



Consolidated Annual Report

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

For the year ended 31 December 2022





Message from management

2022 was another successful year for the leading European HR solutions provider SD Worx. We achieved a consolidated revenue of €962.1 million in 2022, which is an increase of +12.1% compared to 2021 (€858.1 million). The normalised EBITDA grew to €136.7 million, or 18.3% more compared to 2021 (€115.6 million). The net profit climbed to €81.0 million, an increase of 73.1% compared to 2021 (€46.8 million).

With these results, we look back on 2022 with satisfaction. Our core business is doing very well: payroll and reward revenue increased 19% in 2022. The revenue of our offerings around workforce management grew by almost 16%. However, the expected growth in the flexible labour market, which is generally under pressure, did not materialise. For our business around flexible labour, we report a slight loss of revenue. Generally it remains challenging times, with the war in Ukraine, high energy prices and inflation. The war for talent also continues to play a role, although we welcomed 1,500 new colleagues last year. By doing so, we continue to invest in our sustainable growth.

We have grown rapidly in recent years to become a European HR player, enabling us to offer our customers even more and better local and international solutions. SD Worx has achieved a unique position, with local presence in 26 countries and the associated knowledge of local legislation on payroll and HR. In 2023 and the following years, we will continue to invest heavily to further unburden our customers, local and international, from small to large, with digital solutions, complemented by a personal service that creates added value. Our customer focus and local presence, combined with the international offering, is how we make the difference.

Filip Dierckx
Chairman of the Board of Directors SD Worx

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Report of the board of directors to the general assembly of shareholders of 2 June 2023.

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 2022.

Overview of activities and impact on the financial statements

The Group prepares its financial statements in line with the International Financial Reporting Standards (IFRS).

Amounts in mio €	31 Dec 2022	31 Dec 2021	Difference
REVENUE	962.1	858.1	104.0
- Employee benefit expenses	-683.1	-614.8	-68.3
- Other operating cost	-146.7	-131.8	-15.0
+ Other operating income	5.0	4.5	0.5
+/- Income and expenses related to impairments of assets	-0.2	-0.7	0.5
+/- Operational FX differences	-0.5	0.2	-0.6
<i>Total net operating costs</i>	<i>-825.4</i>	<i>-742.5</i>	<i>-82.9</i>
NORMALIZED EBITDA	136.7	115.6	21.1
<i>Normalized EBITDA margin %</i>	<i>14.2%</i>	<i>13.5%</i>	<i>0.7%</i>
- Restructuring and integration costs	-7.3	-5.4	-1.9
- Acquisition & transaction costs related to third parties	-1.1	-1.7	0.7
- Non-committed stock based compensation	-8.2	-4.1	-4.1
- Impairment of goodwill	0.0	0.0	0.0
+/- Profit/(Loss) from material business and asset disposal	24.2	0.0	24.2
+/- Other non-operating income/expense	-0.6	-0.3	-0.3

Amounts in mio €	31 Dec 2022	31 Dec 2021	Difference
EBITDA	143.9	104.1	39.7
- Depreciations and amortisations	-25.8	-23.6	-2.2
- Depreciations and amortisations (right of use assets IFRS 16)	-24.3	-21.4	-2.9
- Depreciations and amortisations from purchase price allocations	-5.8	-3.4	-2.4
EBIT	88.1	55.8	32.3
- Financial expenses	-7.3	-7.4	0.1
+ Financial income	0.8	1.2	-0.4
+/- Non-operational FX differences	0.3	-0.2	0.5
PROFIT BEFORE TAX	81.9	49.3	32.6
- Taxes	-0.9	-2.7	1.7
PROFIT AFTER TAX	81.0	46.7	34.3
Profit and loss associated companies	0.0	0.1	-0.1
CONSOLIDATED NET RESULT AFTER TAX	81.0	46.8	34.2
Result of the Group	81.0	46.7	34.4
Profit attributable to non-controlling interest	0.0	0.1	-0.2
CONSOLIDATED NET RESULT	81.0	46.8	34.2

Results per segment

Amounts in mio €		31 Dec 2022	31 Dec 2021	Difference
REVENUE	SD Worx People Solutions	721.7	606.9	18.9%
	Payroll & Reward / Core HR	674.6	566.7	
	Workforce Management	46.5	40.2	
	Talent Management	0.6	0.0	
	SD Worx Staffing & Career Solutions	245.4	253.8	-3.3%
	Intersegment elimination	-4.9	-2.6	
	CONS Revenue	962.1	858.1	12.1%
NORMALIZED EBITDA	SD Worx People Solutions	132.4	110.8	19.5%
	Payroll & Reward / Core HR	122.8	101.0	
	Workforce Management	9.9	9.8	
	Talent Management	-0.3	0.0	
	SD Worx Staffing & Career Solutions	4.6	6.6	-30.8%
	SD Worx NV	-0.1	-1.6	-96.7%
	Intersegment elimination	-0.2	-0.1	
	CONS nEBITDA	136.7	115.6	18.3%

SD Worx continued its growth strategy in 2022, once again achieving double-digit growth figures. This growth came both organically and through acquisitions. In 2022, SD Worx acquired the Croatian HR & payroll software provider HRPRO and entered the Central and South-Eastern Europe markets. With the acquisitions of Integrho and Intelligo, it strengthened its positioning in Spain and Ireland respectively. Through these three acquisitions, SD Worx further expanded its portfolio of proprietary payroll & HR software and reinforced its international position. SD Worx also took an 80% stake in huapii last year, strengthening its talent management offering. It continued to build its international offering on workforce management, core HR, HR analytics and, via SD Worx Academy, a broad range of trainings. SD Worx also refined the mysdworx app, which allows employers and employees to take the hassle out of everyday HR processes. With all this, SD Worx offers its customers, from smaller local companies to large multinationals, solutions that allow them to manage all of their human resources processes. Customers can choose to outsource part or all of the management to SD Worx.

Further details about the net result

Normalisations

Restructuring and integration costs amount to €7.3 million and have increased by €1.9 million compared to 31 December 2021, mainly as a consequence of the integration and rebranding of Aditro, Launch!, GlobePayroll and Adessa into SD Worx.

Acquisition and transactions costs decreased by €0.7 million and are mainly related to advisory costs incurred during the acquisition processes of HRPRO, Intelligo and Integhro and earn-out remeasurements.

The cost of non-committed share plans for the group management is spread evenly over a vesting period of three years. The increase of €4.1 million compared to last year is mainly due to (i) the new plan of the financial year 2022 for group management and (ii) due to the launch of an exceptional and one-off employee share purchase plan. In 2022, SD Worx has granted all of its employees the opportunity to become a shareholder of the group, offering them the possibility to subscribe to group shares with a limited discount to their fair market value. Almost 25% of all employees have subscribed. The cost of the employee share purchase plan has been recognized in full in the profit & loss statement, as there is no service requirement for the employees over the lock-up period of 3 years.

The profit from business and asset disposal mainly results from the sales of the shares of SD Worx Real Estate NV to WorxInvest, SD Worx' majority

shareholder. SD Worx Real Estate NV is the owner of office spaces in Belgium used by the group and third parties. SD Worx subsequently entered into a leaseback agreement for most of the transferred office spaces.

It should also be mentioned that the international celebrations of the 75-year anniversary of SD Worx (€0.8 million) have been normalized as other non-operating expenses.

Depreciations and amortisations

Depreciations and amortizations on tangible and intangible assets of €55.8 million have been recorded per 31 December 2022 and are mainly related to the group's important and continuing investments in digital solutions and the refurbishment of office spaces (€25.8 million), the depreciation of leased right-of-use assets such as rented buildings and company cars (€24.3 million) and the amortization of intangible assets acquired in business combinations (€5.8 million). The increase in depreciations and amortizations are largely a consequence of increased investments in digital solutions, the leaseback agreement with SD Worx Real Estate and the amortization of acquired intangible assets from business combinations, such as brand names and customer relationships.

Financial results

The financial result per 31 December 2022 amounts to €-6.2 million, mainly due to the interest costs of the subordinated €80.0 million bond issued in June 2019, the committed €250.0 million revolving credit facility, financial charges on lease liabilities and the interest accruing on the unpaid portion of the dividend, sharebuyback and capital decrease debt towards SD Worx' majority shareholder WorxInvest.

The financial result remains largely in line with last year despite an increased leverage, mainly as a result of positive non-operational foreign exchange differences.

Taxes

Tax charges decreased by €1.7 million from €2.7 million to €0.9 million. The strongly decreased effective tax rate is mainly a consequence of the tax exempted capital gain realized on the sale of the shares of SD Worx Real Estate to WorxInvest and deferred tax assets recognized on fiscal losses carried forward in view of the positive results of the group.

Net result

The net result amounts to €81.0 million, which is a record high for SD Worx and an increase of €34.2 million or 73.1% compared to the financial year 2021. The main drivers to mention behind these strong results are the solid and continued growth in operational performance, normalized EBITDA increases by 18.3%, and the gain realized on the sale of the shares of SD Worx Real Estate NV to WorxInvest.

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.

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

Considering the current evolution on interest rates, and in view of the importance of customer funds for the Group, an agreement has been reached between the Group and WorxInvest NV on the allocation of the resulting increased interest income on customer funds.

There are no other significant events after the balance sheet date.

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 2022.

Use of financial instruments

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

24 April 2023,

On behalf of the directors,

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

BV ELLEZE
with permanent representative
Kobe Verdonck,
Director



Consolidated Financial Statements

for the year ended 31 December 2022

A. Consolidated Statement of Profit and Loss

Amounts in thousand €	Note	31 Dec 2022	31 Dec 2021
REVENUE	8	962,141.9	858,134.4
- Services and other goods	9	-151,545.0	-131,819.3
- Employee benefit expenses	10	-692,516.2	-620,128.0
- Other operating expenses	11	-2,803.3	-6,028.6
+ Other operating income	11	29,234.5	4,490.3
- Depreciations and amortization expenses	12	-55,816.3	-48,370.3
- Impairment of assets	12	-152.8	-675.0
+/- Operational FX differences		-476.8	162.8
<i>Total net operating costs</i>		<i>-874,075.9</i>	<i>-802,368.3</i>
OPERATING PROFIT		88,066.0	55,766.2
- Financial expenses	13	-7,314.7	-7,399.2
+ Financial income	13	830.3	1,205.1
+/- Net exchange difference relating to financing activities	13	321.9	-223.8
Finance costs net		-6,162.6	-6,417.9
+ Share of profit of associates and joint ventures		21.8	120.3
PROFIT BEFORE TAX		81,925.2	49,468.6
- Taxes	14	-918.7	-2,663.4
PROFIT FOR THE YEAR		81,006.5	46,805.2
Attributable to:			
Equity holders of the parent		81,031.4	46,674.1
Non-controlling interests	6	-25.0	131.1

B. Consolidated Statement of Comprehensive Income

Amounts in thousand €	Note	31 Dec 2022	31 Dec 2021
PROFIT FOR THE YEAR		81,006.5	46,805.2
Exchange differences on translation of foreign operations		-10,971.4	2,723.9
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		-10,971.4	2,723.9
Remeasurement gain/(loss) on defined benefit plans	25	19,326.9	24,826.4
Deferred tax on items that will not be subsequently reclassified	14	-5,138.1	-5,830.3
NET OTHER COMPREHENSIVE INCOME/(LOSS) THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS		14,188.8	18,996.0
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		3,217.5	21,719.9
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		84,223.9	68,525.1
Attributable to:			
Equity holders of the parent		84,248.9	68,393.9
Non-controlling interests		-25.0	131.1

