Consolidated Annual Report

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

For the year ended 31 December 2023

sdworx
For life. For work.

Dear stakeholder,

The year 2023 will be the year in which we finally achieved the milestone to become a billion-euro company. Our consolidated revenue reached million € 1,058.0, an increase of 10% compared to 2022. At the same time, our consolidated normalised EBITDA grew by 32.8% to million € 181.6. Once more we have made good progress in delivering our complete HR offering to the markets and in our purpose to help our customers to become better employers and supporting their workers in their personal talent and career development.

We would like to explicitly thank the entire SD Worx team for their valued commitment which helped us reach this achievement. Our gratitude goes out to our customers as well for the confidence that they continue to put in SD Worx as a reliable partner and the trust which they put in our solutions and services.

2023 is also the year in which we welcomed CVC as an external minority shareholder. In recent months, they have already shown their clear added value at the table of our board of directors. Their proven experience around M&A and digitalisation will definitely help us to realise our growth ambition.

In 2024, we will continue to execute our growth strategy to achieve our ambition: being the trusted leading European provider of HR solutions for all organisations and their workers. We will realise this by organic growth and through a series of acquisitions that we have in the pipeline. We are convinced that we can make a difference for our customers through user-friendly technology and our local presence across Europe, with experts who speak the local language and know the legislation inside out.

Filip Dierckx
Chairman of the Board of Directors SD Worx

Overview

Report of the board of directors to the general assembly of shareholders of 3 June 2024

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 2023.

Overview of activities and impact on the consolidated financial statements

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

Amounts in mio €	2023	2022	Difference
REVENUE	**1,058.0**	**962.1**	**95.8**
- Employee benefit expenses	-725.8	-683.1	-42.7
- Other operating cost	-156.7	-146.7	-9.9
+ Other operating income	5.0	5.0	0.0
+/- Income and expenses related to impairments of assets	-0.4	-0.2	-0.2
+/- Operational FX differences	1.4	-0.5	1.9
Total net operating costs	-876.4	-825.4	*-51.0*
NORMALIZED EBITDA	**181.6**	**136.7**	**44.8**
Normalized EBITDA margin %	17.2%	14.2%	*3.0%*
- Restructuring and integration costs	-9.5	-7.3	-2.3
- Acquisition & transaction costs related to third parties	-2.0	-1.1	-1.0
- Non-committed stock based compensation	-5.4	-8.2	2.7
- Impairment of goodwill	-2.7	0.0	-2.7
+/- Profit/(Loss) from material business and asset disposal	0.0	24.2	-24.2
+/- Other non-operating income/expense	0.0	-0.6	0.6

Amounts in mio €	2023	2022	Difference
EBITDA	**161.8**	**143.9**	**17.9**
- Depreciation and amortisation	-31.1	-25.8	-5.3
- Depreciation and amortisation (right of use assets IFRS 16)	-25.0	-24.3	-0.8
- Depreciation and amortisation from purchase price allocations	-7.5	-5.8	-1.7
EBIT	**98.3**	**88.1**	**10.2**
- Financial expenses	-10.6	-7.3	-3.3
+ Financial income	2.0	0.8	1.1
+/- Non-operational FX differences	-1.6	0.3	-1.9
PROFIT BEFORE TAX	**88.1**	**81.9**	**6.2**
- Taxes	-18.0	-0.9	-17.1
PROFIT AFTER TAX	**70.1**	**81.0**	**-10.9**
Profit and loss associated companies	0.1	0.0	0.1
CONSOLIDATED NET RESULT AFTER TAX	**70.1**	**81.0**	**-10.9**
Result of the Group	70.1	81.0	-10.9
Profit attributable to non-controlling interest	0.0	0.0	0.0
CONSOLIDATED NET RESULT	**70.1**	**81.0**	**-10.9**

Results per segment

The Group is structured around its 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. Within this segment, solutions offered to customers include 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 mio €		2023	2022	Difference
REVENUE	**SD Worx People Solutions**	**834.1**	**721.7**	**15.6%**
	Payroll & Reward / Core HR	778.6	674.6	
	Workforce Management	54.6	46.5	
	Talent Management	0.8	0.6	
	SD Worx Staffing & Career Solutions	**228.4**	**245.4**	**-6.9%**
	Intersegment elimination	-4.5	-4.9	
	Total Revenue	**1,058.0**	**962.1**	**10.0%**
NORMALIZED EBITDA	**SD Worx People Solutions**	**177.0**	**132.4**	**33.7%**
	Payroll & Reward / Core HR	166.3	122.8	
	Workforce Management	11.9	9.9	
	Talent Management	-0.4	-0.3	
	Corporate	-0.8	-0.1	683.9%
	SD Worx Staffing & Career Solutions	**4.5**	**4.6**	**-0.7%**
	Intersegment elimination	0.0	-0.2	
	Total nEBITDA	**181.6**	**136.7**	**32.8%**

SD Worx continued its European growth strategy in 2023, once again achieving double-digit figures, especially through organic growth. Particularly at SD Worx People Solutions, the entity that offers solutions for payroll, core HR, talent and workforce management, revenues rose significantly. On the other hand, however, costs also rose sharply. Like other companies, SD Worx felt the impact of rather high indexations on salary costs in 2023.

Staffing & Career Solutions, the entity offering solutions around flexible work, operates in a sector where economic conditions remain difficult. The decline in revenue is mainly situated within the temporary employment business, and is a general trend observed throughout the temporary employment market within both Belgium and the Netherlands. Nevertheless, it adapted well to the difficult conditions and managed to keep the costs under control towards the end of the year which resulted in stable normalised EBITDA.

Further details about the net result

Normalisations

In the current financial period, restructuring and integration expenses total million € 9.5, reflecting a million € 2.3 increase compared to the previous year. Restructuring costs (million € 3.6) stem from strategic organisational shifts aimed at enhancing a customer-centric and country-specific focus. Organisational changes were implemented at both the Executive Committee and middle management levels. Integration costs (million € 5.9) result from the integration and rebranding of recent acquisitions such as Aditro, HRPRO, GlobePayroll, Adessa, Intelligo, Launch! and Integhro into SD Worx.

Acquisition and transactions costs have increased by million € 1.0 to million € 2.0 and are related to earn-out remeasurements (million € 0.6) and M&A transaction and broken deal costs (million € 1.4).

The decrease of million € 2.7 in non-committed stock-based compensation compared to December 31st last year is mainly the consequence of the employee share plan issued in the first half of the financial year 2022. The employee share purchase program provided the unique opportunity to every single employee of the Group to acquire share certificates of SD Worx with a limited discount to its share price. As the employee share purchase program, in contrast to the non-committed share plans for the Group management, did not include a service requirement, the full cost of the plan was recognized upon issuance in 2022.

Despite the solid performance of the People Solutions segment, an impairment charge of million € 2.7 has been recognized on the goodwill of the Staffing & Career Solutions cash-generating unit as of December 31, 2023. This charge reflects the challenging macroeconomic conditions impacting the staffing business in Belgium and the Netherlands. The continuing market uncertainty about economic growth, geopolitics and inflation combined with a recovery developing more slowly than anticipated, justifies more prudent assumptions when estimating the value in use of the Staffing & Career Solutions segment.

The profit from business and asset disposal in prior year mainly results from the sale 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 in the comparative figures of last year the international celebrations of SD Worx's 75th anniversary, amounting to million € 0.6, were normalised as other non-operating expenses.

Depreciation and amortisation

Depreciation and amortisation on tangible and intangible assets of million € 63.6 have been recorded per 31 December 2023 and are mainly related to the Group's important and continuing investments in digital solutions and the refurbishment of office spaces (million € 31.1), the depreciation of leased right-of-use assets such as rented buildings and company cars (million € 25.0) and the amortisation of intangible assets acquired in business combinations (million € 7.5). The rise in depreciation and amortisation is largely due to increased investments in digital solutions and the amortisation of acquired intangible assets from business combinations, such as brand names and customer relationships.

Financial results

The financial result per 31 December 2023 amounts to million € -10.2, mainly resulting from the interest costs of the subordinated million € 80.0 bond issued in June 2019, the committed million € 400.0 revolving credit facility, financial charges on lease liabilities and non-operational foreign currency translation differences on intercompany loans. The full amount of outstanding shareholder loans from WorxInvest have been repaid in June 2023.

Taxes

The tax expense has seen a significant increase, rising by million € 17.1 from million € 0.9 as of December 31, 2022, to million € 18.0 in the current financial period. The previous year's tax rate was notably influenced by the tax-exempt capital gain on the sale of SD Worx Real Estate shares to WorxInvest. Additionally, deferred tax assets were recognized on fiscal losses carried forward, considering the Group's positive results.

Net result

The net result stands at million € 70.1, which is million € 10.9 lower than the previous year. The prior year's result was impacted by significant one-off effects, including the divestment of the real estate portfolio. Key factors contributing to this robust result include sustained and solid growth in operational performance, a positive impact of million € 14.2 from commission income influenced by the level of interest rates on the Group's operating profit and the strategic buy-and-build policy employed by the Group.

Condensed financial position

Amounts in mio €	31 Dec 2023	31 Dec 2022	Difference
ASSETS AND LIABILITIES	**454.5**	**291.5**	**163.0**
+ Non-current assets	617.7	595.0	22.6
+ Current assets	381.3	315.8	65.5
- Non-current Liabilities	-163.3	-158.0	-5.3
- Current Liabilities	-381.2	-461.4	80.3
EQUITY	**454.5**	**291.5**	**163.0**
Attributable to equity holders of the parent	453.2	290.2	163.0
Non-controlling interest	1.2	1.3	0.0

The financial position of the Group strongly improved during 2023, which is largely driven by additional funding received as part of the capital increase of million € 150.0, as well as the financial performance of the year, resulting in a profit of million € 70.1. Based on these strong developments, the Group declared in the course of 2023 a total dividend of million € 60.0 which was settled during 2024.

At 31 December 2023, million € 70.0 of the available million € 400.0 Revolving Credit Facility was used, which is million € 40.0 more than last year. The use of the Revolving Credit Facility provides the Group with additional funding in surplus of the subordinated bond loan of million € 80.0, which is listed on the Euronext Growth Brussels market. With a leverage ratio (Lenders' definition) of 0.6x, we believe that the Group remains at a conservative level.

The non-current assets consist mostly of goodwill and intangible assets, representing million € 488.1. These values represent the continued investment of SD Worx in new technology, either internally developed or acquired externally in order to accelerate the growth of the Group.

Condensed cash flow

Amounts in mio €	2023	2022	Difference
Total cash and cash equivalents at the beginning of the period	71.5	64.5	7.0
Cash flow from operating activities	163.2	89.8	73.4
Cash flow from investing activities	-58.5	-100.7	42.2
Cash flow from financing activities	-50.8	18.1	-68.9
Total increase/(decrease) in cash	*53.9*	*7.2*	*46.7*
Impact exchange differences	0.5	-0.2	0.7
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**125.8**	**71.5**	**54.4**

The total cash and cash equivalents available to the Group improved from million € 71.5 to million € 125.8. during the year. This increase is supported by a higher cashflow from operating activities, which confirms the strong ability of cash-generating activities of SD Worx.

Proposed dividend

The Board of Directors proposes to the Shareholders a further dividend-payment of million € 20.5 based on the 2023 Annual Report.

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 lines 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 and predictability**
  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.

  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.

- **Innovation and disruption**
  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").

- **Cybersecurity**
  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.

- **Sustainability and compliance**
  With the increasing importance of sustainability, SD Worx aims at having all necessary policies and processes in place for all components linked to sustainability. Under our ESG vision, we want to maximise our social impact. We believe that doing so will become a pre-requisite for doing business, but also believe that it underlines our commitment to being a reliable stakeholder.

- **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

On 8 December 2023, the Group entered into a binding agreement to acquire 80% of the outstanding shares of Romanian Software S.R.L. The company, with headquarter in Bucharest, is a provider of payroll and HCM software and services in Romania. The closing of this agreement is subject to several conditions precedent which are expected to be fulfilled during 2024.

There have been no other significant events after the balance sheet date.

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

The macroeconomic uncertainty that continues today and that is mainly the result of geopolitical conflicts in Ukraine and Gaza is accompanied by an increased level of uncertainty. The Group itself has no presence or assets in any of these conflict zones or the countries involved.

These conflicts could have wider consequences for the European economy as well as for geopolitical relations with the countries involved. However, we believe that our focus on customer service excellence and operational efficiency is the right strategy to limit the impact of these volatile market conditions on the Group to a minimum. Nevertheless, we continue to actively monitor our cybersecurity policy in light of the increased threat of cyber attacks that these conflicts pose.

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 "mysdworx" app, 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 "SD Worx People" 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 AI and robotic process automation, as well as the digital transformation of our operations and an improved digital experience for our customers.

Conflicts of interest on the part of the directors

There have been no conflicts of interest during 2023.

Use of financial instruments

The Group can from time to time use derivative financial instruments to cover specific financial risks. The strategy applied by the Group as part of its risk management aims principally at financial stability and predictability of financial results. Such risks relate, amongst other, to floating interest rates and foreign exchange rates. For this purpose, the Group has entered into several foreign currency forward contracts at year-end relating to expected intragroup transactions, with the Group's shared service centers in Mauritius and Poland (also referred to as SD Worx Hubs), during 2024.

