX AB	Sweden	100%	0%
41	Aditro Group AB	Sweden	100%	0%
42	Aditro Holding AB	Sweden	100%	0%
43	Launch! Holding BV	The Netherlands	100%	0%
44	Launch! Payroll Support Services BV	The Netherlands	100%	0%
45	Launch! Worx BV	The Netherlands	100%	0%
46	Launch! HCM Holding BV	The Netherlands	100%	0%
47	Launch! HCM BPO Services BV	The Netherlands	100%	0%
48	Launch! Human Capital Management Ltd	United Kingdom	100%	0%
49	Launch! HCM Participatie BV	The Netherlands	100%	0%
50	Launch Nordic Holdings Aps	Denmark	100%	0%
51	Launch Denmark Aps	Denmark	100%	0%
52	Launch Human Capital Managment BV	The Nederlands	100%	0%
	Staffing & Carreer solutions			
53	SD Worx Staffing & Career Solutions NV	Belgium	100%	100%
54	SD Worx Staffing Solutions NV	Belgium	100%	100%
55	2BeFreelance NV	Belgium	0%	100%
56	SD Worx Career Solutions NV	Belgium	100%	100%
57	SD Worx Staffing & Career Solutions - Nederland BV	The Netherlands	100%	100%
58	Easymatch BV	Belgium	100%	100%
59	Student & Go NV	Belgium	0%	100%
60	Trento Engineering BV	The Netherlands	100%	100%
61	Equipe BV	The Netherlands	85%	72%
62	SD Worx Staffing Solutions BV	The Netherlands	100%	100%
63	SD Worx Payrolling BV	The Netherlands	100%	100%

Note 5. Business combinations

A. New acquisitions made in 2021

During the 2021, the Group entered into several business combinations of which more information is provided below.

Aditro:

On 28 April 2021, the Group acquired 100% of the issued shares of Aditro Group AB, a leading Cloud HR & Payroll software provider with operations in Sweden, Finland, Norway, and Estonia. Sweden, Finland and Norway. Through the acquisition, the Group expects to strengthen its geographical footprint in Europe.

The acquired business contributed revenues of thousand € 41,808.5 and a net profit after tax of thousand € -1,853.6 to the Group for the period between acquisition and 31 December 2021. If the acquisition had occurred on 1 January 2021, contribution towards consolidated revenue and consolidated net profit after tax for the full year would have been thousand € 62,734.1 and thousand € -2,484.3 respectively.

Teal Partners

On 21 May 2021, the Group acquired an additional 68% of the issued shares of Teal Partners BV, a Belgian based software development provider. The Group previously held 6% of the issued shares. Upon completion of the transaction, the Group holds 74% of the issued shares. The remaining 26% which is not held by the Group, equal to thousand € 113.1, is presented as non-controlling interest and was measured using the proportionate method. Through the acquisition, the Group expects that Teal Partners can accelerate its growth ambitions and increase its impact on the digital transformation in various sectors.

The acquired business contributed revenues of thousand € 258.9 and a net profit after tax of thousand € -468.0 to the Group for the period between acquisition and 31 December 2021. If the acquisition had occurred on 1 January 2021, contribution towards consolidated revenue and consolidated net profit after tax for the full year would have been thousand € 1,190.1 and thousand € 18.4 respectively.

launch!

On 29 June 2021, the Group acquired 100% of the issued shares of launch! Holding BV, a group active in the implementation, maintenance and outsourcing of SAP SuccessFactors services. Through the acquisition, the Group aims at strengthening its position within the SAP SuccesFactors' market and providing a more broad based solution to clients as they continue to switch to cloud solutions.

The acquired business contributed revenues of thousand € 10,521.6 and a net profit after tax of thousand € 231.0 to the Group for the period between acquisition and 31 December 2021. If the acquisition had occurred on 1 January 2021, contribution towards consolidated revenue and consolidated net profit after tax for the full year would have been thousand € 22,660.2 and thousand € 1,147.0 respectively.

Impact on the financials

Details of the consideration transferred, the net assets acquired and the goodwill following these transactions is presented below:

Amounts in thousand €	Note	Amounts in thousand €
Cash and cash equivalents		5,940.6
Intangible assets	16	43,292.0
Property, plant and equipment	17	545.5
Right-of-use assets	18	6,648.9
Financial assets		132.7
Inventory		31.6
Receivables		17,132.4
Provisions		-446.5
Borrowings and lease liabilities	23	-13,415.0
Payables		-19,149.4
Employee benefit obligations	25	-327.7
Net deferred tax assets/(liabilities)	14	-4,029.4
NET ASSETS ACQUIRED		**36,355.8**
Less: Non-controlling interest		-113.1
Less: Previously held equity instruments		-363.1
Add: Goodwill	15	97,276.7
TOTAL CONSIDERATION TRANSFERED		**133,156.3**
Of which: Cash paid		133,156.3
Contingent consideration		-

The fair values presented above are provisional pending the completion of their final valuation. The provisional goodwill has been allocated to identifiable tangible and intangible assets by adjusting the pre-acquisition carrying amounts to represent the fair value upon date of the acquisition. This primarily resulted in the recognition of the following assets:

- For customer relations an income approach method has been applied, more specifically the Multi-Period Excess Earnings Method. This method relies on a discounted cash flow model in which future cash flows attributed to existing customer contracts are discounted, considering Contributory Asset Charges, working capital and an expected attrition rate. This valuation resulted in a total fair value for customer relations of thousand € 28,568.5.
- The acquired software as well as brand names have been valued using a royalty relief method, which is a market-income methodology. In this model, the relevant asset has been measured based on the license payments which have been saved as a consequence of having the ownership of the acquired business. The royalty payments have been calculated as a percentage of revenue on an after-tax basis. This valuation resulted in a total fair value of the acquired software of thousand € 12,420.4 and brand names of thousand € 585.5.
- Deferred taxes were recognized for all fair value adjustments based on the nominal tax rate of the respective country.

The fair value of receivables assumed was deemed to equal the carrying value of the receivables at the date of acquisition. The Group did not adjust the receivables for any differences between the amounts to which it is contractually entitled and the amounts which it expects to collect.

The goodwill recognized mainly consists of expected long-term synergies, competitive advantages such as the possibility to offer services in multiple regions, customer contracts, brand names and software. None of the goodwill is deductible for tax-purposes.

Acquisition related costs with regards to these transactions of thousand € 1,730.0 are included in "Acquisition related costs" (refer to note 9).

B. Final purchase price allocations in 2021 relating to acquisitions from 2020

As per 7 February 2020, the Group acquired all of the shares of the PointLogic HR BV, a major supplier of innovative software for reward and management solutions and associated consulting services in the Netherlands and Belgium.

As per 8 April 2020, the Group acquired all of the shares of the Adessa Group (through acquisition of Synades SA). The acquisition will strengthen the existing SAP and SuccessFactors teams at SD Worx.

In the course of 2021, and within the measurement period, the purchase price allocation was finalized. Following the completion, no adjustments have been made to the fair value of assets and liabilities, as included in the comparative figures of the current year. The following table summarizes the effects.

The below mentioned changes were part of the transition of the Group towards IFRS. Under BE GAAP, the Group did not perform purchase price accounting.

Amounts in thousand €	Note	As previously reported	Adjustment	Final
Cash and cash equivalents		1,581.8		1,581.8
Intangible assets	16	2,951.0		2,951.0
Property, plant and equipment	17	81.8		81.8
Financial assets		24.0		24.0
Receivables		1,686.7		1,686.7
Borrowings and lease liabilities		-236.4		-236.4
Payables		-2,583.8		-2,583.8
Net deferred tax assets/(liabilities)	14	-1,008.8		-1,008.8
NET ASSETS ACQUIRED		**2,496.3**		**2,496.3**
Less: Non-controlling interest		0.0		0.0
Less: Previously held equity instruments		0.0		0.0
Add: Goodwill	15	9,431.8		9,431.8
TOTAL CONSIDERATION TRANSFERED		**11,928.2**		**11,928.2**
Of which: Cash paid		10,119.9		10,119.9
Contingent consideration		1,808.3		1,808.3

Note 6. Non-Controlling Interests

Non-controlling interest relates to the following subsidiaries of the Group.

Name	Country of incorporation	31/12/2021	31/12/2020
Teal Partners BV	Belgium	26%	-
Equipe BV	Netherlands	15%	28%

There are no significant restrictions for the Group to distribute its profits from subsidiaries in which third parties have non-controlling interests, to realize assets or to settle their liabilities.

Note 7. Assets held for sale

During 2021, the Group reached an agreement to sell its subsidiary SD Worx Real Estate NV, which includes the buildings it owns and of which some are used by the Group as office spaces, to WorxInvest NV. The Group will subsequently lease back some of these office spaces. The assets and liabilities of SD Worx Real Estate NV are considered a disposal group and are presented as assets and liabilities held for sale. The transaction is completed on 2 January 2022.

The related assets and liabilities are measured at the lower of their carrying amount or fair value less costs of disposal at the date of the classification. The fair value less costs of disposal is based on the transaction price. Any excess of the carrying amount over the fair value less costs to sell (if any) is recognized as an impairment loss.

The major classes of assets and liabilities classified as held for sale as at 31 December 2021 are as follows:

Amounts in thousand €	Note	31/12/2021	31/12/2020
Intangible assets	16	267.6	
Property, pland and equipment	17	40,688.6	
Right of use assets	18	13,484.0	
Deferred tax assets	14	1,650.0	
Other assets		413.7	
Working capital		1,295.2	
ASSETS HELD FOR SALE	**C**	**57,799.1**	**0.0**
Lease liabilities	18	8,035.6	
Working capital		1,034.6	
LIABILITIES CLASSIFIED AS HELD FOR SALE	**C**	**9,070.2**	**0.0**

Note 8. Revenue from contracts with customers

Revenue disaggregation

The Group's revenue from contracts with customers is disaggregated following the two main business segments: SD Worx People Solutions and SD Worx Staffing and Career Solutions.

SD Worx People Solutions includes a full range of solutions in the areas of payroll and HR Managed services, workforce management as well as HR consulting services.

SD Worx Staffing & Career Solutions is active in the areas of flexible work, temporary work, secondment, recruitment & selection, career guidance, outplacement, specific payroll for temporary workers and consultancy.

Amounts in thousand €	Note	31/12/2021	31/12/2020
SD Worx People Solutions		606,945.5	529,473.4
SD Worx Staffing & Career Solutions	31	253,830.2	216,751.0
Intersegment elimination		-2,641.3	-2,727.0
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS	**A**	**858,134.4**	**743,498.2**

SD Worx People Solutions saw its revenues growing with 15%. Excluding the acquisitions made by the Group during 2021 within the segment, revenue increased by 6% compared with last year. The growth occurs in nearly all markets served by the Group and is mainly driven by higher recurring revenues, despite the COVID-19 pandemic, and higher revenues from consulting services.

SD Worx Staffing & Career Solutions focusses on the Belgian and Dutch markets. The overall performance of the segment was negatively impacted by the COVID-19 pandemic during 2020 but is now growing with over 17% in revenue to thousand € 253,830.2 over the year 2021. The recovery from the effects of the pandemic resulted in both increased revenue with existing clients as well as new clients, but in addition the Group also observed that industries which benefitted from the pandemic continued to do so during 2021.

The geographic split of the revenue of the Group is presented in the schedule below. This overview is prepared based on the country of incorporation of the subsidiaries of the Group. The segment 'Other' consists of individual immaterial locations such as Austria, Switzerland and Spain.

Amounts in thousand €	Note	31/12/2021	31/12/2020
Belgium		525,484.1	486,575.2
Netherlands		139,583.6	108,309.2
Germany		74,995.5	74,534.6
UK		48,912.8	50,474.4
France		13,313.0	12,217.7
Sweden		17,445.3	0.0
Luxemburg		7,219.1	6,620.7
Finland		13,843.6	0.0
Norway		10,511.8	0.0
Other		6,825.8	4,766.4
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS	**A**	**858,134.4**	**743,498.2**

The Group generates the majority of its revenue within Belgium and the Netherlands, accounting for 78% of the total revenue (compared to 80% over 2020). In these markets, the Group operates both its segments. The acquisition of Aditro during 2021 has expanded the geographic reach of the Group towards the Nordics, adding Sweden, Finland and Norway to the markets being served by the Group. The increased revenue within the Netherlands is supported amongst others by the acquisition of launch!.

Margins with regards to the revenue generated by SD Worx Staffing & Career Solutions are typically lower compared to SD Worx People Solutions. As a result, the performance of the segment is evaluated based on its gross margin (refer to note 31 for further explanation on this APM). During 2021, the gross margin with regards to SD Worx Staffing & Career Solutions amounted to thousand € 42,530.3 (thousand € 39,527.0 over 2020).