C. Consolidated Statement of Financial Position

Amounts in thousand €	Note	31 Dec 2022	31 Dec 2021
NON-CURRENT ASSETS		595,041.6	528,027.7
Goodwill	15	367,738.6	318,484.9
Intangible assets	16	107,110.8	94,936.3
Property, plant and equipment	17	17,808.9	17,045.7
Right of Use assets	18	62,111.7	54,429.9
Investments in associates and joint ventures		122.5	485.5
Financial assets	19	1,719.9	2,038.1
Other assets	19	10,099.6	13,501.2
Deferred tax assets	14	28,329.6	27,106.1
CURRENT ASSETS		315,848.9	328,458.5
Inventory		764.9	398.7
Trade and other receivables	20	231,950.1	195,842.7
Current income taxes	14	7,061.2	6,641.0
Other financial assets	19	2,778.0	2,128.8
Cash and cash equivalents	23	71,469.5	64,485.9
Funds held for clients	23	1,825.3	1,162.4
Assets held for sale	7	0.0	57,799.1
TOTAL ASSETS		910,890.5	856,486.3

Amounts in thousand €	Note	31 Dec 2022	31 Dec 2021
EQUITY		291,458.7	463,271.0
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		290,208.1	463,017.0
Issued capital	21	492,060.0	596,553.6
Share premium		1.4	0.9
Currency translation reserve		-12,520.3	-1,549.0
Other reserves		47,503.3	24,116.6
Accumulated losses		-236,836.3	-156,105.2
NON-CONTROLLING INTEREST		1,250.6	254.0
NON-CURRENT LIABILITIES		157,988.1	175,387.4
Borrowings	23	81,017.3	78,819.5
Lease liabilities	18, 23	45,970.8	38,329.3
Other financial liabilities	23	3,178.4	6,653.1
Provisions	24	3,465.2	6,518.9
Employment benefit obligations	25	15,224.5	37,400.2
Deferred tax liability	14	6,363.3	5,315.6
Other non-current liabilities		2,768.6	2,350.8
CURRENT LIABILITIES		461,443.8	217,827.9
Borrowings	23	236,869.1	204.9
Lease liabilities	18, 23	23,353.1	18,650.6
Other financial liabilities	23	4,154.6	989.2
Provisions	24	0.0	0.0
Trade and other payables	26	189,878.1	182,946.1
Funds held for clients		1,825.3	1,162.4
Current tax liabilities	14	5,363.5	4,804.6
Liabilities classified as held for sale	7	0.0	9,070.2
TOTAL EQUITY & LIABILITIES		910,890.5	856,486.3

D. Consolidated Statement of Cash Flow

Amounts in thousand €	Note	31 Dec 2022	31 Dec 2021
CASH FLOW FROM OPERATING ACTIVITIES			
PROFIT FOR THE YEAR		81,006.5	46,805.2
Adjustments for:			
Income tax expense recognised in profit and loss		918.7	2,663.4
Depreciations, amortizations and impairments		55,969.1	49,045.4
(Gain)/loss on disposal of intangibles and PPE		-795.9	197.0
(Gain)/loss on disposal of subsidiaries		-23,630.4	0.0
Impairment loss/(reversal) recognised on receivables		-547.2	836.5
Increase/(decrease) of provisions		1,419.7	1,036.7
Net financing (income)/cost		6,162.6	6,417.9
Change in employee benefit obligation		8,383.7	14,470.9
Share based payment expense		7,398.3	2,303.4
Share of (profit)/loss of associates		-31.2	-120.3
Unrealized exchange rate differences		-351.8	742.7
Other adjustments		256.1	-243.1
Change working capital			
Decrease/(Increase) in inventory		-353.5	74.1
Decrease/(Increase) in trade and other receivables		-31,770.6	-6,322.7
(Decrease)/ Increase in trade and other payables		3,702.9	18,773.4
Decrease/(Increase) in other items		62.0	-533.9
Other items			
Use of provisions	24	-1,984.6	-1,537.9
Contribution to pensions	25	-8,667.1	-12,626.6
Income tax (paid)/received		-7,306.0	-14,728.8
CASH FLOW FROM OPERATING ACTIVITIES		89,841.4	107,253.3

Amounts in thousand €	Note	31 Dec 2022	31 Dec 2021
CASH FLOW FROM INVESTING ACTIVITIES			
Purchases of intangibles and PPE	16, 17	-41,758.9	-36,677.0
Proceeds from sale of intangibles and PPE	16, 17	3.0	0.0
Government grants obtained		150.8	0.0
Purchases financial assets		-681.0	-2,234.5
Proceeds from sale of financial assets		1,081.2	0.0
Interest received		411.4	139.7
Dividends received		100.0	85.7
Repayment of loans granted		-56.7	-100.0
Proceeds from loans granted		2,350.0	200.0
Net cash outflow on acquisition of subsidiaries	5, 23	-62,325.4	-130,035.2
Net cash inflow on disposal of subsidiaries		0.0	0.0
CASH FLOW FROM INVESTING ACTIVITIES		-100,725.6	-168,621.2
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings	23	40,000.0	115,000.0
Repayment of borrowings	23	-15,458.0	-133,919.7
Repayment of lease liabilities	18, 23	-24,428.9	-26,457.0
Proceeds from capital increase	21	24,471.7	3,921.7
Repayment of capital	21	0.0	0.0
Dividends paid		-259.9	-55.0
Interest paid	23	-5,931.7	-5,242.3
Payment for debt issue costs		-290.2	0.0
CASH FLOW FROM FINANCING ACTIVITIES		18,103.0	-46,752.3
TOTAL INCREASE/(DECREASE) IN CASH		7,218.8	-108,120.3
TOTAL CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		64,485.9	172,385.8
Total increase/(decrease) in cash		7,218.8	-108,120.3
Impact exchange differences		-235.2	220.3
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	23	71,469.5	64,485.9

E. Consolidated Statement of Changes in Equity

Amounts in thousand €

	ATTRIBUTABLE TO THE OWNERS OF SD WORX			TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	Issued capital	Share premium	Currency translation reserve			
BALANCE PER JANUARY 1ST, 2022	596,553.6	0.9	-1,549.0	24,116.6	-156,105.2	463,017.0
Profit for the year					81,031.4	81,031.4
Other comprehensive income/(loss) for the year, net of tax			-10,971.4	19,326.9	-5,138.1	3,217.5
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX			-10,971.4	19,326.9	75,893.3	84,248.9
Capital increase	24,471.2					24,471.2
Repayments of equity and share capital	-128,964.2				-143,900.7	-272,864.9
Transactions with non-controlling interests					-297.0	-297.0
Dividend distribution					-16,179.7	-16,179.7
Non-controlling interests on business combinations					0.0	1,158.0
Share based payments				3,990.6	3,407.8	7,398.3
Other	-0.6	0.4		69.3	345.2	414.3
TOTAL TRANSACTIONS WITH OWNERS	-104,493.6	0.4	0.0	4,059.9	-156,624.5	-257,057.8
BALANCE PER DECEMBER 31ST, 2022	492,060.0	1.3	-12,520.3	47,503.4	-236,836.3	290,208.1
					1,250.6	291,458.7

Amounts in thousand €

ATTRIBUTABLE TO THE OWNERS OF SD WORX						TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	Issued capital	Share premium	Currency translation reserve	Other reserves	Retained earnings			
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								
Non-controlling interests on business combinations						0.0		113.1
Share based payments				1,960.1	471.0	2,431.1		2,431.1
Other		0.7			-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, 2021	596,553.6	0.9	-1,549.0	24,116.6	-156,105.2	463,017.0	254.0	463,271.0

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 & Reward, Core HR services, Workforce management, and Talent management, as well as legal support, training, automation, and consulting services related to those fields; 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 2022 were authorised for issue in accordance with a resolution of the directors on 24 April 2023.

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 2022 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.

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. 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 2022. The below amendments are applicable to the Group for its annual period beginning on 1 January 2022.

- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards: Subsidiary as a first-time adopter
- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework
- Amendments to IFRS 9 Financial Instruments: Fees in the '10 per cent' test for derecognition of financial liabilities
- Amendments to IFRS 16 Leases: COVID-19-Related Rent Concessions beyond 30 June 2021
- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts — Cost of Fulfilling a Contract
- Amendments to IAS 41 Agriculture: Taxation in fair value measurements

These amendments did not have a significant effect on the Group.

B. Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group has not early adopted any of these standards, interpretations or amendments. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- IFRS 17 Insurance Contracts (applicable for annual periods beginning on or after 1 January 2023)
- 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)
- 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)
- 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)
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies (applicable for annual periods beginning on or after 1 January 2023)
- 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)

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: 3-5 years

An item of property, plant and equipment is de-recognised 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. Transaction costs

Costs which the Group incurs as a result of issuing new or acquiring own equity instruments are considered transaction costs when they are incremental and can be directly attributed to the transaction. Such costs consist of underwriting fees, legal fees, and other professional advisors related to the transaction.

The Group accounts for these costs as prepaid expenses until the transaction is completed, after which they are deducted from equity. In the rare event that the transaction to which the transaction costs relate is abandoned, they are transferred to the statement of profit and loss.

Other costs, not considered incremental and directly attributable to the transaction, are recognized as expense when they are incurred.

2.4.12. 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.

2.4.13. 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.

2.4.14. 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.

2.4.15. 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.

2.4.16. 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 the future;
- 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 2021.

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

A. The parent

The immediate parent of SD Worx NV is WorxInvest NV, which possesses 100% of the voting rights. WorxInvest NV is a Belgian based company with registered office located at Brouwersvliet 29, 2000 Antwerp, Belgium, and primarily operates as a holding company.

B. The subsidiaries

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.

Name	Country	Percentage of voting rights	
		31 Dec 2022	31 Dec 2021
SD Worx Real Estate NV	Belgium	0%	100%
People Solutions			
SD Worx People Solutions NV	Belgium	100%	100%
SD Worx Nederland BV	The Netherlands	100%	100%
SD Worx France SAS	France	100%	100%
SD Worx GmbH	Germany	100%	100%
LWB NV	Belgium	100%	100%
Sodeco NV	Belgium	100%	100%
SD Worx (Mauritius) Ltd.	Mauritius	100%	100%
SD Worx UK Ltd.	United Kingdom	100%	100%
SD Worx Ireland Ltd.	Ireland	100%	100%
Protime NV	Belgium	100%	100%
Protime BV	The Netherlands	100%	100%
Protime SAS	France	100%	100%
Protime WFM GmbH	Germany	100%	100%
Pointlogic HR BV	The Netherlands	100%	100%
Synades SA	Switzerland	100%	100%
Adessa Consulting SA	Belgium	100%	100%
Adeconsult SA	Switzerland	100%	100%
SD Worx Spain	Spain	100%	100%
Adessa Deutschland GmbH	Germany	100%	100%
Teal Partners BV	Belgium	74%	74%
SD Worx Norway AS	Norway	100%	100%
SD Worx Estonia Oü	Estonia	100%	100%
SD worx Finland Oy	Finland	100%	100%
SD Worx Sweden AB	Sweden	100%	100%
SD Worx Italy s.r.l	Italy	100%	100%
SD Worx Poland SP.z.o.o.	Poland	100%	100%
Pro-Pay NV	Belgium	100%	0%
Huapii BV	Belgium	80%	0%
SD Worx SRL	Romania	100%	0%

Name	Country	Percentage of voting rights	
		31 Dec 2022	31 Dec 2021
SD Worx Hungary KFT	Hungary	100%	0%
HR PRO d.o.o.	Croatia	100%	0%
SD Worx Managed Payroll Services BV	The Netherlands	100%	100%
SD Worx BPO Services BV	The Netherlands	100%	100%
SD Worx HCM BV	The Netherlands	100%	100%
Launch! Human Capital Management Ltd	United Kingdom	100%	100%
Launch! Nordic Holding Aps	Denmark	100%	100%
SD Worx Denmark Aps	Denmark	100%	100%
Intelligo Software Ltd.	Ireland	100%	0%
Enter Systems II, S.L. (Integrho)	Spain	100%	0%
Staffing & Carreer solutions			
SD Worx Staffing & Career Solutions NV	Belgium	100%	100%
SD Worx Staffing Solutions NV	Belgium	100%	100%
SD Worx Career Solutions NV	Belgium	100%	100%
SD Worx Staffing & Career Solutions - Nederland BV	The Netherlands	100%	100%
Easymatch BV	Belgium	100%	100%
Trento Engineering BV	The Netherlands	100%	100%
Equipe BV	The Netherlands	100%	85%
SD Worx Staffing Solutions BV	The Netherlands	100%	100%
SD Worx Payrolling BV	The Netherlands	100%	100%

During the year, the Group simplified its structure in several countries where it operates. As a result of this operation, several legal entities have been merged. This legal simplification mainly impacted Belgium as a result of the merger of SD Worx Belgium NV with SD Worx People Solutions NV, the SD Worx Nordics area (previously Aditro) where all companies merged to retain one company per country, and the former Dutch Launch! entities.