The Group does not use financial instruments for speculative purposes.

The members of the Board wish to thank all the SD Worx employees for their contribution and dedicated efforts in achieving the financial results of the past year.

23 April 2024,

On behalf of the directors,

CommV GINKGO Associates
with permanent representative
F Dierckx (25 apr. 2024 09:07 GMT+2)
Filip Dierckx,
Chairman of the Board of Directors

CommV ELLEZE
with permanent representative
Jakob Verdonck (25 apr. 2024 09:15 GMT+2)
Kobe Verdonck,
Director

Consolidated Financial Statements

for the year ended 31 December 2023

A. Consolidated Statement of Profit and Loss

Amounts in thousand €	Note	2023	2022
REVENUE	8	**1,057,956.6**	**962,141.9**
- Services and other goods	9	-155,986.5	-151,545.0
- Employee benefit expenses	10	-734,042.0	-692,516.2
- Other operating expenses	11	-9,410.7	-2,803.3
+ Other operating income	11	4,956.5	29,234.5
- Depreciation and amortisation expenses	12	-63,569.9	-55,816.3
- Impairment of assets	12	-3,085.5	-152.8
+/- Operational FX differences		1,436.3	-476.8
Total net operating costs		*-959,701.8*	*-874,075.9*
OPERATING PROFIT		**98,254.9**	**88,066.0**
- Financial expenses	13	-10,584.7	-7,314.7
+ Financial income	13	1,962.2	830.3
+/- Net exchange difference relating to financing activities	13	-1,572.7	321.9
Finance costs net		**-10,195.2**	**-6,162.6**
+ Share of profit of associates and joint ventures		81.0	21.8
PROFIT BEFORE TAX		**88,140.7**	**81,925.2**
- Taxes	14	-18,001.8	-918.7
PROFIT FOR THE YEAR		**70,138.9**	**81,006.5**
Attributable to:			
Equity holders of the parent		-70,131.2	81,031.4
Non-controlling interests	6	-7.7	-25.0

B. Consolidated Statement of Comprehensive Income

Amounts in thousand €	Note	2023	2022
PROFIT FOR THE YEAR		**70,138.9**	**81,006.5**
Exchange differences on translation of foreign operations		-644.2	-10,971.4
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		**-644.2**	**-10,971.4**
Remeasurement gain/(loss) on defined benefit plans	25	-4,983.1	19,326.9
Deferred tax on items that will not be subsequently reclassified	14	1,392.8	-5,138.1
NET OTHER COMPREHENSIVE INCOME/(LOSS) THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS		**-3,590.2**	**14,188.8**
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		**-4,234.5**	**3,217.5**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**65,904.5**	**84,223.9**
Attributable to:			
Equity holders of the parent		65,912.2	84,248.9
Non-controlling interests		-7.7	-25.0

C. Consolidated Statement of Financial Position

Amounts in thousand €	Note	31 Dec 2023	31 Dec 2022
NON-CURRENT ASSETS		**617,656.5**	**595,041.6**
Goodwill	15	369,052.4	367,738.6
Intangible assets	16	119,048.1	107,110.8
Property, plant and equipment	17	19,846.3	17,808.9
Right of Use assets	18	66,990.8	62,111.7
Investments in associates and joint ventures		203.5	122.5
Financial assets	19	2,856.3	1,719.9
Other assets	19	11,668.3	10,099.6
Deferred tax assets	14	27,990.9	28,329.6
CURRENT ASSETS		**381,299.7**	**315,848.9**
Inventory		870.5	764.9
Trade and other receivables	20	246,243.3	231,950.1
Current income taxes	14	5,497.0	7,061.2
Other financial assets	19	1,115.5	2,778.0
Cash and cash equivalents	23	125,844.4	71,469.5
Funds held for clients	23	1,728.9	1,825.3
TOTAL ASSETS		**998,956.3**	**910,890.5**

Amounts in thousand €	Note	31 Dec 2023	31 Dec 2022
EQUITY		**454,495.6**	**291,458.7**
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**453,249.8**	**290,208.1**
Issued capital	21	548,000.0	492,060.0
Share premium		94,061.4	1.4
Currency translation reserve		-13,164.6	-12,520.3
Other reserves		48,912.7	47,503.3
Accumulated losses		-224,559.7	-236,836.3
NON-CONTROLLING INTEREST		**1,245.8**	**1,250.6**
NON-CURRENT LIABILITIES		**163,294.6**	**157,988.1**
Borrowings	23	80,971.9	81,017.3
Lease liabilities	18, 23	52,728.1	45,970.8
Other financial liabilities	23	1,682.3	3,178.4
Provisions	24	3,319.0	3,465.2
Employment benefit obligations	25	16,848.2	15,224.5
Deferred tax liability	14	5,174.3	6,363.3
Other non-current liabilities		2,570.7	2,768.6
CURRENT LIABILITIES		**381,166.1**	**461,443.8**
Borrowings	23	70,791.2	236,869.1
Lease liabilities	18, 23	22,119.5	23,353.1
Other financial liabilities	23	63,774.2	4,154.6
Trade and other payables	26	213,795.8	189,878.1
Funds held for clients	23	1,728.9	1,825.3
Current tax liabilities	14	8,956.4	5,363.5
TOTAL EQUITY & LIABILITIES		**998,956.3**	**910,890.5**

D. Consolidated Statement of Cash Flow

Amounts in thousand €	Note	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES			
PROFIT FOR THE YEAR		**70,138.9**	**81,006.5**
Adjustments for:			
Income tax expense recognised in profit and loss		18,001.8	918.7
Depreciation, amortisation and impairments		66,655.4	55,969.1
(Gain)/loss on disposal of intangibles and PPE		-116.9	-795.9
(Gain)/loss on disposal of subsidiaries		0.0	-23,630.4
Impairment loss/(reversal) recognised on receivables		151.5	-547.2
Increase/(decrease) of provisions		90.5	1,419.7
Net financing (income)/cost		8,622.4	6,162.6
Change in employee benefit obligation		10,056.3	8,383.7
Share based payment expense		7,198.4	7,398.3
Share of (profit)/loss of associates		-81.0	-31.2
Unrealized exchange rate differences		284.1	-351.8
Other adjustments		431.3	256.1
Change working capital			
Decrease/(Increase) in inventory		-266.1	-353.5
Decrease/(Increase) in trade and other receivables		-10,774.4	-31,770.6
(Decrease)/Increase in trade and other payables		21,061.0	3,702.9
Decrease/(Increase) in other items		-2,014.7	62.0
Other items			
Use of provisions	24	-926.0	-1,984.6
Contribution to pensions	25	-13,084.8	-8,667.1
Income tax (paid)/received		-12,218.3	-7,306.0
CASH FLOW FROM OPERATING ACTIVITIES		**163,209.6**	**89,841.4**

Amounts in thousand €	Note	2023	2022
CASH FLOW FROM INVESTING ACTIVITIES			
Purchases of intangibles and PPE	16, 17	-44,280.8	-41,758.9
Proceeds from sale of intangibles and PPE	16, 17	0.0	3.0
Government grants obtained		780.0	150.8
Purchases financial assets		-840.0	-681.0
Proceeds from sale of financial assets		1,888.0	1,081.2
Interest received		625.6	411.4
Dividends received		0.0	100.0
Repayment of loans granted		0.0	-56.7
Proceeds from loans granted		0.4	2,350.0
Net cash outflow on acquisition of subsidiaries	5, 23	-16,709.6	-62,325.4
Net cash inflow on disposal of subsidiaries		0.0	0.0
CASH FLOW FROM INVESTING ACTIVITIES		**-58,536.3**	**-100,725.6**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings	23	270,150.0	40,000.0
Repayment of borrowings	23	-436,569.0	-15,458.0
Repayment of lease liabilities	18, 23	-24,457.9	-24,428.9
Proceeds from capital increase	21	150,000.0	24,471.7
Repayment of capital	21	0.0	0.0
Dividends paid		-22.1	-259.9
Interest paid	23	-9,500.1	-5,931.7
Payment for debt issue costs		-381.6	-290.2
CASH FLOW FROM FINANCING ACTIVITIES		**-50,780.6**	**18,103.0**
TOTAL INCREASE/(DECREASE) IN CASH		**53,892.6**	**7,218.8**
TOTAL CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**71,469.5**	**64,485.9**
Total increase/(decrease) in cash		53,892.6	7,218.8
Impact exchange differences		482.3	-235.2
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	23	**125,844.4**	**71,469.5**

E. Consolidated Statement of Changes in Equity

Amounts in thousand €

	ATTRIBUTABLE TO THE OWNERS OF SD WORX							
	Issued capital	Share premium	Currency translation reserve	Other reserves	Retained earnings	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
BALANCE PER JANUARY 1ST, 2023	**492,060.0**	**1.4**	**-12,520.3**	**47,503.4**	**-236,836.3**	**290,208.1**	**1,250.6**	**291,458.7**
Profit for the year					70,131.2	70,131.2	7.7	70,138.9
Other comprehensive income/(loss) for the year, net of tax			-644.2	-4,983.1	1,392.8	-4,234.5		-4,234.5
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX			**-644.2**	**-4,983.1**	**71,524.0**	**65,896.7**	**7.7**	**65,904.5**
Capital increase	55,940.0	94,060.0				150,000.0		150,000.0
Repayments of equity and share capital						0.0		0.0
Transactions with non-controlling interests					-22.0	-22.0		-22.0
Dividend distribution					-60,000.0	-60,000.0	-16,4	-60,016.4
Non-controlling interests on business combinations						0.0		0.0
Share based payments				7,198.4		7,198.4		7,198.4
Other				-805.9	774.6	-31.4	3.8	-27.5
TOTAL TRANSACTIONS WITH OWNERS	**55,940.0**	**94,060.0**	**0.0**	**6,392.4**	**-59,247.4**	**97,145.0**	**-12.6**	**97,132.4**
BALANCE PER DECEMBER 31ST, 2023	**548,000.0**	**94,061.4**	**-13,164.6**	**48,912.7**	**-224,559.7**	**453,249.8**	**1,245.8**	**454,495.6**

Amounts in thousand €

	ATTRIBUTABLE TO THE OWNERS OF SD WORX							
	Issued capital	Share premium	Currency translation reserve	Other reserves	Retained earnings	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
BALANCE PER JANUARY 1ST, 2022	**596,553.6**	**0.9**	**-1,549.0**	**24,116.6**	**-156,105.2**	**463,017.0**	**254.0**	**463,271.0**
Profit for the year					81,031.4	81,031.4	-25.0	81,006.5
Other comprehensive income/(loss) for the year, net of tax			-10,971.4	19,326.9	-5,138.1	3,217.5	0.0	3,217.5
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX			**-10,971.4**	**19,326.9**	**75,893.3**	**84,248.9**	**-25.0**	**84,223.9**
Capital increase	24,471.2					24,471.2		24,471.2
Repayments of equity and share capital	-128,964.2				-143,900.7	-272,864.9		-272,864.9
Transactions with non-controlling interests					-297.0	-297.0	-75,1	-372.1
Dividend distribution					-16,179.7	-16,179.7		-16,179.7
Non-controlling interests on business combinations						0.0	1,158.0	1,158.0
Share based payments				3,990.6	3,407.8	7,398.3		7,398.3
Other	-0.6	0.4		69.3	345.2	414.3	-61.3	353.1
TOTAL TRANSACTIONS WITH OWNERS	**-104,493.6**	**0.4**	**0.0**	**4,059.9**	**-156,624.5**	**-257,057.8**	**1,021.6**	**-256,036.2**
BALANCE PER DECEMBER 31ST, 2022	**492,060.0**	**1.4**	**-12,520.3**	**47,503.4**	**-236,836.3**	**290,208.1**	**1,250.6**	**291,458.7**

Note: Refer to note 21 for more information on the repayment of equity and share capital.

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 2023 were authorised for issue in accordance with a resolution of the directors on 23 April 2024.

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 2023 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.

In accordance with Belgian Law, SD Worx NV is required to prepare the consolidated financial statements in Dutch. SD Worx NV has also made these financial statements available in English.

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.

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 2023. The below amendments are applicable to the Group for its annual period beginning on 1 January 2023.

- IFRS 17 Insurance Contracts
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (effective immediately – disclosures are required for annual periods beginning on or after 1 January 2023)

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 consolidated 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.

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (applicable for annual periods beginning on or after 1 January 2024)
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (applicable for annual periods beginning on or after 1 January 2024).
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (applicable for annual periods beginning on or after 1 January 2024, but not yet endorsed in the EU)
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (applicable for annual periods beginning on or after 1 January 2025, but not yet endorsed in the EU)

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

2.4. Specific accounting policies

2.4.1. Business combinations

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.

2.4.2. Goodwill

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 are measured at cost, less amortisation, less impairments recognized. Amortisation is recognized using the straight-line method.

The expected useful lives for the main items of intangible assets are as follows:

Category	Expected usefull live
Software	3-5 years
Customer contracts	8 years
Brand names	5 years

The applied useful life can deviate from the above when sufficient evidence exists that the related intangible asset has a shorter/longer useful life.

A. Intangible assets acquired separately

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. 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.

