

## Consolidated financial statements for the year ending December 31, 2023

### Revised financial statements

The consolidated financial statements presented hereunder are revised financial statements pursuant to the initial approval of the initial financial statements by the Board of Directors of WorxInvest NV on June 4<sup>th</sup>, 2024. The revision made concerns a change to the presentation of net proceeds under the sale of minority interests in subsidiaries that do not result in a loss of control, where the initial presentation in the consolidated statement of cashflows was not in accordance with IAS 7 "Statement of Cashflows". Consequently, these net proceeds have been reclassified from "Cashflows from investing activities" to "Cashflows from financing activities", pursuant to which the cashflows from financing activities for the financial year ending December 31, 2023 increased from EUR -4,028.7 thousand to EUR 316,414.0 thousand. A corresponding decrease was made in the cashflow from investing activities for the same period.

#### A. Consolidated statement of Profit and Loss

Amounts in thousand €	Note	31 Dec 2023	31 Dec 2022*
<b>Revenue</b>	<b>8</b>	<b>1,098,600.2</b>	<b>975,589.7</b>
- Services and other goods	9	-173,516.0	-159,588.6
- Employee benefit expenses	10	-742,098.1	-698,583.7
- Other operating expenses	11	-10,273.9	-4,041.3
+ Other operating income	11	4,608.1	4,532.5
- Depreciations and amortization expenses	12	-64,825.0	-57,195.9
- Impairment of assets	12	-3,085.7	-200.4
+/- Operational FX differences		1,436.0	-475.5
<i>Total net operating costs</i>		<i>-987,754.5</i>	<i>-915,553.0</i>
<b>Operating profit</b>		<b>110,845.7</b>	<b>60,036.7</b>
- Financial expenses	13	-12,394.4	-7,236.2
+ Financial income	13	9,729.3	577.0
+/- Net exchange difference relating to financing activities	13	-1,572.7	321.9
<b>Finance costs net</b>		<b>-4,237.8</b>	<b>-6,337.4</b>
+ Share of profit of associates and joint ventures		681.0	21.8
<b>Profit before tax</b>		<b>107,289.0</b>	<b>53,721.2</b>
- Income taxes	14	-20,433.4	-1,139.2
<b>Profit for the year</b>		<b>86,855.6</b>	<b>52,581.9</b>
<b>Attributable to:</b>			
Equity holders of the parent		85,215.8	52,455.4
Non-controlling interests	7	1,639.8	126.5

The comparative figures presented were prepared on a pro forma basis, more information about this can be found in note 5. The notes are an integral part of these consolidated annual accounts.

## B. Consolidated statement of comprehensive income

Amounts in thousand €	Note	31 Dec 2023	31 Dec 2022*
<b>Profit for the year</b>		<b>86,855.6</b>	<b>52,581.9</b>
Exchange differences on translation of foreign operations		-644.2	-10,971.4
Net gain/(loss) on cash flow hedges		-	-
Share in other comprehensive income of associated entities		-	-
Deferred tax on items that may subsequently be reclassified		-	-
<b>Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods</b>		<b>-644.2</b>	<b>-10,971.4</b>
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
<b>Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods</b>		<b>-3,590.2</b>	<b>14,188.8</b>
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>-4,234.5</b>	<b>3,217.5</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>82,621.1</b>	<b>55,799.4</b>
<b>Attributable to:</b>			
Equity holders of the parent		81,934.1	55,672.9
Non-controlling interests		687.0	126.5

The comparative figures presented were prepared on a pro forma basis, more information about this can be found in note 5. The notes are an integral part of these consolidated annual accounts.

## C. Consolidated statement of financial position

Amounts in thousand €	31 Dec 2023	31 Dec 2022*	1 Jan 2022*
<b>Non-current assets</b>	<b>692,032.3</b>	<b>652,644.3</b>	<b>585,848.2</b>
Goodwill	369,187.5	367,873.7	318,620.1
Intangible assets	119,048.1	107,110.8	95,203.9
Property, plant and equipment	65,079.8	61,685.7	57,787.4
Right of Use assets	73,890.1	70,062.0	68,776.9
Investments in associates	12,146.9	434.9	485.5
Financial assets	11,370.9	5,398.1	2,717.1
Other assets	11,668.3	10,099.6	13,501.2
Deferred tax assets	29,640.9	29,979.6	28,756.1
<b>Current assets</b>	<b>786,602.6</b>	<b>349,801.9</b>	<b>282,208.8</b>
Inventory	870.5	764.9	398.7
Trade and other receivables	263,452.4	231,398.1	199,423.4
Current income taxes	5,741.2	7,061.2	6,641.0
Other financial assets	7,396.1	4,305.9	2,131.3
Cash and cash equivalents	507,413.4	104,446.6	72,452.1
Funds held for clients	1,728.9	1,825.3	1,162.4
<b>Total assets</b>	<b>1,478,634.9</b>	<b>1,002,446.2</b>	<b>868,057.1</b>
Amounts in thousand €	31 Dec 2023	31 Dec 2022	1 Jan 2022*
<b>Equity</b>	<b>942,625.3</b>	<b>549,480.8</b>	<b>473,263.0</b>
<b>Equity attributable to equity holders of the parent</b>	<b>830,074.7</b>	<b>547,781.5</b>	<b>472,679.9</b>
Issued capital	823,288.0	823,288.0	823,288.0
Share premium	94,290.0	94,290.0	94,290.0
Currency translation reserve	-10,235.2	-12,658.2	-1,549.0
Other reserves	39,194.8	46,635.5	21,825.7
Accumulated losses	-116,462.9	-403,773.9	-465,174.8
<b>Non-controlling interest</b>	<b>112,550.6</b>	<b>1,699.4</b>	<b>583.1</b>
<b>Non-current Liabilities</b>	<b>191,223.7</b>	<b>188,391.9</b>	<b>183,268.2</b>
Borrowings	109,266.9	110,840.2	78,819.5
Lease liabilities	51,834.1	46,017.7	46,210.2
Other financial liabilities	1,682.3	3,178.4	6,653.1
Provisions	3,319.0	3,465.2	6,518.9
Employment benefit obligations	17,376.4	15,758.5	37,400.2
Deferred tax liability	5,174.3	6,363.3	5,315.6
Other non-current liabilities	2,570.7	2,768.6	2,350.8
<b>Current Liabilities</b>	<b>344,785.9</b>	<b>264,573.4</b>	<b>211,525.8</b>
Borrowings	71,541.2	38,283.3	204.9
Lease liabilities	20,268.6	21,641.0	19,670.3
Other financial liabilities	17,274.2	4,154.6	989.2
Provisions	0.0	0.0	0.0
Trade and other payables	224,850.6	193,143.2	184,526.5
Funds held for clients	1,728.9	1,825.3	1,162.4
Current tax liabilities	9,122.3	5,525.9	4,972.6
<b>Total equity &amp; liabilities</b>	<b>1,478,634.9</b>	<b>1,002,446.2</b>	<b>868,057.1</b>

The comparative figures presented were prepared on a pro forma basis, more information about this can be found in note 5. The notes are an integral part of these consolidated annual accounts.

## D. Consolidated statement of cash flows<sup>1</sup>

Amounts in thousand €	Note	31 Dec 2023	31 Dec 2022*
<b>Cash flow from operating activities</b>			
<b>Profit for the year</b>		<b>86,855.5</b>	<b>52,581.9</b>
<b>Adjustments for:</b>			
Income tax expense recognised in profit and loss		20,433.4	1,139.2
Depreciations, amortizations and impairments		67,910.7	57,396.3
(Gain)/loss on disposal of intangibles and PPE		-116.9	-775.9
(Gain)/loss on disposal of subsidiaries		0.0	50.4
Impairment loss/(reversal) recognised on receivables		156.6	-547.2
Increase/(decrease) of provisions		90.5	1,419.7
Net financing (income)/cost		9,574.6	6,701.5
Change in employee benefit obligation		10,122.2	9,968.0
Share based payment expense		6,594.6	5,378.7
Share of (profit)/loss of associates		-681.0	-31.2
Unrealized exchange rate differences		284.1	-351.9
Other adjustments		462.4	0.0
<b>Change working capital</b>			
Decrease/(Increase) in inventory		-266.1	-353.5
Decrease/(Increase) in trade and other receivables		-28,661.6	-26,905.5
(Decrease)/ Increase in trade and other payables		28,850.7	4,852.5
Decrease/(Increase) in other items		-2,652.6	408.5
<b>Other items</b>			
Use of provisions	24	-926.0	-1,984.6
Contribution to pensions	25	-13,193.7	-10,361.6
Income tax (paid)/received		-14,890.6	-7,532.1
<b>Cash flow from operating activities</b>		<b>169,947.0</b>	<b>91,053.6</b>
<b>Cash flow from investing activities</b>			
Purchases of intangibles and PPE	16, 17	-48,365.1	-45,801.4
Proceeds from sale of intangibles and PPE	16, 17	0.0	3.0
Government grants obtained		780.0	150.8
Purchases financial assets		-6,329.3	-5,216.2
Proceeds from sale of financial assets		1,888.0	1,169.1
Interest received		625.6	0.0
Dividends received		0.0	0.0
Repayment of loans granted		-4,766.1	0.0
Proceeds from loans granted		0.0	-56.7
Net cash outflow on acquisition of subsidiaries	6, 23	-27,709.6	-62,325.4
<b>Cash flow from investing activities</b>		<b>-83,876.5</b>	<b>-112,076.6</b>

<sup>1</sup> Revised statement of cashflows pursuant to the initially approved financial statements, ref. to page 1.  
The comparative figures presented were prepared on a pro forma basis, more information about this can be found in note 5. The notes are an integral part of these consolidated annual accounts.