Principal versus agent

The Group determines whether it is a principal or an agent by evaluating whether it obtains control of the specified services included in the contract. The Group has generally concluded that it is the principal in its revenue arrangements, as it typically controls the services before transferring them to the customer. As such, the Group reports on the revenues and costs related to such services on a gross basis.

Note 9. Services and other goods

Amounts in thousand €	Note	31/12/2021	31/12/2020
Facility costs		10,660.0	11,080.2
Information and technology		33,277.6	27,710.8
Subcontracting		37,209.0	31,244.3
Marketing and communication		16,282.3	15,729.3
Professional fees		23,278.3	25,404.9
Commissions		2,327.3	2,807.5
Royalties		918.2	1,187.7
Acquisition related costs	5	1,730.0	381.4
Restructuring and integration		4,064.9	1,372.8
Insurance costs		1,321.8	810.9
Other		749.9	311.9
TOTAL SERVICES AND OTHER GOODS	**A**	**131,819.3**	**118,041.8**

The total costs related to services and other goods have increased by thousand € 13,777.5 (or 12%). The main cost drivers behind the services and other goods are professional fees, subcontracting and information and technology.

- Information and technology relates to both hardware and software which are purchased externally.
- Subcontracting costs are incurred principally when the Group involves third parties to assist the Group in serving its clients. Such situations arise when clients might have affiliates in countries where the Group does not have a physical presence.
- Professional fees concern consulting, legal advice, tax advice, accounting and auditing, and other professional services provided to the Group.

Note 10. Employee benefit expenses

Overview of employee benefit expenses

Amounts in thousand €	Note	31/12/2021 Total	Direct	Indirect
Wages and salaries		401,777.0	135,988.2	265,788.8
Social security tax		103,214.5	48,199.9	55,014.7
Social insurances		3,384.5	0.0	3,384.5
Share based payment expense		4,075.4	0.0	4,075.4
Other employee benefits		49,017.9	12,105.4	36,912.6
Pensions and post-employment benefits		19,479.5	1,773.4	17,706.1
Training and education		2,545.1	28.5	2,516.6
Recruitment		3,407.3	0.0	3,407.3
External personnel		54,916.1	12,554.1	42,361.9
Capitalized to internal development projects		-21,689.4	0.0	-21,689.4
TOTAL EMPLOYEE BENEFIT EXPENSE	**A**	**620,128.0**	**210,649.5**	**409,478.5**

Amounts in thousand €	Note	31/12/2020 Total	Direct	Indirect
Wages and salaries		353,680.8	125,505.8	228,175.0
Social security tax		88,276.0	42,718.0	45,558.0
Social insurances		3,664.7	0.0	3,664.7
Share based payment expense		2,130.0	0.0	2,130.0
Other employee benefits		38,476.6	3,809.0	34,667.6
Pensions and post-employment benefits		14,023.2	1,560.9	12,462.3
Training and education		1,808.9	0.0	1,808.9
Recruitment		1,290.8	0.0	1,290.8
External personnel		42,255.3	4,861.0	37,394.3
Capitalized to internal development projects		-13,093.2	0.0	-13,093.2
TOTAL EMPLOYEE BENEFIT EXPENSE	**A**	**532,513.0**	**178,454.7**	**354,058.3**

The Group considers direct employee benefit expenses as those expenses relating to temporary workers and candidates which are recharged to clients as part of the revenues it obtains within the business segment SD Worx Staffing and Career Solutions.

Employee benefit expenses amounted to thousand € 620,128.0, for the year ended 31 December 2021, compared to thousand € 532,513.0 over the comparative period. The increase in direct costs is relatively higher (+18%) compared to the indirect costs (+15%). The increased direct costs follow the trend of the revenue and is explained by the recovery of the staffing business during 2021 following the outbreak of COVID-19 during 2020.

Average number of persons employed

	31/12/2021	31/12/2020
Temp workers and candidates	5,174	4,324
Employees	5,208	4,324
Management personnel	31	34
Other persons	0	0
TOTAL AVERAGE FTES EMPLOYED	**10,413**	**8,682**

Note 11. Other operating result

Amounts in thousand €	Note	31/12/2021	31/12/2020
Write down on receivables		315.9	2,342.6
Loss on trade receivables		521.7	827.8
Provisions		-169.7	-387.7
Other taxes		1,920.8	1,587.0
Other expense		3,440.0	2,280.7
TOTAL OTHER OPERATING EXPENSES	A	**6,028.6**	**6,650.3**
Facility income		2,164.6	2,068.4
Other income		2,325.7	2,889.8
TOTAL OTHER OPERATING INCOME	A	**4,490.3**	**4,958.2**

The total other operating result amounts to thousand € -1,538.3 compared with thousand € -1,691.2 last year.

The Group saw higher write downs and losses on trade receivables during 2020 following the outbreak of COVID-19. Other taxes consist amongst others of property taxes paid with regards to buildings owned by the Group. The other expense contains amongst others compensation payments to clients.

The Group obtains facility income by making the use of some of its buildings available to third parties. Other income is driven by royalties and commissions received.

Note 12. Depreciations, amortizations and impairment of assets

Amounts in thousand €	Note	31/12/2021	31/12/2020
Amortization intangible assets	16	18,949.8	11,474.9
Depreciations property, plant and equipment	17	8,048.6	7,490.2
Depreciations right-of-use assets	18	21,371.9	19,351.5
TOTAL DEPRECIATIONS AND AMORTIZATION EXPENSES	A	**48,370.3**	**38,316.6**
Impairment intangible assets	16	0.0	649.5
Impairment property, plant and equipment	17	217.7	0.0
Impairment right-of-use assets	18	457.4	819.0
Impairment goodwill	15	0.0	8,799.0
TOTAL IMPAIRMENT OF ASSETS	A	**675.0**	**10,267.5**

Amortizations and depreciation charges are higher compared to last year as the Group continues to invest heavily in the software solutions provided to its clients.

During 2020, the Group recognized thousand € 8,799.0 of goodwill impairments relating to the goodwill allocated to Staffing & Career Solutions. During 2021, the Group did not recognize any impairments on goodwill. Refer to note 15 for more information on the impairment testing on goodwill performed by the Group.

Note 13. Financial result

Amounts in thousand €	Note	31/12/2021	31/12/2020
Interest expense on loans and borrowings		-4,458.9	-4,415.1
Interest expense on pension plans	25	-1,226.4	-1,523.7
Interest expense on lease liabilities	18	-1,556.2	-1,639.2
Loss on sale of financial assets		0.0	-3,431.7
Other finance expense		-157.7	-162.6
FINANCIAL EXPENSES	**A**	**-7,399.2**	**-11,172.3**
Interest income		21.7	98.6
Interest income on pension plans	25	1,065.4	1,330.2
Other finance income		118.0	123.6
FINANCIAL INCOME	**A**	**1,205.1**	**1,552.4**
NET EXCHANGE DIFFERENCE RELATING TO FINANCING ACTIVITIES	**A**	**-223.8**	**1,037.3**
FINANCE COSTS NET	**A**	**-6,417.9**	**-8,582.6**

The net finance costs decreased by thousand € 2,164.7 compared with 2020. The financial result of 2020 was negatively affected by the sale of an investment portfolio, resulting in a loss of thousand € 3,431.7 being recognized.

The total net finance costs is mainly driven by the interest expense on loans and borrowings. These expenses comprise the annual interest charge on the Group's listed bond at 3.8% per annum as well as other interest charges and commitment fees on the borrowings which the Group uses (refer also to note 23).

Interest expenses on lease liabilities relate mainly to buildings amounting to thousand € 985.6 (refer also to note 18 for further disclosures around leases).

Note 14. Income taxes

Recognized in the Consolidated Statement of Profit and Loss

Amounts in thousand €	Note	31/12/2021	31/12/2020
Current year		16,773.7	15,651.7
Adjustments for prior year		418.2	-2,738.8
CURRENT TAX EXPENSE/(INCOME)		**17,191.9**	**12,913.0**
Origination and reversal of temporary differences		-6,392.9	-858.9
Utilization of previously recognised tax losses		1,837.2	588.2
Recognition current year's losses		0.0	0.0
Change in tax rate		0.0	0.0
Change in unrecognized temporary differences		292.2	0.0
Recognition of previously unrecognised tax losses		-10,265.0	-2,568.3
DEFERRED TAX EXPENSE/(INCOME)		**-14,528.5**	**-2,839.0**
TOTAL TAX EXPENSE	**A**	**2,663.4**	**10,074.0**

The Group recognized a tax expense of thousand € 2,663.4 for the year ended 31 December 2021 compared with thousand € 10,074.0 over the comparative period.

Amounts in thousand €	31/12/2021	31/12/2020
Consolidated net result	46,805.2	24,091.7
+/- result associated companies	-120.3	-85.2
+ Taxes	2,663.4	10,074.0
PROFIT BEFORE TAX	**49,348.3**	**34,080.4**

	In tho €	In %	In tho €	In %
Taxes on earnings at Belgian corporate income tax rate	12,337.1	25.0%	8,520.1	25.0%
Difference with foreign tax rates	154.4	0.3%	-307.5	-0.9%
WEIGHTED AVARAGE APPLICABLE TAX RATE	**12,491.4**	**25.3%**	**8,212.6**	**24.1%**
Adjustments previous years	904.3	1.8%	-191.3	-0.6%
Tax non-deductible items	3,096.7	6.3%	2,921.9	8.6%
Tax relief	-9,057.6	-18.4%	-7,176.8	-21.1%
Tax losses not recognised as DTA	5,543.1	11.2%	7,471.2	21.9%
Usage of DTA	1,837.2	3.7%	588.2	1.7%
Adjustments to DTA	-10,265.0	-20.8%	-2,568.3	-7.5%
Other taxes	-1,886.7	-3.8%	816.5	2.4%
EFFECTIVE TAX CHARGE	**2,663.4**	**5.4%**	**10,073.9**	**29.6%**

The Group's effective tax rate decreased to 5.4% compared to 29.6% over the year ended 31 December 2020. The decrease in tax expenses is largely explained by the recognition in Belgium of deferred tax assets for tax losses carried forward not previously recognized.

Current income taxes on the Consolidated Statement of Financial Position

Amounts in thousand €	Note	31 Dec 2021	31 Dec 2020	1 Jan 2020
Current tax assets	C	6,641.0	7,765.8	4,662.0
Current tax liabilities	C	4,804.6	4,051.6	5,418.6

Deferred taxes on the Consolidated Statement of Financial Position

	Note	31/12/2021			31/12/2020			01/01/2020		
		Asset	Liability	Net	Asset	Liability	Net	Asset	Liability	Net
Intangible assets		4,556.3	6,655.8	-2,099.5	4,866.2	611.5	4,254.8	4,073.1	0.0	4,073.1
Propperty, plant & equipment		375.3	338.2	37.1	0.0	110.4	-110.4	0.0	115.6	-115.6
Right-of-use assets		0.0	11,741.6	-11,741.6	0.0	14,959.6	-14,959.6	0.0	18,346.2	-18,346.2
Other assets		290.7	436.3	-145.7	0.0	164.0	-164.0	0.0	2,879.8	-2,879.8
Lease liabilities		12,497.1	0.0	12,497.1	15,031.5	0.0	15,031.5	18,048.0	0.0	18,048.0
Provisions		174.3	833.6	-659.3	0.0	2,406.4	-2,406.4	0.0	692.2	-692.2
Employee benefit obligations		7,565.1	2,028.3	5,536.8	11,595.7	0.0	11,595.7	8,281.9	0.0	8,281.9
Trade and other payables		0.0	849.6	-849.6	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities		782.6	8.8	773.9	459.1	0.0	459.1	0.0	0.0	0.0
TOTAL TEMPORARY DIFFERENCES		**26,241.4**	**22,892.2**	**3,349.2**	**31,952.5**	**18,251.8**	**13,700.7**	**30,403.0**	**22,033.8**	**8,369.2**
Deferred tax assets on tax losses carried forward		18,441.4	0.0	18,441.4	5,000.0	0.0	5,000.0	6,434.4	0.0	6,434.4
Offsetting of assets and liabilities		-17,576.7	-17,576.7	0.0	-17,194.4	-17,194.4	0.0	-20,021.6	-20,021.6	0.0
TOTAL DEFERRED TAXES RECOGNIZED	C	**27,106.1**	**5,315.6**	**21,790.5**	**19,758.1**	**1,057.4**	**18,700.7**	**16,815.8**	**2,012.2**	**14,803.7**

Deferred tax assets and deferred tax liabilities are offset when the Group has a legally enforceable right to set off current taxes when they are due, and when they are levied by the same tax authority.

Deferred tax assets are recognized on temporary differences and tax credits carried forward to the extent that it is probable that the Group will generate future taxable profits against which the benefits can be offset. The tax losses carried forward mainly relate to Belgium and the United Kingdom.