Note 5. Business combinations

A. New acquisitions made in 2022

During 2022, the Group entered into several business combinations of which more information is provided below.

Pro-Pay

On 14 January 2022, the Group acquired 100% of the issued shares of Pro-Pay NV, a Belgian based payroll and HR services company. Pro-Pay NV is specialized in Belgian payroll for large international companies and by acquiring Pro-Pay NV, the Group aims at strengthening its position as payroll and HR partner for international companies.

The acquired business contributed revenues of thousand €7,722.5 and a net profit after tax of thousand €1,271.3 to the Group for the period between acquisition and 31 December 2022. There would have been not material difference in reported revenues or net profit after tax if the acquisition would have occurred on the 1 January 2022.

A part of the transaction price for Pro-Pay NV has been agreed under the form of an earn out, which is linked to customer retention.

huapii

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%, equal to

thousand €19.2, remains with the current management. This remaining share is presented as non-controlling interest and was measured using the proportionate method. 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.

The acquired business contributed revenues of thousand €520.0 and a net loss after tax of thousand €450.3 to the Group for the period between acquisition and 31 December 2022. If the acquisition had occurred on 1 January 2022, contribution towards consolidated revenue and consolidated net profit after tax for the full year would have been thousand €708.6 and thousand €-516.3 respectively.

HRPRO

On 6 July 2022, the Group acquired 100% of the issued shares of HR PRO d.o.o, a Croatia based payroll and HR services company, but with a strong customer portfolio across Central Europe and the entire Balkan region. By acquiring HRPRO, the Group is strengthening its own IP offering in new payroll countries with a strong international and regional customer base.

The acquired business contributed revenues of thousand €2,296.2 and a net profit after tax of thousand €565.9 to the Group for the period between acquisition and 31 December 2022. If the acquisition had occurred on 1 January 2022, contribution towards consolidated revenue and consolidated net profit

after tax for the full year would have been thousand €3,916.6 and thousand €844.6 respectively.

A part of the transaction price for HR PRO d.o.o has been agreed under the form of an escrow which will be paid in 2 equal instalments at 31 March 2023 and 31 March 2024.

Intelligo

On 26 October 2022, the Group acquired 100% of the issued shares of Intelligo Software Ltd, the Irish market leader in payroll and HR solutions. By acquiring Intelligo, the Group sees a great opportunity to assume a leadership position in payroll and HR solutions in Ireland.

The acquired business contributed revenues of thousand €1,190.6 and a net profit after tax of thousand €216.7 to the Group for the period between acquisition and 31 December 2022. If the acquisition had occurred on 1 January 2022, contribution towards consolidated revenue and consolidated net profit after tax for the full year would have been thousand €7,091.8 and thousand €1,096.4 respectively.

Integrho

On 3 November 2022, the Group acquired 100% of the issued shares of Enter Systems II, S.L. (commercially referred to as Integrho), a Spanish based provider of payroll software. Integrho possesses a robust payroll engine, which features functionality in payroll, personal administration, and time and attendance offered to clients in Spain and Andorra. By acquiring Integrho,

the Group strengthens its portfolio of own payroll and HR software with a strong and versatile payroll product in Spain.

The acquired business contributed revenues of thousand €381.2 and a net profit after tax of thousand €113.0 to the Group for the period between acquisition and 31 December 2022. If the acquisition had occurred on 1 January 2022, contribution towards consolidated revenue and consolidated net profit after tax for the full year would have been thousand €2,549.8 and thousand €430.6 respectively.

A part of the transaction price for Enter Systems II, S.L. has been agreed under the form of a deferred payment which will be paid in 3 equal instalments over the upcoming 3 years, subject to a fixed annual interest equivalent to 3%.

Impact on the financials

Details of the consideration transferred, the net assets acquired and the goodwill following these transactions is presented on next page.

Amounts in thousand €	Note	31 Dec 2022
Cash and cash equivalents		4,671.1
Intangible assets	16	5,934.6
Property, plant and equipment	17	213.4
Right-of-use assets	18	1,744.3
Financial assets		499.6
Inventory		12.7
Receivables		5,207.2
Provisions		0.0
Borrowings and lease liabilities	23	-2,776.1
Payables		-5,197.6
Employee benefit obligations	25	0.0
Net deferred tax assets/(liabilities)	14	-1,013.2
NET ASSETS ACQUIRED		9,295.9
Less: Non-controlling interest		-19.2
Less: Previously held equity instruments		0.0
Add: Goodwill	15	57,217.4
TOTAL CONSIDERATION TRANSFERED		66,494.1
Of which: Cash paid		63,819.1
Contingent consideration		750.0
Deferred payment		1,925.0

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 €3,916.

- 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 brand names of thousand €135.0.
- 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 and competitive advantages such as the possibility to offer services in multiple regions. None of the goodwill is deductible for tax-purposes.

The reconciliation with the Consolidated Statement of Cash Flow is summarized below:

Amounts in thousand €	Note	31 Dec 2022
Cash paid		-63,819.1
Cash and cash equivalents obtained		4,671.1
Cash settlement of contingent consideration	23	-2,805.2
Transactions with non-controlling interests		-372.1
NET CASH OUTFLOW ON ACQUISITION OF SUBSIDIARIES		-62,325.3

Acquisition related costs with regards to these transactions of thousand €637.9 are included in “Acquisition related costs” (refer to note 9).

B. Final purchase price allocations in 2022 relating to acquisitions from 2021

During the year ended 31 December 2021, the Group entered into several business combinations. During that year, the Group acquired:

- 100% of the issued shares of Aditro Group AB on 28 April 2021;
- An additional 68% of the issued shares of Teal Partners BV on 21 May 2021; and
- 100% of the issued shares of launch! Holding BV on 29 June 2021.

Further disclosure on the transactions, the rationale of acquisition, and the impact thereof on the financial results is provided in last year's financial statements. During the year ended 31 December 2021, the Group had accounted for provisional purchase price allocations relating to these transactions.

In the course of 2022, and within the measurement period, the purchase price allocation for the related acquisitions was finalized. The following table summarizes the effects of adjustments made to the fair value of assets and liabilities, as included in the comparative figures of the current year.

Amounts in thousand €	Note	As previously reported	Adjustment	Final
Cash and cash equivalents		5,940.6		5,940.6
Intangible assets	16	43,292.0	2,731.6	46,023.6
Property, plant and equipment	17	545.5		545.5
Financial assets		132.7		132.7
Receivables		17,132.4		17,132.4
Borrowings and lease liabilities		-13,271.9		-13,271.9
Payables		-19,149.4		-19,149.4
Net deferred tax assets/(liabilities)	14	-4,029.4	-682.9	-4,712.3
NET ASSETS ACQUIRED		36,355.8	2,048.7	38,404.5
Less: Non-controlling interest		-113.1	-1,138.7	-1,251.8
Less: Previously held equity instruments		-363.1		-363.1
Add: Goodwill	15	97,276.7	-910.0	96,366.7
TOTAL CONSIDERATION TRANSFERED		133,156.3		133,156.3
Of which: Cash paid		133,156.3		133,156.3
Contingent consideration		-		-

Note 6. Non-Controlling Interests

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

Name	Country of incorporation	31 Dec 2022	31 Dec 2021
Teal Partners BV	Belgium	26%	26%
Huapii BV	Belgium	20%	-
Equipe BV	Netherlands	-	15%

During the year, the Group acquired the remaining 15% non-controlling interest in Equipe BV.

Through the business combination of Huapii BV (refer to note 5), the Group acquired 80% of the outstanding shares. The remaining 20% is presented on the balance sheet as non-controlling interest.

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. Disposal of business

On 2 January 2022, the Group sold all of its interest in SD Worx Real Estate NV to WorxInvest NV. SD Worx Real Estate NV is the owner of office spaces used by the Group. The Group subsequently entered into a leaseback agreement for some of these office spaces on the same date. Following the completion of the transaction, the Group has derecognized all assets and liabilities transferred under the share purchase agreement. At year-end 2021, all related assets and liabilities were presented as held for sale.

Following the leaseback agreement, thousand €12,729.3 of lease liabilities and thousand €7,567.4 of right-of-use assets have been recognized.

Amounts in thousand €	Note	31 Dec 2022
Consideration received		72,864.9
Net assets transferred		-44,136.7
Net effect from the sale and leaseback		-5,161.9
GAIN ON DISPOSAL OF BUSINESS	11	23,566.4

The consideration was not settled in cash, but was converted into a vendor loan (refer to notes 23 and 28). The total cash transferred as part of the transaction amounted to thousand €327.3.

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, work force management as well as HR consulting services. The Group manages the segment by further disaggregating it into the business lines Payroll & Reward / Core HR, Workforce management, and Talent & Careers.

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 Dec 2022	31 Dec 2021
SD Worx People Solutions		721,650.2	606,945.5
- Payroll & Reward / Core HR		674,605.9	571,715.4
- Workforce management		46,520.9	35,230.1
- Talent & Careers		580.5	0.0
SD Worx Staffing & Career Solutions	31	245,405.4	253,830.2
Intersegment elimination		-4,913.7	-2,641.3
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS	A	962,141.9	858,134.4

SD Worx People Solutions saw its revenue growing at 19%. Excluding the acquisitions made by the Group during 2022 within the segment, revenue increased by 11% compared with last year. Within the Payroll & Reward / Core HR business line, revenue growth can be noted across all offerings of the Group. The Workforce Management business line mainly saw revenue growth at the level of SaaS related revenues and revenues from services.

SD Worx Staffing & Career Solutions focusses on the Belgian and Dutch markets. The revenue of the segment has shown a negative growth of -3%, decreasing to thousand €245,405.4 for the year 2022. The decrease is mainly found in the Belgian staffing market where a lower performance was noted during the second half of the year. This decrease was partly compensated by the other offerings within this segment which saw increasing revenues.

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 with an individual footprint below 5 million euro in revenue.

Amounts in thousand €	Note	31 Dec 2022	31 Dec 2021
Belgium		566,417.2	525,484.1
Netherlands		159,567.8	139,583.6
Germany		76,631.3	74,995.5
UK		52,799.5	48,912.8
Sweden		27,184.5	17,445.3
Finland		21,320.6	13,843.6
Norway		20,012.8	10,511.8
France		16,410.0	13,313.0
Luxemburg		8,384.8	7,219.1
Other		13,413.5	6,825.8
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS	A	962,141.9	858,134.4

The Group generates the majority of its revenue within Belgium and the Netherlands, accounting for 76% of the total revenue (compared to 78% over 2021). In these markets, the Group operates both its segments.