Amounts in thousand €	Note	31 Dec 2023	31 Dec 2022*
<b>Cash flow from financing activities</b>			
(Investments) and divestments in controlling interests		320,442.7	0.0
Proceeds from borrowings	23	270,150.0	70,000.0
Repayment of borrowings	23	-238,547.1	-10,645.5
Repayment of lease liabilities	18, 23	-23,097.5	-22,279.8
Proceeds from share certificates	21	0.0	24,573.7
Repayment of share certificates	21	-2,686.9	-2,582.7
Dividends paid		-69.9	-370.6
Interest paid	23	-9,400.6	-4,989.4
Payment for debt issue costs		-376.8	-312.5
<b>Cash flow from financing activities</b>		<b>316,414.0</b>	<b>53,393.2</b>
<b>Total increase/(decrease) in cash</b>		<b>402,484.5</b>	<b>32,370.1</b>
<b>Total cash and cash equivalents at the beginning of the period</b>		<b>104,446.6</b>	<b>72,452.1</b>
Total increase/(decrease) in cash		402,484.5	32,370.1
Impact exchange differences		482.3	-375.6
<b>Total cash and cash equivalents at the end of the period</b>	23	<b>507,413.3</b>	<b>104,446.6</b>

2

<sup>2</sup> Revised statement of cashflows pursuant to the initially approved financial statements, ref. to page 1.  
The comparative figures presented were prepared on a pro forma basis, more information about this can be found in note 5. The notes are an integral part of these consolidated annual accounts.

## E. Consolidated statement of changes in equity

Amounts in thousand €	Consolidated statement of changes in equity							Total Equity
	Attributable to the owners of Worxinvest							
	Issued capital	Share premium	Currency translation reserve	Other reserves	Retained earnings	Total	Non-controlling interests	
<b>Balance per January 1st, 2023</b>	<b>823,288.0</b>	<b>94,290.0</b>	<b>-12,658.2</b>	<b>46,635.5</b>	<b>-403,773.9</b>	<b>547,781.5</b>	<b>1,699.4</b>	<b>549,480.8</b>
Profit for the year					85,215.8	85,215.8	1,639.8	86,855.6
Other comprehensive income/(loss) for the year, net of tax			-499.3	-3,861.9	1,079.5	-3,281.7	-952.8	-4,234.5
Total comprehensive income for the year, net of tax			-499.3	-3,861.9	86,295.3	81,934.1	687.0	82,621.1
Capital increase						0.0	0.0	0.0
Repayments of equity and share capital						0.0	-45.0	-45.0
Transactions with non-controlling interests			2,922.3	-8,636.8	202,528.0	196,813.4	123,629.3	320,442.7
Dividend distribution						0.0	-13,661.8	-13,661.8
Non-controlling interests on business combinations						0.0	0.0	0.0
Share based payments				5,990.3	-2,720.7	3,269.6		3,873.9
Other				-932.3	1,208.4	276.2	-362.5	-86.4
Total transactions with owners	0.0	0.0	2,922.3	-3,578.8	201,015.7	200,359.2	110,164.2	310,523.4
<b>Balance per December 31st, 2023</b>	<b>823,288.0</b>	<b>94,290.0</b>	<b>-10,235.2</b>	<b>39,194.8</b>	<b>-116,462.9</b>	<b>830,074.7</b>	<b>112,550.6</b>	<b>942,625.3</b>

The comparative figures presented were prepared on a pro forma basis, more information about this can be found in note 5. The notes are an integral part of these consolidated annual accounts.

Amounts in thousand €	Consolidated statement of changes in equity							Total Equity
	Attributable to the owners of WorxInvest							
	Issued capital	Share premium	Currency translation reserve	Other reserves	Retained earnings	Total	Non-controlling interests	
<b>Balance per January 1st, 2022*</b>	<b>823,288.0</b>	<b>94,290.0</b>	<b>-1,549.0</b>	<b>21,825.7</b>	<b>-465,174.8</b>	<b>472,679.9</b>	<b>583.1</b>	<b>473,263.0</b>
Profit for the year					52,455.4	52,455.4	126.5	52,581.9
Other comprehensive income/(loss) for the year, net of tax			-10,971.4	19,326.9	-5,138.1	3,217.5		3,217.5
Total comprehensive income for the year, net of tax			-10,971.4	19,326.9	47,317.3	55,672.9	126.5	55,799.4
Capital increase						0.0		0.0
Repayments of equity and share capital						0.0		0.0
Transactions with non-controlling interests					-297.0	-297.0	-75.1	-372.1
Dividend distribution					-8,659.9	-8,659.9	-125.9	-8,785.7
Non-controlling interests on business combinations						0.0	1,158.0	1,158.0
Share based payments				6,423.4	22,071.0	28,494.4		28,494.4
Other			-137.8	-940.5	969.5	-108.9	32.8	-76.1
Total transactions with owners			-137.8	5,482.9	14,083.6	19,428.7	989.8	20,418.5
<b>Balance per December 31st, 2022*</b>	<b>823,288.0</b>	<b>94,290.0</b>	<b>-12,658.2</b>	<b>46,635.5</b>	<b>-403,773.9</b>	<b>547,781.5</b>	<b>1,699.4</b>	<b>549,480.8</b>

The comparative figures presented were prepared on a pro forma basis, more information about this can be found in note 5. The notes are an integral part of these consolidated annual accounts.

## **Note 1. General information**

WorxInvest NV (the 'Company') is a limited liability company (naamloze vennootschap / société anonyme) incorporated in Belgium. WorxInvest NV is a growth-oriented and diversified investment company that invests in direct participations, through strategic shareholder positions in private and listed companies, and indirect participations through the development of a diversified portfolio of high-performing buyout and growth funds from Europe and North America. WorxInvest also has investments in real estate. The overarching goal is to support sustainable value creation over the long term with a positive impact on society. WorxInvest is the parent company of SD Worx.

The consolidated financial statements of the Company and all of its direct and indirect 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. These consolidated annual accounts also include a statement of financial positions as of January 1, 2022, following the first application of IFRS (see note 2.3.A for more information).

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, WorxInvest NV is required to prepare the consolidated financial statements in Dutch. WorxInvest 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. First time adoption of International Financial Reporting Standards

The Group was formed in the course of 2023 following the contribution of a universality by WorxInvest Subholding NV into WorxInvest NV. The universality included all of the assets and liabilities of WorxInvest Subholding NV, based on the statement of financial position as of June 30, 2023 prepared in view of this transaction.

Therefore, initial consolidated financial statements were prepared for financial year 2023. The Company opts to present these under the application of IFRS, which also includes the first time adoption of IFRS. In the current consolidated annual accounts, the Group presents comparative figures with the aim of informing the reader as if the Group already existed in previous periods. Note 5 contains further information regarding the contribution of the universality by WorxInvest Subholding NV into WorxInvest NV.

Since there was no previous financial reporting by the Company under the application of another accounting reference system, no restatement between a former accounting system and IFRS was prepared as such.

#### B. New and amended standards and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 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.

#### C. 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. Amortisations are recognized using the straight-line method.

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

Category	Expected useful 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 upon availability 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 useful life
Land	Indefinite
Buildings	20-33 years
Leasehold 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, equipment and vehicles (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. Financiële activa

###### *Initial recognition and measurements*

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

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

###### *Subsequent measurement*

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

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

### *Derecognition*

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

### *Impairment*

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

## B. Financial liabilities

### *Initial recognition and measurement*

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

### *Subsequent measurement*

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

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

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

### *Derecognition*

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

## C. Offsetting of financial instruments

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

#### 2.4.10. Shareholder's equity

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

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

#### 2.4.11. Transaction costs

Costs incurred by the Group as a result of the issuance of new and the disposal or acquisition of existing own shares are considered transaction costs when they are incremental and can be directly attributed to the transaction. Such costs consist of commissions ('underwriting fees'), legal fees, and costs for other professional advisors related to the transaction.

The Group accounts for these costs as prepaid expenses until the transaction is completed, after which they are deducted from equity. In the exceptional case that the transaction to which the transaction costs relate does not proceed, these costs are transferred to the profit and loss account.

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

#### 2.4.12. Income tax

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

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

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

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

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

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

#### 2.4.13. Share-based payments

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

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.