The Group did not recognize deferred taxes associated with investments in subsidiaries. The Group does not have a policy in relation to the distribution of retained earnings throughout the Group.

Deferred taxes on the Consolidated Statement of Financial Position

Amounts in thousand €	Note	31/12/2021	31/12/2020
NET DEFERRED TAX ASSET AT BEGINNING OF THE YEAR		**18,700.7**	**14,803.7**
Gain/(loss) charged to income statement		14,528.5	2,839.0
Gain/(loss) recognized in other comprehensive income	B	-5,830.3	2,016.0
Acquired through business combinations	5	-4,029.4	-959.0
Held for sale	7	-1,650.0	0.0
Exchange differences		184.5	-113.0
Other		-113.5	114.0
NET DEFERRED TAX ASSET AT END OF YEAR		**21,790.5**	**18,700.7**

Unrecognized deferred tax assets

During the year ended 31 December 2021 the Group has mainly recognized additional deferred tax assets based on unrecognized tax losses carried forward in Belgium. Following a planned merger between two Belgian subsidiaries, the Group has deemed that the tax losses carried forward are recoverable in future periods as a result of the merger. The Group has not derecognized any deferred tax assets following changes in estimates of future recoverability.

The Group has thousand € 130,269.1 of unused tax losses carried forward across various jurisdictions for which no deferred tax asset has been recognized, as it is not probable at the reporting date that sufficient future taxable profit will be available. The majority of these tax losses have no legal expiry date.

Note 15. Goodwill

Goodwill acquired through business combinations is allocated by Group management to either of the following 2 clusters of cash-generating units for goodwill impairment purposes:

a) People Solutions, which provides services in HR & Payroll

b) Staffing & Career Solutions, which provides services in the areas of flexible and temporary employment

The Group acquires businesses to create long term synergies, advantages of scale or other competitive advantages, which are, amongst others:

- The possibility to offer both fixed as permanent employment to customers, which means a broadening of the Group's service offering;
- The integration of backoffice functions (HR, finance, marketing, legal, internal audit, General management and IT);
- Centralizing procurement functions to benefit from a stronger negotiation position and higher volume discounts;
- The possibility to offer services in multiple countries, which means that the Group can offer its customers an international service package;
- Centralizing IT services and IT platforms across multiple countries;
- The integration of overlapping branches to decrease rent and other operating expenses;
- Attracting and acquiring qualified personnel, management and directors.

In principle, these synergies and advantages of scale have an indefinite useful life.
The following table shows the movements in goodwill.

Amounts in thousand €	Note	2021	2020
Gross book value		368,195.7	363,003.8
Accumulated impairment		-148,473.1	-140,781.2
CARRYING VALUE AT 1 JANUARY	C	**219,722.6**	**222,222.6**
Acquired through business combinations	5	97,276.8	9,431.8
Disposals		0.0	-1,079.1
Transfers		-201.8	0.0
Impairment	12	0.0	-8,799.0
Foreign exchange difference		1,687.2	-2,053.7
Gross book value		466,830.9	368,195.7
Accumulated amortization and impairment		-148,346.1	-148,473.1
CARRYING VALUE AT 31 DECEMBER	C	**318,484.9**	**219,722.6**

The increase in goodwill is explained by the acquisitions of Aditro, Teal Partners BV, and launch! resulting in a net increase by thousand € 97,276.8 compared with thousand € 9,431.8 over the comparative period which related principally to the acquisition of Adessa and PointLogic. The foreign exchange differences total thousand € 1,687.2 compared with thousand € -2,053.7 over 2020 and are mainly driven by the Group's goodwill denominated in GBP.

Impairment testing

The Group performs its annual goodwill impairment testing at 31 December of each year, however in case impairment indicators are present at an interim reporting date, cash generating units or individual assets will be subject to impairment testing at the interim date. Such impairment indicators are deemed to be present when the following triggering events happen:

- A significant unfavorable downturn in the market due to disruptive factors such as the outbreak of COVID-19 or regulatory changes;
- The occurrence of severe physically damage to assets such as office buildings and IT infrastructure preventing them to be used in the way they were intended;
- The idling of office buildings;
- The decision made by management to discontinue or to realign the strategic direction because economic performance is unsatisfactory.

For impairment testing, the carrying amount of a cluster of CGUs including goodwill is compared with the recoverable amount of the cluster of CGUs. When determining the recoverable amount, the Group first determines the value in use of the cluster of CGUs. However, when the value in use is lower than the carrying value, the Group may also decide to determine the fair value less cost of disposal, after which the recoverable amount is determined as the higher of value in use or fair value less cost of disposal.

For impairment testing purposes, the Group has allocated the goodwill as follows to the cash-generating units:

Amounts in thousand €	Note	31 Dec 2021	31 Dec 2020	1 Jan 2020
People Solutions		229,671.0	130,908.7	123,336.0
Staffing & Career Solutions		88,813.9	88,813.9	98,886.5
TOTAL GOODWILL	**C**	**318,484.9**	**219,722.6**	**222,222.6**

The recoverable amounts of the cluster of CGUs' have been determined based on value-in-use calculations. These calculations require the use of estimates and assumptions, which are subject to macroeconomic conditions, demand and competition in the markets where the Group is currently operating, product offerings, EBITDA margins, growth rates, capital expenditure and working capital, etc.

The Group has based its value in use calculations on budgets as approved by the SD Worx board of directors and forecast calculations. These are prepared separately for each of the Group's CGUs. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year. The resulting estimated future cash flows are discounted to their present value using an after-tax weighted average cost of capital (WACC).

The key market assumptions for the value-in-use calculations used to determine the recoverable amount are those regarding the discount rates, long term growth rates. Specific assumptions have been used to determine the underlying budgets and forecasts.

The WACC per CGU is determined using a bottom up approach as the weighted average of country specific WACCs, determined for each country separately where the Group is present. The cost of equity is determined using a country specific risk free rate adjusted for a CGU specific beta. The risk free rate is adjusted for a market risk premium and a size premium. The cost of debt is determined using a country specific risk free rate adjusted for a credit spread reflecting the Group's creditworthiness.

In 2021, the long term growth rate was set at 2.0%, which is in line with the previous year. The growth rates are consistent with the long-term average market growth rates in which the Group operates and is determined based on the weighted average of the expected long term inflation for the countries where the Group operates.

The assumptions to determine the budgets and forecasts were mainly determined using historical performance as well as market expectations such as the expected evolution of expenses.

The key assumptions for each cluster of CGU are reviewed on an annual basis.

These calculations resulted in the following key assumptions by cluster of CGU.

Assumptions	SD Worx People Solutions	SD Worx Staffing & Career Solutions
Disount rate	8.9%	9.3%
Long term growth rate	2.0%	2.0%

Based on the impairment testing performed, the Group did not recognize impairments in the current financial year. Over the comparative period, the Group recognized a total impairment charge of thousand € 8,799.0 which was fully allocated to the goodwill related to SD Worx Staffing & Career Solutions. The impairment relates mainly to the general decline in economic conditions, which heavily impacted the staffing business during the early stages of the outbreak of COVID-19.

The following table provides a sensitivity analysis.

	SD Worx People Solutions		SD Worx Staffing & Career Solutions	
Amounts in thousand €	Impact on operating value	New headroom	Impact on operating value	New headroom
Discount rate -0.5%	73,427.8	782,260.2	11,990.9	70,531.4
Discount rate +0.5%	-63,508.0	645,324.4	-10,461.8	48,078.6
Long term growth rate -1.0%	-101,184.2	607,648.1	-14,717.3	43,823.1
Long term growth rate +1.0%	135,589.7	844,422.1	19,376.1	77,916.5

Note 16. Intangible assets

2021 Amounts in thousand €	Note	Software	Customer Contracts	Other Intan-gible assets	Total
Gross book value		115,622.0	1,876.0	592.0	118,089.9
Accumulated amortizations and impairments		-72,840.0	-282.8	-81.5	-73,204.3
CARRYING VALUE AT 1 JANUARY	C	**42,782.0**	**1,593.3**	**510.5**	**44,885.7**
Additions	D	27,668.2	0.0	0.0	27,668.2
Government grants (-)		-1,441.7	0.0	0.0	-1,441.7
Amortization	12	-16,005.5	-2,517.9	-426.3	-18,949.8
Impairment	12	0.0	0.0	0.0	0.0
Disposals		0.0	0.0	0.0	0.0
Acquired through business combinations	5	13,562.0	29,149.6	580.4	43,292.0
Held for sale	7	-267.6	0.0	0.0	-267.6
Transfers		0.0	201.8	0.0	201.8
Foreign exchange difference		288.2	-752.0	0.0	-463.9
Other		-7.6	-24.0	43.0	11.5
Gross book value		160,361.2	30,397.0	1,323.4	192,081.6
Accumulated amortizations and impairments		-93,783.1	-2,746.3	-615.8	-97,145.2
CARRYING VALUE AT 31 DECEMBER	C	**66,578.1**	**27,650.7**	**707.6**	**94,936.3**

2020

Amounts in thousand €	Note	Software	Customer Contracts	Other Intangible assets	Total
Gross book value		108,965.3	0.0	67.5	109,032.8
Accumulated amortizations and impairments		-78,594.3	0.0	-27.4	-78,621.7
CARRYING VALUE AT 1 JANUARY	**C**	**30,371.0**	**0.0**	**40.1**	**30,411.1**
Additions	D	25,468.9	0.0	0.0	25,468.9
Government grants		-1,968.1	0.0	0.0	-1,968.1
Amortization	12	-11,138.0	-282.8	-54.1	-11,474.9
Impairment	12	-649.5	0.0	0.0	-649.5
Disposals		0.0	0.0	0.0	0.0
Acquired through business combinations	5	550.0	1,876.0	525.0	2,951.0
Transfers		0.0	0.0	0.0	0.0
Foreign exchange difference		-284.0	0.0	0.0	-284.0
Other		431.6	0.0	-0.5	431.1
Gross book value		115,622.0	1,876.0	592.0	118,089.9
Accumulated amortizations and impairments		-72,840.0	-282.8	-81.5	-73,204.3
CARRYING VALUE AT 31 DECEMBER	**C**	**42,782.0**	**1,593.3**	**510.5**	**44,885.7**

The Group's intangible assets increased by thousand € 50,050.6, relating mainly to the in-house development of software (thousand € 27,668.2), intangible assets acquired from business combinations (thousand € 43,292.0), and a net positive impact from exchange rate differences. The increases were offset by amortizations totaling thousand € 18,949.8 (31 December 2020: thousand € 11,474.9).

Software

Software consists of internally developed software or externally acquired. The software developed by the Group is used to provide services to customers. Externally acquired software relates mainly to back office applications.

Own developed software is divided as either front-end or back-end. The front-end software consists of user interfaces such as application and website design. This type of software is considered to be more subject to changes as user preferences change more quickly, as such the useful life is limited to 3 years. Back-end software consists mostly of payroll engines. Back-end software is more stable as it will change depending on evolving legislation. As such, the back-end software is amortized over a useful life of 5 years.

Software is considered under development until it is ready for use in the manner intended by the Group. The ready for use criteria is assessed for each software project separately, if a software project can be split into different modules, each module is assessed separately if it can be used without the completion of other modules within the software. The assessment occurs on a quarterly basis, evaluating multiple criteria such as results from pilot projects and expected marketability of the software in its current state. At 31 December 2021, thousand € 25,501.7 of software was under development (31 December 2020: thousand € 14,832.7).

Customer contracts

Customer contracts represents the value of existing customer relations upon acquisition of a new business. Further explanation on business combinations made during the year is provided in note 5. The remaining value of the customer contracts at 31 December 2021 will be amortized over a remaining useful life of approximatively 7.5 years.

Impairment

The SD Investment & Services Board ("ISB") reviews intangible assets under development (mainly internally generated software) on an annual basis. The ISB consists of members of the executive committee as well as selected senior managers. Depending on the projects discussed, also internal stakeholders can be invited ad hoc. An impairment is recognized when indicators exist that the carrying value of the asset can no longer be recovered. Such indicators for impairment are:

- Significant changes in technology which negatively impact the marketability of the asset;
- Economical or legal conditions which have changed during the period;
- Evidence from internal reporting that indicates that the economic performance of the intangible asset will be worse than expected; or
- Significant changes with an adverse effect on the entity have taken place during the period, or will happen in the near future (e.g. restructurings or plans to discontinue an operation to which the asset belongs; plans to dispose the asset).

No impairments on intangible assets have been recognized during the current period. During the comparative period, thousand € 649.5 of software was impaired following the Group's intent to discontinue its use.

Government grants

As part of its development of software, the Group obtains various forms of investment deduction from tax authorities. The most significant sources of government grants relate to the Belgian regime for investment deduction, and the French regime 'Crédit d'Impôt Recherche' (abbreviated to "CIR").