B. Intangible assets in a business combination

Intangible assets acquired in a business combination are measured at fair value 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.

C. 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.

Internally generated intangible assets are not amortized until they are capable of operating in the manner intended by management. Until that date intangible assets are tested for impairment on an annual basis.

D. 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 is measured at cost less accumulated depreciation, less impairment recognized. 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, property, plant and equipment owned by the Group is depreciated using the straight-line method. 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.

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

Category	Expected usefull live
Land	Indefinite
Buildings	20-33 years
Lease improvements	over the period of the lease agreement (or the expected useful lives if lower)
Machinery & equipment	3-5 years
Office equipment & furniture	3-10 years
IT equipment	3-5 years

The applied useful life can deviate from the above when sufficient evidence exists that the related asset has a shorter/longer useful life.

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.

Funds held for clients are not considered cash and cash equivalents, they are presented separately from cash and cash equivalents against a liability representing the obligation to transfer those funds.

2.4.9. Financial assets and liabilities

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

A. Financial assets

Initial recognition and measurement

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

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

Subsequent measurement

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

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

Derecognition

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

Impairment

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

B. Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

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

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

Derecognition

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

C. Offsetting of financial instruments

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

2.4.10. Shareholder's equity

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

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

2.4.11. Income tax

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

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

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

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

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

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

2.4.12. Share-based payments

A share-based payment is a transaction in which the Group receives goods or services either as consideration for its equity instruments or by incurring liabilities for amounts based on the price of the Group's shares or other equity instruments of the Group.

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.

2.4.13. Provisions

A provision is recognised when the Group has a present obligation (legal or constructive), at the end of the reporting period, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows when the effect of time value of money is material.

2.4.14. Employee benefits

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

A. Post-employment benefits – Defined benefit plans

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

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

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

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

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

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

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

B. Post-employment benefits – Defined contribution plans

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

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

C. Other long-term benefits

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

D. Termination benefits

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

2.4.15. Revenue from contracts with customers

Revenue comprises the expected consideration for services rendered and goods sold during the year and is recognized when control over the promised goods and services is transferred to the customer. 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".

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.

Accounting for revenue is usually different for recurring revenue and non-recurring revenue.

A. Recurring revenue – Managed services, SaaS, and HaaS
Revenue from managed services, SaaS and HaaS is 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. Recurring revenue - 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.

C. Non-recurring revenue
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.

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.

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. 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.

2.5. Climate-related matters

The Group is of the opinion that the services and products which it provides to its customers will still be viable after the transition to a low-carbon economy. Nevertheless, climate-related matters could potentially increase the uncertainty in estimates and assumptions which are underpinning several items in the consolidated financial statements. The Group is confident that climate-related risks currently do not have a significant impact on any model employed, or any assumption applied to measure items presented in the consolidated financial statements.

As part of its ESG aim to have a positive impact, the Group continues to closely monitor relevant changes and developments, such as, but not limited to, new climate-related legislation. The items and considerations, that the Group believes could potentially be impacted in the future by climate-related matters are:

- Useful life of property, plant and equipment. When reviewing the residual values and expected useful lives of assets, the Group considers whether or not climate-related matters, such as climate-related legislation and regulations, might restrict the use of assets or require significant capital expenditures. Refer to note 17 for further information.
- Impairment of non-financial assets. The underlying assumptions applied to determine the value-in-use may be subject to changes based on new developments in the field of valuation principles that incorporate climate risk. The Group nevertheless believes that the current methodology applied to determine assumptions for impairment testing is up to date with market practice and correctly factors in any specific risks to which the Group is susceptible. Refer to note 15 for further information.
- Fair value measurement. As part of the acquisition method applied for business combinations, the Group will measure a newly acquired subsidiaries intangible assets such as customer contracts and brand name, when applicable. Transition risk could influence the assumptions applied in the model to determine the fair value. Refer to note 5 for further information.

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 2022:

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. The macro-economic uncertainty around economic growth, geopolitics and inflation, combined with a recovery developing more slowly than anticipated, might further influence the Group's ability to meet these budgets and forecasts in the future. Such uncertainty is the highest for goodwill allocated to the Staffing & Career Solutions segment where sensitivities demonstrate that less headroom is available to incorporate negative evolutions. The Group is however not exposed to revenue generated in high-conflict areas, like Russia, Ukraine or Israel.

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 and 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 77.5% 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 an investment 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 2023	31 Dec 2022
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%
Globepayroll 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%
International Softmachine Systems S.L.	Spain	100%	0%
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%
Gavdi Poland d.o.o.	Poland	100%	0%
Pro-Pay NV	Belgium	100%	100%
Huapii BV	Belgium	80%	80%
SD Worx SRL	Romania	100%	100%

Name	Country	Percentage of voting rights 31 Dec 2023	31 Dec 2022
SD Worx Hungary KFT	Hungary	100%	100%
SD Worx Bulgaria EOOD	Bulgaria	100%	100%
SD Worx Croatia d.o.o.	Croatia	100%	100%
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%
SD Worx Denmark Aps	Denmark	100%	100%
SD Worx SL, kadrovske rešitve, d.o.o.	Slovenia	100%	0%
SD Worx Beograd d.o.o.	Serbia	100%	0%
Staffing & Carreer solutions			
SD Worx Staffing & Career Solutions NV	Belgium	100%	100%
SD Worx Staffing 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%	100%
SD Worx Staffing Solutions BV	The Netherlands	100%	100%
SD Worx Payrolling BV	The Netherlands	100%	100%

During the year, the Group structure underwent several changes, other than new business combinations mentioned in note 5:

- SD Worx SL, kadrovske rešitve, d.o.o. was incorporated in Slovenia; and
- SD Worx Beograd d.o.o was incorporated in Serbia.

In addition to the above, the Group simplified its structure in several countries where it operates. As a result of this operation, several legal entities have been merged:

- Intelligo Software Ltd merged with SD Worx Ireland Ltd;
- Enter Systems II SL (Integrho) merged with SD Worx Spain; and
- SD Worx Career Solutions NV merged with SD Worx Staffing & Career Solutions NV.

Note 5. Business combinations

A. New acquisitions made in 2023

During 2023, the Group entered into several business combinations of which more information is provided below.

Gavdi Poland

On 2 October 2023, the Group acquired 100% of the issued shares of Gavdi Poland, a Polish company with headquarter in Warsaw. Gavdi Poland is a provider of SAP HCM and SAP SuccessFactors consultancy, but has also developed own products which it places in the market. Through the acquisition, the Group aims at supporting its expansion in the Central & Eastern European markets.

Softmachine

On 21 December 2023, the Group acquired 100% of the issued shares of International Softmachine Systems S.L. (also referred to as Softmachine), a Spanish company with headquarter in Barcelona. Softmachine is a company specialized in the development and implementation of time and attendance and access control systems. By acquiring Softmachine in Spain, the Group aims at accelerating brand awareness in Spain, and support its growth expansion within the Spanish market in Workforce Management services.

These acquired business together have added thousand € 2,939.0 revenue and net profit after tax of thousand € 355.4 to the Group's results of 2023. If the above acquisitions had occurred on 1 January 2023, management estimates that the consolidated revenue would have been thousand € 1,070,882.9 and the consolidated net result for the year would have been thousand € 71,420.3.

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	2023
Cash and cash equivalents		3,148.9
Intangible assets	16	41.1
Property, plant and equipment	17	333.6
Right-of-use assets	18	375.3
Financial assets		97.0
Inventory		104.6
Receivables		1,496.5
Borrowings and lease liabilities	23	-606.7
Payables		-1,375.3
Net deferred tax assets/(liabilities)	14	161.8
NET ASSETS ACQUIRED		**3,776.7**
Add: Goodwill	15	13,707.9
TOTAL CONSIDERATION TRANSFERED		**17,484.6**
Of which: Cash paid		15,363.3
Contingent consideration		621.3
Deferred payment		1,500.0

The fair values presented above are provisional pending the completion of their final valuation. Considering the timing of the acquisitions, the Group has not yet been able to allocate goodwill, but expects mainly changes in the valuation of the intangible assets. This process will be completed during the measurement period.

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

Amounts in thousand €	Note	2023
Cash paid		-15,363.3
Cash and cash equivalents obtained		3,148.9
Cash settlement of contingent consideration	23	-4,473.1
Transactions with non-controlling interests		-22.1
NET CASH OUTFLOW ON ACQUISITION OF SUBSIDIARIES		**-16,709.6**

Acquisition related costs with regards to these transactions of thousand € 862.6 are included in "Acquisition related costs" (refer to note 9).

B. Final purchase price allocations in 2023 relating to acquisitions from 2022

During the year ended 31 December 2022, the Group entered into several business combinations. During that year, the Group acquired:

- 100% of the issued shares of Pro-Pay NV on 14 January 2022;
- A majority share of 80% of huapii BV on 24 March 2022;
- 100% of the issued shares of HRPRO d.o.o on 6 July 2022, renamed to SD Worx Croatia d.o.o;
- 100% of the issued shares of Intelligo Software Ltd on 26 October 2022; and
- 100% of the issued shares of Enter Systems II S.L. (commercially referred to as Integrho) on 3 November 2022.

Further disclosure on the transactions, the rationale of acquisition, and the impact thereof on the financial results is provided in last year's consolidated financial statements. During the year ended 31 December 2022, the Group had accounted for provisional purchase price allocations relating to these transactions.

In the course of 2023, 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.

Amounts in thousand €	Note	As previously reported	Adjustment	Final
Cash and cash equivalents		4,671.1		4,671.1
Intangible assets	16	5,934.6	10,950.1	16,884.8
Property, plant and equipment	17	213.4		213.4
Right-of-use assets	18	1,744.3		1,744.3
Financial assets		499.6		499.6
Inventory		12.7		12.7
Receivables		5,207.2		5,207.2
Borrowings and lease liabilities		-2,776.1		-2,776.1
Payables		-5,197.6		-5,197.6
Net deferred tax assets/(liabilities)	14	-1,013.2	-1,659.6	-2,672.8
NET ASSETS ACQUIRED		**9,295.9**	**9,290.5**	**18,586.4**
Less: Non-controlling interest		-19.2	0.0	-19.2
Add: Goodwill	15	57,217.4	-9,290.5	47,926.9
TOTAL CONSIDERATION TRANSFERED		**66,494.1**		**66,494.1**
Of which: Cash paid		63,819.1		63,819.1
Contingent consideration		750.0		750.0
Deferred payment		1,925.0		1,925.0

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. When determining fair value, the Group considers climate-related matters when relevant. Such matters might affect the fair value of the brand name or the customer relationships identified. For example, a lower performance by an acquired subsidiary on ESG could result in additional costs to mitigate, which could potentially negatively affect the brand value. In the current determination of fair value, such impacts are immaterial.

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 € 10,252.0.
- 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 allocated to acquired software of thousand € 6,016.6 and allocated to brand names of thousand € 616.2.
- Deferred taxes were recognized for all fair value adjustments based on the effective 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 out 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.

Note 6. Non-Controlling Interests

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

Name	Country of incorporation	31 Dec 2023	31 Dec 2022
Teal Partners BV	Belgium	26%	26%
Huapii BV	Belgium	20%	20%

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. Segment reporting

The Group reports its performance based on the 2 subgroups around which it is structured: People Solutions and Staffing & Career. Such reporting is performed up to the level of EBITDA, which is determined in compliance with IFRS. The segment reporting is provided on a regular basis to the members of the executive committee as well as the board of directors, which the Group has identified as the chief operating decision-maker. Other elements below EBITDA are not reported on a segment level. We refer to note 31 for more information around EBITDA as an alternative performance measure.

The Group does not report on its balance sheet or the cashflow statement at the segment level. Capital expenditure is however a measure monitored on a segment level. In this context capital expenditure is defined as additions to intangible assets, and property, plant and equipment, but presented net of government grants obtained.

The following tables provide the financial information on a segment level as well as the reconciliation to the total amounts for that respective period. Refer to note 8 for more information on entity-wide information on revenue per geography and major customers.