#### 2.4.14. Provisions

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

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

#### 2.4.15. Employee benefits

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

##### A. Post-employment benefits – Defined benefit plans

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

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

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

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

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

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

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

#### B. Post-employment benefits – defined contribution plans

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

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

#### C. Other long-term benefits

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

#### D. Termination benefits

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

### 2.4.16. Revenue from contracts with customers

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

More than 95% of the revenues from contracts with customers is being generated by SD Worx. SD Worx People Solutions provides services in the field of payroll, HR (including HR administration), personnel management, legal support, training, automation, HR consultancy and outsourcing. SD Worx Staffing & Career Solutions is active in the field of flexible work, temporary employment, secondment, recruitment and selection, career guidance, outplacement, specific payroll for temporary workers and related consultancy.

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

#### A. 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, 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 WorxInvest NV is WorxInvest Subholding NV, which possesses 100% of the voting rights. WorxInvest Subholding NV is a Belgian based company with registered office located at Brouwersvliet 29, 2000 Antwerp, Belgium.

### 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
<b>WorxInvest</b>			
WorxInvest NV	Belgium	100,0%	100,0%
SD Worx Real Estate NV	Belgium	100,0%	100,0%
Hazelheartwood BV	Belgium	72,7%	72,7%
<b>SD Worx</b>			
SD Worx NV	Belgium	77,5%	100,0%
<i>SD Worx - People Solutions</i>			
SD Worx People Solutions NV	Belgium	77,5%	100,0%
SD Worx Nederland BV	The Netherlands	77,5%	100,0%
SD Worx France SAS	France	77,5%	100,0%
Globepayroll SAS	France	77,5%	100,0%
SD Worx GmbH	Germany	77,5%	100,0%
SD Worx GmbH	Germany	77,5%	100,0%
SD Worx Switzerland AG	Switzerland	77,5%	100,0%
LWB NV	Belgium	77,5%	100,0%
Sodeco NV	Belgium	77,5%	100,0%
SD Worx (Mauritius) Ltd.	Mauritius	77,5%	100,0%
SD Worx UK Ltd.	United Kingdom	77,5%	100,0%
SD Worx Ireland Ltd.	Ireland	77,5%	100,0%
Protime NV	Belgium	77,5%	100,0%
Protime BV	The Netherlands	77,5%	100,0%
Protime SAS	France	77,5%	100,0%
Protime WFM GmbH	Germany	77,5%	100,0%
International Softmachine Systems S.L.	Spain	77,5%	0,0%
Pointlogic HR BV	The Netherlands	77,5%	100,0%
Synades SA	Switzerland	77,5%	100,0%
Adessa Consulting SA	Belgium	77,5%	100,0%
Adeconsult SA	Switzerland	77,5%	100,0%
SD Worx Spain	Spain	77,5%	100,0%
Adessa Deutschland GmbH	Germany	77,5%	100,0%
Teal Partners BV	Belgium	57,4%	74,0%
SD Worx Norway AS	Norway	77,5%	100,0%
SD Worx Estonia Oü	Estonia	77,5%	100,0%
SD worx Finland Oy	Finland	77,5%	100,0%
SD Worx Sweden AB	Sweden	77,5%	100,0%
SD Worx Italy s.r.l	Italy	77,5%	100,0%
SD Worx Poland SP.z.o.o.	Poland	77,5%	100,0%
Gavdi Poland d.o.o.	Poland	77,5%	0,0%
Pro-Pay NV	Belgium	77,5%	100,0%
Huapii BV	Belgium	62,0%	80,0%
SD Worx SRL	Romania	77,5%	100,0%
SD Worx Hungary KFT	Hungary	77,5%	100,0%
SD Worx Bulgaria EOOD	Bulgaria	77,5%	100,0%
SD Worx Croatia d.o.o.	Croatia	77,5%	100,0%
SD Worx Managed Payroll Services BV	The Netherlands	77,5%	100,0%
SD Worx BPO Services BV	The Netherlands	77,5%	100,0%
SD Worx HCM BV	The Netherlands	77,5%	100,0%
Launch! Human Capital Management Ltd	United Kingdom	77,5%	100,0%
SD Worx Denmark Aps	Denmark	77,5%	100,0%
SD Worx SL, kadrovske rešitve, d.o.o.	Slovenia	77,5%	0,0%
SD Worx Beograd d.o.o.	Serbia	77,5%	0,0%

Name	Country	Percentage of voting rights	
		31 Dec 2023	31 Dec 2022
<i>SD Worx - Staffing &amp; Career solutions</i>			
SD Worx Staffing & Career Solutions NV	Belgium	77,5%	100,0%
SD Worx Staffing Solutions NV	Belgium	77,5%	100,0%
SD Worx Staffing & Career Solutions - Nederland BV	The Netherlands	77,5%	100,0%
Easymatch BV	Belgium	77,5%	100,0%
Trento Engineering BV	The Netherlands	77,5%	100,0%
Equipe BV	The Netherlands	77,5%	100,0%
SD Worx Staffing Solutions BV	The Netherlands	77,5%	100,0%
SD Worx Payrolling BV	The Netherlands	77,5%	100,0%

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.

#### C. Associated companies

The Group's associated companies 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
Assusoft NV	Belgium	14,4%	14,4%
UwPayroll NV	Belgium	15,4%	19,8%
I3 NV	Belgium	26,2%	0,0%

#### Note 5. Business combinations under common control

In the course of 2023, the Group was formed through the contribution of a universality by WorxInvest Subholding NV (formerly WorxInvest NV) into the newly established WorxInvest NV. The contributed universality included the entire equity, both assets and liabilities of WorxInvest Subholding NV, based on the statement of financial position as of June 30, 2023, made up in view of this transaction.

Through the contribution, WorxInvest NV obtained control over all subsidiaries, which were previously also controlled by WorxInvest Subholding NV. The Group is of the opinion that the transaction does not fall under the application of IFRS 3 'Business Combinations', but qualifies as a business combination under common control. The assumption of the exercised control over the subsidiaries of the Group, by WorxInvest Subholding NV, or by WorxInvest NV, has not changed as a result of the transaction.

The transaction was processed using the 'pooling of interest' method, whereby the assets and liabilities were taken over at book value and the difference with the contribution value was processed directly in equity.

As there is no previous fiscal year, the Group has opted to add comparative figures based on a carve-out from SD Worx for Society CV, the ultimate parent of the Group, which prepared consolidated financial statements for the comparative period. Since these comparative figures were previously not published but are communicated on a pro forma basis, they are indicated in green.

The table below summarizes the acquired assets and liabilities as of December 31, 2022, which is the opening balance of the Group on January 1, 2023, being the retrospective date on which the transaction is deemed to have taken place. This consolidated balance sheet was also included in these annual accounts as a basis for comparison.

Amounts in thousand €	Annotation	31 Dec 2022		WorxInvest Pro forma
		SD Worx for Society CV	Adjustment	
Goodwill		367,873.7	0.0	367,873.7
Intangible assets		107,110.8	0.0	107,110.8
Property, plant and equipment		61,685.7	0.0	61,685.7
Right of Use assets		70,062.0	0.0	70,062.0
Investments in associates and joint ventures		434.9	0.0	434.9
Financial assets		5,398.1	0.0	5,398.1
Other assets		10,099.6	0.0	10,099.6
Deferred tax assets		29,979.6	0.0	29,979.6
Inventory		764.9	0.0	764.9
Trade and other receivables	A	231,349.0	49.1	231,398.1
Current income taxes		7,061.2	0.0	7,061.2
Other financial assets	A	3,518.1	787.8	4,305.9
Cash and cash equivalents	B	105,259.4	-812.9	104,446.6
Funds held for clients		1,825.3	0.0	1,825.3
<b>Total assets acquired</b>		<b>1,002,422.2</b>	<b>24.0</b>	<b>1,002,446.2</b>
Borrowings > 1y	A	115,124.2	-4,284.0	110,840.2
Lease liabilities > 1y		46,017.7	0.0	46,017.7
Other financial liabilities > 1y	C	43,763.3	-40,584.9	3,178.4
Provisions		3,465.2	0.0	3,465.2
Employment benefit obligations		15,758.5	0.0	15,758.5
Deferred tax liability		6,363.3	0.0	6,363.3
Other non-current liabilities		2,768.6	0.0	2,768.6
Borrowings	A	30,632.7	7,650.7	38,283.3
Lease liabilities		21,641.0	0.0	21,641.0
Other financial liabilities	C	28,747.3	-24,592.7	4,154.6
Trade and other payables		193,120.4	22.9	193,143.2
Funds held for clients		1,825.3	0.0	1,825.3
Current tax liabilities		5,528.2	-2.3	5,525.9
<b>Total liabilities acquired</b>		<b>514,755.7</b>	<b>-61,790.3</b>	<b>452,965.4</b>
<b>Net assets acquired</b>		<b>487,666.5</b>	<b>61,814.3</b>	<b>549,480.8</b>
Less: Non-controlling interest acquired		-1,699.4	0.0	-1,699.4
<b>Total contribution to equity</b>		<b>485,967.1</b>	<b>61,814.3</b>	<b>547,781.5</b>

The following adjustments have been made:

- A. Intragroup positions between SD Worx for Society CV and the Group are no longer eliminated. Similarly, positions between SD Worx for Society CV and other parties, such as trade debts, are no longer included in the balance sheet.
- B. The cash and cash equivalents of SD Worx for Society CV are no longer included.
- C. The Group established share-based incentive plans for certain employees, managers, and directors of the Group. At the level of SD Worx for Society CV, these plans are processed as cash-settled, and a provision is made in this respect. At the level of the Group, these are considered as equity-settled and are processed directly in equity.