The growth in revenue is noted throughout all major geographic areas where the Group is present. The most significant can be found in the Scandinavian countries, which is largely explained as the Group only acquired Aditro (rebranded to SD Worx Nordics) during 2021, nevertheless SDW Nordics has grown organically by 9% on a like-for-like basis.

The growth of this geographic segment can largely be attributed to the applied growth strategy of the Group, which is aimed at increasing the footprint throughout Europe.

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 2022, the gross margin with regards to SD Worx Staffing & Career Solutions amounted to thousand €42,637.6 (thousand €42,530.3 over 2021).

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 Dec 2022	31 Dec 2021
Facility costs		12,911.3	10,660.0
Information and technology		39,146.1	33,277.6
Subcontracting		41,216.6	37,209.0
Marketing and communication		20,003.0	16,282.3
Professional fees		24,811.7	23,278.3
Commissions		3,116.6	2,327.3
Royalties		1,008.0	918.2
Acquisition related costs	5	1,072.5	1,730.0
Restructuring and integration		5,959.3	4,064.9
Insurance costs		1,416.1	1,321.8
Other		883.8	749.9
TOTAL SERVICES AND OTHER GOODS	A	151,545.0	131,819.3

The total costs related to services and other goods have increased by thousand €19,725.7 (or 15%). 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. The level of the costs incurred is highly dependent on the activity and the resulting capacity usage.
- Subcontracting costs are incurred principally when the Group involves third parties to assist the Group in serving its clients. Such situations can arise when clients might have affiliates in countries where the Group does not have a physical presence. The level of these costs is thus mainly driven by the level of revenue as well as the availability of internal resources.
- Professional fees concern consulting, legal advice, tax advice, accounting and auditing, and other professional services provided to the Group. The level of the costs incurred can be influenced by fees spend on one-off projects.

Although significantly higher compared to last year, the total increase in services and other goods has remained on par with the increase in revenue when excluding costs relating to acquisitions, and restructuring and integration. The increase of the acquisition and integration costs is mainly driven by the integration and rebranding of Aditro, Launch!, GlobePayroll and Adessa into SD Worx.

Note 10. Employee benefit expenses

Overview of employee benefit expenses

Amounts in thousand €	Note	31 Dec 2022		
		Total	Direct	Indirect
Wages and salaries		443,169.8	124,868.4	318,301.4
Social security tax		109,763.2	43,903.1	65,860.1
Social insurances		3,264.9	0.0	3,264.9
Share based payment expense		8,151.3	0.0	8,151.3
Other employee benefits		59,329.4	11,948.6	47,380.8
Pensions and post-employment benefits		21,321.2	2,181.7	19,139.4
Training and education		2,895.7	57.7	2,837.9
Recruitment		5,752.6	0.0	5,752.6
External personnel		69,247.1	18,758.0	50,489.1
Capitalized to internal development projects		-30,378.9	0.0	-30,378.9
TOTAL EMPLOYEE BENEFIT EXPENSE	A	692,516.2	201,717.5	490,798.7

Amounts in thousand €	Note	31 Dec 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

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 €692,516.2, for the year ended 31 December 2022, compared with thousand €620,128.0 over the comparative period. The increase is driven, to a large extent, by the growth of the Group, but is also a direct consequence of the continued investment of the Group in attracting additional employees to support the rapid organic growth.

Average number of persons employed

	31 Dec 2022	31 Dec 2021
Temp workers and candidates	4,718	5,174
Employees	6,632	5,208
Management personnel	24	31
TOTAL AVERAGE FTES EMPLOYED	11,374	10,413

Note 11. Other operating result

Amounts in thousand €	Note	31 Dec 2022	31 Dec 2021
Write down on receivables		-504.9	315.9
Loss on trade receivables		456.8	521.7
Provisions		311.0	-169.7
Other taxes		1,272.1	1,920.8
Other expense		1,268.4	3,439.9
TOTAL OTHER OPERATING EXPENSES	A	2,803.3	6,028.6
Facility income		996.3	2,164.6
Commissions received		1,235.7	1,104.7
Gain on disposal of business	7	23,566.4	0.0
Gain on disposal of assets		646.6	0.0
Other income		2,789.5	1,221.0
TOTAL OTHER OPERATING INCOME	A	29,234.5	4,490.3
NET OTHER OPERATING RESULT		26,431.2	-1,538.3

The total other operating result amounts to thousand €26,431.2 compared with thousand €-1,538.3 last year. In the current year, the net other operating result is largely influenced on the realized gain on the sale of SD Worx Real Estate NV (refer to note 7 for further information).

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. This facility income has decreased as the Group is no longer the direct owner of its Belgian based office spaces.

Note 12. Depreciations, amortizations and impairment of assets

Amounts in thousand €	Note	31 Dec 2022	31 Dec 2021
Amortization intangible assets	16	26,515.5	18,949.8
Depreciations property, plant and equipment	17	5,046.3	8,048.6
Depreciations right-of-use assets	18	24,254.5	21,371.9
TOTAL DEPRECIATIONS AND AMORTIZATION EXPENSES	A	55,816.3	48,370.3
Impairment intangible assets	16	0.0	0.0
Impairment property, plant and equipment	17	0.0	217.7
Impairment right-of-use assets	18	96.6	457.4
Impairment goodwill	15	0.0	0.0
Other impairments		56.3	0.0
TOTAL IMPAIRMENT OF ASSETS	A	152.8	675.0

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.

The Group did not recognize any impairments on goodwill during the year, or the comparative period. 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 Dec 2022	31 Dec 2021
Interest expense on loans and borrowings	23	-4,998.0	-4,458.9
Interest expense on pension plans	25	-298.8	-1,226.4
Interest expense on lease liabilities	18, 23	-1,558.1	-1,556.2
Loss on sale of financial assets		0.0	0.0
Other finance expense		-459.9	-157.7
FINANCIAL EXPENSES	A	-7,314.7	-7,399.2
Interest income		403.8	21.7
Interest income on pension plans	25	199.4	1,065.4
Other finance income		227.1	118.0
FINANCIAL INCOME	A	830.3	1,205.1
NET EXCHANGE DIFFERENCE RELATING TO FINANCING ACTIVITIES	A	321.9	-223.8
FINANCE COSTS NET	A	-6,162.6	-6,417.9

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, relating mainly to buildings, amount to thousand €1,558.1 (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 Dec 2022	31 Dec 2021
Current year		9,380.1	16,773.7
Adjustments for prior year		-404.7	418.2
CURRENT TAX EXPENSE/(INCOME)		8,975.4	17,191.9
Origination and reversal of temporary differences		-2,652.6	-6,392.9
Utilization of previously recognised tax losses		1,279.3	1,837.2
Recognition current year's losses		0.0	0.0
Change in tax rate		412.0	0.0
Change in unrecognized temporary differences		0.0	292.2
Recognition of previously unrecognised tax losses		-7,095.3	-10,265.0
DEFERRED TAX EXPENSE/(INCOME)		-8,056.6	-14,528.5
TOTAL TAX EXPENSE	A	918.7	2,663.4

The Group recognized a tax expense of thousand €918.7 for the year ended 31 December 2022 compared with thousand €2,663.4 over the comparative period.

Reconciliation of effective tax rate

Amounts in thousand €	31 Dec 2022	31 Dec 2021		
Consolidated net result	81,006.4	46,805.2		
+/- result associated companies	-21.8	-120.3		
+ Taxes	918.7	2,663.4		
PROFIT BEFORE TAX	81,903.4	49,348.3		
	In tho €	In %	In tho €	In %
Taxes on earnings at Belgian corporate income tax rate	20,481.3	25.0%	12,337.1	25.0%
Difference with foreign tax rates	330.7	0.4%	154.4	0.3%
WEIGHTED AVERAGE APPLICABLE TAX RATE	20,812.0	25.4%	12,491.4	25.3%
Adjustments previous years	-504.5	-0.6%	904.3	1.8%
Tax non-deductible items	3,469.7	4.2%	3,096.7	6.3%
Tax relief	-10,547.8	-12.9%	-9,057.6	-18.4%
Tax exempt income	-5,900.0	-7.2%	0.0	0.0%
Tax losses not recognised as DTA	4,677.5	5.7%	5,543.1	11.2%
Usage of DTA	-1,132.1	-1.4%	1,837.2	3.7%
Adjustments to DTA	-10,117.6	-12.4%	-10,265.0	-20.8%
Other taxes	161.4	0.2%	-1,886.7	-3.8%
EFFECTIVE TAX CHARGE	918.7	1.1%	2,663.4	5.4%

The Group's effective tax rate decreased to 1.1% compared to 5.4% over the year ended 31 December 2021. The total decrease in effective tax rate can be explained by one off impacts resulting from the recognition of previously unrecognized tax losses, mainly related to Sweden, in view of the positive results of the Group. The tax exempt income follows from the sale of SD Worx Real Estate NV, as realized gains on the sale of shares are tax exempt in Belgium.

Current income taxes on the Consolidated Statement of Financial Position

Amounts in thousand €	Note	31 Dec 2022	31 Dec 2021
Current tax receivables	C	7,061.2	6,641.0
Current tax liabilities	C	5,363.5	4,804.6

Deferred taxes on the Consolidated Statement of Financial Position

Note	31 Dec 2022			31 Dec 2021		
	Asset	Liability	Net asset	Asset	Liability	Net asset
Intangible assets	3,919.9	6,473.9	-2,554.0	4,556.3	6,655.8	-2,099.5
Property, plant and equipment	371.5	150.2	221.3	375.3	338.2	37.1
Right-of-use assets	0.0	12,827.6	-12,827.6	0.0	11,741.6	-11,741.6
Other assets	111.2	609.7	-498.6	290.7	436.3	-145.7
Lease liabilities	14,500.0	0.0	14,500.0	12,497.1	0.0	12,497.1
Provisions	876.8	2,784.1	-1,907.2	174.3	833.6	-659.3
Employee benefit obligations	3,095.6	2,790.9	304.7	7,565.1	2,028.3	5,536.8
Trade and other payables	51.0	549.8	-498.8	0.0	849.6	-849.6
Other liabilities	1,016.6	245.1	771.5	782.6	8.8	773.9
TOTAL TEMPORARY DIFFERENCES	23,942.7	26,431.2	-2,488.6	26,241.4	22,892.2	3,349.2
Deferred tax assets on tax losses carried forward	24,454.9	0.0	24,454.9	18,441.4	0.0	18,441.4
Offsetting of assets and liabilities	-20,068.0	-20,068.0	0.0	-17,576.7	-17,576.7	0.0
TOTAL DEFERRED TAXES RECOGNIZED	C	28,329.6	6,363.3	27,106.1	5,315.6	21,790.5

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, Sweden 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 Dec 2022	31 Dec 2021
NET DEFERRED TAX ASSET AT BEGINNING OF THE YEAR		21,790.5	18,700.7
Gain/(loss) charged to income statement		8,056.6	14,528.5
Gain/(loss) recognized in other comprehensive income	B	-5,138.1	-5,830.3
Acquired through business combinations	5	-1,696.1	-4,029.4
Held for sale	7	0.0	-1,650.0
Exchange differences		-1,075.9	184.5
Other		29.2	-113.5
NET DEFERRED TAX ASSET AT END OF YEAR		21,966.3	21,790.5

Unrecognized deferred tax assets

During the year ended 31 December 2022 the Group has mainly recognized additional deferred tax assets based on unrecognized tax losses carried forward relating to its Swedish operations totalling thousand SEK 64.333. The recognition results from a legal reorganization, which included mergers of subsidiaries, and a simplification of the group structure, which has resulted in changes in the estimate of the future recoverability of the tax losses carried forward. The Group has recognized the planned use of tax losses carried over the course of the upcoming seven years. Any tax savings beyond the seven year window have not been recognized.