2023 Amounts in thousand €	People Solutions	Staffing & Career	Intersegment	Total
Revenue with external customers	833,435.5	224,521.1		1,057,956.7
Intersegment revenue	620.9	3,844.2	-4,465.1	0.0
REVENUE	**834,056.5**	**228,365.3**	**-4,465.1**	**1,057,956.7**
- Services and other goods	-146,708.6	-8,966.5	-311.5	-155,986.5
- Employee benefit expenses	-522,538.9	-215,213.5	3,710.4	-734,042.0
- Other operating expenses	-11,074.2	-343.0	2,006.5	-9,410.7
+ Other operating income	5,726.9	169.9	-940.3	4,956.5
- Impairment of assets	-357.5	-2,728.0	0.0	-3,085.5
+/- Operational FX differences	1,437.8	-1.6	0.0	1,436.3
EBITDA	**160,542.1**	**1,282.6**	**0.0**	**161,824.7**
- Depreciation and amortisation expenses				-63,569.9
OPERATING PROFIT				**98,254.9**
Finance costs net				-10,195.2
+ Share of profit of associates and joint ventures				81.0
PROFIT BEFORE TAX				**88,140.7**
- Taxes				-18,001.8
PROFIT FOR THE YEAR				**70,138.9**
CAPITAL EXPENDITURE	**41,030.8**	**1,128.0**	**0.0**	**42,158.8**

2022 Amounts in thousand €	People Solutions	Staffing & Career	Intersegment	Total
Revenue with external customers	721,101.8	241,040.0		962,141.9
Intersegment revenue	548.4	4,365.3	-4,913.7	0.0
REVENUE	**721,650.2**	**245,405.4**	**-4,913.7**	**962,141.9**
- Services and other goods	-142,959.6	-9,145.0	559.6	-151,545.0
- Employee benefit expenses	-465,307.6	-231,244.8	4,036.3	-692,516.2
- Other operating expenses	-3,280.7	-758.4	1,235.7	-2,803.3
+ Other operating income	29,841.3	311.1	-917.8	29,234.5
- Impairment of assets	-152.8	0.0	0.0	-152.8
+/- Operational FX differences	-476.8	0.0	0.0	-476.8
EBITDA	**139,314.0**	**4,568.3**	**0.0**	**143,882.3**
- Depreciation and amortisation expenses				-55,816.3
OPERATING PROFIT				**88,066.0**
Finance costs net				-6,162.6
+ Share of profit of associates and joint ventures				21.8
PROFIT BEFORE TAX				**81,925.2**
- Taxes				-918.7
PROFIT FOR THE YEAR				**81,006.5**
CAPITAL EXPENDITURE	**38,082.2**	**1,555.8**	**0.0**	**39,638.0**

Note 8. Revenue from contracts with customers

Solutions & services

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 solutions 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. The Group manages the segment as one single solution.

As a result, the Group has defined 5 solutions which it offers to its customers. However, considering the close relationship between Payroll & Reward and Core HR, the Group does not disaggregate financial performance of these 2 solutions, but monitors them on an aggregate basis.

Across these 5 solutions, the Group offers multiple services. The entire service offering of the Group is disaggregated into 4 distinct categories which intersects with the solutions, resulting in a well balanced portfolio offering. These categories of service offerings are Technology, Outsourcing, Expertise, and Data & Insights.

Revenue disaggregation

The table below disaggregates revenue based on the segments and solutions offered.

Amounts in thousand €	Note	2023	2022
SD Worx People Solutions		**834,056.5**	**721,650.2**
- Payroll & Reward / Core HR		778,591.3	674,605.9
- Workforce management		54,618.5	46,520.9
- Talent & Careers		846.7	580.5
SD Worx Staffing & Career Solutions	31	**228,365.3**	**245,405.4**
Intersegment elimination		-4,465.1	-4,913.7
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS	**A**	**1,057,956.7**	**962,141.9**

SD Worx People Solutions saw its revenues growing with 15.6%. Excluding revenue contributed by recent acquisitions made by the Group during 2023 within the segment, revenue increased by 15.2% compared with last year. Within the Payroll & Reward / Core HR business line, revenue growth can be noted across all offerings of the Group. Revenue within this business line also includes income recognized under the Customer Fund Cooperation Agreement for an aggregate amount of thousand € 14,234.2 (previous year: nil), refer to note 28 for further explanation. The Workforce Management business line mainly saw revenue growth at the level of SaaS related revenue and revenue 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 -6.9%, decreasing to thousand € 228,365.3 for the year 2023. The decrease is mainly situated within the temporary employment business, with other businesses continuing to grow. The decline in business concerns a general trend observed throughout the temporary employment market within both Belgium and the Netherlands.

Revenue per geography

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 Croatia with an individual footprint below 5 million euro in revenue.

Amounts in thousand €	Note	2023	2022
Belgium		627,610.6	566,417.2
Netherlands		159,475.6	159,567.8
Germany		84,896.1	76,631.3
United Kingdom		55,805.0	52,799.5
Sweden		29,619.9	27,184.5
Finland		22,295.2	21,320.6
Norway		21,596.7	20,012.8
France		17,524.3	16,410.0
Luxemburg		9,942.5	8,384.8
Ireland		8,239.3	2,074.6
Spain		6,139.0	1,617.1
Other		14,812.3	9,721.8
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS	**A**	**1,057,956.6**	**962,141.9**

The Group generates the majority of its revenue within Belgium and the Netherlands, accounting for 74.4% of the total revenue (compared to 75.5% over 2022). 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, except for the Netherlands where a decrease in revenue in the staffing & career solutions segment offsets higher revenues within the people solutions segment. The increase in revenue in Ireland and Spain is the result from the acquisition of Intelligo and Integhro during the fourth quarter of 2022.

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

The Group believes that gross margins provide more useful insight into the performance of SD Worx Staffing & Career Solutions as opposed to revenue, and therefore evaluates the segment as such (refer to note 31 for further explanation on this APM). During 2023, the gross margin with regards to SD Worx Staffing & Career Solutions amounted to thousand € 41,892.7 (thousand € 42,637.6 over 2022).

Major customers

The Group operates in both segments on a business-to-business model. The customers are diverse in nature and are grouped as either Large enterprise, Mid-market or SME. The grouping of customers is determined based on the size of the customer. There are no individual end customers which represents more than 10% of the Group's revenue.

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	2023	2022
Facility costs		13,873.9	12,911.3
Information and technology		42,545.8	39,146.1
Hosting		14,861.3	13,605.3
Subcontracting		25,648.4	27,611.3
Marketing and communication		19,803.6	20,003.0
Professional fees		22,294.5	24,811.7
Commissions		3,794.3	3,116.6
Royalties		738.3	1,008.0
Acquisition related costs	5	2,030.8	1,072.5
Restructuring and integration		6,662.0	5,959.3
Insurance costs		2,139.8	1,416.1
Other		1,593.8	883.8
TOTAL SERVICES AND OTHER GOODS	**A**	**155,986.5**	**151,545.0**

The total costs related to services and other goods have increased by thousand € 4,441.5 (or 2.9%). The main cost drivers behind the services and other goods are professional fees, subcontracting and information and technology.

- Information and technology relates to costs incurred with regards to hardware and software which are purchased externally, and which are not eligible for recognition as asset. 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.

The level of costs incurred are partly correlated with revenue, and as a result, the increasing business in combination with cost price indexations have resulted in higher costs for services and other goods. The strongest increase is observed within information and technology costs, where license fees are at a higher level compared to last year. On the other hand, costs incurred for professional fees and subcontracting decreased due to continuing efforts of the Group to maintain its margins.

Note 10. Employee benefit expenses

Overview of employee benefit expense

2023

Amounts in thousand €	Note	Total	Direct	Indirect
Wages and salaries		495,163.7	116,076.6	379,087.1
Social security tax		118,654.2	40,734.7	77,919.4
Social insurances		4,174.2	0.0	4,174.2
Share based payment expense		5,423.5	0.0	5,423.5
Other employee benefits		54,578.6	10,801.7	43,776.9
Pensions and post-employment benefits		21,875.1	2,654.6	19,220.5
Training and education		2,418.2	62.3	2,355.9
Recruitment		2,524.0	0.0	2,524.0
External personnel		61,392.9	15,531.2	45,861.7
Capitalized to internal development projects		-32,162.5	0.0	-32,162.5
TOTAL EMPLOYEE BENEFIT EXPENSE	**A**	**734,042.0**	**185,861.1**	**548,180.9**

2022

Amounts in thousand €	Note	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**

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 € 734,042.0, for the year ended 31 December 2023, compared with thousand € 692,516.2 over the comparative period. The increase is driven, to a large extent, by the combined effect of indexation of salaries driven by the high inflation during 2022, as well as a continued growth in the number of internal FTEs employed by the Group to support the organic growth. The decrease in direct employee benefit expenses correlates to the revenue within the Staffing & Career Solutions segment.

Average number of persons employed	2023	2022
Employees	7,157	6,632
Temp workers and candidates	3,819	4,543
Management personnel	21	24
TOTAL AVERAGE FTES EMPLOYED	**10,996**	**11,199**

Note 11. Other operating result

Amounts in thousand €	Note	2023	2022
Write down on receivables		582.1	-504.9
Loss on trade receivables		1,011.9	456.8
Provisions		173.1	311.0
Other taxes		1,724.2	1,272.1
Other expense		5,919.4	1,268.4
TOTAL OTHER OPERATING EXPENSES	**A**	**9,410.7**	**2,803.3**
Facility income		689.6	996.3
Commissions received		1,389.9	1,235.7
Gain on disposal of business		0.0	23,556.4
Gain on disposal of assets		110.9	653.7
Other income		2,766.1	2,782.5
TOTAL OTHER OPERATING INCOME	**A**	**4,956.5**	**29,234.5**
NET OTHER OPERATING RESULT		**-4,454.2**	**26,431.2**

The total other operating result amounts to thousand € -4,454.2 compared with thousand € 26,431.2 last year. In the previous year, the net other operating result is largely influenced on the realized gain on the sale of SD Worx Real Estate NV.

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 some of its buildings available for use by third parties.

Note 12. Depreciation, amortisation and impairment of assets

Amounts in thousand €	Note	2023	2022
Amortisation intangible assets	16	32,711.1	26,515.5
Depreciation property, plant and equipment	17	5,830.4	5,046.3
Depreciation right-of-use assets	18	25,028.4	24,254.5
TOTAL DEPRECIATION AND AMORTIZATION EXPENSES	**A**	**63,569.9**	**55,816.3**
Impairment intangible assets	16	0.0	0.0
Impairment property, plant and equipment	17	19.5	0.0
Impairment right-of-use assets	18	338.0	96.6
Impairment goodwill	15	2,728.0	0.0
Other impairments		0.0	56.3
TOTAL IMPAIRMENT OF ASSETS	**A**	**3,085.5**	**152.8**

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

During the year, the Group recognized an impairment on its goodwill assigned to its staffing & career solutions segment. 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	2023	2022
Interest expense on loans and borrowings	23	-8,080.0	-4,998.0
Interest expense on pension plans	25	-362.3	-298.8
Interest expense on lease liabilities	18, 23	-2,015.6	-1,558.1
Loss on sale of financial assets		0.0	0.0
Other finance expense		-126.7	-459.9
FINANCIAL EXPENSES	**A**	**-10,584.7**	**-7,314.7**
Interest income		702.4	403.8
Interest income on pension plans	25	520.8	199.4
Other finance income		739.0	227.1
FINANCIAL INCOME	**A**	**1,962.2**	**830.3**
NET EXCHANGE DIFFERENCE RELATING TO FINANCING ACTIVITIES	**A**	**-1,572.7**	**321.9**
FINANCE COSTS NET	**A**	**-10,195.2**	**-6,162.6**

The total net finance costs are 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 € 2,015.6 (refer also to note 18 for further disclosures around leases).

Note 14. Income taxes

Recognized in the Consolidated Statement of Profit and Loss

Amounts in thousand €	Note	2023	2022
Current year		17,512.2	9,380.1
Adjustments for prior year		1,481.6	-404.7
CURRENT TAX EXPENSE/(INCOME)		**18,993.8**	**8,975.4**
Origination and reversal of temporary differences		-6,646.2	-2,652.6
Utilization of previously recognised tax losses		5,654.2	1,279.3
Recognition current year's losses		0.0	0.0
Change in tax rate		0.0	412.0
Change in unrecognized temporary differences		0.0	0.0
Recognition of previously unrecognised tax losses		0.0	-7,095.3
DEFERRED TAX EXPENSE/(INCOME)		**-992.1**	**-8,056.6**
TOTAL TAX EXPENSE	**A**	**18,001.8**	**918.7**

The Group recognized a tax expense of thousand € 18,001.8 for the year ended 31 December 2023 compared with thousand € 918.7 over the comparative period. The increase is a consequence of the recognition in previous year of additional deferred tax assets on tax losses carried forward, mainly relating to Sweden, resulting in a tax gain of thousand € 7,095.3.

Reconciliation of effective tax rate

Amounts in thousand €	2023		2022	
Consolidated net result	70,138.9		81,006.4	
+/- result associated companies	-81.0		-21.8	
+ Impairment goodwill	2,728.0		0.0	
+ Taxes	18,001.8		918.7	
PROFIT BEFORE TAX	**90,787.7**		**81,903.4**	
	In tho €	**In %**	**In tho €**	**In %**
Taxes on earnings at Belgian corporate income tax rate	22,693.3	25.0%	20,481.3	25.0%
Difference with foreign tax rates	-1,225.1	-1.3%	330.7	0.4%
WEIGHTED AVARAGE APPLICABLE TAX RATE	**21,468.2**	**23.6%**	**20,812.0**	**25.4%**
Adjustments previous years	1,481.6	1.6%	-504.5	-0.6%
Tax non-deductible items	3,430.2	3.8%	3,469.7	4.2%
Tax relief	-8,188.0	-9.0%	-10,547.8	-12.9%
Tax exempt income	0.0	0.0%	-5,900.0	-7.2%
Tax losses not recognised as DTA	4,100.2	4.5%	4,677.5	5.7%
Usage of DTA	0.0	0.0%	-1,132.1	-1.4%
Adjustments to DTA	-4,049.8	-4.5%	-10,117.6	-12.4%
Other taxes	-240.7	-0.3%	161.4	0.2%
EFFECTIVE TAX CHARGE	**18,001.8**	**19.8%**	**918.7**	**1.1%**

The Group's effective tax rate increased to 19.8% compared to 1.1% over the year ended 31 December 2022.