The acquired results contribute to the total result of the Group from January 1, 2023 onwards. The table below summarizes the pro forma consolidated income statement of WorxInvest NV for the fiscal year ending on December 31, 2022.

Amounts in thousand €	Annotation	31 Dec 2022		
		SD Worx for Society CV	Adjustment	WorxInvest Pro forma
<b>Revenue</b>		<b>975,589.7</b>	<b>0.0</b>	<b>975,589.7</b>
- Services and other goods	A	-160,451.6	862.9	-159,588.6
- Employee benefit expenses	B	-711,234.7	12,651.0	-698,583.7
- Other operating expenses	A	-4,160.8	119.5	-4,041.3
+ Other operating income		4,532.5	0.0	4,532.5
- Depreciations and amortization expenses		-57,195.9	0.0	-57,195.9
- Impairment of assets		-200.4	0.0	-200.4
+/- Operational FX differences		-475.6	0.1	-475.5
<i>Total net operating costs</i>		<i>-929,186.5</i>	<i>13,633.5</i>	<i>-915,553.0</i>
<b>Operating profit</b>		<b>46,403.2</b>	<b>13,633.5</b>	<b>60,036.7</b>
- Financial expenses	A	-7,270.2	34.0	-7,236.2
+ Financial income	A	568.7	8.3	577.0
+/- Net exchange difference relating to financing activities		321.9	0.0	321.9
<b>Finance costs net</b>		<b>-6,379.7</b>	<b>42.3</b>	<b>-6,337.4</b>
+ Share of profit of associates and joint ventures		21.8	0.0	21.8
<b>Profit before tax</b>		<b>40,045.3</b>	<b>13,675.8</b>	<b>53,721.2</b>
- Taxes		-1,139.2	0.0	-1,139.2
<b>Profit for the year</b>		<b>38,906.1</b>	<b>13,675.8</b>	<b>52,581.9</b>
<b>Attributable to:</b>				
Equity holders of the parent		38,779.6	13,675.8	52,455.4
Non-controlling interests		126.5	0.0	126.5

The following adjustments have been made:

- A. Intragroup transactions between SD Worx for Society CV and the Group are no longer eliminated. Likewise, transactions between SD Worx for Society CV and other parties, such as sponsorship expenses, are no longer included in the consolidated income statement.
- B. The Group established share-based incentive plans for certain employees, managers, and directors of the Group. At the level of SD Worx for Society CV, these plans are processed as cash-settled, and a provision is made in this respect. At the level of the Group, these are considered as equity-settled and are processed directly in equity.

To increase comparability, these figures have been further included in the notes as a comparative basis.

## Note 6. 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 below:

Amounts in thousand €	Note	31 Dec 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
Provisions		0.0
Borrowings and lease liabilities	23	-606.7
Payables		-1,375.3
Employee benefit obligations	25	0.0
Net deferred tax assets/(liabilities)	14	161.8
<b>Net assets acquired</b>		<b>3,776.7</b>
Less: Non-controlling interest		0.0
Less: Previously held equity instruments		0.0
Add: Goodwill	15	13,707.9
<b>Total consideration transferred</b>		<b>17,484.6</b>
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	31 Dec 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
Acquisition of associates		-11,000.0
<b>Net cash outflow on acquisition of subsidiaries</b>		<b>-27,709.6</b>

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
Provisions		0.0		0.0
Borrowings and lease liabilities		-2,776.1		-2,776.1
Payables		-5,197.6		-5,197.6
Employee benefit obligations	25	0.0		0.0
Net deferred tax assets/(liabilities)	14	-1,013.2	-1,659.6	-2,672.8
<b>Net assets acquired</b>		<b>9,295.9</b>	<b>9,290.5</b>	<b>18,586.4</b>
Less: Non-controlling interest		-19.2	0.0	-19.2
Less: Previously held equity instruments		0.0		0.0
Add: Goodwill	15	57,217.4	-9,290.5	47,926.9
<b>Total consideration transferred</b>		<b>66,494.1</b>		<b>66,494.1</b>
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 7. Non-Controlling interests

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

Name	Country of incorporation	31 Dec 2023	31 Dec 2022
SD Worx NV	Belgium	22,5%	0%
Teal Partners BV	Belgium	42,7%	26,0%
Huapii BV	Belgium	38,0%	20,0%
HazelHeartWood BV	Belgium	27,3%	27,3%

During the year the Group transferred 22,5% of its participation in SD Worx NV to private equity firm CVC Strategic Opportunities II, through its subsidiary Brabo Investments Sarl. Following the participation in SD Worx NV, the Group holds minority interests in Teal Partners BV en Huapii BV.

The transfer of the non-controlling interest in SD Worx NV was realised by means of a EUR 150,000 thousand capital increase, as well as a sale of shares by WorxInvest NV.

The below tables summarize the financial information of SD Worx NV for the periods ending 31 December 2023 and 31 December 2022.

### Condensed financial position

Amounts in thousand €	Note	31 Dec 2023	31 Dec 2022
Non-current assets		617,656.5	595,041.6
Current assets		381,299.7	315,848.9
Non-current Liabilities		-163,294.6	-157,988.1
Current Liabilities		-381,166.1	-461,443.8
<b>Equity</b>		<b>454,495.6</b>	<b>291,458.7</b>
<i>Of which Non-controlling interest</i>		<i>-112,459.6</i>	<i>0.0</i>

### Condensed statement of profit and loss

Amounts in thousand €	Note	31 Dec 2023	31 Dec 2022
Revenue		1,057,956.6	962,141.9
<b>Profit for the year</b>		<b>70,138.9</b>	<b>81,006.5</b>
Other comprehensive income/(loss) for the year		-4,234.5	3,217.5
<b>Total comprehensive income for the year</b>		<b>65,904.5</b>	<b>84,223.9</b>
<i>Of which Non-controlling interest</i>		<i>1,458.2</i>	<i>0.0</i>

### Condensed cash flow

Amounts in thousand €	Note	31 Dec 2023	31 Dec 2022
Cash flow from operating activities		163,209.6	89,841.4
Cash flow from investing activities		-58,536.3	-100,725.6
Cash flow from financing activities		-50,780.6	18,103.0
Total increase/(decrease) in cash		53,892.6	7,218.8
<b>Total cash and cash equivalents at the beginning of the period</b>		<b>71,469.5</b>	<b>64,485.9</b>
Total increase/(decrease) in cash		53,892.6	7,218.8
Impact exchange differences		482.3	-235.2
<b>Total cash and cash equivalents at the end of the period</b>		<b>125,844.4</b>	<b>71,469.5</b>

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 8. Revenue from contracts with customers

### Services

Over 95% of the revenues from contracts with customers are generated by SD Worx. SD Worx's revenue from contracts with customers is disaggregated following its two main business segments: SD Worx People Solutions and SD Worx Staffing and Career Solutions. The remaining revenues generated by other groupo companies are not allocated to separate segments and are referred to as "other".

- 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.
- Other revenues include revenues generated by the direct investments of the group, as well as revenue generated through guarantees given.

### Revenu disaggregation

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

Amounts in thousand €	Note	31 Dec 2023	31 Dec 2022
<b>SD Worx People Solutions</b>		<b>834,056.5</b>	<b>721,650.2</b>
- Payroll & Reward / Core HR		778,591.3	674,548.9
- Workforce management		54,618.5	46,520.9
- Talent & Careers		846.7	580.5
<b>SD Worx Staffing &amp; Career Solutions</b>		<b>228,365.3</b>	<b>245,405.4</b>
<b>Other</b>		<b>46,278.0</b>	<b>19,487.0</b>
Intersegment elimination		-10,099.5	-10,952.9
<b>Total revenue from contracts with customers</b>	<b>A</b>	<b>1,098,600.2</b>	<b>975,589.7</b>

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 thousands € 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 revenues and revenues from services.

SD Worx Staffing & Career Solutions focusses on the Belgian and Dutch markets. The revenue of the segment has shown a negative growth of -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.

Other revenue includes, amongst others, revenues through guarantees given, which are strongly correlated with evolutions of interest rates in the financial markets.

### Revenu 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	31 Dec 2023	31 Dec 2022
Belgium		668,254.2	579,865.0
Netherlands		159,475.6	159,567.8
Germany		84,896.1	76,631.3
UK		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
<b>Total revenue from contracts with customers</b>	<b>A</b>	<b>1,098,600.2</b>	<b>975,589.7</b>

The Group generates the majority of its revenue within Belgium and the Netherlands, accounting for 75% of the total revenue (compared to 67% over 2022). In these markets, SD Worx 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 SD Worx, which is aimed at increasing the footprint throughout Europe.