The Group has approximatively thousand €111,790.3 of unused tax losses carried forward across various jurisdictions for which no deferred tax asset has been recognized compared to thousand €130,269.1 last year, as it is not probable at the reporting date that sufficient future taxable profit will be available. All 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:

- People Solutions, which provides services in HR & Payroll
- 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	31 Dec 2022	31 Dec 2021
Gross book value		466,830.9	368,195.7
Accumulated impairment		-148,346.1	-148,473.1
CARRYING VALUE AT 1 JANUARY	C	318,484.9	219,722.6
Acquired through business combinations	5	56,307.4	97,276.8
Disposals		0.0	0.0
Transfers		0.0	-201.8
Impairment	12	0.0	0.0
Foreign exchange difference		-7,053.7	1,687.2
Gross book value		516,084.7	466,830.9
Accumulated amortization and impairment		-148,346.1	-148,346.1
CARRYING VALUE AT 31 DECEMBER	C	367,738.6	318,484.9

The increase in goodwill is explained by the acquisitions of Pro-Pay, huapii, HRPRO, Intelligo and Integrho resulting in a net increase by thousand €57,217.4 compared with thousand €92,276.8 over the comparative period which related principally to the acquisition of Aditro, Launch! and Teal Partners. This increase is offset by the allocation of provisional goodwill, for a total amount of thousand €910.0, to other assets and liabilities following the finalization of the pending purchase price accounting of 2021. The foreign exchange differences total thousand €-7,053.7 compared with thousand €1,687.2 over 2021 and are mainly driven by the Group’s goodwill denominated in GBP and SEK.

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 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 2022	31 Dec 2021
People Solutions		278,924.8	229,671.0
Staffing & Career Solutions		88,813.9	88,813.9
TOTAL GOODWILL	C	367,738.6	318,484.9

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 and long term growth rates. Specific assumptions have been used to determine the underlying budgets and forecasts.

Assumptions	Note	31 Dec 2022	31 Dec 2021
SD Worx People Solutions			
Weighted average cost of capital		10.2%	8.9%
Long term growth rate		2.0%	2.0%
SD Worx Staffing & Career Solutions			
Weighted average cost of capital		10.4%	9.3%
Long term growth rate		2.0%	2.0%

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 WACC takes into account both debt and equity, which are weighted using the Group’s target leverage. The cost of equity is determined using a country specific risk free rate adjusted for a CGU specific beta, which is reevaluated annually based on publicly available market data. The risk free rate is adjusted for a market risk premium and a size premium to correctly reflect the risks specific to each CGU. The cost of debt is determined using a country specific risk free rate adjusted for a credit spread reflecting the Group’s creditworthiness. Country risk free rates range from 0.58% to 2.53% (compared to -0.40% to 0.72% last year).

In 2022, 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.

Based on the impairment testing performed, the Group did not recognize impairments in the current financial year.

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 -1,0%	166,659.0	992,261.7	15,060.9	17,656.7
Discount rate +1,0%	-130,523.3	695,079.4	-11,887.6	-9,291.9
Long term growth rate -1,0%	-89,783.7	735,819.0	-8,360.3	-5,764.5
Long term growth rate +1,0%	110,733.4	936,336.1	10,605.6	13,201.4

The underlying budgets are also subject to sensitivity from their specific assumptions. Such assumptions are numerous and diverse in nature, but will eventually drive the growth rates in revenue and EBITDA.

A general decrease in short term revenue growth by 0,5% (and assuming no decrease in costs) would result in an impairment charge of thousand €11,381.0 relating to the goodwill assigned to SD Worx Staffing & Career Solutions, and no impairment relating to the goodwill assigned to SD Worx People Solutions.

A general decrease in EBITDA growth by 0,5% would result in an impairment charge of thousand €12,582.6 relating to the goodwill assigned to SD Worx Staffing & Career Solutions, and no impairment relating to the goodwill assigned to SD Worx People Solutions.

Note 16. Intangible assets

2022

Amounts in thousand €

	Note	Software	Customer Contracts	Other Intangible assets	Total
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 1 JANUARY	C	66,578.1	27,650.7	707.6	94,936.3
Additions	D	34,239.4	0.0	0.0	34,239.4
Government grants (-)		-2,120.9	0.0	0.0	-2,120.9
Amortization	12	-20,944.8	-4,857.8	-712.8	-26,515.4
Impairment	12	0.0	0.0	0.0	0.0
Disposals		0.0	0.0	0.0	0.0
Acquired through business combinations	5	4,230.2	4,143.0	293.0	8,666.2
Transfers		0.0	0.0	0.0	0.0
Foreign exchange difference		-601.3	-1,531.9	-3.7	-2,136.9
Other		54.0	29.9	-41.7	42.1
Gross book value		173,342.9	32,789.4	1,114.4	207,246.7
Accumulated amortizations and impairments		-91,908.3	-7,355.5	-872.1	-100,135.9
CARRYING VALUE AT 31 DECEMBER	C	81,434.6	25,433.9	242.3	107,110.8

2021

Amounts in thousand €	Note	Software	Customer Contracts	Other Intangible 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		-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

The Group's intangible assets increased by thousand €12,174.4, relating mainly to the in-house development of software (thousand €32,118.4), intangible assets acquired from business combinations (thousand €8,666.2), and a net positive impact from exchange rate differences. The increases were offset by amortizations totaling thousand €26,515.4 (31 December 2021: thousand €18,949.8).

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 2022, thousand €38,264.5 of software was under development (31 December 2021: thousand €25,501.7).

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 2022 will be amortized over a remaining useful life of approximately 6 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.

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 €1,608.8 for CIR receivables.

The Group records this government assistance as negative addition. For the year ended 31 December 2022, the Group obtained thousand €2,120.9 of investment deduction, compared with thousand €1,441.7 in the previous year.

Commitments

At 31 December 2022, there were no open commitments by the Group to acquire any intangible assets.

Note 17. Property, plant and equipment

Amounts in thousand € 2022	Note	Land & Buildings	Installation, machinery & equipment	Furniture, hardware & vehicles	Leasehold improvements & other	PP&E under construction	Total
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 1 JANUARY	C	1,251.2	2,075.7	9,020.4	4,033.6	664.8	17,045.7
Additions	D	0.0	1,134.3	5,104.1	1,281.1	0.0	7,519.5
Depreciation	12	213.8	-878.1	-3,422.5	-959.5	0.0	-5,046.3
Impairment	12	0.0	0.0	0.0	0.0	0.0	0.0
Disposals		-301.2	-8.7	-176.5	-1,231.4	0.0	-1,717.8
Acquired through business combinations	5	0.0	9.3	160.0	44.0	0.0	213.3
Transfers		122.0	-148.9	-131.6	777.6	-619.0	0.0
Foreign exchange difference		0.0	0.5	-12.7	-7.2	-5.0	-24.4
Other		-135.1	-106.4	29.0	31.3	0.0	-181.1
Gross book value		3,797.1	6,543.8	31,941.2	12,247.3	40.8	54,570.2
Accumulated Depreciations and impairments		-2,646.5	-4,466.1	-21,370.9	-8,277.9	0.0	-36,761.3
CARRYING VALUE AT 31 DECEMBER	C	1,150.7	2,077.7	10,570.3	3,969.4	40.8	17,808.9

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		-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

The Group's property, plant and equipment increased by thousand €763.2. Additions to property, plant and equipment relate mainly to investments in hardware such as servers, laptops and equipment used in the Group's HaaS offering, totaling thousand €7,519.5. The depreciation charge for the current period totals thousand €5,046.3 compared to thousand €8,048.7 in the previous period. No impairments on property, plant and equipment have been recognized during the current period.

Restrictions

As per 31 December 2022 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 2022 totals thousand €1,127.1.

Commitments

At 31 December 2022, the Group had approximatively million €2.0 of open commitments to acquire property, plant and equipment. These commitments relate mainly to the redesign and refurbishment of office spaces of the Group and will be presented as ‘leasehold improvements’.

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 3 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 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 €0.2 and includes office spaces (mainly Estonia). 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 2022. 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

2022

Amounts in thousand €	Note	Land & Buildings	Installation, machinery & equipment	Furniture, hardware & vehicles	Total
Gross book value		46,709.6	20,576.6	23,698.2	90,984.4
Accumulated amortizations and impairments		-15,438.9	-10,735.6	-10,379.9	-36,554.5
CARRYING VALUE AT 1 JANUARY	C	31,270.6	9,841.0	13,318.3	54,429.9
Additions		24,346.9	0.0	6,578.0	30,924.9
Depreciation	12	-11,667.2	-5,367.8	-7,219.5	-24,254.5
Impairment	12	-96.6	0.0	0.0	-96.6
Disposals		-258.1	0.0	-242.4	-500.5
Acquired through business combinations	5	1,484.6	0.0	259.7	1,744.3
Transfers		0.0	0.0	0.0	0.0
Foreign exchange difference		-279.3	0.0	-8.0	-287.3
Other		61.9	0.0	89.5	151.4
Gross book value		63,477.4	9,841.0	25,421.8	98,740.2
Accumulated Depreciations and impairments		-18,614.5	-5,367.8	-12,646.2	-36,628.5
CARRYING VALUE AT 31 DECEMBER	C	44,862.9	4,473.2	12,775.6	62,111.7

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		-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

Following new lease contracts, the Group recognized a total of thousand €30,924.9 additional right-of-use assets, and thousand €35,586.4 of lease liabilities, which related principally to office spaces in Belgium which have been sold as part of the sale-and-leaseback transaction (refer to note 7 for further explanation). Other significant additions consist of a new office locations in for example Capellen (Luxembourg), Katowice (Poland), Liège (Belgium), and Manchester (UK).

The total depreciation charge recognized in profit and loss amounts to thousand €24,254.5 (31 December 2021: thousand €21,372.0), of which thousand €11,667.2 relating to office spaces, thousand €7,219.5 relating to company cars and thousand €5,367.8 relating to service agreements. In addition, thousand €1,558.1 of interest expenses have been recognized in profit and loss (31 December 2021: thousand €1,525.6).

Lease liabilities

Amounts in thousand €	Note	2022	2021
BALANCE AT 1 JANUARY	23	56,979.9	62,336.7
Additions		36,086.9	24,127.3
Accretion of interest	13	1,558.1	1,556.2
Payments	23	-25,987.1	-27,982.6
Acquired through business combinations		1,744.3	6,648.9
Held for sale		0.0	-8,035.6
Lease remeasurements		0.0	0.0
Disposals		-500.5	-2,310.2
Foreign exchange difference		-223.1	344.1
Other		-334.7	294.9
BALANCE AT 31 DECEMBER	23	69,323.9	56,979.9
OF WHICH:			
- NON CURRENT	C	45,970.8	38,329.3
- CURRENT	C	23,353.1	18,650.6

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	31 Dec 2022	31 Dec 2021
Depreciation of right-of-use assets	12	24,254.5	21,372.0
Impairment of right-of-use assets	12	96.6	457.4
Interest expense on lease liabilities	13	1,558.1	1,556.2
Short term lease payments		536.4	312.5
Low value lease payments		723.9	577.5
Variable lease payments		0.0	0.0
BALANCE AT 31 DECEMBER		27,169.5	24,275.6

Note 19. Financial assets and other assets

Amounts in thousand €	Note	31 Dec 2022	31 Dec 2021
Cash guarantees		2,054.9	2,506.6
Investments at fair value through profit and loss		1,896.9	1,376.2
Other financial assets		546.1	284.1
FINANCIAL ASSETS	C, 27	4,497.9	4,166.9
Pension asset	25	8,466.0	12,117.2
Other		1,633.6	1,384.0
OTHER ASSETS	C	10,099.6	13,501.2

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

Note 20. Trade and other receivables

Amounts in thousand €	Note	31 Dec 2022	31 Dec 2021
Trade receivables (gross)		180,696.2	158,264.7
Impairment losses		-685.1	-521.7
TRADE RECEIVABLES		180,011.1	157,742.9
Other receivables		31,857.0	17,745.6
Prepaid payroll taxes		353.5	1,366.8
Non-income tax receivables		1,906.1	2,323.1
Accrued income		2,653.5	2,828.3
Prepaid expenses		15,168.9	13,835.9
TRADE AND OTHER RECEIVABLES	C	231,950.1	195,842.7

Trade receivables and other receivables increased significantly compared to year-end 2021, which relates amongst others to the growth in revenue realized by the Group.