The overall lower effective tax rate during the previous year can be explained by the one off impact 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 in 2022 follows from the sale of SD Worx Real Estate NV, as the one-off realized gain of million €23.6 on the sale of shares are tax exempt in Belgium.

The Group obtains various forms of investments deductions related to its activities, which are declared through the corporate income tax declaration especially in Belgium, resulting in a tax relief following the application of the so-called Innovation Income Deduction. When such investment deductions can be related to individual projects, especially the Group's growing portfolio of cloud-based payroll and HR software solutions, they are considered part of the investment cost and recognized as negative capital expenditure (refer to note 16). In other cases, when such direct link cannot be made, they are treated as tax relief and are deducted from the tax expense.

Current income taxes on the Consolidated Statement of Financial Position

Amounts in thousand €	Note	31 Dec 2023	31 Dec 2022
Current tax receivables	C	5,497.0	7,061.2
Current tax liabilities	C	8,956.4	5,363.5

Deferred taxes on the Consolidated Statement of Financial Position

	Note	31 Dec 2023 Asset	31 Dec 2023 Liability	31 Dec 2023 Net asset	31 Dec 2022 Asset	31 Dec 2022 Liability	31 Dec 2022 Net asset
Intangible assets		3,726.3	6,622.8	-2,896.5	3,919.9	6,473.9	-2,554.0
Property, plant and equipment		204.6	131.8	72.8	371.5	150.2	221.3
Right-of-use assets		0.0	13,856.1	-13,856.1	0.0	12,827.6	-12,827.6
Investments in subsidiaries		4,700.0	0.0	4,700.0	0.0	0.0	0.0
Other assets		210.3	1,024.2	-813.9	111.2	609.7	-498.6
Lease liabilities		15,742.1	0.0	15,742.1	14,500.0	0.0	14,500.0
Provisions		76.3	653.9	-577.6	876.8	2,784.1	-1,907.2
Employee benefit obligations		3,529.7	2,368.3	1,161.5	3,095.6	2,790.9	304.7
Trade and other payables		5.2	682.3	-677.1	51.0	549.8	-498.8
Other liabilities		1,535.7	0.0	1,535.7	1,016.6	245.1	771.5
TOTAL DEFERRED TAX ON TEMPORARY DIFFERENCES		**29,730.3**	**25,339.4**	**4,390.9**	**23,942.7**	**26,431.2**	**-2,488.6**
Deferred tax assets on tax losses carried forward		18,425.6	0.0	18,425.6	24,454.9	0.0	24,454.9
Offsetting of assets and liabilities		-20,165.0	-20,165.0	0.0	-20,068.0	-20,068.0	0.0
TOTAL DEFERRED TAXES RECOGNIZED	**C**	**27,990.9**	**5,174.3**	**22,816.5**	**28,329.6**	**6,363.3**	**21,966.3**

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 Group recognized deferred taxes associated with its investment in its French subsidiary GlobePayroll SAS during the year for a total amount of thousand € 4,700.0. The recognition follows from a planned reorganisation, which was initiated during 2023 and is expected to be completed during 2024, following which the entity will be liquidated. The Group did not recognize any other deferred taxes associated with its investments in subsidiaries as 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	2023	2022
NET DEFERRED TAX ASSET AT BEGINNING OF THE YEAR		**21,966.3**	**21,790.5**
Gain/(loss) charged to income statement		992.1	8,056.6
Gain/(loss) recognized in other comprehensive income	B	1,392.8	-5,138.1
Acquired through business combinations	5	-1,497.8	-1,696.1
Exchange differences		33.8	-1,075.9
Other		-70.6	29.2
NET DEFERRED TAX ASSET AT END OF YEAR		**22,816.5**	**21,966.3**

Unrecognized deferred tax assets

The Group has approximatively thousand € 91,461.3 of unused tax credits carried forward across various jurisdictions for which no deferred tax asset has been recognized (compared to thousand € 111,790.3 last year), as it is not probable at the reporting date that sufficient future taxable profit will be available. These tax credits are spread across the following jurisdictions:

Amounts in thousand €	Note	31 Dec 2023	31 Dec 2022
Belgium		3,277.9	3,262.6
France		27,179.7	59,723.3
United Kingdom		24,949.1	31,214.1
Sweden		20,026.1	16,060.4
Switzerland		7,369.1	1,193.7
Finland		6,449.5	0.0
Netherlands		1,214.0	0.0
Germany		996.0	0.0
Italy		0.0	336.0
TOTAL OF UNUSED TAX CREDITS CARRIED FORWARD		**91,461.3**	**111,790.3**

All of these tax losses have no legal expiry date.

International Tax Reform - Pillar Two Model Rules

In view of the OECD's BEPS Pillar Two rules, the IASB amended IAS 12 by including:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the consolidated financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes. Furthermore, the Group has reviewed its corporate structure in light of the introduction of Pillar Two Model Rules in various jurisdictions.

The Group assessed that in the majority of the jurisdictions in which it operates, the provisional safe harbour rules can be applied. For those jurisdictions, where the Group cannot apply safe harbour rules, the effective tax rate is well above 15%. The Group thus concluded that it is not subject to Pillar Two "top-up" taxes.

Note 15. Goodwill

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

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

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

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

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

Amounts in thousand €	Note	2023	2022
Gross book value		516,084.7	466,830.9
Accumulated impairment		-148,346.1	-148,346.1
CARRYING VALUE AT 1 JANUARY	C	**367,738.6**	**318,484.9**
Acquired through business combinations	5	4,417.4	56,307.4
Disposals		0.0	0.0
Transfers		0.0	0.0
Impairment	12	-2,728.0	0.0
Foreign exchange difference		-375.6	-7,053.7
Gross book value		529,849.0	516,084.7
Accumulated impairment		-160,796.7	-148,346.1
CARRYING VALUE AT 31 DECEMBER	C	**369,052.4**	**367,738.6**

The increase in goodwill is explained by the acquisitions of Gavdi Poland and SoftMachine Systems resulting in a net increase by thousand € 13,707.9 compared with thousand € 57,217.4 over the comparative period which related principally to the acquisition of Pro-Pay, huapii, HRPRO, Intelligo and Integrho. This increase is offset by the final allocation of the initial provisional goodwill, for a total amount of thousand € 9,290.5, to other assets and liabilities following the finalization of the pending purchase price accounting of 2022.

The effect of foreign exchange translation totals thousand € -375.6 compared with thousand € -7,053.7 over 2022 and are mainly driven by the Group's goodwill denominated in GBP and SEK. The corresponding opposite effect is shown in the currency translation reserve within equity.

In the current financial year, the Group recognized an impairment charge totaling thousand € 2,728.0 with regard to the goodwill allocated to the Staffing & Career Solutions cluster of CGU. The impairment reflects the challenging macroeconomic conditions which continue to impact the staffing businesses in Belgium and the Netherlands. Following the continuing market uncertainty about economic growth, geopolitics and inflation combined with a recovery developing more slowly than anticipated in previous impairments tests, assumptions used in estimating the value in use were revised downward to reflect this uncertainty.

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 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 2023	31 Dec 2022
People Solutions		282,966.5	278,924.8
Staffing & Career Solutions		86,085.9	88,813.9
TOTAL GOODWILL	**C**	**369,052.4**	**367,738.6**

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

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

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

Assumptions	Note	31 Dec 2023	31 Dec 2022
SD Worx People Solutions			
Weighted average cost of capital		11.0%	10.2%
Long term growth rate		2.0%	2.0%
SD Worx Staffing & Career Solutions			
Weighted average cost of capital		10.8%	10.4%
Long term growth rate		2.0%	2.0%

When determining the key assumptions, the Group considers climate-related risks, which includes possible transition risks. While the Group does not believe its operations are currently exposed to transition risks, assumptions could be influenced in several different ways. Assumptions relying on market data, such as risk free rates, CGU specific betas and long term growth rates could change in the future based on expectations from market participants. For example, an increased spread between green loan instruments, such as green bonds, and regular loan instruments could increase the cost of lending. The Group believes that the current assumptions used factor in all known expectations from market participants.

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 1.16% to 3.82% (compared to 0.58% to 2.53% last year).

In 2023, 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. Short term growth rates have been applied in order to project revenue and costs from 2024 up to and including fiscal year 2028.

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

Based on the impairment testing performed, the Group recognized an impairment relating to the goodwill allocated to the Staffing & Career Solutions cluster of CGU in the current financial year, totaling thousand € 2,728.0.

The following table provides the sensitivity analysis, detailing the effect of an unfavorable evolution of the related assumption.

	SD Worx People Solutions		SD Worx Staffing & Career Solutions	
Amounts in thousand €	Impact on operating value	New headroom	Impact on operating value	New headroom
Discount rate +0.5%	-65,441.2	991,158.1	-5,315.2	-5,315.2
Long term growth rate -0.5%	-53,138.1	1,003,461.2	-3,745.3	-3,745.3
Short term growth rate -0.5%	-38,346.1	1,018,253.2	-2,519.8	-2,519.8
EBITDA margin -0.5%	-48,279.2	1,008,320.1	-13,622.4	-13,622.4

Note 16. Intangible assets

2023

Amounts in thousand €	Note	Software	Customer Contracts	Other Intangible assets	Total
Gross book value		173,342.9	32,789.4	1,114.4	207,246.7
Accumulated amortisation and impairments		-91,908.3	-7,355.5	-872.1	-100,135.9
CARRYING VALUE AT 1 JANUARY	**C**	**81,434.6**	**25,433.9**	**242.3**	**107,110.8**
Additions	D	36,599.0	0.0	0.0	36,599.0
Government grants (-)		-2,122.0	0.0	0.0	-2,122.0
Amortisation	12	-27,031.3	-5,462.5	-217.3	-32,711.1
Impairment	12	0.0	0.0	0.0	0.0
Disposals		-473.3	0.0	-167.1	-640.4
Acquired through business combinations	5	4,174.1	6,336.0	481.2	10,991.3
Transfers		0.0	0.0	0.0	0.0
Foreign exchange difference		-144.2	-49.3	0.1	-193.4
Other		14.0	0.0	0.0	14.0
Gross book value		204,353.1	39,173.2	1,449.3	244,975.7
Accumulated amortisation and impairments		-111,902.3	-12,915.2	-1,110.1	-125,927.6
CARRYING VALUE AT 31 DECEMBER	**C**	**92,450.8**	**26,258.0**	**339.2**	**119,048.1**

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 amortisation 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 amortisation 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**

The Group's intangible assets increased by thousand € 11,937.3, relating mainly to the in-house development of software (thousand € 34,477.0, which is net of government grants obtained), and intangible assets acquired from business combinations (thousand € 10,991.3). The increases were offset by amortisation totalling thousand € 32,771.1 (31 December 2022: thousand € 26,515.4).

Software

Software consists of both internally developed software and externally acquired software. The software developed by the Group is used to provide services to customers. Such software relates amongst others to country specific payroll engines, HR related applications, and time and attendance applications. 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 2023, thousand € 42,122.6 of software was under development (31 December 2022: thousand € 38,264.5).

Customer contracts

Customer contracts represents the value of existing customer relations upon acquisition of a new business. Such customer contracts represent the opportunity of the Group to acquire additional market share. They are measured at acquisition using an income approach method, more specifically the Multi-Period Excess Earnings Method. Further explanation on business combinations made during the year is provided in note 5.

The most significant balances included within the customer contracts relates to the acquisition of Aditro (SD Worx Nordics) for a total amount of thousand € 13,973.7 (31 December 2022: thousand € 16,515.1). The remaining value of the customer contracts at 31 December 2023 will be amortized over a remaining useful life of approximatively 5 years.

Impairment

The executive committee reviews intangible assets under development (mainly internally generated software) on an annual basis. The members of the executive committee are supported by 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).

The annual review of software projects was performed during January 2024. Following this meeting 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 € 2,085.4 for CIR receivables (thousand € 1,608.8 at 31 December 2022).

The Group records this government assistance as negative addition. For the year ended 31 December 2023, the Group obtained thousand € 2,122.0 of investment deduction, compared with thousand € 2,120.9 in the previous year.

Commitments

At 31 December 2023, there were no open commitments by the Group to acquire any intangible assets.

Note 17. Property, plant and equipment

2023

Amounts in thousand €	Note	Land & Buildings	Installation, machinery & equipment	Furniture, hardware & vehicles	Leasehold improvements & other	PP&E under construction	Total
Gross book value		3,797.1	6,543.8	31,941.2	12,247.3	40.8	54,570.2
Accumulated depreciation and impairments		-2,646.5	-4,466.1	-21,370.9	-8,277.9	0.0	-36,761.3
CARRYING VALUE AT 1 JANUARY	**C**	**1,150.7**	**2,077.7**	**10,570.3**	**3,969.4**	**40.8**	**17,808.9**
Additions	D	29.8	1,174.2	3,957.8	2,519.9	0.0	7,681.8
Depreciation	12	-118.2	-1,136.7	-3,514.9	-1,060.5	0.0	-5,830.4
Impairment	12	0.0	0.0	-19.5	0.0	0.0	-19.5
Disposals		27.2	51.2	-256.4	-81.0	0.0	-259.0
Acquired through business combinations	5	0.0	100.0	232.4	1.2	0.0	333.6
Transfers		0.0	0.0	40.8	0.0	-40.8	0.0
Foreign exchange difference		0.2	0.6	20.6	19.7	0.0	41.1
Other		6.1	7.8	50.9	25.0	0.0	89.8
Gross book value		3,868.5	7,543.4	35,387.7	13,622.0	0.0	60,421.6
Accumulated depreciation and impairments		-2,772.7	-5,268.5	-24,305.8	-8,228.2	0.0	-40,575.3
CARRYING VALUE AT 31 DECEMBER	**C**	**1,095.8**	**2,274.9**	**11,081.9**	**5,393.8**	**0.0**	**19,846.3**

2022

Amounts in thousand €

	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 depreciation 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 depreciation 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**

The Group's property, plant and equipment increased by thousand € 2,037.4. 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 € 3,957.8.