The Belgian regime is subject to the acceptance by the Belgian tax authority and is settled as a deduction of the income tax payable of the fiscal year to which it relates. The investment deduction receivable is therefore presented net of the related income tax payable.

The French regime is subject to the acceptance by the French tax authority. The CIR is usually deducted from income taxes payable. Any remaining non-deducted portion of the CIR can be offset against income taxes owed during the next three years. After this period, the unused portion of the tax credit is refunded. At the reporting date, the Group had an outstanding receivable of thousand € 773.7 for CIR receivables.

The Group records this government assistance as negative addition. For the year ended 31 December 2021, the Group obtained thousand € 1,441.7 of investment deduction, compared with thousand € 1,968.1 in the previous year.

Commitments

At 31 December 2021, there were no open commitments by the Group to acquire any intangible assets.

Note 17. Property, plant and equipment

2021

Amounts in thousand €	Note	Land & Buildings	Installation, machinery & equipment	Furniture, hardware & vehicles	Leasehold improvements & other	PP&E under construction	Total
Gross book value		95,697.9	4,566.4	27,319.3	16,109.0	3.8	143,696.4
Accumulated Depreciations and impairments		-57,366.0	-3,320.4	-18,353.1	-8,268.1	0.0	-87,307.6
CARRYING VALUE AT 1 JANUARY	C	**38,331.9**	**1,246.0**	**8,966.1**	**7,840.9**	**3.8**	**56,388.8**
Additions	D	50.9	1,357.6	4,416.1	2,398.7	785.5	9,008.8
Depreciation	12	-2,265.8	-734.4	-3,983.1	-1,065.4	0.0	-8,048.7
Impairment	12	0.0	0.0	-217.7	0.0	0.0	-217.7
Disposals		0.0	-23.5	-37.8	0.0	0.0	-61.3
Acquired through business combinations	5	0.0	181.8	215.4	148.4	0.0	545.6
Held for sale	7	-34,855.8	-26.2	-395.6	-5,411.0	0.0	-40,688.6
Transfers		0.0	0.0	0.0	93.5	-93.5	0.0
Foreign exchange difference		0.0	0.3	-2.9	-0.5	0.0	-3.2
Other		-10.1	74.1	60.0	29.0	-31.0	122.0
Gross book value		2,870.3	7,700.4	32,569.6	13,667.5	664.8	57,472.6
Accumulated Depreciations and impairments		-1,619.1	-5,624.8	-23,549.1	-9,634.0	0.0	-40,426.9
CARRYING VALUE AT 31 DECEMBER	C	**1,251.2**	**2,075.7**	**9,020.4**	**4,033.6**	**664.8**	**17,045.7**

2020

Amounts in thousand €	Note	Land & Buildings	Installation, machinery & equipment	Furniture, hardware & vehicles	Leasehold improvements & other	PP&E under construction	Total
Gross book value		92,493.3	5,617.0	28,453.6	15,585.4	246.4	142,395.7
Accumulated Depreciations and impairments		-51,834.3	-4,508.5	-18,399.2	-7,118.9	0.0	-81,860.8
CARRYING VALUE AT 1 JANUARY	C	**40,659.0**	**1,108.6**	**10,054.4**	**8,466.5**	**246.4**	**60,534.9**
Additions	D	9.3	715.5	2,652.3	982.4	3.8	4,363.4
Depreciation	12	-2,258.2	-432.2	-3,480.4	-1,319.4	0.0	-7,490.2
Impairment	12	0.0	0.0	0.0	0.0	0.0	0.0
Disposals		0.0	-33.0	-108.9	-16.1	0.0	-158.0
Acquired through business combinations	5	0.0	16.8	47.2	17.8	0.0	81.8
Transfers		-45.1	-144.5	130.7	37.8	-246.3	-267.3
Foreign exchange difference		0.0	-3.7	-39.8	-80.7	0.0	-124.1
Other		-33.1	18.5	-289.3	-247.5	-0.1	-551.5
Gross book value		95,697.9	4,566.4	27,319.3	16,109.0	3.8	143,696.4
Accumulated Depreciations and impairments		-57,366.0	-3,320.4	-18,353.1	-8,268.1	0.0	-87,307.6
CARRYING VALUE AT 31 DECEMBER	C	**38,331.9**	**1,246.0**	**8,966.1**	**7,840.9**	**3.8**	**56,388.8**

The Group's property, plant and equipment decreased by thousand € 39,343.1, which is the result of the transfer to held for sale of all assets relating to the Group's real estate. Additions to property, plant and equipment relate mainly to investments in buildings, building improvements, and hardware, totaling thousand € 9,008.8. The depreciation charge for the current period totals thousand € 8,048.7 compared with thousand € 7,490.2 in the previous period. No impairments on property, plant and equipment have been recognized during the current period.

Restrictions

As per 31 December 2021 there were no restrictions on title and property, plant and equipment pledges as security for liabilities, with the exception of real estate mortgages on buildings owned by Sodeco NV and LWB NV. The net book value of these buildings at 2021 totals thousand € 1,208.3.

Commitments

At 31 December 2021, there were no open commitments by the Group to acquire property, plant and equipment.

Note 18. Leases

The Group leases principally relate to the office spaces it uses and company cars which are available to certain of its employees. In addition, the Group also holds a service agreement for the use of a server park which it has considered a lease agreement under IFRS. The lease term for vehicles varies from 4 to 5 years, for office spaces from 3 to 12 years, and for service agreements 4 years.

Several of these contracts (mainly office spaces) provide for the option of extended lease periods as most of the building rental is usually a contract of 3-6-9 years which can be easily extended. These extensions are only considered when the Group is reasonably sure it will use the extension option.

The Group currently has a purchase option relating to leased hardware under a service agreement which will become property of the Group at the end of the lease term. The purchase option with regards to the office spaces in Mechelen will not be exercised by the Group as the related asset is held for sale (refer to note 7).

The Group has currently several commitments for significant lease arrangements involving buildings which have not yet started at the reporting date. The total asset value of these commitments is estimated at million € 16.5 and includes several office buildings subject to a leaseback transaction, as well as office spaces in Manchester (UK), Bayonne (France) and Capellen (Luxemburg). At the reporting date, the Group also has several company cars which have been ordered, but have not yet been made available at 31 December 2021. The Group estimates that the impact of these company cars is immaterial.

The Group has certain leases of office spaces and company cars with lease terms of 12 months or less and leases of office equipment and other items with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these types of leases.

Right-of-use assets

2021

Amounts in thousand €	Note	Land & Buildings	Installation, machinery & equipment	Furniture, hardware & vehicles	Total
Gross book value		41,671.0	20,576.6	20,034.2	82,281.8
Accumulated amortizations and impairments		-9,645.9	-5,367.8	-6,422.4	-21,436.1
CARRYING VALUE AT 1 JANUARY	**C**	**32,025.1**	**15,208.8**	**13,611.8**	**60,845.6**
Additions		17,456.7	0.0	6,670.6	24,127.3
Depreciation	12	-8,894.9	-5,367.8	-7,109.2	-21,372.0
Impairment	12	-457.4	0.0	0.0	-457.4
Disposals		-1,808.1	0.0	-542.9	-2,351.1
Acquired through business combinations	5	5,891.6	0.0	757.3	6,648.9
Held for sale	7	-13,484.0	0.0	0.0	-13,484.0
Transfers		0.0	0.0	0.0	0.0
Foreign exchange difference		320.4	0.0	16.3	336.7
Other		221.3	0.0	-85.6	135.7
Gross book value		46,709.6	20,576.6	23,698.2	90,984.4
Accumulated Depreciations and impairments		-15,438.9	-10,735.6	-10,379.9	-36,554.5
CARRYING VALUE AT 31 DECEMBER	**C**	**31,270.6**	**9,841.0**	**13,318.3**	**54,429.9**

2020

Amounts in thousand €	Note	Land & Buildings	Installation, machinery & equipment	Furniture, hardware & vehicles	Total
Gross book value		43,166.1	20,576.6	13,547.9	77,290.6
Accumulated amortizations and impairments		-1,612.5	0.0	-180.1	-1,792.7
CARRYING VALUE AT 1 JANUARY	C	**41,553.5**	**20,576.6**	**13,367.8**	**75,498.0**
Additions		3,258.7	0.0	7,724.5	10,983.2
Depreciation	12	-7,705.3	-5,367.8	-6,278.4	-19,351.5
Impairment	12	-819.0	0.0	0.0	-819.0
Disposals		-2,744.6	0.0	-767.3	-3,511.9
Acquired through business combinations	5	0.0	0.0	0.0	0.0
Transfers		0.0	0.0	0.0	0.0
Foreign exchange difference		-1,518.3	0.0	-434.8	-1,953.1
Other		0.0	0.0	0.0	0.0
Gross book value		41,671.0	20,576.6	20,034.2	82,281.8
Accumulated Depreciations and impairments		-9,645.9	-5,367.8	-6,422.4	-21,436.1
CARRYING VALUE AT 31 DECEMBER	C	**32,025.1**	**15,208.8**	**13,611.8**	**60,845.6**

Following new lease contracts, the Group recognized a total of thousand € 24,127.3 additional right-of-use assets / lease liabilities, which related principally to contracts to lease additional office spaces in Mechelen (Belgium) and in Malaga (Spain).

The total depreciation charge recognized in profit and loss amounts to thousand € 21,372.0 (31 December 2020: thousand € 19,351.5), of which thousand € 8,894.9 relating to office spaces, thousand € 7,109.2 relating to company cars and thousand € 5,367.8 relating to service agreements. In addition, thousand € 1,525.6 of interest expenses have been recognized in profit and loss (31 December 2020: thousand € 1,639.4).

Lease liabilities

Amounts in thousand €	Note	2021	2020
BALANCE AT 1 JANUARY	23	**62,336.7**	**75,816.1**
Additions		24,127.3	10,983.2
Accretion of interest	13	1,556.2	1,639.4
Payments	23	-27,982.6	-21,198.0
Acquired through business combinations		6,648.9	0.0
Held for sale	7	-8,035.6	0.0
Lease remeasurements		0.0	0.0
Disposals		-2,310.2	-3,511.9
Foreign exchange difference		344.1	-1,392.2
Other		294.9	0.0
BALANCE AT 31 DECEMBER	23	**56,979.9**	**62,336.7**
OF WHICH:			
- NON CURRENT	C	38,329.3	44,939.7
- CURRENT	C	18,650.6	17,397.1

During the current year, several lease contracts have been early terminated, resulting in the derecognition of (part of) the remaining asset and liability value. These early terminations usually relate to company cars and to a lesser extent to office spaces. There have been no other significant modifications to lease contracts during the period. For the lease of office spaces, the Group is exposed to potential future increases in variable lease payments based on an index, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

We refer to note 23 for an analysis the Group's lease liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date.

The Group has a mortgage with regards to the office spaces it is currently leasing in Mechelen (Belgium). Other lease agreements do not impose any covenants.

Lease expenses

Amounts in thousand €	Note	2021	2020
Depreciation of right-of-use assets	12	21,372.0	19,351.5
Impairment of right-of-use assets	12	457.4	819.0
Interest expense on lease liabilities	13	1,556.2	1,639.4
Short term lease payments		312.5	1,323.1
Low value lease payments		577.5	400.0
Variable lease payments		0.0	0.0
BALANCE AT 31 DECEMBER		**24,275.6**	**23,533.0**

Note 19. Financial assets and Other assets

Other non-current assets consist substantially out of Group's Pension assets. The Group's pension plans are further disclosed in note 25 below.

The other current financial assets consist of short term investment portfolios for a total amount of thousand € 1,291.6 (thousand € 313.1 last year), cash guarantees totaling thousand € 553.5 (thousand € 265.7 last year) and thousand € 283.6 other assets (thousand € 240.6 last year). At 31 December 2020, the Group had short term cash deposits for a total amount of thousand € 50,022.4. These short term cash deposits have a maturity date which is longer than 3 months and as such are not considered as cash equivalent in the statement of financial position, but are considered by Group management as part of the regular cash management of the Group.

Note 20. Trade and other receivables

Amounts in thousand €	Note	31 Dec 2021	31 Dec 2020	1 Jan 2020
Trade receivables (gross)		158,264.7	134,143.4	133,800.3
Impairment losses		-521.7	-827.8	-196.5
TRADE RECEIVABLES		**157,742.9**	**133,315.7**	**133,603.8**
Other receivables		17,745.6	13,722.3	16,785.1
Prepaid payroll taxes		1,366.8	236.3	1,938.0
Non-income tax receivables		2,323.1	2,135.7	3,461.6
Accrued income		2,828.3	515.5	1,767.5
Prepaid expenses		13,835.9	13,525.9	10,564.3
TRADE AND OTHER RECEIVABLES	C	**195,842.7**	**163,451.4**	**168,120.2**

Trade receivables and other receivables increased significantly compared to year-end, which relates amongst others to the newly-acquired entities Aditro, launch! and Teal Partners. Combined, these entities contribute an additional thousand € 17,737.8 to the total trade and other receivables.