### Principal versus agent

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

## Note 9. Services and other goods

Amounts in thousand €	Note	31 Dec 2023	31 Dec 2022
Facility costs		12,833.4	11,721.2
Information and technology		42,810.9	39,192.4
Hosting		14,861.3	13,605.3
Subcontracting		37,071.1	36,175.7
Marketing and communication		19,994.1	20,046.7
Professional fees		27,321.4	24,958.0
Commissions		3,800.9	3,116.6
Royalties		738.3	1,008.0
Acquisition related costs	6	3,201.0	1,496.5
Restructuring and integration		6,879.2	5,959.3
Insurance costs		2,260.6	1,416.6
Other		1,744.0	892.1
<b>Total services and other goods</b>	<b>A</b>	<b>173,516.0</b>	<b>159,588.6</b>

The total costs related to services and other goods have increased by thousand € 13,927.4 (or 8.7%). 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 expenses

Amounts in thousand €	Note	31 Dec 2023	31 Dec 2022
Wages and salaries		499,179.7	446,841.4
Social security tax		119,616.0	110,580.2
Social insurances		4,189.8	3,276.7
Share based payment expense		5,456.0	7,176.4
Other employee benefits		55,289.0	59,768.9
Pensions and post-employment benefits		22,071.5	21,659.7
Training and education		2,423.0	2,909.7
Recruitment		2,525.3	5,757.9
External personnel		63,510.3	70,991.7
Capitalized to internal development projects		-32,162.5	-30,378.9
<b>Total employee benefit expense</b>	<b>A</b>	<b>742,098.1</b>	<b>698,583.7</b>

Employee benefit expenses amounted to thousand € 742,098.1, for the year ended 31 December 2023, compared with thousand € 698,583.7 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.

### Average number of persons employed

Amounts in thousand €	Note	31 Dec 2023	31 Dec 2022
Employees		7,198	6,669
Temp workers and candidates		3,819	4,718
Management personnel		21	24
<b>Total average FTEs employed</b>		<b>11,037</b>	<b>11,411</b>

## Note 11. Other operating result

Amounts in thousand €	Note	31 Dec 2023	31 Dec 2022
Write down on receivables		587.2	-504.9
Loss on trade receivables		1,010.6	456.8
Provisions		173.1	311.0
Other taxes		2,232.2	1,735.9
Other expense		6,270.9	2,042.6
<b>Total other operating expenses</b>	<b>A</b>	<b>10,273.9</b>	<b>4,041.3</b>
Facility income		645.8	957.3
Commissions received		0.0	0.0
Gain on disposal of assets		110.9	-44.0
Other income		3,851.5	3,619.1
<b>Total other operating income</b>	<b>A</b>	<b>4,608.1</b>	<b>4,532.5</b>
<b>Net other operating result</b>		<b>-5,665.8</b>	<b>491.1</b>

The total other operating result amounts to thousand € -5,665.8 compared with thousand € 491.1 last year.

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	31 Dec 2023	31 Dec 2022
Amortization intangible assets	16	32,715.9	26,517.1
Depreciations property, plant and equipment	17	8,479.7	7,646.6
Depreciations right-of-use assets	18	23,629.5	23,032.2
<b>Total Depreciations and amortization expenses</b>	<b>A</b>	<b>64,825.0</b>	<b>57,195.9</b>
Impairment intangible assets	16	0.0	0.0
Impairment property, plant and equipment	17	19.5	47.6
Impairment right-of-use assets	18	338.2	96.6
Impairment goodwill	15	2,728.0	0.0
Other impairments		0.0	56.3
<b>Total impairment of assets</b>	<b>A</b>	<b>3,085.7</b>	<b>200.4</b>

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, SD Worx NV recognized an impairment on 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	31 Dec 2023	31 Dec 2022
Interest expense on loans and borrowings	23	-9,136.1	-4,511.0
Interest expense on pension plans	25	-378.2	-289.2
Interest expense on lease liabilities	18, 23	-1,960.1	-1,499.8
Realized loss on financial assets		0.0	0.0
Unrealized loss on financial assets		-773.7	-728.6
Other finance expense		-146.3	-207.7
<b>Financial expenses</b>	<b>A</b>	<b>-12,394.4</b>	<b>-7,236.2</b>
Interest income		883.9	150.5
Interest income on pension plans	25	520.8	185.5
Dividend income		716.4	7.5
Realized gain on financial assets		5,768.2	184.3
Unrealized gain on financial assets		1,685.3	0.0
Other finance income		154.8	49.2
<b>Financial income</b>	<b>A</b>	<b>9,729.3</b>	<b>577.0</b>
<b>Net exchange difference relating to financing activities</b>	<b>A</b>	<b>-1,572.7</b>	<b>321.9</b>
<b>Finance costs net</b>	<b>A</b>	<b>-4,237.8</b>	<b>-6,337.4</b>

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 SD Worx NV 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).

## Note 14. Income taxes

### Recognized in the consolidated statement of profit and loss

Amounts in thousand €	Note	31 Dec 2023	31 Dec 2022
Current year		19,943.8	9,600.6
Adjustments for prior year		1,481.6	-404.7
<b>Current tax expense/(income)</b>		<b>21,425.5</b>	<b>9,195.9</b>
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 unrecognized tax losses		0.0	-7,095.3
<b>Deferred tax expense/(income)</b>		<b>-992.1</b>	<b>-8,056.6</b>
<b>Total tax expense</b>	<b>A</b>	<b>20,433.4</b>	<b>1,139.2</b>

The Group recognized a tax expense of thousand € 20,433.4 for the year ended 31 December 2023 compared with thousand € 1,139.2 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 €	31 Dec 2023		31 Dec 2022	
Consolidated net result	86,855.6		52,581.9	
+/- result associated companies	-681.0		-21.8	
+ Impairment goodwill	2,728.0		0.0	
+ Taxes	20,433.4		1,139.2	
<b>Profit before tax</b>	<b>109,335.9</b>		<b>53,699.4</b>	
	<b>In tho €</b>	<b>In %</b>	<b>In tho €</b>	<b>In %</b>
Taxes on earnings at Belgian corporate income tax rate	27,334.0	25.0%	13,424.8	25.0%
Difference with foreign tax rates	-1,225.1	-1.1%	330.7	0.0%
<b>Weighted average applicable tax rate</b>	<b>26,108.9</b>	<b>23.9%</b>	<b>13,755.6</b>	<b>25.0%</b>
Adjustments previous years	1,481.6	1.4%	-504.5	-0.9%
Tax non-deductible items	3,469.7	3.2%	3,469.7	6.5%
Tax relief	-10,803.3	-9.9%	-10,547.8	-19.6%
Tax exempt income	-178.5	-0.2%	0.0	0.0%
Tax losses not recognised as DTA	4,447.8	4.1%	6,054.5	11.3%
Usage of DTA	0.0	0.0%	-1,132.1	-2.1%
Adjustments to DTA	-4,049.8	-3.7%	-10,117.6	-18.8%
Other taxes	-43.1	0.0%	161.4	0.3%
<b>Effective tax charge</b>	<b>20,433.4</b>	<b>18.7%</b>	<b>1,139.2</b>	<b>1.5%</b>

The Group's effective tax rate increased to 18.7% compared to 1.5% 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 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	1 Jan 2021
Current tax receivables	C	5,741.2	7,061.2	6,641.0
Current tax liabilities	C	9,122.3	5,525.9	4,972.6

### Deferred taxes on the Consolidated Statement of Financial Position

Amounts in thousand €	Note	31 Dec 2023			31 Dec 2022	1 Jan 2021
		Asset	Liability	Net asset	Net asset	Net asset
Intangible assets		3,726.3	6,622.8	-2,896.5	-2,554.0	-2,099.5
Property, plant and equipment		204.6	131.8	72.8	221.3	37.1
Right-of-use assets		0.0	13,856.1	-13,856.1	-12,827.6	-11,741.6
Investments in subsidiaries		4,700.0	0.0	4,700.0	0.0	0.0
Other assets		210.3	1,024.2	-813.9	-498.6	-145.7
Lease liabilities		15,742.1	0.0	15,742.1	14,500.0	12,497.1
Provisions		76.3	653.9	-577.6	-1,907.2	-659.3
Employee benefit obligations		3,529.7	2,368.3	1,161.5	304.7	5,536.8
Trade and other payables		5.2	682.3	-677.1	-498.8	-849.6
Other liabilities		1,535.7	0.0	1,535.7	771.5	773.9
<b>Total temporary differences</b>		<b>29,730.3</b>	<b>25,339.4</b>	<b>4,390.9</b>	<b>-2,488.6</b>	<b>3,349.2</b>
Deferred tax assets on tax losses carried forward		20,075.6	0.0	20,075.6	26,104.9	20,091.4
Offsetting of assets and liabilities		-20,165.0	-20,165.0	0.0	0.0	0.0
<b>Total deferred taxes recognized</b>	C	<b>29,640.9</b>	<b>5,174.3</b>	<b>24,466.5</b>	<b>23,616.3</b>	<b>23,440.5</b>