The depreciation charge for the current period totals thousand € 5,830.4 compared to thousand € 5,046.3 in the previous period. The Group reassess useful lives at the end of each reporting period. In doing so, the Group also considered climate-related risks. Specifically, the Group has considered whether climate-related legislation and regulations might impact either the useful life or residual values, for example when buildings or IT equipment becomes subject to additional energy efficiency requirements, for example to meet the requirements to reduce carbon emissions by 2030 with 55%. Currently, the Group determined that such requirements do not affect the useful lives applied.

No impairments on property, plant and equipment have been recognized during the current period.

Restrictions

As at 31 December 2023 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 2023 totals thousand € 1,055.2 (31 December 2022: thousand € 1,127.1).

Commitments

At 31 December 2023, the Group had approximatively million € 0.5 of open commitments to acquire property, plant and equipment (31 December 2022: million € 2.0). 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 hardware 5 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.

During the year, the Group exercised its purchase option with regards leased hardware at one of its data centers. Subsequently, the Group entered into a new lease agreement for a new data center. The Group will become the owner of the related hardware 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 € 4.2 and includes office spaces. 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 2023. The Group estimates that the impact of these company cars is immaterial.

The Group has certain leases of 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

2023

Amounts in thousand €	Note	Land & Buildings	Hardware & equipment	Vehicles	Total
Gross book value		63,477.4	9,841.0	25,421.8	98,740.2
Accumulated depreciation and impairments		-18,614.5	-5,367.8	-12,646.2	-36,628.5
CARRYING VALUE AT 1 JANUARY	**C**	**44,862.9**	**4,473.2**	**12,775.6**	**62,111.7**
Additions		13,114.7	6,215.5	12,173.4	31,503.6
Depreciation	12	-12,181.9	-4,996.8	-7,849.6	-25,028.4
Impairment	12	-338.0	0.0	0.0	-338.0
Disposals		-1,525.9	0.0	-191.2	-1,717.1
Acquired through business combinations	5	375.3	0.0	0.0	375.3
Transfers		0.0	0.0	0.0	0.0
Foreign exchange difference		100.9	0.0	4.7	105.6
Other		-10.0	0.0	-11.9	-21.9
Gross book value		72,226.2	6,215.5	30,907.5	109,349.2
Accumulated depreciation and impairments		-27,828.2	-523.6	-14,006.5	-42,358.4
CARRYING VALUE AT 31 DECEMBER	**C**	**44,397.9**	**5,691.9**	**16,901.0**	**66,990.8**

2022

Amounts in thousand €	Note	Land & Buildings	Hardware & equipment	Vehicles	Total
Gross book value		46,709.6	20,576.6	23,698.2	90,984.4
Accumulated depreciation 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 depreciation 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**

Following new lease contracts, the Group recognized a total of thousand € 31,503.6 additional right-of-use assets, and thousand € 31,134.2 of lease liabilities. New lease agreements in 2023 related to office locations, as well as leased hardware for a new data center which replaced the previous data center for which the contract ended during 2023. Leased vehicles relate to company cars which the Group leases on behalf of its employees.

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

The total depreciation charge recognized in profit and loss amounts to thousand € 25,028.4 (31 December 2022: thousand € 24,254.5), of which thousand € 12,181.9 relating to office spaces, thousand € 7,849.6 relating to company cars and thousand € 4,996.8 relating to hardware. In addition, thousand € 2,015.6 of interest expenses have been recognized in profit and loss (31 December 2022: thousand € 1,558.1).

Lease liabilities

Amounts in thousand €	Note	2023	2022
BALANCE AT 1 JANUARY	**23**	**69,323.9**	**56,979.9**
Additions		31,134.2	36,086.9
Accretion of interest	13	2,015.6	1,558.1
Payments	23	-26,443.3	-25,987.1
Acquired through business combinations		375.3	1,744.3
Held for sale		0.0	0.0
Lease remeasurements		0.0	0.0
Disposals		-1,717.1	-500.5
Foreign exchange difference		159.0	-223.1
Other		0.0	-334.7
BALANCE AT 31 DECEMBER	**23**	**74,847.6**	**69,323.9**
OF WHICH:			
- NON CURRENT	C	52,728.1	45,970.8
- CURRENT	C	22,119.5	23,353.1

During the current year, several lease contracts have been early terminated, resulting in the derecognition of (part of) the remaining asset and liability value. These early terminations usually relate to company cars and to a lesser extent to office spaces. There have been no other significant modifications to lease contracts during the period. For the lease of office spaces, the Group is exposed to potential future increases in variable lease payments based on an index, in most cases based on the CPI of the respective country. Such variable lease payments 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 one of its office spaces it is currently leasing in Belgium. Other lease agreements do not impose any covenants.

Lease expenses

Amounts in thousand €	Note	2023	2022
Depreciation of right-of-use assets	12	25,028.4	24,254.5
Impairment of right-of-use assets	12	338.0	96.6
Interest expense on lease liabilities	13	2,015.6	1,558.1
Short term lease payments		865.1	536.4
Low value lease payments		1,184.8	723.9
Variable lease payments		0.0	0.0
BALANCE AT 31 DECEMBER		**29,431.9**	**27,169.5**

Note 19. Financial assets and other assets

Amounts in thousand €	Note	31 Dec 2023	31 Dec 2022
Cash guarantees		2,293.2	2,054.9
Investments at fair value through profit and loss	27	78.4	1,896.9
Other financial assets		1,600.2	546.1
FINANCIAL ASSETS	**27**	**3,971.8**	**4,497.9**
Pension asset	25	8,014.4	8,466.0
Other		3,653.9	1,633.6
OTHER ASSETS		**11,668.3**	**10,099.6**
Of which:			
- Non current	C	14,524.6	11,819.5
- Current	C	1,115.5	2,778.0

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

The Group's investments at fair value through profit and loss related principally to an investment portfolio, that was sold during 2023.

Note 20. Trade and other receivables

Amounts in thousand €	Note	31 Dec 2023	31 Dec 2022
Trade receivables (gross)		193,202.2	180,696.2
Impairment losses		-760.2	-685.1
TRADE RECEIVABLES		**192,442.0**	**180,011.1**
Other receivables		27,574.1	31,857.0
Prepaid payroll taxes		906.0	353.5
Non-income tax receivables		1,551.6	1,906.1
Accrued income		2,845.3	2,653.5
Prepaid expenses		20,924.4	15,168.9
TRADE AND OTHER RECEIVABLES	**C**	**246,243.3**	**231,950.1**

Trade receivables and other receivables increased compared to year-end 2022, which largely relates 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 2022	**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**
Increases	3,063,636	55,940.0
Decreases	0	0.0
AT 31 DECEMBER 2023	**30,291,646**	**548,000.0**

During 2022 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.

On 9 October 2023, the Group received a contribution in cash of thousand € 150,000.0, following the acquisition of a share of 22,5% by the private equity firm CVC Strategic Opportunities II, through its subsidiary Brabo Investments Sarl. As a result of this contribution, capital increased by thousand € 55,940.0 following the issuance of 3,063,636 new shares. The remaining thousand € 99,060.0 is presented as share premium.

The par value of each share is € 18.09 (€ 18.07 at 31 December 2022). 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 consolidated 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 2023	31 Dec 2022
Dividends paid or due on ordinary shares	60,000.0	16,179.7
Per share	1.98	0.59
Proposed dividends on ordinary shares	20,500.0	0.0
Per share	0.68	-

On 21 December 2023, the general meeting of shareholders decided to distribute an interim dividend equal to € 1.98 per share, equal to a total interim dividend of thousand € 60,000.0. The dividend is payable out of the retained earnings of SD Worx NV, but was unpaid at 31 December 2023. The dividend is presented as part of the other financial liabilities.

Note 22. Share based payments

For the years 2020 until 2023, 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 Subholding 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 Subholding 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 Subholding 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. Even though some plans vest immediately, they are subject to a lockup period of an equal timing. This lockup period is treated similarly to the vesting period. In addition, the plan participant also receives a put option to sell the acquired share certificates back to WorxInvest Subholding 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.

The below table provides an overview of all unvested plans.

	Expiry date	Fair value at grant date (€)	# Share certificates	
			31 Dec 2023	31 Dec 2022
SPP 2020	30/06/2023	7.40	0	69,907
SALP 2020	30/06/2023	23.50	0	107,835
SPP 2021	30/06/2024	10.10	124,009	155,180
SALP 2021	30/06/2024	30.80	157,630	173,394
SPP 2022	30/06/2025	11.42	417,287	382,929
SALP 2022	30/06/2025	37.45	131,964	147,210
SPP 2023	30/06/2026	16.10	311,879	0
SALP 2023	30/06/2026	53.60	92,768	0
TOTAL OUTSTANDING UNVESTED OPTIONS			**1,235,537**	**1,036,455**

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.

	2023		2022	
	Weighted average fair value	Share certificates	Weighted average fair value	Share certificates
AT 1 JANUARY	**19.15**	**1,036,455**	**19.45**	**672,194**
Granted	39.47	487,514	18.65	530,139
Forfeited	12.14	-63,608	23.56	-13,641
Exercised	18.71	-224,824	18.34	-152,237
AT 31 DECEMBER	**27.61**	**1,235,537**	**19.15**	**1,036,455**

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 2023 and 31 December 2022 are as follows:

Amounts in thousand €	Note	31 Dec 2023	31 Dec 2022
Borrowings and lease liabilities (non current)		133,700.0	126,988.0
Add Borrowings and lease liabilities (current)		92,910.8	260,222.2
Less Cash and cash equivalents	C, D	-125,844.4	-71,469.5
NET FINANCIAL DEBT/(CASH)		**100,766.4**	**315,740.7**
Less Lease liabilities (current and non-current)	18	-74,847.6	-69,323.9
NET FINANCIAL DEBT/(CASH), NET OF LEASE LIABILITIES		**25,918.7**	**246,416.9**

Borrowings and lease liabilities

Amounts in thousand €	Note	31 Dec 2023	31 Dec 2022
Borrowings:			
- Revolving Credit Facility Agreement		0.0	0.0
- Subordinated bond		80,680.8	80,532.2
- Other loans		291.1	485.1
Lease liabilities		52,728.1	45,970.8
Other financial liabilities		1,680.2	3,176.8
INTEREST BEARING DEBT (NON-CURRENT)	C	**135,380.3**	**130,164.8**
Borrowings:			
- Revolving Credit Facility Agreement		70,425.9	30,264.8
- Shareholder loans		0.0	206,237.7
- Other loans		365.4	366.6
Lease liabilities		22,119.5	23,353.1
Other financial liabilities		3,774.2	4,154.6
INTEREST BEARING DEBT (CURRENT)	C	**96,685.0**	**264,376.8**
TOTAL INTEREST BEARING DEBT		**232,065.3**	**394,541.6**

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 an additional thousand € 40,000.0 of its Revolving Credit Facility compared to 31 December 2022. At year-end 2023, thousand € 70,425.9 (including accrued interests) with regards to the Revolving Credit Facility Agreement remained outstanding as current borrowing.

The amounts open as shareholder loans at 31 December 2022, were fully repaid during 2023.

1. The SD Worx NV Revolving Credit Facility Agreement

On 12 October 2023, the Group entered into an amended and restated Revolving Credit Facility Agreement ("RCFA"), originally dated 4 April 2022. Under the amended and restated loan agreement, the Group has access to a revolver loan of thousand € 400,000.0 with a maturity date of 30 September 2027. 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
- Senior Adjusted Leverage may not exceed 2.50:1
- Adjusted Leverage may not exceed 3.00:1

On not more than two occasions during the life of the Facilities, (i) the Senior Adjusted Leverage may exceed 2.50:1 but shall remain less or equal to 3.50:1 and (ii) the 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; (b) all scheduled and mandatory repayments of borrowings falling due, and any voluntary prepayments made; and (c) the amount of the capital element of any payments relating to finance leases.

"Adjusted Leverage" means the ratio of total net debt, which equals total borrowings 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.