Other receivables concern invoices to issue as well as advance payments made to suppliers.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

Note 21. Share capital & reserves

Share capital

Ordinary shares issued and fully paid	Number	in tho €
AT 1 JANUARY 2020	**34,042,455**	**601,244.0**
Increases	73,255	1,388.0
Decreases	-565,795	-10,000.0
AT 31 DECEMBER 2020	**33,549,915**	**592,632.0**
Increases	158,902	3,921.7
Decreases	0	0.0
AT 31 DECEMBER 2021	**33,708,817**	**596,553.6**

The par value of each share is € 17.70. All shares issued have been fully paid, have equal voting rights, and are entitled to dividend.

Currency translation reserve

The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign entities of the Group.

Other reserves

The other reserves consist of cumulative effects from share based payment plans (refer to section share based payments for further explanation on these plans), as well as actuarial revaluations coming from defined benefit post-employment plans.

Dividends

The board of directors has proposed to the general assembly of shareholders of 28 March 2022 to approve a dividend of thousand € 16,179.7, which equals € 0.48 per share. No interim dividends were paid during the year ended 31 December 2021. No dividend has been paid out with regards to the year ended 31 December 2020.

Note 22. Share based payments

For the years 2018 until 2021, SD Worx established a share purchase plan (SPP) and share allocation plan (SALP) in place.

The share purchase plan (SPP) concerns the right to which certain employees, managers and directors of the Group ("the Eligible Group") were entitled to acquire a number of share certificates at a discount. The share certificates can be sold to WorxInvest NV after a vesting period of 3 years. The share allocation plan (SALP) is the promise to the Eligible Group to receive/acquire for free a number of share certificates after the vesting period of 3 years.

The certificates grant the beneficiaries the economic rights on the underlying shares of the Company, while the other rights attaching to the shares (including voting rights and preferential subscription rights) are exercised by WorxInvest NV.

The SALP/SPP incentive plans grants the certificate holders after the vesting period a put option to sell the certificates to WorxInvest NV. As a result, the incentive plans are considered as equity-settled at the level of the Company.

			# Share certificates	
	Expiry date	Sub-scription price (€)	2021	2020
SPP 2018	30/09/2021	19.50	-	112,850
SALP 2018	30/09/2021	24.40	-	55,838
SPP 2019	30/06/2022	21.50	59,904	61,765
SALP 2019	30/06/2022	26.80	92,333	98,942
SPP 2020	30/06/2023	18.81	70,629	72,205
SALP 2020	30/06/2023	23.50	114,240	124,530
SPP 2021	30/06/2024	24.64	156,876	-
SALP 2021	30/06/2024	30.80	178,212	-
TOTAL OUTSTANDING OPTIONS			**672,194**	**526,130**

The following table reconciles the movement in outstanding certificates.

	2021		2020	
	Average sub-scription price	Share certificates	Average sub-scription price	Share certificates
AT 1 JANUARY	**22.48**	**526,130**	**21.18**	**532,778**
Granted	27.92	335,088	21.78	196,735
Forfeited	24.03	-20,336	20.40	-80,691
Exercised	21.12	-168,688	17.09	-122,692
AT 31 DECEMBER	**25.48**	**672,194**	**22.48**	**526,130**

Note 23. Net debt position

The Group monitors its capital basis through its net debt position, which is calculated by adding all short and long-term interest-bearing loans and borrowings, and deducting the available cash and short-term deposits. For this purpose, short-term deposits include mid-long deposits with a maturity date above three months as these are considered an integral part of the Group's cash management. For the purpose of presentation, these mid-long deposits are included in the other current financial assets.

The Group is not subject to any externally imposed capital requirements, with the sole exception of the statutory minimum equity funding requirements imposed by local legislation that apply to the different companies belonging to the Group.

The net financial debt of the Group for the year ended 31 December 2021 and 31 December 2020 are as follows:

Amounts in thousand €	Note	31 Dec 2021	31 Dec 2020	1 Jan 2020
Borrowings and lease liabilities (non current)		117,148.8	130,674.3	147,301.6
Add Borrowings and lease liabilities (current)		18,855.5	22,675.3	25,732.8
Less Cash and cash equivalents	C, D	-64,485.9	-122,372.8	-115,243.4
Less Mid-long deposits	19	0.0	-50,022.4	0.0
NET FINANCIAL DEBT/(CASH)		**71,518.4**	**-19,045.6**	**57,791.0**
Less Lease liabilities (current and non-current)	18	-56,979.9	-62,336.7	-75,816.1
NET FINANCIAL DEBT/(CASH), NET OF LEASE LIABILITIES		**14,538.5**	**-81,382.4**	**-18,025.2**

Borrowings and lease liabilities

Amounts in thousand €	Note	31 Dec 2021	31 Dec 2020	1 Jan 2020
Borrowings:				
- Senior Facilities Agreement		0.0	7,279.8	12,854.6
- Subordinated bond		78,798.4	78,421.6	78,104.6
- Other loans		21.1	33.3	27.4
Lease liabilities		38,329.3	44,939.7	56,314.9
Other financial liabilities		6,653.1	7,188.8	3,378.5
INTEREST BEARING DEBT (NON-CURRENT)	**C**	**123,801.9**	**137,863.1**	**150,680.1**
Borrowings:				
- Senior Facilities Agreement		0.0	5,000.0	5,000.0
- Other loans		204.9	278.2	1,231.6
Lease liabilities		18,650.6	17,397.1	19,501.2
Other financial liabilities		989.2	2,055.0	378.9
INTEREST BEARING DEBT (CURRENT)	**C**	**19,844.7**	**24,730.3**	**26,111.7**
TOTAL INTEREST BEARING DEBT		**143,646.6**	**162,593.4**	**176,791.7**

The Group is funded through the SD Worx Senior Facilities Agreement and a subordinated bond. Throughout the period, the Group has drawn thousand € 115,000.0 of the SD Worx Senior Facilities Agreement. At year-end 2021, all amounts with regards to the Senior Facilities Agreement have been repaid.

1. The SD Worx NV Senior Facilities Agreement

The SD Worx NV Senior Facilities Agreement of 28th June 2018 consists of the following Facilities:

- A multicurrency amortizing term loan facility in an aggregate amount equal to million € 25.
- A euro revolving loan facility in an aggregate amount equal to the Revolving Credit Facility of million € 125.

The SD Worx NV Senior Facilities Agreement is an unsecured facility under negative pledge conditions. In addition, certain subsidiaries act as guarantors for this loan.

The Senior Facilities Agreement is subject to several financial covenants. As per the Senior Facilities Agreement, the covenants are calculated based on the accounting policies as included in this report, but excluding any adjustments to EBITDA following the application of IFRS 16 'Leases'.

- Adjusted Leverage may not exceed 2.50:1
- Factoring Adjusted Leverage may not exceed 3.00:1
- Leverage Spike: On not more than one occasion during the life of the Facilities, (i) the Adjusted Leverage may exceed 2.50:1 but shall remain less or equal to 3.00:1 and (ii) the Factoring Adjusted Leverage may exceed 3.00:1 but shall remain less or equal to 3.50:1.

Adjusted leverage means the ratio of total net senior debt, which equals total borrowings excluding subordinated debt and deducting the aggregate amount of cash and cash equivalents, to EBITDA, where EBITDA is adjusted for the EBITDA of any subsidiary acquired or disposed during the year as if that transaction had occurred on the first day of the year.

Factoring adjusted leverage means the adjusted leverage, calculated on a pro forma basis to add the amount of factoring used during the period to the total net senior debt.

As per 31 December 2021, adjusted leverages equals -0.53 and factoring adjusted leverage equals -0.53, hence there is no breach or no event of default with respect to the SD Worx NV Senior Facilities Agreement.

2. Subordinated bond

As per 11 June 2019, the SD Worx NV successfully issued a public subordinated bond. The total of the proceeds amounted to thousand € 80,000.

The bond is unsecured under a negative pledge covenant.
The subordinated bond is subject to an adjusted leverage covenant, which is calculated based on the accounting policies as included in this report, but excluding any adjustments to EBITDA following the application of IFRS 16 'Leases'. Under this covenant, the adjusted leverage may not exceed 4.00:1, unless it is remedied within 12 months. In case the Adjusted Leverage per 31st December is higher than 3.25:1, the original interest rate shall be increased by 0.75% per annum.

For the purpose of the testing of covenants, adjusted leverage means the ratio of total net senior debt, which equals total borrowings excluding subordinated debt and deducting the aggregate amount of cash and cash equivalents, to EBITDA, where EBITDA is adjusted for the EBITDA of any subsidiary acquired or disposed during the year as if that transaction had occurred on the first day of the year.

The financial covenants shall be tested on a bi-annual and a rolling last-12-month basis. As per 31 December 2021 adjusted leverages equals -0.53, hence there is no breach or no event of default with respect to the SD Worx NV Subordinated Bond terms & conditions.

Reconciliation to statement of cash flows

Amounts in thousand €

	Note	1 Jan 2021	Cash flows	NON-CASH MOVEMENTS Recognized in P&L	Business combinations	Held for sale	Exhange differences	Other	31 Dec 2021
Borrowings:									
- Senior Facilities Agreement		7,279.8	-7,860.0				580.2		0.0
- Subordinated bond		78,421.6		376.9				-0.1	78,798.4
- Other loans		33.3	-5,917.9		5,948.7			-43.0	21.1
Lease liabilities		44,939.7			6,648.9	-8,035.6	292.2	-5,515.9	38,329.3
Other financial liabilities		7,188.8	-450.0	204.6	697.2			-987.5	6,653.1
INTEREST BEARING DEBT (NON-CURRENT)	**C**	**137,863.1**	**-14,227.9**	**581.5**	**13,294.8**	**-8,035.6**	**872.4**	**-6,546.5**	**123,801.9**
Borrowings:									
- Senior Facilities Agreement		5,000.0	-5,000.0						0.0
- Other loans		278.2	-141.8		120.2			-51.8	204.9
Lease liabilities		17,397.1	-27,982.6	1,556.2			51.9	27,628.0	18,650.6
Other financial liabilities		2,055.0	-2,055.0					989.2	989.2
INTEREST BEARING DEBT (NON-CURRENT)	**C**	**24,730.3**	**-35,179.4**	**1,556.2**	**120.2**	**0.0**	**51.9**	**28,565.4**	**19,844.6**
INTEREST BEARING DEBT (NON-CURRENT)		**162,593.4**	**-49,407.3**	**2,137.7**	**13,415.0**	**-8,035.6**	**924.4**	**22,018.9**	**143,646.5**

The cash flows from liabilities from financing activities are presented in the consolidated statement of cash flows as proceeds from borrowings (thousand € 115,000.0), repayment of borrowings (thousand € -133,919.7), the repayment of lease liabilities (thousand € -26,457.0, presented net of lease interest paid amounting to thousand € -1,525.6) and net cash outflow on acquisition of subsidiaries (thousand € 2,505.0).

Other movements relates to transfers from long term to short term as well as the acquisition and disposal of new lease agreements.

Cash and cash equivalents

Amounts in thousand €	Note	31 Dec 2021	31 Dec 2020	1 Jan 2020
Short-term bank deposits (< 3 months)	19	0.0	50,022.4	0.0
Cash at bank and petty cash		65,648.3	123,478.9	116,348.9
GROSS TOTAL CASH AND CASH EQUIVALENTS		**65,648.3**	**173,501.3**	**116,348.9**
Less Funds held for clients	C	-1,162.4	-1,106.1	-1,105.5
TOTAL CASH AND CASH EQUIVALENTS	D	**64,485.9**	**172,395.2**	**115,243.4**

As part of their operations, the Group sometimes holds funds on behalf of their clients. Although these amounts are present on a bank account controlled by the Group, the use of this cash is restricted. The Group therefore does not present these funds as part of cash and cash equivalents on the face of the consolidated statement of financial position.

Note 24. Provisions and contingencies

Amounts in thousand €	Note	Litigations & disputes	Restructuring & reorganization	Other	Total
BALANCE PER JANUARY 1ST, 2021		**1,600.1**	**2,482.8**	**1,816.3**	**5,899.2**
Additional provision of the year		870.5	2,592.1	1,228.2	4,690.9
Amounts used during the year	D	-188.0	-984.6	-437.5	-1,610.1
Reversal provision during the year		-11.4	-2,081.7	-368.1	-2,461.1
Acquisition/(disposal) of subsidiaries		0.0	0.0	0.0	0.0
Foreign exchange difference		0.0	0.0	0.0	0.0
BALANCE PER DECEMBER 31ST, 2021		**2,271.3**	**2,008.7**	**2,238.9**	**6,518.9**
Of which:					
- Non current	C	2,271.3	2,008.7	2,238.9	6,518.9
- Current	C	0.0	0.0	0.0	0.0

The Group recognizes a provision for certain legal claims filed against the Group by, as well as disputes with customers. The provision recorded consists of the best estimate by management of the total compensation payments due.