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

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

The Group 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 reorganization, 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	31 Dec 2023	31 Dec 2022
<b>Net deferred tax asset at beginning of the year</b>		<b>23,616.3</b>	<b>23,440.5</b>
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	6	-1,497.8	-1,696.1
Exchange differences		33.8	-1,075.9
Other		-70.6	29.2
<b>Net deferred tax asset at end of year</b>		<b>24,466.5</b>	<b>23,616.3</b>

### 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
<b>Total of unused tax credits carried forward</b>		<b>91,461.3</b>	<b>111,790.3</b>

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 jurisdiction 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	31 Dec 2023	31 Dec 2022
Gross book value		516,220.0	865,576.3
Accumulated impairment		-148,346.3	-546,956.2
<b>Carrying value at 1 January</b>	<b>C</b>	<b>367,873.7</b>	<b>318,620.1</b>
Acquired through business combinations	6	4,417.4	56,307.4
Acquired through business combinations under common control	5	0.0	0.0
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		529,984.1	516,220.0
Accumulated impairment		-160,796.6	-148,346.3
<b>Carrying value at 31 December</b>	<b>C</b>	<b>369,187.5</b>	<b>367,873.7</b>

The increase in goodwill is explained by the acquisitions of Gavdi Poland and SoftMachine Systems resulting in a net increase by thousand € 13,764.1 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 regards 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 physical 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		282,966.3	278,924.8
Staffing & Career Solutions		86,085.9	88,813.9
Other		135.2	135.2
<b>Total goodwill</b>	<b>C</b>	<b>369,187.5</b>	<b>367,873.7</b>

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
<b>SD Worx People Solutions</b>			
Weighted average cost of capital		11.0%	10.2%
Long term growth rate		2.0%	2.0%
<b>SD Worx Staffing &amp; Career Solutions</b>			
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.

Amounts in thousand €	SD Worx People Solutions		SD Worx Staffing & Career Solutions	
	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 amortizations and impairments		-91,908.3	-7,355.5	-872.1	-100,135.9
<b>Carrying value at 1 January</b>	<b>C</b>	<b>81,434.6</b>	<b>25,433.9</b>	<b>242.3</b>	<b>107,110.8</b>
Additions	D	36,599.0	0.0	78.4	36,677.3
Government grants (-)		-2,122.0	0.0	-245.5	-2,367.4
Amortization	12	-27,036.1	-5,462.5	-217.3	-32,715.9
Impairment	12	0.0	0.0	0.0	0.0
Disposals		-473.3	0.0	0.0	-473.3
Acquired through business combinations	6	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		18.8	0.0	0.0	18.8
Gross book value		204,353.1	39,173.2	1,449.3	244,975.6
Accumulated amortizations and impairments		-111,902.3	-12,915.2	-1,110.1	-125,927.6
<b>Carrying value at 31 December</b>	<b>C</b>	<b>92,450.8</b>	<b>26,258.0</b>	<b>339.2</b>	<b>119,048.1</b>

### 2022

Amounts in thousand €	Note	Software	Customer Contracts	Other Intangible assets	Total
Gross book value		160,628.8	30,397.0	1,323.4	192,349.1
Accumulated amortizations and impairments		-93,783.1	-2,746.3	-615.8	-97,145.2
<b>Carrying value at 1 January</b>		<b>66,845.6</b>	<b>27,650.7</b>	<b>707.6</b>	<b>95,203.9</b>
Additions		34,239.4	0.0	0.0	34,239.4
Government grants		-2,120.9	0.0	0.0	-2,120.9
Amortization		-20,944.8	-4,857.8	-712.8	-26,515.4
Impairment		0.0	0.0	0.0	0.0
Disposals		0.0	0.0	0.0	0.0
Acquired through business combinations		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		-213.6	29.9	-41.7	-225.4
Gross book value		173,342.9	32,789.4	1,114.4	207,246.7
Accumulated amortizations and impairments		-91,908.3	-7,355.5	-872.1	-100,135.9
<b>Carrying value at 31 December</b>	<b>C</b>	<b>81,434.6</b>	<b>25,433.9</b>	<b>242.3</b>	<b>107,110.8</b>

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 6.

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 approximately 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		90,888.2	6,755.8	32,443.4	20,494.8	824.6	151,406.7
Accumulated Depreciations and impairments		-54,033.0	-4,544.5	-21,441.4	-9,702.1	0.0	-89,721.1
<b>Carrying value at 1 January</b>	<b>C</b>	<b>36,855.2</b>	<b>2,211.3</b>	<b>11,001.9</b>	<b>10,792.7</b>	<b>824.6</b>	<b>61,685.7</b>
Additions	D	459.1	1,210.5	4,053.5	3,046.5	2,918.3	11,687.8
Government grants		0.0	0.0	0.0	0.0	0.0	0.0
Depreciation	12	-2,329.4	-1,184.3	-3,555.0	-1,410.9	0.0	-8,479.7
Impairment	12	-19.5	0.0	0.0	0.0	0.0	-19.5
Disposals		27.2	51.2	-256.4	-81.0	0.0	-259.0
Acquired through business combinations	6	0.3	100.0	232.0	1.2	0.0	333.5
Transfers		0.0	0.0	0.0	0.0	0.0	0.0
Foreign exchange difference		0.2	0.6	20.6	19.7	0.0	41.1
Other		45.8	7.8	52.1	25.0	-40.8	89.9
Gross book value		91,388.8	7,791.6	35,985.5	22,396.0	3,702.1	161,264.1
Accumulated Depreciations and impairments		-56,350.0	-5,394.5	-24,436.9	-10,002.9	0.0	-96,184.3
<b>Carrying value at 31 December</b>	<b>C</b>	<b>35,038.9</b>	<b>2,397.1</b>	<b>11,548.6</b>	<b>12,393.2</b>	<b>3,702.1</b>	<b>65,079.8</b>

### 2022

Amounts in thousand €	Note	Land & Buildings	Installation, machinery & equipment	Furniture, hardware & vehicles	Leasehold improvements & other	PP&E under construction	Total
Gross book value		91,507.6	7,785.8	33,004.7	19,117.6	664.8	152,080.5
Accumulated Depreciations and impairments		-55,400.6	-5,662.4	-23,567.4	-9,662.7	0.0	-94,293.1
<b>Carrying value at 1 January</b>		<b>36,107.0</b>	<b>2,123.4</b>	<b>9,437.3</b>	<b>9,454.9</b>	<b>664.8</b>	<b>57,787.4</b>
Additions		2,751.7	1,160.8	5,171.1	1,695.9	783.8	11,563.3
Depreciation		-1,948.5	-919.5	-3,473.4	-1,305.1	0.0	-7,646.5
Impairment		0.0	0.0	0.0	0.0	0.0	0.0
Sale and decommissioning		-372.4	-42.7	-176.5	0.0	0.0	-591.6
Disposals		0.0	9.3	160.0	44.0	0.0	213.3
Acquired through business combinations		0.0	0.0	0.0	0.0	0.0	0.0
Transfers		389.5	-148.9	-131.6	777.6	-619.0	267.6
Foreign exchange difference		0.0	0.5	-12.7	-7.2	-5.0	-24.4
Other		-72.2	28.5	27.6	132.7	0.0	116.5
Gross book value		90,888.2	6,755.8	32,443.4	20,494.8	824.6	151,406.7
Accumulated Depreciations and impairments		-54,033.0	-4,544.5	-21,441.4	-9,702.1	0.0	-89,721.1
<b>Carrying value at 31 December</b>		<b>36,855.2</b>	<b>2,211.3</b>	<b>11,001.9</b>	<b>10,792.7</b>	<b>824.6</b>	<b>61,685.7</b>

The Group's property, plant and equipment increased by thousand € 3,394.2. Additions to property, plant and equipment relate mainly to investments in hardware such as servers, laptops and equipment used in the Group's HaaS offering, as well as assets under construction with respect to buildings in Antwerp and Mechelen, totaling thousand € 6.971,8.