"Senior Adjusted Leverage" is calculated similarly to Adjusted Leverage, but excludes from net debt any obligations in respect of any Subordinated 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 2023, Cashflow Cover equals 3.49, Adjusted Leverage equals 0.58, and Senior Adjusted Leverage equals 0.14, hence there is no breach or no event of default with respect to the SD Worx NV Revolving Credit 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 at 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 at 31 December 2023 adjusted leverage equals 0.58, 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 2023	Cash flows	NON-CASH MOVEMENTS				
				Recognized in P&L	Business combinations	Exhange differences	Other	31 Dec 2023
Borrowings:								
- Subordinated bond		80,532.2	-3,421.6	3,570.2				80,680.8
- Other loans		485.1					-194.0	291.1
Lease liabilities		45,970.8				142.5	6,614.9	52,728.1
Other financial liabilities		3,176.8			1,500.0		-2,996.5	1,680.2
INTEREST BEARING DEBT (NON-CURRENT)	**C**	**130,164.8**	**-3,421.6**	**3,570.2**	**1,500.0**	**142.5**	**3,424.5**	**135,380.3**
Borrowings:								
- Revolving Credit Facility Agreement		30,264.8	36,608.4	3,552.7				70,425.9
- Shareholder loans		206,237.7	-206,693.3	455.6				0.0
- Other loans		366.6	-808.7	613.6			194.0	365.4
Lease liabilities		23,353.1	-26,443.3	2,015.6	375.3	16.5	22,802.2	22,119.5
Other financial liabilities		4,154.6	-4,473.1	475.4	621.3		2,996.1	3,774.2
INTEREST BEARING DEBT (CURRENT)	**C**	**264,376.8**	**-201,810.0**	**7,112.9**	**996.5**	**16.5**	**25,992.2**	**96,685.0**
TOTAL LIABILITIES FROM FINANCING ACTIVITIES		**394,541.6**	**-205,231.6**	**10,683.1**	**2,496.5**	**159.0**	**29,416.8**	**232,065.3**

Amounts in thousand €

				NON-CASH MOVEMENTS				
	Note	1 Jan 2022	Cash flows	Recognized in P&L	Business combinations	Exhange differences	Other	31 Dec 2022
Borrowings:								
- Subordinated bond		78,798.4	-3,330.2	3,365.0			1,699.1	80,532.2
- Other loans		21.1			473.0		-9.1	485.1
Lease liabilities		38,329.3			1,004.3	-145.2	6,782.4	45,970.8
Other financial liabilities		6,653.1	-2,155.4	853.6	1,050.0		-3,224.5	3,176.8
INTEREST BEARING DEBT (NON-CURRENT)	**C**	**123,801.9**	**-5,485.6**	**4,218.6**	**2,527.3**	**-145.2**	**5,247.9**	**130,164.8**
Borrowings:								
- Revolving Credit Facility Agreement		0.0	29,582.3	682.4				30,264.8
- Shareholder loans		0.0	-5,792.0	792.0			211,237.7	
- Other loans		204.9	-582.0	158.6	558.8		26.3	366.6
Lease liabilities		18,650.6	-25,987.1	1,558.1	740.0	-77.9	28,469.3	23,353.1
Other financial liabilities		989.2	-649.7	-369.0	1,625.0		2,559.2	4,154.6
INTEREST BEARING DEBT (CURRENT)	**C**	**19,844.7**	**-3,428.5**	**2,822.2**	**2,923.8**	**-77.9**	**242,292.5**	**264,376.8**
TOTAL LIABILITIES FROM FINANCING ACTIVITIES		**143,646.6**	**-8,914.1**	**7,040.8**	**5,451.1**	**-223.1**	**247,540.4**	**394,541.6**

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

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 2023	31 Dec 2022
Proceeds from borrowings		270,150.0	40,000.0
Repayment of borrowings		-436,569.0	-15,458.0
Repayment of lease liabilities		-24,457.9	-24,428.9
Interest paid		-9,500.1	-5,931.7
Payment for debt issue costs		-381.6	-290.2
Net cash outflow on acquisition of subsidiaries	5	-4,473.1	-2,805.2
TOTAL CASHFLOW FROM LIABILITIES FROM FINANCING ACTIVITIES		**-205,231.6**	**-8,914.1**

Cash and cash equivalents

Amounts in thousand €	Note	31 Dec 2023	31 Dec 2022
Money market fund investments	27	55,508.5	0.0
Short-term deposits		107.4	4.4
Gross cash at bank and petty cash		71,957.4	73,290.4
Less Funds held for clients	C	-1,728.9	-1,825.3
TOTAL CASH AND CASH EQUIVALENTS	**D**	**125,844.4**	**71,469.5**

Cash equivalents include short term deposits as well as investments in money market funds.

Money market funds are highly liquid investments made by the Group as part of their day-to-day cash management. Investments made in money market funds relate to the BNP Paribas InstiCash, which is a highly regulated investment for which the Group can convert its invested funds back into cash at any given time. The Group has assessed the investment policy applied by the fund and has deemed that the net asset value of the individual shares are subject to minimal changes in value. The Group therefore considers the investment to qualify as a cash equivalent. The money market funds are valued at the net asset value of a share at the reporting date.

Short-term deposits are deposits with a maturity of less than 3 months. The Group uses the short-term deposits to actively manage its cash needs. The deposits are acquired with a regulated bank, and thus for which the Group assumes that insignificant risk of changes in value is present. In view of their short maturity date, they are considered to be readily convertible to a known amount of cash. The Group therefore considers these short-term deposits as a cash equivalent.

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 & reorganiza-tion	Other	Total
BALANCE PER JANUARY 1ST, 2023		**2,135.1**	**0.0**	**1,330.1**	**3,465.2**
Additional provision of the year		2,237.8	0.0	5.0	2,242.7
Amounts used during the year	D	-513.3	0.0	-412.6	-926.0
Reversal provision during the year		-798.5	0.0	-683.7	-1,482.2
Transfers		-148.0	0.0	148.0	0.0
Acquisition/(disposal) of subsidiaries		0.0	0.0	0.0	0.0
Foreign exchange difference		19.2	0.0	0.0	19.2
BALANCE PER DECEMBER 31ST, 2023		**2,932.3**	**0.0**	**386.7**	**3,319.0**
Of which:					
- Non current	C	2,932.3	0.0	386.7	3,319.0
- 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.

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 2022.

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 2023	31 Dec 2022
Post-employment benefits		11,799.1	10,601.4
Long-term benefits		5,049.1	4,623.1
EMPLOYMENT BENEFIT OBLIGATIONS	**C**	**16,848.2**	**15,224.5**
Less Pension assets	19	8,014.4	8,466.0
NET LIABILITY		**8,833.8**	**6,758.5**

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 67% of the total gross obligation at 31 December 2023. 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 24% of the total gross obligation at 31 December 2023.

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 6% of the total gross obligation at 31 December 2023. 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 at 31 December 2023. 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 2023	31 Dec 2022
Defined benefit obligation		177,985.1	168,154.3
Fair value of plan assets		174,200.4	166,018.9
FUNDED STATUS		**-3,784.7**	**-2,135.4**

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 € 10,160.7 at 31 December 2023 and thousand € 9,043.9 over the previous year.

Total pension expense recognized

Amounts in thousand €	Note	2023	022
Current service cost		10,056.3	9,525.2
Past service cost		0.0	0.0
SERVICE COST RECOGNIZED		**10,056.3**	**9,525.2**
Interest expense on defined benefit obligation	13	362.3	298.8
Interest income on plan assets	13	-520.8	-199.4
NET INTEREST INCOME		**-158.5**	**99.4**
PENSION EXPENSE		**9,897.7**	**9,624.6**

Reconciliation of the Defined Benefit Obligation

Amounts in thousand €	Note	2023	2022
DEFINED BENEFIT OBLIGATION AT BEGINNING OF YEAR		**168,154.3**	**260,313.5**
Service cost		10,056.3	9,525.2
Interest expense on defined benefit obligation		5,708.2	2,680.9
Participant contribution		13.0	0.0
Benefit payments		-15,801.2	-8,081.4
Acquired through business combinations		0.0	0.0
Effect of changes in demographic assumptions		-918.0	-10,837.9
Effect of changes in financial assumptions		8,761.8	-83,273.1
Effect of experience adjustments		986.4	1,536.8
Foreign exchange difference		1,070.9	-3,719.9
Other		-46.5	10.2
DEFINED BENEFIT OBLIGATION AT END OF YEAR		**177,985.1**	**168,154.3**

Reconciliation of the fair value of plan assets

Amounts in thousand €	Note	2023	2022
FAIR VALUE OF PLAN ASSETS AT BEGINNING OF YEAR		**166,018.9**	**238,926.9**
Interest income		5,866.7	2,581.5
Employer contribution		13,084.8	8,667.1
Participant contribution		13.0	0.0
Benefit payments		-15,801.2	-6,677.5
Acquired through business combinations		0.0	0.0
Return on plan assets		3,847.1	-73,247.3
Foreign exchange difference		1,173.0	-4,312.7
Other		-1.9	80.9
FAIR VALUE OF PLAN ASSETS AT END OF YEAR		**174,200.4**	**166,018.9**

Reconciliation of net liability

Amounts in thousand €	Note	2023	2022
NET LIABILITY/(ASSET) AT BEGINNING OF YEAR		**2,135.4**	**21,386.6**
Service cost recognized		10,056.3	9,525.2
Net interest income		-158.5	99.4
Total remeasurements in OCI	B	4,983.1	-19,326.9
Acquired through business combinations	5	0.0	0.0
Participant contribution		0.0	0.0
Employer contribution	D	-13,084.8	-8,667.1
Net nenefit payments		0.0	-1,403.9
Foreign exchange difference		-102.1	592.8
Other		-44.6	-70.8
NET LIABILITY/(ASSET) AT END OF YEAR		**3,784.7**	**2,135.4**

Disaggregation of fair value of plan assets

in %	31 Dec 2023	31 Dec 2022
Government bonds	16.9%	22.2%
Corporate bonds	7.2%	3.6%
Equity	2.2%	1.0%
Cash	0.4%	0.4%
Property	0.9%	1.2%
Insurance contracts	69.8%	69.5%
Other	2.5%	2.1%
TOTAL	**100.0%**	**100.0%**

Significant assumptions

	Country		
At 31 December 2023	**Belgium**	**UK**	**Germany**
Discount rate	3.20%	4.50%	3.10%
Inflation rate	2.20%	3.20%	2.20%
Salary increase	3.05%	2.00%	3.00%
Weighted average duration	13.1	12.5	16.9

	Country		
At 31 December 2022	**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

The discount rates have been set in cooperation with specialized actuaries that assist the Group in making the necessary calculations. A specific model was applied to determine the discount rates, which for Belgium and Germany is based on AA rated bonds. For the UK they were based on AA rated bonds with gilt adjustment.

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 2023	**Belgium**	**UK**	**Germany**
Discount rate -0.5%	6,340.0	2,701.0	872.0
Discount rate +0.5%	-5,872.0	-2,532.0	-775.0
Inflation rate -0.5%	-1,942.0	-1,083.3	-553.0
Inflation rate +0.5%	1,997.0	1,083.3	606.0
Salary increase -0.5%	-2,838.0	-1,083.3	0.0
Salary increase +0.5%	3,063.0	1,083.3	0.0

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

Overview by country

Amounts in thousand €	Country			
2023	**Belgium**	**UK**	**Germany**	**Other**
NET LIABILITY/(ASSET) AT BEGINNING OF YEAR	**-801.6**	**-7,488.5**	**9,043.9**	**1,381.5**
Service cost recognized	9,002.5	444.0	65.0	544.8
Net interest income	-128.0	-387.0	325.0	31.5
Total remeasurements in OCI	2,346.0	1,937.0	1,017.0	-316.9
Acquired through business combinations	0.0	0.0	0.0	0.0
Participant contribution	0.0	0.0	0.0	0.0
Employer contribution	-11,849.5	-743.0	-289.3	-203.0
Net benefit payments	0.0	0.0	0.0	0.0
Foreign exchange difference	0.0	-152.0	0.0	49.9
Other	1.6	0.5	-0.9	-45.8
NET LIABILITY/(ASSET) AT END OF YEAR	**-1,429.0**	**-6,389.0**	**10,160.7**	**1,442.0**

Amounts in thousand €	Country			
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**

Note 26. Trade and other payables

Amounts in thousand €	Note	31 Dec 2023	31 Dec 2022
Trade payables		56,626.1	49,614.4
Advance payments		10,518.6	10,540.5
Short-term employee benefits		99,210.7	94,696.8
Non-income tax payables		25,423.3	17,769.9
Deferred income		15,920.6	11,981.1
Accrued charges		5,457.1	4,239.1
Other payables		639.3	1,036.4
TRADE AND OTHER PAYABLES	C	**213,795.8**	**189,878.1**

The trade and other payables consist largely out of short-term employee benefits, representing 46% of the total, which relate amongst others to holiday pay accruals and payroll related taxes. Non-income tax payables, representing 12% of the total, consist almost entirely out of VAT payables. Deferred income, representing 7% 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 10.9% of the revenue of the Group is generated by subsidiaries of which the activities are operated in a currency other than the euro. The main foreign currencies for which a change in exchange rate could have a material impact on the Group are the GBP, MUR, SEK, NOK and PLN.

The currency sensitivity analysis is prepared assuming that the euro would have weakened / strengthened during 2023 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	PLN
Profit and loss for the period	10%	-976.8	1,219.7	-336.6	-594.2	822.3
	-10%	1,193.8	-1,490.8	411.4	726.2	-1,005.0
Equity	10%	-4,272.5	-453.8	-10,674.7	-2,669.3	-841.3
	-10%	5,222.0	554.7	13,046.9	3,262.5	1,028.2

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 2023, 46.4% 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 have resulted in an increase in interest charges of thousand € 342.8 over the year 2023.