The provisions with regards to restructuring & reorganization relate amongst others to the Da Vinci Program, launched in 2018. The provision has been gradually used and is adjusted at each reporting date to reflect management's best estimate. The remaining part of the provision mainly includes termination benefits for other reorganizations.

Contingencies

There are no other significant contingencies for which the Group has not recognized a provision.

Note 25. Employee benefit obligations

The Group has several retirement and other long-term defined benefit plans applicable to several countries in which the Group operates. The net liability recognized in the statement of financial position is summarized as follows:

Amounts in thousand €	Note	31/12/2021	31/12/2020
Post-employment benefits		33,503.8	53,684.2
Long-term benefits		3,896.4	4,097.4
EMPLOYMENT BENEFIT OBLIGATIONS	C	**37,400.2**	**57,781.6**
Less Pension assets		12,117.2	9,405.2
NET LIABILITY		**25,283.0**	**48,376.4**

Post-employment benefits

Overview of plans

Belgium

The Group has defined benefit pension plans in Belgium, representing 81% of the total net obligation per 31 December 2021. Older pension plans are closed for new entrants as of 1 January 2014. For employees that opted for the new pension plan, the service has stopped as at 31 December 2013. The open pension schemes which the Group has in place follow a defined contribution approach, but are subject to a minimum return guarantee by the employer as specified by the law of 28 April 2003, amended by the law of 18 December 2015. Under application of IFRS, these plans are also considered defined benefit plans and accounted for as such. The Belgian plans are principally funded through group insurance plans.

UK

The pension plans in the United Kingdom represent -51% of the total net obligation per 31 December 2021. The Group operates a main funded pension scheme with both defined contribution and defined benefit sections. The SD Worx UK Pension Plan is closed to future accrual of new benefits as of 30 September 2003.

In addition, the Group participates in an industry wide defined benefit scheme, the Industry Wide Coal Staff Superannuation Scheme (IWCSSS). The IWCSSS Trust Deed and Rules require a separate employer section to be established for each employer since the benefits payable in respect of the members of each employer fund are to be funded solely by the contributions paid in respect of those members together with investment returns.

Germany

The Group's defined benefit pension plans in Germany represent 64% of the total net obligation per 31 December 2021. The plans in Germany are mainly unfunded book-reserved pension plans which cover active, deferred and retired members. The German subsidiaries do not fund the pension plans in place, but recognize the related liabilities on the balance sheet on an IAS 19 basis. The pension benefits are paid by the relevant subsidiary as they fall due.

Other

The remaining plans represent 6% of the total obligation per 31 December 2021. These plans are mainly accounted for in Finland, France, Switzerland and Mauritius where the Group has several defined benefit pension plan schemes in place. The plans have been established in accordance with common practice and legal requirements. These are all retirement plans that generally provide a benefit related to years of service and rates of pay close to retirement.

For all of the above mentioned plans, there are no unusual specific risks to which the plan exposes the Group, neither are there any significant concentrations of risk.

Funded status

Amounts in thousand €	Note	31/12/2021	31/12/2020
Defined benefit obligation		260,313.5	274,090.4
Fair value of plan assets		238,926.9	229,811.4
FUNDED STATUS		**-21,386.6**	**-44,279.0**

Total pension expense recognized

Amounts in thousand €	Note	31/12/2021	31/12/2020
Current service cost		-14,700.4	-9,219.4
Past service cost		0.0	0.0
SERVICE COST RECOGNIZED		**-14,700.4**	**-9,219.4**
Interest expense on defined benefit obligation	13	-1,226.4	-1,523.7
Interest income on plan assets	13	1,065.4	1,330.2
NET INTEREST INCOME		**-161.0**	**-193.5**
PENSION EXPENSE		**-14,861.4**	**-9,412.9**

Reconciliation of the obligation

Amounts in thousand €	Note	31/12/2021	31/12/2020
DEFINED BENEFIT OBLIGATION AT BEGINNING OF YEAR		**274,090.4**	**246,472.6**
Service cost		14,700.4	9,219.4
Interest expense on defined benefit obligation		1,727.8	1,523.7
Participant contribution		21.4	0.0
Benefit payments		-8,111.9	0.0
Acquired through business combinations		2,754.1	0.0
Effect of changes in financial assumptions		-24,682.9	14,773.0
Effect of changes in experience assumptions		-4,187.0	1,918.9
Foreign exchange difference		4,001.2	182.9
DEFINED BENEFIT OBLIGATION AT END OF YEAR		**260,313.5**	**274,090.4**

Reconciliation of the fair value of plan assets

Amounts in thousand €	Note	31/12/2021	31/12/2020
FAIR VALUE OF PLAN ASSETS AT BEGINNING OF YEAR		**229,811.4**	**213,395.6**
Interest income		1,566.8	1,330.2
Employer contribution		12,626.6	7,733.0
Benefit payments		-8,132.3	0.0
Acquired through business combinations		2,426.4	0.0
Return on plan assets		-4,043.5	7,642.5
Foreign exchange difference		4,671.4	-289.9
FAIR VALUE OF PLAN ASSETS AT END OF YEAR		**238,926.9**	**229,811.4**

Reconciliation of net liabilit

Amounts in thousand €	Note	31/12/2021	31/12/2020
NET LIABILITY/(ASSET) AT BEGINNING OF YEAR		**44,279.0**	**33,077.0**
Service cost recognized		14,700.4	9,219.4
Net interest income		161.0	193.5
Total remeasurements in OCI	B	-24,826.4	9,049.4
Acquired through business combinations	5	327.7	0.0
Participant contribution		21.4	0.0
Employer contribution	D	-12,626.6	-7,733.0
Net nenefit payments		20.4	0.0
Foreign exchange difference		-670.3	472.8
NET LIABILITY/(ASSET) AT END OF YEAR		**21,386.6**	**44,279.0**

Disaggregation of fair value of plan assets

in %	31/12/2021	31/12/2020
Government bonds	4.3%	0.0%
Corporate bonds	19.5%	20.2%
Equity	10.8%	11.5%
Cash	2.8%	2.8%
Property	1.2%	1.1%
Insurance contracts	61.4%	60.6%
Other	0.0%	3.9%
TOTAL	**100.0%**	**100.0%**

Significant assumptions

	Country		
At 31 December 2021	Belgium	UK	Germany
Discount rate	0.95%	1.80%	1.10%
Inflation rate	1.90%	3.50%	2.00%
Salary increase	3.40%	2.95%	3.00%
Weighted average duration	14.9	18.0	21.2

	Country		
At 31 December 2020	Belgium	UK	Germany
Discount rate	0.45%	1.30%	0.75%
Inflation rate	1.80%	2.15%	2.00%
Salary increase	3.30%	2.95%	3.00%
Weighted average duration	15.4	17.0	22.4

Sensitivity analysis

The sensitivity analyses provided below are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

Amounts in thousand €		Country	
At 31 December 2021	**Belgium**	**UK**	**Germany**
Discount rate -0.25%	1,278.6	400.2	788.5
Discount rate +0.25%	-1,218.1	-400.2	-595.6
Inflation rate -0.25%	-2,542.6	-621.7	-14.7
Inflation rate +0.25%	2,794.3	621.7	15.3
Salary increase -0.25%	-1,241.7	-621.7	-424.0
Salary increase +0.25%	1,285.1	621.7	469.8

Amounts in thousand €		Country	
At 31 December 2020	**Belgium**	**UK**	**Germany**
Discount rate -0.25%	-6,232.8	-3,239.0	-889.6
Discount rate +0.25%	5,926.6	3,239.0	671.9
Inflation rate -0.25%	7,690.0	1,190.2	461.3
Inflation rate +0.25%	-8,309.6	-1,190.2	-512.4
Salary increase -0.25%	7,690.0	1,264.7	470.6
Salary increase +0.25%	-8,309.6	-1,264.7	-522.1

Overview by country

Amounts in thousand €		Country		
At 31 December 2021	**Belgium**	**UK**	**Germany**	**Other**
NET LIABILITY/(ASSET) AT BEGINNING OF YEAR	**35,538.8**	**-6,824.2**	**14,434.0**	**1,130.5**
Service cost recognized	14,302.5	191.3	150.4	4.6
Net interest income	148.7	-90.1	107.5	-5.2
Total remeasurements in OCI	-20,901.7	-3,256.5	-920.1	251.9
Business combinations	0.0	0.0	0.0	327.7
Participant contribution	0.0	21.4	0.0	0.0
Employer contribution	-11,842.1	-783.7	0.0	-0.8
Net benefit paid	0.0	210.0	-189.6	0.0
Foreign exchange difference	0.0	-392.4	0.0	-226.3
NET LIABILITY/(ASSET) AT END OF YEAR	**17,246.2**	**-10,924.2**	**13,582.1**	**1,482.4**

Amounts in thousand €		Country		
At 31 December 2020	**Belgium**	**UK**	**Germany**	**Other**
NET LIABILITY/(ASSET) AT BEGINNING OF YEAR	**28,700.9**	**-10,000.0**	**13,333.0**	**1,043.1**
Service cost recognized	8,672.2	186.9	147.8	212.6
Net interest income	262.4	-191.3	139.1	-16.7
Total remeasurements in OCI	4,871.5	3,100.0	999.1	78.8
Employer contribution	-6,964.2	-489.4	-185.0	-94.4
Foreign exchange difference	-4.0	569.7	0.0	-92.9
NET LIABILITY/(ASSET) AT END OF YEAR	**35,538.8**	**-6,824.2**	**14,434.0**	**1,130.5**

Note 26. Trade and other payables

Amounts in thousand €	Note	31 Dec 2021	31 Dec 2020	1 Jan 2020
Trade payables		46,235.2	38,030.2	42,244.1
Advance payments		13,022.8	1,863.4	2,545.9
Short-term employee benefits		88,362.9	69,358.2	70,719.8
Non-income tax payables		17,679.9	14,447.6	12,827.8
Deferred income		10,403.5	6,688.2	7,345.1
Accrued charges		4,501.1	5,232.4	6,623.0
Other payables		2,740.7	546.6	385.4
TRADE AND OTHER PAYABLES	**C**	**182,946.1**	**136,166.6**	**142,691.1**

The increase in trade and other payables relates amongst others to the newly-acquired entities Aditro, launch! and Teal Partners. Combined, these entities contribute an additional thousand € 21,505.7 to the total trade and other payables.

Note 27. Financial risk management

The Group's principal financial liabilities comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, and cash and short-term deposits that derive directly from its operations.

The Group is exposed to foreign currency risk, credit risk, interest rate risk, and liquidity risk. The Group's senior management oversees the management of these risks.

A. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expenses are denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

The Group currently does not use any derivative instruments to hedge foreign currency risks. The net equity risk (i.e. the risk arising from the consolidation of equity investments in foreign currency subsidiaries) is also not hedged, as none of the subsidiaries in foreign currency are situated in a country with a high inflation rate in comparison to average inflation rate in Europe.

Around 9% of the revenue of the Group is generated by subsidiaries of which the activities are operated in a currency other than the euro. The main foreign currencies for which a change in exchange rate could have a material impact on the Group are the GBP, MUR, SEK and NOK.

The currency sensitivity analysis is prepared assuming that the euro would have weakened / strengthened during 2021 by 10%, against the important foreign currencies, which the Group estimates to be a reasonably possible change of the exchange rate.

Amounts in thousand €		GBP	MUR	SEK	NOK
Profit and loss for the period	10%	-850.6	809.1	314.9	-276.6
	-10%	1,039.6	-989.0	-384.9	338.1
Equity	10%	-4,051.7	-143.2	-12,958.1	-531.6
Inflation rate +0,25%	-10%	4,952.1	175.0	15,837.7	649.7

B. Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions.

Trade and other receivables

At the reporting date, the Group has no significant concentrations of credit risk, as many clients of the group's clients are spread across a large number of industries and situated in several different countries. Outstanding customer receivables and contract assets are regularly monitored by the credit and collections department. No important allowance for impairment in respect of trade receivables was accounted for.

Financial assets

The Group carefully considers whether or not to invest any surplus cash positions in high-quality financial assets.

C. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. At 31 December 2021, all of the Group's outstanding borrowings (excluding lease liabilities) were at a fixed rate.

D. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations. The Group's approach to liquidity risk is to ensure, as far as possible, that it will always have sufficient funds available to meet its liabilities when due, under both normal and stressed conditions. This risk is managed by having sufficient availability of cash, as well as committed and uncommitted credit lines, both at Group and subsidiary level. At 31 December 2021, the Group has not used the thousand € 125,000.0 credit line available with regards to the Revolving Credit Facility.