The depreciation charge for the current period totals thousand € 8,479.7 compared to thousand € 7,646.5 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 approximately 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 (mainly situated in Belgium and Poland). 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	Vehicles	Total
Gross book value		70,200.9	9,841.0	25,822.6	105,864.6
Accumulated Depreciations and impairments		-17,537.9	-5,367.8	-12,896.8	-35,802.5
<b>Carrying value at 1 January</b>	<b>C</b>	<b>52,663.0</b>	<b>4,473.2</b>	<b>12,925.8</b>	<b>70,062.0</b>
Additions		10,301.6	6,215.5	12,543.9	29,061.0
Depreciation	12	-10,570.3	-4,996.8	-8,062.3	-23,629.5
Impairment	12	-338.2	0.0	0.0	-338.2
Disposals		-1,525.9	0.0	-198.6	-1,724.5
Acquired through business combinations	6	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		-19.9	0.0	-1.8	-21.7
Gross book value		76,062.1	6,215.5	31,412.5	113,690.1
Accumulated Depreciations and impairments		-25,075.6	-523.6	-14,200.7	-39,800.0
<b>Carrying value at 31 December</b>	<b>C</b>	<b>50,986.5</b>	<b>5,691.9</b>	<b>17,211.7</b>	<b>73,890.1</b>

### 2022

Amounts in thousand €	Note	Land & Buildings	Hardware	Vehicles	Total
Gross book value		61,114.4	20,576.6	23,908.1	105,599.1
Accumulated Depreciations and impairments		-15,622.0	-10,735.6	-10,464.7	-36,822.3
<b>Carrying value at 1 January</b>		<b>45,492.5</b>	<b>9,841.0</b>	<b>13,443.4</b>	<b>68,776.9</b>
Additions		16,441.3	0.0	6,772.1	23,213.3
Depreciation		-10,275.9	-5,367.8	-7,388.5	-23,032.2
Impairment		-96.6	0.0	0.0	-96.6
Disposals		-115.1	0.0	-242.4	-357.5
Acquired through business combinations		1,484.6	0.0	259.7	1,744.3
Acquired through business combinations under common control		0.0	0.0	0.0	0.0
Transfers		0.0	0.0	0.0	0.0
Foreign exchange difference		-279.3	0.0	-8.0	-287.3
Other		11.7	0.0	89.5	101.1
Gross book value		70,200.9	9,841.0	25,822.6	105,864.6
Accumulated Depreciations and impairments		-17,537.9	-5,367.8	-12,896.8	-35,802.5
<b>Carrying value at 31 December</b>		<b>52,663.0</b>	<b>4,473.2</b>	<b>12,925.8</b>	<b>70,062.0</b>

Following new lease contracts, the Group recognized a total of thousand € 29,061.0 additional right-of-use assets, and thousand € 28,691.6 of lease liabilities. New lease agreements in 2023 related to office locations in Espoo (Finland), Diegem (Belgium), Bayonne (France) and Rotterdam (Netherlands), 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.

The total depreciation charge recognized in profit and loss amounts to thousand € 23,629.5 (31 December 2022: thousand € 23,032.2), of which thousand € 10,570.3 relating to office spaces, thousand € 8,062.3 relating to company cars and thousand € 4,996.8 relating to hardware. In addition, thousand € 1,960.1 of interest expenses have been recognized in profit and loss (31 December 2022: thousand € 1,499.8).

## Lease liabilities

Amounts in thousand €	Note	WorxInvest	
		31 Dec 2023	31 Dec 2022
<b>Balance at 1 January</b>	23	67,658.7	65,880.5
Additions		28,691.6	23,213.3
Accretion of interest	13	1,960.1	1,499.8
Payments	23	-25,338.5	-23,898.2
Acquired through business combinations	6	375.3	1,744.3
Lease remeasurements		0.0	0.0
Disposals		-1,724.5	-726.4
Foreign exchange difference		159.0	-223.1
Other		321.1	168.6
<b>Balance at 31 December</b>	23	72,102.8	67,658.7
Of which:			
- Non current	C	51,834.1	46,017.7
- Current	C	20,268.6	21,641.0

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 the office spaces it is currently leasing in Mechelen (Belgium). Other lease agreements do not impose any covenants.

## Lease expenses

Amounts in thousand €	Note	31 Dec 2023	31 Dec 2022
Depreciation of right-of-use assets	12	23,629.5	23,032.2
Impairment of right-of-use assets	12	338.2	96.6
Interest expense on lease liabilities	13	1,960.1	1,499.8
Short term lease payments		865.1	536.4
Low value lease payments		1,184.8	723.9
Variable lease payments		0.0	0.0
<b>Total lease expense</b>		27,977.6	25,888.8

## Note 19. Financial assets and Other assets

Amounts in thousand €	Note	31 Dec 2023	31 Dec 2022	1 Jan 2022
Cash guarantees		2,438.0	2,229.3	2,768.9
Investments at fair value through profit and loss		9,127.9	5,774.2	1,789.9
Loans granted		5,554.3	787.8	0.0
Other financial assets		1,646.9	912.8	289.6
<b>Financial assets</b>	<b>C, 27</b>	<b>18,767.0</b>	<b>9,704.0</b>	<b>4,848.4</b>
Pension asset	25	8,014.4	8,466.0	12,117.2
Other		3,653.9	1,633.6	1,384.0
<b>Other assets</b>	<b>C</b>	<b>11,668.3</b>	<b>10,099.6</b>	<b>13,501.2</b>

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

Investments at fair value through profit and loss largely relate to the investment activities of WorxInvest NV.

The Group granted a loan to WorxInvest Subholding NV (see also note 28), which is included under "Loans granted".

## Note 20. Trade and other receivables

Amounts in thousand €	Note	31 Dec 2023	31 Dec 2022	1 Jan 2022
Trade receivables (gross)		199,233.5	182,991.7	160,524.9
Impairment losses		-760.2	-685.1	-521.7
<b>Trade receivables</b>		<b>198,473.3</b>	<b>182,306.6</b>	<b>160,003.2</b>
Other receivables		33,214.1	28,926.5	17,817.6
Prepaid payroll taxes		917.1	357.1	1,366.8
Non-income tax receivables		6,163.7	1,906.1	3,565.4
Accrued income		3,454.5	2,653.5	2,828.3
Prepaid expenses		21,229.7	15,248.3	13,842.2
<b>Trade and other receivables</b>	<b>C</b>	<b>263,452.4</b>	<b>231,398.1</b>	<b>199,423.4</b>

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.

Other non-income tax receivables mainly concern VAT receivables.

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 and reserves

### Share capital

Ordinary shares issued and fully paid	Number	tho €
At 1 January 2022	31,991,687	823,288.0
Increases	0	0.0
Decreases	0	0.0
At 31 December 2022	31,991,687	823,288.0
Increases	0	0.0
Decreases	0	0.0
At 31 December 2023	31,991,687	823,288.0

The par value of each share is € 25.73. 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
Final dividends on ordinary shares declared and paid	0.0	8,659.9
Per share	-	0.27
Proposed dividends on ordinary shares	26,000.0	0.0
Per share	0.81	-

## 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 NV after a vesting period of 3 years. Plan participants must remain in service for a period of 3 years from the date of grant. In case a plan participant leaves the Group before the end of the third year, the participant is reimbursed by WorxInvest NV for his initial contribution made.

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

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

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

### Share Allocation Plan

Under the share allocation plan (SALP), the Eligible Group receives a call option to acquire a specified number of share certificates after a vesting period of 3 years. Even though some plans vest immediately, they are subject to a lock up 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 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 (€)	# share certificates	
			31 Dec 2023	31 Dec 2022
SPP 2020	30/06/2023	4.76	0	69,907
SALP 2020	30/06/2023	23.80	0	108,570
SPP 2021	30/06/2024	6.17	127,249	153,278
SALP 2021	30/06/2024	30.85	155,665	172,538
SPP 2022	30/06/2025	7.49	448,182	527,422
SALP 2022	30/06/2025	37.45	142,611	156,823
SPP 2023	30/06/2026	10.12	99,093	0
SALP 2023	30/06/2026	50.61	331,287	0
<b>Total outstanding options</b>			<b>1,304,087</b>	<b>1,188,538</b>

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	15.99	1,188,538	16.84	659,267
Granted	41.29	430,380	14.36	684,245
Forfeited	35.85	-28,897	14.81	-42,984
Exercised	12.90	-285,934	17.12	-111,990
At 31 December	24.58	1,304,087	15.99	1,188,538

## 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	1 Jan 2022
Borrowings and lease liabilities (non current)		161,101.0	156,857.9	125,029.7
Add Borrowings and lease liabilities (current)		91,809.9	59,924.4	19,875.2
Less Cash and cash equivalents	C, D	-507,413.4	-104,446.6	-72,452.1
<b>Net Financial Debt/(Cash)</b>		<b>-254,502.5</b>	<b>112,335.7</b>	<b>72,452.7</b>
Less Lease liabilities (current and non-current)	18	-72,102.8	-67,658.7	-65,880.5
<b>Net Financial Debt/(Cash), net of lease liabilities</b>		<b>-326,605.2</b>	<b>44,677.0</b>	<b>6,572.3</b>

### Borrowings and lease liabilities

Amounts in thousand €	Note	31 Dec 2023	31 Dec 2022	1 Jan 2022
Borrowings:				
- Subordinated bond		80,663.3	80,509.9	78,798.4
- Bank loans		28,603.6	30,330.3	21.1
Lease liabilities		51,834.1	46,017.7	46,210.2
Other financial liabilities		1,682.3	3,178.4	6,653.1
<b>Interest bearing debt (non-current)</b>	<b>C</b>	<b>162,783.3</b>	<b>160,036.3</b>	<b>131,682.7</b>
Borrowings:				
- Revolving Credit Facility Agreement		70,425.9	30,264.8	0.0
- Shareholder loans		0.0	7,658.5	0.0
- Bank loans		1,115.4	360.0	204.9
Lease liabilities		20,268.6	21,641.0	19,670.3
Other financial liabilities		17,274.2	4,154.6	989.2
<b>Interest bearing debt (current)</b>	<b>C</b>	<b>109,084.1</b>	<b>64,079.0</b>	<b>20,864.3</b>
<b>Total interest bearing debt</b>		<b>271,867.4</b>	<b>224,115.2</b>	<b>152,547.1</b>

The Group is funded through the SD Worx Revolving Credit Facility Agreement and a subordinated bond of SD Worx NV. During the current reporting period, the Group has drawn an additional thousand € 40,000.0 of the SD Worx Revolving Credit Facility compared to 31 December 2022. At year-end 2023, thousand € 70,425.9 (including accrued interests) with regards to the SD Worx Revolving Credit Facility Agreement remained outstanding as current borrowing.