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 2021	33,548,821	592,632.0
Increases	158,902	3,921.7
Decreases	0	0.0
AT 31 DECEMBER 2021	33,707,723	596,553.6
Increases	806,400	24,471.2
Decreases	-7,286,113	-128,964.7
AT 31 DECEMBER 2022	27,228,010	492,060.0

The Group repurchased a total of 7,286,113 shares at a share price of 37.45 euro each share. Following a notarial deed on 29 March 2022, the shares have been subsequently cancelled. As a result of this transaction, thousand €128,969.2 was allocated as deduction from share capital using the par value of the share, which equals €17.70 per share. The remaining value has been allocated as deduction from retained earnings.

The par value of each share is €18.07. 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

Amounts in thousand €	31 Dec 2022	31 Dec 2021
Final dividends on ordinary shares declared and paid	16,179.7	0.0
Per share	0.48	-
Proposed dividends on ordinary shares	0.0	16,179.7
Per share	-	0.48

Note 22. Share based payments

For the years 2019 until 2022, SD Worx established several share based incentive plans towards certain employees, managers and directors of the Group (“the Eligible Group”) a share purchase plan (SPP) and share allocation plan (SALP) in place. In addition to the 2 beforementioned plans, the Group also has an Employee Share Purchase Plan in place.

Share Purchase Plan

Under the share purchase plan (SPP), the Eligible Group receives the right to acquire a number of share certificates at fair value at the grant date with a discount of 20% (the initial contribution), as well as a put option to sell the acquired certificates to WorxInvest NV after a vesting period of 3 years. Plan participants must remain in service for a period of 3 years from the date of grant. In case a plan participant leaves the Group before the end of the third year, the participant is reimbursed by WorxInvest NV for his initial contribution made.

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

The fair value of the put options is estimated at the grant date using a Black & Scholes option pricing model, taking into account the terms and conditions on which the options were granted.

There are no cash settlement alternatives, nor does the Group have a past practice of cash settlement for these certificates. As a result, the incentive plans are considered as equity-settled at the level of the Group.

Share Allocation Plan

Under the share allocation plan (SALP), the Eligible Group receives a call option to acquire a specified number of share certificates after a vesting period of 3 years. In addition, the plan participant also receives a put option to sell the acquired share certificates back to WorxInvest NV at the fair value of the certificate at the moment of sale. Plan participants must remain in service for a period of 3 years from the date of grant.

Considering the terms and conditions on which the options were granted, the fair value of the call options is estimated to equal the fair value of the underlying certificate at the grant date.

The exercise price of the call options is nil, but the plan is only open to participants of the SPP. There are no cash settlement alternatives, nor does the Group have a past practice of cash settlement for these options. As a result, the incentive plans are considered as equity-settled at the level of the Group.

Employee Share Purchase Plan

During June 2022, the Group issued the Employee Share Purchase Plan (eSPP). Under the eSPP, all employees of the Group which were not part of the Eligible Group at the grant date, were entitled to subscribe to share certificates at fair value at the grant date with a discount of 20% (the initial contribution).

After a lock up period of 3 years, the share certificate holders are granted the put option to sell the shares to WorxInvest NV at the approved fair value of the share certificate at the date of sale. With the exception of qualifying as employee of the Group at the date of the issuance of the eSPP, no other requirements or conditions have been set for share certificate holders to remain in service throughout the lockup period.

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

The fair value of the put options is estimated to equal the value of the discount obtained by the plan participants at the grant date.

Considering the plan specifications, the Group has determined that the eSPP qualifies as an equity settled plan. In the absence of service requirements from plan participants during the lock up period, the Group has recognized the full cost of the eSPP upon the issuance of the plan.

The table on the right provides an overview of all unvested plans.

	Expiry date	Fair value at grant date (€)	# Share certificates	
			31 Dec 2022	31 Dec 2021
SPP 2019	30/06/2022	5.30	0	59,904
SALP 2019	30/06/2022	26.80	0	92,333
SPP 2020	30/06/2023	7.40	69,907	70,629
SALP 2020	30/06/2023	23.50	107,835	114,240
SPP 2021	30/06/2024	10.10	155,180	156,876
SALP 2021	30/06/2024	30.80	173,394	178,212
SPP 2022	30/06/2025	11.42	382,929	0
SALP 2022	30/06/2025	37.45	147,210	0
TOTAL OUTSTANDING UNVESTED OPTIONS			1,036,455	672,194

The fair value under the SPP plans is lower than the fair value under the SALP plans as a result of the initial contribution made by the eligible group.

The following table reconciles the movement in outstanding certificates.

	2022		2021	
	Weighted average fair value	Share certificates	Weighted average fair value	Share certificates
AT 1 JANUARY	19.45	672,194	15.51	526,130
Granted	18.65	530,139	21.11	335,088
Forfeited	23.56	-13,641	21.66	-20,336
Exercised	18.34	-152,237	11.35	-168,688
AT 31 DECEMBER	19.15	1,036,455	19.45	672,194

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 2022 and 31 December 2021 are as follows:

Amounts in thousand €	Note	31 Dec 2022	31 Dec 2021
Borrowings and lease liabilities (non current)		126,988.0	117,148.8
Add Borrowings and lease liabilities (current)		260,222.2	18,855.5
Less Cash and cash equivalents	C, D	-71,469.5	-64,485.9
NET FINANCIAL DEBT/(CASH)		315,740.7	71,518.4
Less Lease liabilities (current and non-current)	18	-69,323.9	-56,979.9
NET FINANCIAL DEBT/(CASH), NET OF LEASE LIABILITIES		246,416.9	14,538.5

Borrowings and lease liabilities

Amounts in thousand €	Note	31 Dec 2022	31 Dec 2021
Borrowings:			
- Subordinated bond		80,532.2	78,798.4
- Other loans		485.1	21.1
Lease liabilities		45,970.8	38,329.3
Other financial liabilities		3,176.8	6,653.1
INTEREST BEARING DEBT (NON-CURRENT)	C	130,164.8	123,801.9
Borrowings:			
- Revolving Credit Facility Agreement		30,264.8	0.0
- Shareholder loans		206,237.7	0.0
- Other loans		366.6	204.9
Lease liabilities		23,353.1	18,650.6
Other financial liabilities		4,154.6	989.2
INTEREST BEARING DEBT (CURRENT)	C	264,376.8	19,844.7
TOTAL INTEREST BEARING DEBT		394,541.6	143,646.6

The Group is funded through the SD Worx Revolving Credit Facility Agreement and a subordinated bond. During the current reporting period, the Group has drawn thousand €40,000.0 of its revolver loan. At year-end 2022, thousand €10,000.0 with regards to the Revolving Credit Facility Agreement has been repaid.

1. The SD Worx NV Revolving Credit Facility Agreement

On 4 April 2022, the Group renegotiated its Senior Facility Agreement, replacing it with the Revolving Credit Facility Agreement ("RCFA"). Under this new loan agreement, the Group has access to a revolver loan of thousand €250,000.0 with a maturity date of 31 March 2026. The RCFA is an unsecured facility under negative pledge conditions. In addition, certain subsidiaries act as guarantors for this loan.

The RCFA is subject to several financial covenants. As per the RCFA, the covenants are calculated based on the accounting policies as included in the annual consolidated financial statements of the Group.

- Cashflow Cover shall not be less than 1.05:1
- Adjusted Leverage may not exceed 2.50:1
- Factoring Adjusted Leverage may not exceed 3.00:1

On not more than two occasions during the life of the Facilities, (i) the Adjusted Leverage may exceed 2.50:1 but shall remain less or equal to 3.50:1 and (ii) the Factoring Adjusted Leverage may exceed 3.00:1 but shall remain less or equal to 4.00:1.

"Cashflow Cover" means the ratio of cashflow to the aggregate of (a) net finance charges; and (b) all scheduled and mandatory repayments of borrowings falling due and any voluntary prepayments made.

"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.

Financial covenants on the SD Worx Revolving Facility Agreement is tested bi-annually on a rolling last-12-month basis. As per 31 December 2022, Cashflow Cover equals 1.71 and (Factoring) Adjusted Leverage equals 1.78, 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 2022 adjusted leverage equals 1.78, 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 2022	Cash flows
Borrowings:			
- Subordinated bond		78,798.4	-3,330.2
- Other loans		21.1	
Lease liabilities		38,329.3	
Other financial liabilities		6,653.1	-2,155.4
INTEREST BEARING DEBT (NON-CURRENT)	C	123,801.9	-5,485.6
Borrowings:			
- Revolving Credit Facility Agreement		0.0	29,582.3
- Shareholder loans		0.0	-5,792.0
- Other loans		204.9	-582.0
Lease liabilities		18,650.6	-25,987.1
Other financial liabilities		989.2	-649.7
INTEREST BEARING DEBT (CURRENT)	C	19,844.7	-3,428.5
TOTAL LIABILITIES FROM FINANCING ACTIVITIES		143,646.6	-8,914.1

NON-CASH MOVEMENTS					
Recognized in P&L	Business combinations	Held for sale	Exchange differences	Other	31 Dec 2022
3,365.0				1,699.1	80,532.2
	473.0			-9.1	485.1
	1,004.3		-145.2	6,782.4	45,970.8
853.6	1,050.0			-3,224.5	3,176.8
4,218.6	2,527.3	0.0	-145.2	5,247.9	130,164.8
682.4				0.0	30,264.8
792.0				211,237.7	206,237.7
158.6	558.8			26.3	366.6
1,558.1	740.0		-77.9	28,469.3	23,353.1
-369.0	1,625.0			2,559.2	4,154.6
2,822.2	2,923.8	0.0	-77.9	242,292.5	264,376.8
7,040.8	5,451.1	0.0	-223.1	247,540.4	394,541.6

Amounts in thousand €

	Note	1 Jan 2021	Cash flows
Borrowings:			
- Senior Facilities Agreement		7,279.8	-8,536.7
- Subordinated bond		78,421.6	-3,040.0
- Other loans		33.3	-5,917.9
Lease liabilities		44,939.7	
Other financial liabilities		7,188.8	-450.0
INTEREST BEARING DEBT (NON-CURRENT)	C	137,863.1	-17,944.6
Borrowings:			
- Senior Facilities Agreement		5,000.0	-5,000.0
- Other loans		278.2	-141.8
Lease liabilities		17,397.1	-27,982.6
Other financial liabilities		2,055.0	-2,055.0
INTEREST BEARING DEBT (CURRENT)	C	24,730.3	-35,179.4
TOTAL LIABILITIES FROM FINANCING ACTIVITIES		162,593.4	-53,124.0

NON-CASH MOVEMENTS

Recognized in P&L	Business combinations	Held for sale	Exchange differences	Other	31 Dec 2021
1,042.0			214.9		0.0
3,416.9				-0.1	78,798.4
	5,948.7			-43.0	21.1
	6,648.9	-8,035.6	292.2	-5,515.9	38,329.3
204.6	697.2			-987.5	6,653.1
4,663.5	13,294.8	-8,035.6	872.4	-6,546.5	123,801.9
					0.0
	120.2			-51.8	204.9
1,556.2			51.9	27,628.0	18,650.6
				989.2	989.2
1,556.2	120.2	0.0	51.9	28,565.4	19,844.6
6,219.7	13,415.0	-8,035.6	924.4	22,018.9	143,646.5

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

The following table reconciles the cash flow arising from liabilities from financing activities with the relevant captions within the consolidated statement of cashflow.