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 2023, the Group is using thousand € 70,000.0 of the thousand € 400,000.0 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	151,246.9	159,911.2	73,831.2	86,080.0	0.0
Lease liabilities	74,847.6	75,366.3	22,708.6	44,525.0	8,132.7
Other financial liabilities	65,454.5	65,454.5	63,774.2	1,680.2	0.0
Trade and other payables	213,795.8	213,795.8	213,795.8	0.0	0.0
TOTAL AT 31 DECEMBER 2023	**505,344.8**	**443,700.1**	**303,282.2**	**132,285.3**	**8,132.7**
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**

E. Fair value

The Group applies the following hierarchy for determining the fair value of financial instruments, by valuation technique.

- Level 1: listed prices in active markets;
- Level 2: other methods in which all variables that have a significant effect on the calculated fair value are observable, either directly or indirectly;
- Level 3: techniques using variables which have a significant effect on the recorded fair value, but are not based on observable market data.

The following table provides an overview of assets measured at fair value:

Amounts in thousand €	Note	Level 1	Level 2	Level 3	Total
2023					
Investments at fair value through profit and loss	19	0.0	0.0	78.4	78.4
Money market fund investments	23	55,508.5	0.0	0.0	55,508.5
2022					
Investments at fair value through profit and loss	19	0.0	0.0	1,896.9	1,896.9
Money market fund investments	23	0.0	0.0	0.0	0.0

Level 1 fair value of money market fund investments relate to the following investments, which are based on the official published NAV of the related fund.

Fund name	ISIN	Quantity	NAV
BNP PARIBAS INSTICASH EUR 1D - EUR	LU0094219127	391,817	141.670

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:

		31 Dec 2023		31 Dec 2022	
Amounts in thousand €	Note	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
- Investments		78.4	78.4	1,896.9	1,896.9
- Short-term deposits		265.0	265.0	98.3	98.3
- Cash guarantees		2,293.2	2,293.2	2,054.9	2,054.9
- Other		1,335.1	1,335.1	447.8	447.8
TOTAL ASSETS	**19**	**3,971.8**	**3,971.8**	**4,497.9**	**4,497.9**
Borrowings					
- Senior Facilities Agreement		70,425.9	70,425.9	30,264.8	30,264.8
- Subordinated bond		80,680.8	82,010.8	80,532.2	82,293.4
- Shareholder loans		0.0	0.0	206,237.7	206,237.7
- Other loans		656.5	656.5	851.7	851.7
Lease liabilities		74,847.6	74,847.6	69,323.9	69,323.9
Other financial liabilities		65,454.5	65,454.5	7,331.4	7,331.4
TOTAL LIABILITIES		**292,065.3**	**293,395.3**	**394,541.6**	**396,302.8**

Financial assets consist 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 23,476,026 of the outstanding shares at 31 December 2023, representing 77.5% of the voting rights, and is the main shareholder of the Group. The remaining 22.5% of the voting rights is held by Brabo Investments s.à.r.l.

WorxInvest NV is 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 Subholding NV, the parent of WorxInvest NV. We refer to note 22 for further information with regards to the share based payment plans.

During 2023, the Group entered into an agreement with WorxInvest NV to assign part of the net income that was obtained by WorxInvest NV through referred customers by the Group. Such income is attributed to the Group as commission income. The commission is calculated based on the net financial income generated by these customers, and takes into consideration any other forms of income the Group might have obtained through other agreements. The commission is settled on a quarterly basis and is presented as part of revenue in the consolidated statement of profit and loss. In the current year, the Group recognized thousand € 14,234.2 of revenue under this agreement.

At 31 December 2022, the Group had an outstanding shareholder loan against WorxInvest NV for a total of thousand € 206,245.7. The loan was repaid in full during 2023.

On 21 December 2023, the general meeting of shareholders decided to distribute an interim dividend equal to € 1.98 per share, equal to a total interim dividend of thousand € 60,000.0. The dividend is unpaid at 31 December 2023 and presented as payable in the table below.

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.

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. Under these lease agreements, the Group paid thousand € 4,764.1 of rent to SD Worx Real Estate NV (31 December 2022: thousand € 5,171.5) presented as purchases in the table below. As a result of these lease agreements, the Group recognized thousand € 10,470.7 of lease liabilities (31 December 2022: thousand € 10,016.3), presented as loans in the table below.

Amounts in thousand €		Sales/ Recharges	Purchases	Other	Receivables	Payables	Loans	Dividends received/ (paid)
Shareholders								
WorxInvest NV	2023	15,207.9	-876.9	-455.6	35.4	-46,997.1	0.0	0.0
	2022	408.7	-803.0	-609.8	151.4	-249.3	-206,245.7	-15,919.8
Brabo Investments s.à.r.l	2023	0.0	0.0	0.0	0.0	-13,500.0	0.0	0.0
	2022	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other related parties								
SD Worx VZW	2023	1,267.3	-683.3	0.0	32,923.1	-12,920.9	0.0	0.0
	2022	1,612.2	-9,253.7	0.0	32,002.9	-13,845.3	0.0	0.0
SD Worx Real Estate NV	2023	313.1	-4,764.1	0.0	250.9	-218.2	-10,470.7	0.0
	2022	394.8	-5,171.5	80.6	276.1	-501.5	-10,016.3	0.0

Key management

The total cash-based remuneration granted to members of key management in respect of their responsibilities in the Group amounts to thousand € 3,507.8 in 2023 (thousand € 2,792.0 in 2022). The below schedule provides a breakdown of this compensation.

Amounts in thousand €	31 Dec 2023	31 Dec 2022
Short-term benefits	1,129.2	1,038.9
Post-employment benefits	46.9	49.9
Termination benefits	524.7	0.0
Management fees	1,807.0	1,703.2
TOTAL CASH-BASED REMUNERATION	**3,507.8**	**2,792.0**
Share-based payments	3,985.7	2,591.3

Note 29. Audit fees

Deloitte Bedrijfsrevisoren BV, represented by 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 2023	31 Dec 2022
Auditor's fees according to a mandate at the group level led by the company publishing the information	351.0	376.0
Auditor's fees according to a mandate at the group level led by the company publishing the information		
- Other attestation missions	1.6	8.3
- Other missions external to the audit	650.1	503.4
Fees to parties auditors are linked to according to the mandate at the group level led by the company publishing the information	507.5	480.0
- Fees for tax consultancy	20.8	82.6
- Fees for other missions external to the audit	59.8	1,414.4
TOTAL AUDIT FEES	**1,590.9**	**2,864.7**

Note 30. Events after the balance sheet date

On 8 December 2023, the Group entered into a binding agreement to acquire 80% of the outstanding shares of Romanian Software S.R.L. The company, with headquarter in Bucharest, is a provider of payroll and HCM software and services in Romania. The closing of this agreement is subject to several conditions precedent which are expected to be fulfilled during 2024.

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

A. Normalisations

Normalisations 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 normalisations 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, depreciation and amortisation. 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 2023	31 Dec 2022
OPERATING PROFIT		**98,254.9**	**88,066.0**
Depreciation and amortisation		63,569.9	55,816.3
EBITDA		**161,824.7**	**143,882.3**
Restructuring & integration costs		9,524.1	7,267.8
Acquisition & transaction costs		2,030.8	1,072.5
Non-committed stock based compensations		5,423.5	8,151.3
Impairment of goodwill		2,728.0	0.0
Profit/(Loss) from material business and asset disposal		0.0	-24,213.0
Other non-operating income/expense		28.2	587.9
NORMALIZED EBITDA		**181,559.3**	**136,748.8**

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 2023	31 Dec 2022
Revenue relating to SD Worx Staffing & Career Solutions	8	228,365.3	245,405.4
Direct employee benefit expenses	10	-185,861.1	-201,717.5
Other direct expenses/revenues		-611.4	-1,050.3
GROSS MARGIN		**41,892.7**	**42,637.6**

Deloitte.

SD Worx NV

Statutory auditor's report to the shareholders' meeting for the year ended 31 December 2023 - 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 2023 - 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"). 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 8 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 2023, 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 998 956 (000) EUR and the consolidated statement of profit and loss shows a profit for the year then ended of 70 139 (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 2023 and of its consolidated results and its consolidated cash flow for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for the unqualified opinion

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

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

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

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

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

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

SD Worx NV | 31 December 2023

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- conclude on the appropriateness of the use of the going concern basis of accounting by the board of directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Other legal and regulatory requirements

Responsibilities of the board of directors

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

Responsibilities of the statutory auditor

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

Aspects regarding the directors' report on the consolidated financial statements

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

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

Statements regarding independence

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

SD Worx NV | 31 December 2023

Signed at Antwerp.

The statutory auditor

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

Deloitte.

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL
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Member of Deloitte Touche Tohmatsu Limited

Statutory financial statements of SD Worx NV for the year ended 31 December 2023

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 2023	31 Dec 2022
FIXED ASSETS	**1,453,555.3**	**1,473,375.4**
Formation expenses	1,018.2	1,166.8
Intangible fixed assets	0.0	0.0
Tangible fixed assets	6.4	10.4
Financial fixed assets	1,452,530.6	1,472,198.1
CURRENT ASSETS	**122,877.5**	**90,448.2**
Amounts receivable > 1 year	0.0	17,200.0
Amounts receivable < 1 year & stocks	30,065.3	29,677.6
Current investments & Cash	91,755.7	42,579.2
Deferred charges and accrued income	1,056.5	991.4
TOTAL ASSETS	**1,576,432.8**	**1,563,823.5**

Liabilities

Amounts in thousand €	31 Dec 2023	31 Dec 2022
EQUITY	**1,315,009.9**	**1,243,484.8**
Capital	548,000.0	492,060.0
Share premium	94,061.4	1.4
Reserves	45,919.0	45,817.0
Accumulated profits (or Losses (-))	627,029.5	705,606.4
Investment grants	0.0	0.0
PENSIONS, PROVISIONS AND DEFERRED TAXES	**0.0**	**327.9**
Provisions and deferred taxes	0.0	327.9
AMOUNTS PAYABLE	**261,422.9**	**320,010.8**
AMOUNTS PAYABLE > 1 YEAR	**80,000.0**	**286,237.7**
Financial payables > 1 year	80,000.0	286,237.7
Other payables > 1 year	0.0	0.0
AMOUNTS PAYABLE < 1 YEAR	**181,422.9**	**33,773.1**
Financial payables < 1 year	72,000.0	30,000.0
Trade creditors	14,718.6	686.5
Prepayments	6,500.0	0.0
Payables relating to taxes and payroll	2,579.3	1,096.0
Other payables < 1 year	83,500.0	26.9
Accruals and deferred income	2,124.9	1,963.8
TOTAL EQUITY & LIABILITIES	**1,576,432.8**	**1,563,823.5**

B. Statutory statement of profit and loss

Amounts in thousand €	2023	2022
Revenue	14,234.2	0.0
Other operating income	6,752.6	6,043.6
Non-recurring operating income	0.0	562.8
Operating income	20,986.8	6,606.4
Services and other goods	-17,990.1	-3,758.7
Staffing costs	-2,931.4	-2,776.1
Depreciation, amortisation and impairments	-4.0	-4.0
Provisions for liabilities and charges	158.4	2,515.7
Other operating cost	-573.4	-48.4
Non-recurring operating costs	-8.0	-2.3
Operating costs	-21,348.6	-4,073.9
OPERATING RESULT	**-361.8**	**2,532.5**
Income from non-current financial assets	12,264.1	127,173.2
Income from current assets	73.6	0.0
Other financial income	391.4	288.1
Non-recurring financial income	490.1	12,113.6
Financial income	13,219.2	139,574.8
Costs relating to borrowings	-9,295.3	-5,521.9
Other financial costs	-165.9	-737.5
Non-recurring financial costs	0.0	-56.3
Financial expenses	-9,461.3	-6,315.6
PROFIT BEFORE TAX	**3,396.1**	**135,791.7**
- Taxes	-1,370.9	-489.6
PROFIT AFTER TAX	**2,025.2**	**135,302.1**

C. Statutory result appropriation

Amounts in thousand €	31 Dec 2023	31 Dec 2022
NET RESULT OF THE YEAR	**2,025.2**	**135,302.1**
Result carried forward	705,606.4	720,971.0
TOTAL AVAILABLE AND DISTRIBUTABLE RESERVES	**707,631.5**	**856,273.1**
Addition to the legal reserve	102.0	6,766.0
Profit to be distributed - Gross dividend	80,500.0	143,900.7
Carried forward	627,029.5	705,606.4
TOTAL	**707,631.5**	**856,273.1**

Statement on the board of directors

To the best of our knowledge:

1. the consolidated financial statements, established in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, give a true and fair view of the assets, financial position and results of SD Worx NV and of the entities included in the consolidation;
2. the 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 2023.

On behalf of the company

Filip Dierckx
Chairman of the
Board of Directors

Nadine Aerts
Chief Financial Officer

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Titel: Chairman

Handtekening: Jakob Verdonck (25 apr. 2024 09:15 GMT+2)

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Titel: CEO