The existing financing, which is available to the Group to meet this objective, is subject to several covenants. We refer to note 23 for more detailed information on the existing covenants for each of these financing lines. The Group actively monitors these covenants throughout the year and aims at keeping these covenants well below the allowed ratio.

The following table presents the contractual maturities for the financial liabilities, the numbers aggregate current and non-current portions:

Amounts in thousand €	Carrying amount	Contractual Cashflows	1 year or less	Between 1 and 5 years	More than 5 years
Borrowings	79,024.4	80,226.0	204.9	80,021.1	0.0
Lease liabilities	56,979.9	59,240.1	20,380.1	33,936.1	4,923.9
Other financial liabilities	7,642.2	7,642.2	204.9	7,437.4	0.0
Trade and other payables	182,946.1	182,946.1	182,946.1	0.0	0.0
TOTAL AT 31 DECEMBER 2021	**326,592.6**	**330,054.4**	**203,735.9**	**121,394.6**	**4,923.9**
Borrowings	91,012.9	93,171.4	5,278.2	7,893.2	80,000.0
Lease liabilities	62,336.7	64,355.8	18,347.3	39,814.4	6,194.2
Other financial liabilities	9,243.8	9,243.8	2,055.0	7,188.8	0.0
Trade and other payables	136,166.6	136,166.6	136,166.6	0.0	0.0
TOTAL AT 31 DECEMBER 2020	**298,759.9**	**302,937.5**	**161,847.0**	**54,896.3**	**86,194.2**

E. Fair value

The table below provides an overview of the fair values together with the carrying amounts shown in the statement of financial position of the different financial instruments:

		2021		2020	
Amounts in thousand €	Note	Carrying amount	Fair value	Carrying amount	Fair value
Finanical assets					
- Investments		1,376.2	1,376.2	445.0	445.0
- Short-term deposits		0.0	0.0	50,022.4	50,022.4
- Cash guarantees		2,506.6	2,506.6	1,060.5	1,060.5
- Other		284.1	284.1	787.7	787.7
TOTAL ASSETS		**4,166.9**	**4,166.9**	**52,315.6**	**52,315.6**
Borrowings					
- Senior Facilities Agreement		0.0	0.0	12,279.8	12,279.8
- Subordinated bond		78,798.4	84,915.8	78,421.6	85,081.4
- Other loans		226.0	226.0	311.5	311.5
Lease liabilities		56,979.9	56,979.9	62,336.7	62,336.7
Other financial liabilities		7,642.2	7,642.2	9,243.8	9,243.8
TOTAL LIABILITIES		**143,646.6**	**149,764.0**	**162,593.4**	**169,253.2**

Financial assets consists of investments in other companies not accounted for as associates, short-term deposits, cash guarantees and other financial assets. These assets are considered to have a fair value of level 3. The fair value is not deemed to deviate significantly from their carrying amount.

All financial liabilities are considered to have a level 2 fair value, with the exception of the subordinated bond, for which an active market could be identified, therefore qualifying it as a level 1 fair value.

Note 28. Related party transactions

Shareholders

WorxInvest NV owns 33,707,723 of the outstanding shares at 31 December 2021 and is the main shareholder of the Group.

There have been no significant transactions with shareholders during the year ended 31 December 2021, with the exception of the involvement of WorxInvest NV in the share based payment plans that are currently in place. The SALP/SPP incentive plans grant the certificate holders after the vesting period a put option to sell the certificates to WorxInvest NV. We refer to note 22 for further information with regards to the share based payment plans.

Consolidated companies

An overview of all the companies belonging to the Group is provided in note 4.

Associates and other related parties

The Group has one other related party, which is SD Worx VZW, a not-for-profit organisation with domicile in Belgium. This entity acts on behalf of the Group to settle social security taxes, as well as other payroll related taxes between the Belgian based clients of the Group and the Belgian government. For these services a fee is charged to the Group. The Group on the other hand performs several administrative tasks on behalf of SD Worx VZW for which it charges a separate fee to SD Worx VZW.

Amounts in thousand € At 31 December 2021	Sales	Purchases	Other	Receivables	Payables	Loans	Dividends received
SD Worx VZW	1,375.7	-12,158.1	-315.1	18,417.7	-3,055.7	0.0	0.0
TOTAL	**1,375.7**	**-12,158.1**	**-315.1**	**18,417.7**	**-3,055.7**	**0.0**	**0.0**

Amounts in thousand € At 31 December 2020	Sales	Purchases	Other	Receivables	Payables	Loans	Dividends received
SD Worx VZW	1,714.1	-11,751.2	-551.2	25,084.0	-750.6	0.0	0.0
TOTAL	**1,714.1**	**-11,751.2**	**-551.2**	**25,084.0**	**-750.6**	**0.0**	**0.0**

Key management

The total cash-based remuneration granted to members of key management in respect of their responsibilities in the Group amounts to thousand € 3,615.6 in 2021 (thousand € 3,419.9 in 2020). The below schedule provides a breakdown of this compensation.

Amounts in thousand €	2021	2020
Short-term benefits	1,362.3	1,306.8
Post-employment benefits	196.2	155.6
Termination benefits	0.0	0.0
Management fees	2,057.1	1,957.5
TOTAL CASH-BASED REMUNERATION	**3,615.6**	**3,419.9**
Share-based payments	2,487.4	2,074.5

Note 29. Audit fees

Deloitte Bedrijfsrevisoren BV, represented by Maurice Vrolix and Ben Vandeweyer, was appointed as the statutory auditor of the SD Worx NV on the annual shareholders meeting of 7 June 2019. The total audit fees as well as the fees received for other services provided to SD Worx NV or any of its subsidiaries are detailed below.

Amounts in thousand €	2021	2020
Auditor's fees according to a mandate at the group level led by the company publishing the information	277.2	307.0
Auditor's fees according to a mandate at the group level led by the company publishing the information		
- Other attestation missions	38.1	10.0
- Other missions external to the audit	445.4	512.0
Fees to parties auditors are linked to according to the mandate at the group level led by the company publishing the information	417.5	386.0
- Fees for tax consultancy		
- Fees for other missions external to the audit	14.5	31.0
Termination benefits	79.5	198.0
TOTAL AUDIT FEES	**1,272.2**	**1,444.0**

Note 30. Events after the balance sheet date

On 2 January 2022, the Group sold all of its interest in SD Worx Real Estate NV to WorxInvest NV. The entity holds office spaces used by the Group, and for which a leaseback agreement is in the process of being reached. Following the completion of the transaction, the Group will derecognize all assets and liabilities transferred under the sale agreement, resulting in an expected gain of million € 25.0. Following the leaseback agreement, million € 12.7 of lease liabilities and million € 7.6 of right-of-use assets will be recognized. At year-end 2021, all related assets and liabilities were therefore presented as held for sale (refer to note 5).

On 14 January 2022, the Group acquired all the shares in Pro-Pay NV, a Belgian based payroll and HR services company. Pro-Pay is specialized in Belgian payroll for large international companies and by acquiring Pro-Pay, the Group aims at strengthening its position as payroll and HR partner for international companies.

On 24 March 2022, the Group acquired a majority share of 80% in Huapii BV, a Belgian based company that specialises in software and advice on talent management. The remaining share of 20% remains with the current management. Huapii offers a talent platform that gives employees ownership of their career through skill and performance management and by investing in Huapii, the Group aims at strengthening its talent management offering.

On 29 March 2022, SD Worx NV has entered into a share repurchase transaction following which 7,286,113 shares have been repurchased at a price of 37.45 euro each share. The shares were subsequently cancelled through a notarial deed at the same date.

On 4 April 2022, the Group successfully renegotiated its Senior Facility Agreement, replacing it with a Revolving Facility Agreement. Under the new loan agreement, the Group has access to a revolver loan of million € 250 with a maturity date of 31 March 2026.

Note 31. Alternative performance measures

Alternative performance measures ("APMs") present useful information which supplements the Group's financial statements and which allows the reader of the financial statements to better understand the financial state of the Issuer and the wider Group. These measures are not defined under IFRS and may not be directly comparable with APMs for other companies. The APMs represent important measures for how management monitors the company and its business activity. The APMs are not intended to be a substitute for, or superior to, any IFRS measures of performance. Some of the financial information presented in our annual reports contains APMs. These include EBITDA and Normalized EBITDA. Please see further for the definition of these APMs and the reconciliation with IFRS measures.

A. Normalizations

Normalizations mean the revenues and expenses of which, in case of a change of control, an acquirer has the choice or option (mid- or long-term) to not realize those revenues or incur those expenses. In other words, expenses or revenues which are not part of the recurring business operations of the Group. These normalizations mainly relate to:

- Restructuring and integration costs
- Acquisition and transaction costs
- Non-committed stock based compensations

The Group considers its stock based compensations plans as non-committed in the sense that currently no active plan or commitment exists to reissue a new plan in the upcoming years.

B. EBITDA and Normalized EBITDA

EBITDA is defined as earnings before net finance costs, income taxes, depreciations and amortizations. Normalized EBITDA means EBITDA excluding the normalizations. As an explanation for the use of this APM, EBITDA provides an analysis of the operating results, excluding depreciation and amortisation, as they are non-cash variables which can vary substantially from company to company depending on accounting policies and the accounting value of the assets. Additionally, it is an APM which is widely used by investors when evaluating businesses (multiples valuation), as well as by rating agencies and creditors.

The following table provides a reconciliation of EBITDA and Normalized EBITDA of the Group.

Amounts in thousand €	Note	2021	2020
OPERATING PROFIT		**55,766.2**	**42,663.0**
Depreciations and amortisations		48,370.3	38,316.6
EBITDA		**104,136.5**	**80,979.6**
Restructuring & integration costs		5,363.5	2,963.2
Acquisition & transaction costs		1,730.0	381.4
Non-committed stock based compensations		4,075.4	2,130.0
Impairment of goodwill		0.0	8,799.0
Profit/(Loss) from material business and asset disposal		0.0	1,289.6
Other non-operating income/expense		293.8	-193.3
- Fees for other missions external to the audit			
NORMALIZED EBITDA		**115,599.3**	**96,349.5**

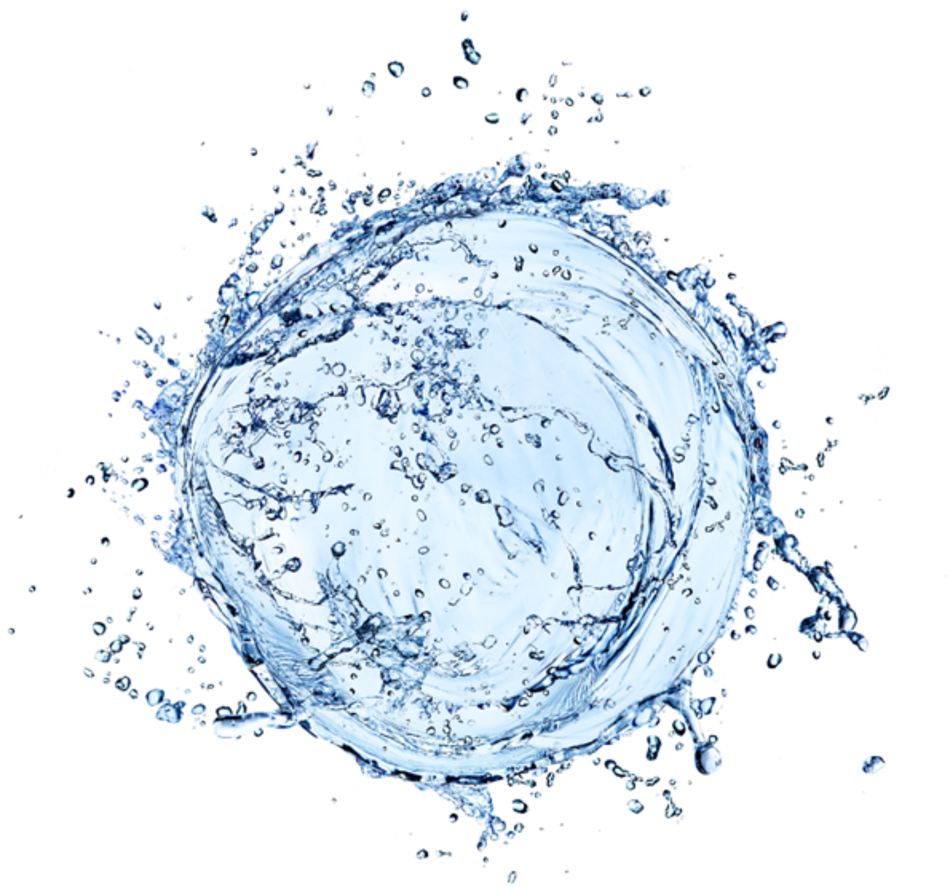
C. Gross margin

Gross margin is calculated only for SD Worx Staffing & Career Solutions. This APM is determined as the difference between revenues from contracts with customers and direct employee benefit expenses. Although the Group presents the statement of profit and loss by nature, this APM, calculated on a by function basis, is used to measure the extent to which the Group is able to recharge the costs relating to temporary workers and candidates to its clients.