Amounts in thousand €	Note	31 Dec 2022	31 Dec 2021
Proceeds from borrowings		40,000.0	115,000.0
Repayment of borrowings		-15,458.0	-133,919.7
Repayment of lease liabilities		-24,428.9	-26,457.0
Interest paid		-5,931.7	-5,242.3
Payment for debt issue costs		-290.2	0.0
Net cash outflow on acquisition of subsidiaries	5	-2,805.2	-2,505.0
TOTAL CASHFLOW FROM LIABILITIES FROM FINANCING ACTIVITIES		-8,914.1	-53,124.0

Cash and cash equivalents

Amounts in thousand €	Note	31 Dec 2022	31 Dec 2021
Gross cash at bank and petty cash		73,294.8	65,648.3
Less Funds held for clients	C	-1,825.3	-1,162.4
TOTAL CASH AND CASH EQUIVALENTS	D	71,469.5	64,485.9

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, 2022		2,271.3	2,008.7	2,238.9	6,518.9
Additional provision of the year		1,020.6	1,077.1	184.1	2,281.8
Amounts used during the year	D	-1,235.5	-548.2	-200.9	-1,984.6
Reversal provision during the year		-735.8	0.0	-126.3	-862.1
Transfers		765.7	-2,537.6	-765.7	-2,537.6
Acquisition/(disposal) of subsidiaries		0.0	0.0	0.0	0.0
Foreign exchange difference		48.7	0.0	0.0	48.7
BALANCE PER DECEMBER 31ST, 2022		2,135.1	0.0	1,330.1	3,465.2
Of which:					
- Non current	C	2,135.1	0.0	1,330.1	3,465.2
- 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 related 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 was transferred to working capital at year-end 2022.

Contingencies

The Group is subject to claims, which fall in the normal course of the business. For claims in which the Group believes a cash outflow will be probable, a provision is recognized. Any claims for which no provision is currently recognized are not likely, on aggregate, to have a material adverse effect on the financial position of the Group. There have been no significant changes compared to 31 December 2021.

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 Dec 2022	31 Dec 2021
Post-employment benefits		10,601.4	33,503.8
Long-term benefits		4,623.1	3,896.4
EMPLOYMENT BENEFIT OBLIGATIONS	C	15,224.5	37,400.2
Less Pension assets	19	8,466.0	12,117.2
NET LIABILITY		6,758.5	25,283.0

Post-employment benefits

Overview of plans

Belgium

The Group has defined benefit pension plans in Belgium, foreseeing the payment of a lump sum and representing 66% of the total gross obligation per 31 December 2022. Former pension plans were closed for new entrants as of 1 January 2014 and a new accrual is setup if an employee opted for the new pension plan as of 31 December 2013. The current open pension schemes are defined contribution pension plans, 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 the application of IFRS, these plans are also considered as defined benefit plans and accounted for as such. The Belgian plans are funded through group insurance contracts, their financing follows the insurance company method.

UK

The pension plans in the United Kingdom, foreseeing the payment of an annuity that can be converted into a lump sum, represent 25% of the total gross obligation per 31 December 2022.

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.

Their financing is calculated every 3 years based on a funding valuation.

Germany

The Group's defined benefit pension plans in Germany, foreseeing the payment of an annuity, represent 5% of the total gross obligation per 31 December 2022. The plans in Germany are 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 3% of the total gross obligation per 31 December 2022. These plans are mainly accounted for in Finland, France, Switzerland and Mauritius where the Group has several defined benefit pension 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 Dec 2022	31 Dec 2021
Defined benefit obligation		168,154.3	260,313.5
Fair value of plan assets		166,018.9	238,926.9
FUNDED STATUS		-2,135.4	-21,386.6

The funded status also includes the pension scheme in Germany, which is an unfunded plan. The total defined benefit obligation of which amounts to thousand €-2,135.4 at 31 December 2022 and thousand €13,582.1 over the previous year.

Total pension expense recognized

Amounts in thousand €	Note	31 Dec 2022	31 Dec 2021
Current service cost		9,525.2	14,700.4
Past service cost		0.0	0.0
SERVICE COST RECOGNIZED		9,525.2	14,700.4
Interest expense on defined benefit obligation	13	298.8	1,226.4
Interest income on plan assets	13	-199.4	-1,065.4
NET INTEREST INCOME		99.4	161.0
PENSION EXPENSE		9,624.6	14,861.4

Reconciliation of the Defined Benefit Obligation

Amounts in thousand €	Note	31 Dec 2022	31 Dec 2021
DEFINED BENEFIT OBLIGATION AT BEGINNING OF YEAR		260,313.5	274,090.4
Service cost		9,525.2	14,700.4
Interest expense on defined benefit obligation		2,680.9	1,727.8
Participant contribution		0.0	21.4
Benefit payments		-8,081.4	-8,111.9
Acquired through business combinations		0.0	2,754.1
Effect of changes in demographic assumptions		-10,837.9	0.0
Effect of changes in financial assumptions		-83,273.1	-24,682.9
Effect of experience adjustments		1,536.8	-4,187.0
Foreign exchange difference		-3,719.9	4,001.2
Other		10.2	0.0
DEFINED BENEFIT OBLIGATION AT END OF YEAR		168,154.3	260,313.5

Reconciliation of the fair value of plan assets

Amounts in thousand €	Note	31 Dec 2022	31 Dec 2021
FAIR VALUE OF PLAN ASSETS AT BEGINNING OF YEAR		238,926.9	229,811.4
Interest income		2,581.5	1,566.8
Employer contribution		8,667.1	12,626.6
Benefit payments		-6,677.5	-8,132.3
Acquired through business combinations		0.0	2,426.4
Return on plan assets		-73,247.3	-4,043.5
Foreign exchange difference		-4,312.7	4,671.4
Other		80.9	0.0
FAIR VALUE OF PLAN ASSETS AT END OF YEAR		166,018.9	238,926.9

Reconciliation of net liability

Amounts in thousand €	Note	31 Dec 2022	31 Dec 2021
NET LIABILITY/(ASSET) AT BEGINNING OF YEAR		21,386.6	44,279.0
Service cost recognized		9,525.2	14,700.4
Net interest income		99.4	161.0
Total remeasurements in OCI	B	-19,326.9	-24,826.4
Acquired through business combinations	5	0.0	327.7
Participant contribution		0.0	21.4
Employer contribution	D	-8,667.1	-12,626.6
Net nenefit payments		-1,403.9	20.4
Foreign exchange difference		592.8	-670.3
Other		-70.8	0.0
NET LIABILITY/(ASSET) AT END OF YEAR		2,135.4	21,386.6

Disaggregation of fair value of plan assets

in %	31 Dec 2022	31 Dec 2021
Government bonds	22.2%	4.3%
Corporate bonds	3.6%	19.5%
Equity	1.0%	10.8%
Cash	0.4%	2.8%
Property	1.2%	1.2%
Insurance contracts	69.5%	61.4%
Other	2.1%	0.0%
TOTAL	100.0%	100.0%

Significant assumptions

At 31 December 2022	Country		
	Belgium	UK	Germany
Discount rate	3.70%	4.90%	3.55%
Inflation rate	2.20%	3.20%	2.20%
Salary increase	3.05%	3.20%	3.00%
Weighted average duration	13.0	12.4	16.8

At 31 December 2021	Country		
	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

The discount rate has been based on yields as at the accounting date of high quality corporate bonds of a term consistent with the scheme liabilities. For Belgium and Germany, the Iboxx Eurozone Corporate AA Bonds Curve was used; for UK the yield curve was based on AA bond universe.

The inflation rate has been based on the latest long term outlook.

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 2022	Belgium	UK	Germany
Discount rate -0.5%	2,918.9	1,394.7	813.7
Discount rate +0.5%	-2,703.9	-1,394.7	-662.9
Inflation rate -0.5%	-1,793.7	-1,083.3	-481.5
Inflation rate +0.5%	1,844.6	1,083.3	528.0
Salary increase -0.5%	-2,620.1	-1,083.3	0.0
Salary increase +0.5%	2,829.9	1,083.3	0.0

Amounts in thousand €	Country		
At 31 December 2021	Belgium	UK	Germany
Discount rate -0.5%	2,557.1	800.4	725.1
Discount rate +0.5%	-2,436.1	-800.4	-641.6
Inflation rate -0.5%	-2,483.5	-1,243.4	-424.0
Inflation rate +0.5%	2,570.1	1,243.4	469.8
Salary increase -0.5%	-2,542.6	-1,243.4	-14.7
Salary increase +0.5%	2,794.3	1,243.4	15.3

Overview by country

Amounts in thousand €	Country			
At 31 December 2022	Belgium	UK	Germany	Other
NET LIABILITY/(ASSET) AT BEGINNING OF YEAR	17,246.2	-10,924.2	13,582.1	1,482.4
Service cost recognized	9,183.6	203.8	134.7	3.0
Net interest income	145.8	-199.4	148.3	4.8
Total remeasurements in OCI	-17,903.9	3,203.2	-4,625.8	-0.3
Acquired through business combinations	0.0	0.0	0.0	0.0
Participant contribution	0.0	0.0	0.0	0.0
Employer contribution	-8,238.4	-455.1	0.0	26.4
Net benefit payments	-1,229.6	21.1	-195.4	0.0
Foreign exchange difference	0.0	582.4	0.0	10.4
Other	-5.3	0.0	0.0	-65.5
NET LIABILITY/(ASSET) AT END OF YEAR	-801.6	-7,488.5	9,043.9	1,381.5

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
Acquired through 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 payments	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

Note 26. Trade and other payables

Amounts in thousand €	Note	31 Dec 2022	31 Dec 2021
Trade payables		49,614.4	46,235.2
Advance payments		10,540.5	13,022.8
Short-term employee benefits		94,696.8	88,362.9
Non-income tax payables		17,769.9	17,679.9
Deferred income		11,981.1	10,403.5
Accrued charges		4,239.1	4,501.1
Other payables		1,036.4	2,740.7
TRADE AND OTHER PAYABLES	C	189,878.1	182,946.1

Trade and other payables amount to thousand €189,878.1 at 31 December 2022. They consist largely out of short-term employee benefits, representing 50% of the total, which relate amongst others to holiday pay accruals and payroll related taxes. Non-income tax payables, representing 9% of the total, consist almost entirely out of VAT payables. Deferred income, representing 6% of the total, relates mainly to prepaid license and maintenance fees which have been invoiced at the start of the period.

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 11% 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 2022 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%	-1,029.6	1,161.0	-733.7	-504.1
	-10%	1,258.5	-1,419.0	896.7	616.1
Equity	10%	-3,973.5	-280.0	-10,466.0	-2,710.3
	-10%	4,856.4	342.2	12,791.8	3,312.6

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, which are linked to the Euribor.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. At 31 December 2022, 10% of the Group’s outstanding borrowings (excluding lease liabilities) were at a floating interest rate. An increase of the floating interest rate by 50 BPS, would result in an increase in interest charge of thousand €150.0 on an annual basis.