The following table provides a reconciliation of the gross margin.

Amounts in thousand €	Note	2021	2020
Revenue relating to SD Worx Staffing & Career Solutions	8	253,830.2	216,751.0
Direct employee benefit expenses	10	-210,649.5	-178,454.7
Other direct expenses/revenues		-650.4	1,230.7
GROSS MARGIN		**42,530.3**	**39,527.0**

Deloitte.



SD Worx NV

Statutory auditor's report to the shareholders' meeting for the year ended 31 December 2021 - Consolidated financial statements

The original text of this report is in Dutch

Statutory auditor's report to the shareholders' meeting of SD Worx NV for the year ended 31 December 2021 - Consolidated financial statements

In the context of the statutory audit of the consolidated financial statements of SD Worx NV ("the company") and its subsidiaries (jointly "the group"), we hereby submit our statutory audit report. This report includes our report on the consolidated financial statements and the other legal and regulatory requirements. These parts should be considered as integral to the report.

We were appointed in our capacity as statutory auditor by the shareholders' meeting of 7 June 2019, in accordance with the proposal of the board of directors ("bestuursorgaan" / "organe d'administration") issued upon presentation of the works council. Our mandate will expire on the date of the shareholders' meeting deliberating on the financial statements for the year ending 31 December 2021. We have performed the statutory audit of the consolidated financial statements of SD Worx NV for 6 consecutive periods.

Report on the consolidated financial statements

Unqualified opinion

We have audited the consolidated financial statements of the group, which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit and loss and comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated statement of financial position shows total assets of 856 486 (000) EUR and the consolidated statement of profit and loss shows a profit for the year then ended of 46 805 (000) EUR.

In our opinion, the consolidated financial statements give a true and fair view of the group's net equity and financial position as of 31 December 2021 and of its consolidated results and its consolidated cash flow for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), as applicable in Belgium. In addition, we have applied the International Standards on Auditing approved by the IAASB applicable to the current financial year, but not yet approved at national level. Our responsibilities under those standards are further described in the "Responsibilities of the statutory auditor for the audit of the consolidated financial statements" section of our report. We have complied with all ethical requirements relevant to the statutory audit of consolidated financial statements in Belgium, including those regarding independence.

We have obtained from the board of directors and the company's officials the explanations and information necessary for performing our audit.

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

Responsibilities of the board of directors for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the group or to cease operations, or has no other realistic alternative but to do so.

SD Worx NV | 31 December 2021

Responsibilities of the statutory auditor for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. 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 consolidated financial statements.

During the performance of our audit, we comply with the legal, regulatory and normative framework as applicable to the audit of consolidated financial statements in Belgium. The scope of the audit does not comprise any assurance regarding the future viability of the company nor regarding the efficiency or effectiveness demonstrated by the board of directors in the way that the company's business has been conducted or will be conducted.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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 an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain 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 group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- conclude on the appropriateness of the use of the going concern basis of accounting by the board of directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated 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 statutory auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements.

Responsibilities of the statutory auditor

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing (ISA) as applicable in Belgium, our responsibility is to verify, in all material respects, the director's report on the consolidated financial statements, as well as to report on this matter.

Aspects regarding the directors' report on the consolidated financial statements

In our opinion, after performing the specific procedures on the directors' report on the consolidated financial statements, this report is consistent with the consolidated financial statements for that same year and has been established in accordance with the requirements of article 3:32 of the Code of companies and associations.

In the context of our statutory audit of the consolidated financial statements we are also responsible to consider, in particular based on information that we became aware of during the audit, if the directors' report on the consolidated financial statements is free of material misstatement, either by information that is incorrectly stated or otherwise misleading. In the context of the procedures performed, we are not aware of such material misstatement.

Statements regarding independence

- Our audit firm and our network have not performed any prohibited services and our audit firm has remained independent from the group during the performance of our mandate.
- The fees for the additional non-audit services compatible with the statutory audit, as defined in article 3:65 of the Code of companies and associations, have been properly disclosed and disaggregated in the notes to the consolidated financial statements.

SD Worx NV | 31 December 2021

Signed at Zaventem.

The statutory auditors

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL
Represented by Ben Vandeweyer

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL
Represented by Maurice Vrolix

Deloitte.

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL
Registered Office: Gateway building, Luchthaven Brussel Nationaal 1 J, B-1930 Zaventem
VAT BE 0429.053.863 - RPR Brussel/RPM Bruxelles - IBAN BE86 5523 2431 0050 - BIC GKCCBEBB

Member of Deloitte Touche Tohmatsu Limited

Statutory financial statements of SD Worx NV for the year ended 31 December 2021

The statutory annual financial statements of SD Worx NV are presented in summary format below. In accordance with the Belgian Companies Code, the annual financial statements of SD Worx NV, the management report, and the statutory auditor's report will be filed with the National Bank of Belgium.
These documents are also available free of charge on the internet, or upon request sent to:
SD Worx NV
Brouwersvliet 2
B - 2000 Antwerp

The statutory annual financial statements of SD Worx NV are prepared in accordance with Belgian generally accepted accounting principles ("BE GAAP").

The main activities of SD Worx NV are an Executive Committee ("Excom") and its areas of focus include:

- The Group's financial investment and portfolio management;
- Financial control and consolidation;
- M&A and overall strategy of the Group;
- Organisation of Group control functions with a view to effectively managing risks within the Group;
- Capital structure of the Group;
- Holding, evaluating and managing the operational performance of the Group;
- Coordination of the Group's different business operations, and fostering cooperation and synergies between the business operations with an aim to maximally integrate business operations;
- Corporate housekeeping and governance of the Group

A. Statutory Balance sheet

Assets Amounts in thousand €	31/12/2021	31/12/2020
FIXED ASSETS	**1,532,374.7**	**585,002.7**
Formation expenses	1,201.6	1,578.4
Intangible fixed assets	0.0	0.0
Tangible fixed assets	1,034.7	1,021.3
Financial fixed assets	1,530,138.4	582,402.9
CURRENT ASSETS	**33,141.0**	**124,571.8**
Amounts receivable > 1 year	0.0	0.0
Amounts receivable < 1 year & stocks	20,697.9	28,583.5
Current investments & Cash	2,767.2	91,776.3
Deferred charges and accrued income	9,675.9	4,212.1
TOTAL ASSETS	**1,565,515.7**	**709,574.4**

Liabilities Amounts in thousand €	31/12/2021	31/12/2020
EQUITY	**1,356,575.9**	**611,291.0**
Capital	596,553.0	592,632.0
Share premium	0.9	0.2
Reserves	39,051.0	1,173.0
Accumulated profits (or Losses (-))	720,971.0	17,485.8
Investment grants	0.0	0.0
PENSIONS, PROVISIONS AND DEFERRED TAXES	**2,843.6**	**1,533.0**
Provisions and deferred taxes	2,843.6	1,533.0
AMOUNTS PAYABLE	**206,096.2**	**96,750.5**
AMOUNTS PAYABLE > 1 YEAR	**85,000.0**	**87,279.8**
Financial payables > 1 year	85,000.0	87,279.8
Other payables > 1 year	0.0	0.0
AMOUNTS PAYABLE < 1 YEAR	**121,096.2**	**9,470.7**
Share premium	99,089.0	5,000.0
Reserves	19,520.5	2,771.6
Accumulated profits (or Losses (-))	2,486.7	1,699.1
TOTAL EQUITY & LIABILITIES	**1,565,515.7**	**709,574.4**

B. Statutory statement of profit or loss

Liabilities Amounts in thousand €	31/12/2021	31/12/2020
REVENUES	**0.0**	**0.0**
- Cost of Sales	0.0	0.0
GROSS MARGIN	**0.0**	**0.0**
- Services and other goods	-5,278.2	-3,501.7
- Staffing costs	-4,647.7	-4,057.1
- Amounts written off stocks, contracts in progress and trade debtors	0.0	0.0
- Provisions for liabilities and charges	0.0	0.0
- Other operating cost	-12.6	-10.6
+ Other operating income	6,183.4	5,345.2
Total net operating costs	-3,755.1	-2,224.2
NORMALIZED EBITDA	**-3,755.1**	**-2,224.2**
- Restructuring and integration costs	-1.9	-238.3
- Acquisition & transaction costs related to third parties	0.0	-405.3
+/- Profit/(Loss) from material business and asset disposal	0.0	0.0
- Non-committed stock based compensation	-1,310.6	934.2
+/- Profit/(Loss) from discontinued operations	0.0	0.0
+/- Other non-operating income/expense below the line	0.0	0.0
EBITDA	**-5,067.7**	**-1,933.6**
- Depreciations, amortisations and impairments	-32.0	-29.6
- Impairments on participations and goodwill	0.0	0.0
EBIT	**-5,099.6**	**-1,963.2**
- Financial expenses	-5,436.3	-4,473.1
+ Financial income	767,543.8	11,693.2
PROFIT BEFORE TAX	**757,008.0**	**5,256.9**
- Taxes	534.9	-879.1
PROFIT AFTER TAX	**757,542.9**	**4,377.8**

C. Statutory result appropriation

Amounts in thousand €	31/12/2021	31/12/2020
NET RESULT OF THE YEAR	**757,542.9**	**4,377.8**
Result carried forward	17,485.8	13,328.0
TOTAL AVAILABLE AND DISTRIBUTABLE RESERVES	**775,028.7**	**17,705.8**
Appropriation	0.0	0.0
Addition to the share capital and share premium	0.0	0.0
Addition to the legal reserve	37,878.0	220.0
Gross dividend	16,179.7	0.0
Carried forward	720,971.0	17,485.8
TOTAL	**775,028.7**	**17,705.8**

Compliance certificate

To the best of our knowledge:

1. The consolidated financial statements, established in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, give a true and fair view of the assets, financial position and results of SD Worx NV and of the entities included in the consolidation;
2. The Group confirms that the Adjusted Leverage does not exceed 4:1 as per the Reference Date 31 December 2021.

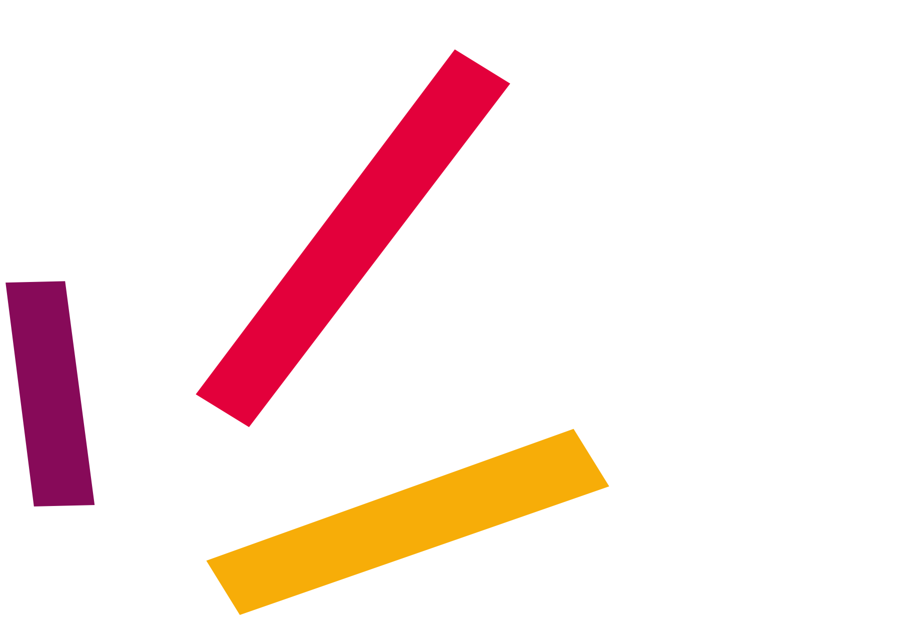
On behalf of the company

Filip Dierckx (26 apr 2022 14:07 GMT+2)

Filip Dierckx
Chairman of the
Board of Directors

Nadine Aerts
Nadine Aerts (26 apr 2022 13:39 GMT+2)

Nadine Aerts
Chief Financial Officer



Handtekening: F Dierckx
F Dierckx (28 apr 2022 16:23 GMT+2)

E-mail: filip.dierckx@sdworx.com

Titel: voorzitter rvb

Handtekening:
Jakob Verdonck (28 apr 2022 15:38 GMT+2)

E-mail: kobe.verdonck@sdworx.com

Titel: CEO

Handtekening: Nadine Aerts
Nadine Aerts (28 apr 2022 16:40 GMT+2)

E-mail: nadine.aerts@sdworx.com

Titel: CFO