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 2022, the Group is using thousand €30,000.0 of the thousand €250,000.0 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	317,515.0	329,514.2	239,909.1	89,605.1	0.0
Lease liabilities	69,323.9	70,721.6	24,479.2	38,274.6	7,967.8
Other financial liabilities	7,331.4	7,331.4	4,154.6	3,176.8	0.0
Trade and other payables	190,390.3	190,390.3	190,390.3	0.0	0.0
TOTAL AT 31 DECEMBER 2022	584,560.6	597,957.5	458,933.2	131,056.4	7,967.8
Borrowings	79,024.4	95,426.0	3,244.9	92,181.1	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	345,254.4	206,775.9	133,554.6	4,923.9

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:

Amounts in thousand €	Note	2022	2021		
		Carrying amount	Fair value	Carrying amount	Fair value
Finanical assets					
- Investments		1,896.9	1,896.9	1,376.2	1,376.2
- Short-term deposits		98.3	98.3	0.0	0.0
- Cash guarantees		2,054.9	2,054.9	2,506.6	2,506.6
- Other		447.8	447.8	284.1	284.1
TOTAL ASSETS	19	4,497.9	4,497.9	4,166.9	4,166.9
Borrowings					
- Senior Facilities Agreement		30,264.8	30,264.8	0.0	0.0
- Subordinated bond		80,532.2	82,293.4	78,798.4	84,915.8
- Shareholder loans		206,237.7	206,237.7	0.0	0.0
- Other loans		851.7	851.7	226.0	226.0
Lease liabilities		69,323.9	69,323.9	56,979.9	56,979.9
Other financial liabilities		7,331.4	7,331.4	7,642.2	7,642.2
TOTAL LIABILITIES		394,541.6	396,302.8	143,646.6	149,764.0

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 27,228,010 of the outstanding shares at 31 December 2022 and is the main shareholder of the Group.

During the year 2022, the Group entered into several transactions with its shareholder, WorxInvest NV as well as SD Worx Real Estate NV.

- On 2 January 2022, the Group sold all of its interest in SD Worx Real Estate NV to WorxInvest NV. The total transaction price amounted to million €72.9.
- On 2 January 2022, the Group entered into a leaseback agreement with SD Worx Real Estate NV. Following the leaseback agreement, million €12.7 of lease liabilities and million €7.6 of right-of-use assets have been recognized.
- On 29 March 2022, SD Worx NV entered into a share repurchase transaction following which 7,286,113 shares have been repurchased from WorxInvest NV at a price of 37.45 euro each share.

In addition, WorxInvest NV is also involved 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

SD Worx VZW, a not-for-profit organisation with domicile in Belgium, is considered a related party of the Group. 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.

As of 2022, SD Worx Real Estate NV is considered a related party of the Group as both the Group and SD Worx Real Estate NV have the same majority shareholder. The Group leases several office spaces in Belgium from SD Worx Real Estate NV for which it pays lease compensations.

Amounts in thousand €

		Sales/ Recharges	Purchases	Other	Receiva- bles	Payables	Loans	Dividends received/ (paid)
Shareholders	2022	408.7	-803.0	-609.8	151.4	-249.3	-206,245.7	-15,919.8
WorxInvest NV	2021	0.0	0.0	0.0	238.6	-829.2	0.0	0.0
Other related parties								
SD Worx VZW	2022	1,612.2	-9,253.7	0.0	32,002.9	-13,845.3	0.0	0.0
	2021	1,375.7	-12,158.1	-315.1	18,417.7	-3,055.7	0.0	0.0
SD Worx Real Estate NV	2022	394.8	-5,171.5	80.6	276.1	-501.5	0,0	0.0
	2021	0.0	0.0	0.0	0.0	0.0	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 €2,792.0 in 2022 (thousand €3,615.6 in 2021). The below schedule provides a breakdown of this compensation.

Amounts in thousand €	31 Dec 2022	31 Dec 2021
Short-term benefits	1,038.9	1,362.3
Post-employment benefits	49.9	196.2
Termination benefits	0.0	0.0
Management fees	1,703.2	2,057.1
TOTAL CASH-BASED REMUNERATION	2,792.0	3,615.6
Share-based payments	1,639.0	2,487.4

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 3 June 2022. 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 €	31 Dec 2022	31 Dec 2021
Auditor's fees according to a mandate at the group level led by the company publishing the information	376.0	277.2
Auditor's fees according to a mandate at the group level led by the company publishing the information		
- Other attestation missions	8.3	38.1
- Other missions external to the audit	503.4	445.4
Fees to parties auditors are linked to according to the mandate at the group level led by the company publishing the information	480.0	417.5
- Fees for tax consultancy	82.6	14.5
- Fees for other missions external to the audit	1,414.4	79.5
TOTAL AUDIT FEES	2,864.7	1,272.2

Note 30. Events after the balance sheet date

Considering the current evolution on interest rates, and in view of the importance of customer funds for the Group, an agreement has been reached between the Group and WorxInvest NV on the allocation of the resulting increased interest income on customer funds.

There are no other significant events after the balance sheet date.

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

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	31 Dec 2022	31 Dec 2021
OPERATING PROFIT		88,066.0	55,766.2
Depreciations and amortisations		55,816.3	48,370.3
EBITDA		143,882.3	104,136.5
Restructuring & integration costs		7,267.8	5,363.5
Acquisition & transaction costs		1,072.5	1,730.0
Non-committed stock based compensations		8,151.3	4,075.4
Impairment of goodwill		0.0	0.0
Profit/(Loss) from material business and asset disposal		-24,213.0	0.0
Other non-operating income/expense		587.9	293.8
NORMALIZED EBITDA		136,748.8	115,599.3

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	31 Dec 2022	31 Dec 2021
Revenue relating to SD Worx Staffing & Career Solutions	8	245,405.4	253,830.2
Direct employee benefit expenses	10	-201,717.5	-210,649.5
Other direct expenses/revenues		-1,050.3	-650.4
GROSS MARGIN		42,637.6	42,530.3

Report on the audit of the consolidated financial statements of SD Worx NV for the year ended 31 December 2022

Deloitte.



SD Worx NV

Statutory auditor’s report to the shareholders’ meeting for the year ended 31 December 2022 - 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 2022 - 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 3 June 2022, 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 2024. We have performed the statutory audit of the consolidated financial statements of SD Worx NV for 7 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 2022, 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 910 891 (000) EUR and the consolidated statement of profit and loss shows a profit for the year then ended of 81 007 (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 2022 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.

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.

Signed at Zaventem.

The statutory auditor

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

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

Deloitte.

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Member of Deloitte Touche Tohmatsu Limited

Statutory financial statements of SD Worx NV for the year ended 31 December 2022

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 Dec 2022	31 Dec 2021
FIXED ASSETS	1,473,375.4	1,532,374.7
Formation expenses	1,166.8	1,201.6
Intangible fixed assets	0.0	0.0
Tangible fixed assets	10.4	1,034.7
Financial fixed assets	1,472,198.1	1,530,138.4
CURRENT ASSETS	90,448.2	33,141.0
Amounts receivable > 1 year	17,200.0	0.0
Amounts receivable < 1 year & stocks	29,677.6	20,697.9
Current investments & Cash	42,579.2	2,767.2
Deferred charges and accrued income	991.4	9,675.9
TOTAL ASSETS	1,563,823.5	1,565,515.7

Liabilities

Amounts in thousand €

	31 Dec 2022	31 Dec 2021
EQUITY	1,243,484.8	1,356,575.9
Capital	492,060.0	596,553.0
Share premium	1.4	0.9
Reserves	45,817.0	39,051.0
Accumulated profits (or Losses (-))	705,606.4	720,971.0
Investment grants	0.0	0.0
PENSIONS, PROVISIONS AND DEFERRED TAXES	327.9	2,843.6
Provisions and deferred taxes	327.9	2,843.6
AMOUNTS PAYABLE	320,010.8	206,096.2
AMOUNTS PAYABLE > 1 YEAR	286,237.7	85,000.0
Financial payables > 1 year	286,237.7	85,000.0
Other payables > 1 year	0.0	0.0
AMOUNTS PAYABLE < 1 YEAR	33,773.2	121,096.2
Financial payables < 1 year	30,000.0	99,089.0
Other payables < 1 year	1,809.3	19,520.5
Accruals and deferred income	1,963.8	2,486.7
TOTAL EQUITY & LIABILITIES	1,563,823.5	1,565,515.7

B. Statutory statement of profit or loss

Amounts in thousand €

	31 Dec 2022	31 Dec 2021
REVENUES	0.0	0.0
- Cost of Sales	0.0	0.0
GROSS MARGIN	0.0	0.0
- Services and other goods	-3,758.7	-5,278.2
- Staffing costs	-2,776.1	-4,647.7
- 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	-48.4	-12.6
+ Other operating income	6,043.6	6,183.4
Total net operating costs	-539.7	-3,755.1
NORMALIZED EBITDA	-539.7	-3,755.1
- Restructuring and integration costs	-2.3	-1.9
- Acquisition & transaction costs related to third parties	0.0	0.0
+/- Profit/(Loss) from material business and asset disposal	0.0	0.0
- Non-committed stock based compensation	2,515.7	-1,310.6
+/- Profit/(Loss) from discontinued operations	562.8	0.0
+/- Other non-operating income/expense below the line	0.0	0.0
EBITDA	2,536.5	-5,067.7
- Depreciations, amortisations and impairments	-4.0	-32.0
- Impairments on participations and goodwill	0.0	0.0
EBIT	2,532.5	-5,099.6
- Financial expenses	-6,315.6	-5,436.3
+ Financial income	139,574.8	767,543.8
PROFIT BEFORE TAX	135,791.7	757,008.0
- Taxes	-489.6	534.9
PROFIT AFTER TAX	135,302.1	757,542.9

C. Statutory result appropriation

Amounts in thousand €	31 Dec 2022	31 Dec 2021
NET RESULT OF THE YEAR	135,302.1	757,542.9
Result carried forward	720,971.0	17,485.8
TOTAL AVAILABLE AND DISTRIBUTABLE RESERVES	856,273.1	775,028.7
Appropriation	0.0	0.0
Addition to the share capital and share premium	0.0	0.0
Addition to the legal reserve	6,766.0	37,878.0
Gross dividend	143,900.7	16,179.7
Carried forward	705,606.4	720,971.0
TOTAL	856,273.1	775,028.7

Statement on the board of directors

- To the best of our knowledge:
- 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;
 - the annual review presents a fair overview of the development and the results of the business and the position of SD Worx NV and of the entities included in the consolidation, as well as a description of the principal risks and uncertainties facing them pursuant Article 12, paragraph 2 of the Royal Decree of November 14, 2007.

Compliance certificate

The Group confirms that the Adjusted Leverage does not exceed 4:1 as per the Reference Date 31 December 2022.

On behalf of the company

F Dierckx
F Dierckx (25 apr 2023 21:22 GMT+2)

Filip Dierckx
Chairman of the
Board of Directors

Nadine Aerts
Nadine Aerts (26 apr 2023 12:31 GMT+2)

Nadine Aerts
Chief Financial Officer

Handtekening: F Dierckx
F Dierckx (25 apr 2023 21:22 GMT+2)

E-mail: filip.dierckx@sdworx.com

Titel: Chairman of the BOD

Handtekening: Nadine Aerts
Nadine Aerts (26 apr 2023 12:31 GMT+2)

E-mail: nadine.aerts@sdworx.com

Titel: CFO