### **1. De SD Worx Revolving Credit Facility Agreement**

On 12 October 2023, SD Worx NV 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 are tested bi-annually on a rolling last-12-month basis. As per 31 December 2023, Cashflow Cover equals 3.49, and (Factoring) 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			31 Dec 2023
				Recognized in P&L	Business combinations	Exchange differences	
Borrowings:							
- Subordinated bond		80,509.9	-3,421.6	3,575.0	0.0	0.0	80,663.3
- Bank loans		30,330.3	-750.0	30.1	0.0	0.0	28,603.6
Lease liabilities		46,017.7	0.0	0.0	0.0	145.2	51,834.1
Other financial liabilities		3,178.4	0.0	0.0	1,500.0	0.0	1,682.3
<b>Interest bearing debt (non-current)</b>	<b>C</b>	<b>160,036.3</b>	<b>-4,171.6</b>	<b>3,605.1</b>	<b>1,500.0</b>	<b>145.2</b>	<b>162,783.3</b>
Borrowings:							
- Revolving Credit Facility Agreement		30,264.8	36,608.4	3,552.7	0.0	0.0	70,425.9
- Shareholder loans		7,658.5	-7,658.5				
- Bank loans		360.0	-711.6	516.5	0.0	0.0	1,115.4
Lease liabilities		21,641.0	-25,338.5	1,960.1	375.3	16.5	20,268.6
Other financial liabilities		4,154.6	-4,473.1	475.4	621.3	0.0	17,274.2
<b>Interest bearing debt (current)</b>	<b>C</b>	<b>64,079.0</b>	<b>-1,573.4</b>	<b>6,504.6</b>	<b>996.5</b>	<b>16.5</b>	<b>109,084.1</b>
<b>Total liabilities from financing activities</b>		<b>224,115.2</b>	<b>-5,745.0</b>	<b>10,109.7</b>	<b>2,496.5</b>	<b>161.7</b>	<b>271,867.4</b>

Amounts in thousand €	Note	1 Jan 2022	Cash flows	Non-cash movements			31 Dec 2022
				Recognized in P&L	Business combinations	Exchange differences	
Borrowings:							
- Subordinated bond		78,798.4	-3,330.2	3,342.7	0.0	0.0	80,509.9
- Bank loans		21.1	29,799.9	12.6	473.0	0.0	30,330.3
Lease liabilities		46,210.2	0.0	0.0	1,004.3	-145.2	46,017.7
Other financial liabilities		6,653.1	-2,155.4	853.6	1,050.0	0.0	3,178.4
<b>Interest bearing debt (non-current)</b>	<b>C</b>	<b>131,682.7</b>	<b>24,314.3</b>	<b>4,208.9</b>	<b>2,527.3</b>	<b>-145.2</b>	<b>160,036.3</b>
Borrowings:							
- Revolving Credit Facility Agreement		0.0	29,582.3	682.4	0.0	0.0	30,264.8
- Shareholder loans		0.0	0.0	50.6	0.0	0.0	7,658.5
- Bank loans		204.9	-582.0	158.6	558.8	0.0	360.0
Lease liabilities		19,678.7	-23,697.3	1,325.7	740.0	-77.9	21,641.0
Other financial liabilities		989.2	-649.7	-369.0	1,625.0	0.0	4,154.6
<b>Interest bearing debt (current)</b>	<b>C</b>	<b>20,872.7</b>	<b>4,653.3</b>	<b>1,848.3</b>	<b>2,923.8</b>	<b>-77.9</b>	<b>64,079.0</b>
<b>Total liabilities from financing activities</b>		<b>152,555.4</b>	<b>28,967.6</b>	<b>6,057.1</b>	<b>5,451.1</b>	<b>-223.1</b>	<b>224,115.2</b>

Other movements relate to transfers from long term to short term, 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	70,000.0
Repayment of borrowings		-238,547.1	-10,645.5
Repayment of lease liabilities		-23,097.5	-22,279.8
Interest paid		-9,400.6	-4,989.4
Payment for debt issue costs		-376.8	-312.5
Net cash outflow on acquisition of subsidiaries	6	-4,473.1	-2,805.2
<b>Total cashflow from liabilities from financing activities</b>		<b>-5,745.0</b>	<b>28,967.5</b>

### Cash and cash equivalents

Amounts in thousand €	Note	31 Dec 2023	31 Dec 2022	1 Jan 2021
Money market fund investments		415,989.6	0.0	0.0
Asset backed securities		15,934.1	15,000.0	0.0
Short-term deposits		107.4	4.4	93.1
Gross cash at bank and petty cash		77,111.1	91,267.5	73,521.4
Less Funds held for clients	C	-1,728.9	-1,825.3	-1,162.4
<b>Total cash and cash equivalents</b>	<b>D</b>	<b>507,413.4</b>	<b>104,446.6</b>	<b>72,452.1</b>

Cash equivalents include short term deposits as well as investments in money market funds and asset-backed securities.

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.

Asset-backed securities are marketable securities held by the Group as part of the daily management of cash and cash equivalents. They relate to BNP Paribas Flexi, a highly regulated investment with an AAA rating, where the Group can convert the invested money back into cash on a weekly basis. The Group has reviewed the investment policy of the fund and believes that the intrinsic value of the individual shares is subject to minimal value changes. Therefore, the Group considers that this investment meets the requirements of a cash equivalent. The asset-backed securities are valued at the intrinsic value of a share on the balance sheet 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 its operations, the Group sometimes holds funds on behalf of its clients. Although these amounts are present on a bank account controlled by the Group, the use of this cash is restricted. The Group therefore does not present these funds as part of cash and cash equivalents on the face of the consolidated statement of financial position.

## Note 24. Provisions and contingencies

Amounts in thousand €	Note	Litigations & disputes	Restructuring & reorganization	Other	Total
Balance per January 1st, 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	1 Jan 2022
Post-employment benefits		12,290.8	11,103.0	33,503.8
Long-term benefits		5,085.5	4,655.5	3,896.4
Employment benefit obligations	C	17,376.4	15,758.5	37,400.2
Less Pension assets	19	8,014.4	8,466.0	12,117.2
Net liability		9,361.9	7,292.5	25,283.0

### Post-employment benefits

#### Overview of plans

##### *Belgium*

The Group has defined benefit pension plans in Belgium, foreseeing the payment of a lump sum and representing 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.

### *United Kingdom*

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	1 Jan 2022
Defined benefit obligation		178,923.1	169,388.0	260,313.5
Fair value of plan assets		174,646.7	166,751.0	238,926.9
<b>Funded status</b>		<b>-4,276.4</b>	<b>-2,637.0</b>	<b>-21,386.6</b>

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.

### Pension expense recognized

Amounts in thousand €	Note	31 Dec 2023	31 Dec 2022
Current service cost		10,122.3	9,968.0
Past service cost		0.0	0.0
<b>Service cost recognized</b>		<b>10,122.3</b>	<b>-14,700.4</b>
Interest expense on defined benefit obligation	13	378.2	289.2
Interest income on plan assets	13	-520.8	-185.5
<b>Net interest income</b>		<b>-142.6</b>	<b>-161.0</b>
<b>Pension expense</b>		<b>9,979.7</b>	<b>-14,861.4</b>

### Reconciliation of the Defined Benefit Obligation

Amounts in thousand €	Note	31 Dec 2023	31 Dec 2022
<b>Defined benefit obligation at beginning of year</b>		<b>169,388.3</b>	<b>260,313.5</b>
Service cost		10,122.3	9,968.0
Interest expense on defined benefit obligation		5,745.2	2,699.9
Participant contribution		13.0	0.0
Benefit payments		-16,232.2	-9,774.3
Acquired through business combinations		0.0	0.0
Effect of changes in demographic assumptions		-918.0	-10,873.5
Effect of changes in financial assumptions		8,793.8	-83,456.5
Effect of experience adjustments		985.4	4,220.6
Foreign exchange difference		1,070.9	-3,719.9
Other		-45.5	10.2
<b>Defined benefit obligation at end of year</b>		<b>178,923.1</b>	<b>169,388.0</b>

### Reconciliation of the value of plan assets

Amounts in thousand €	Note	31 Dec 2023	31 Dec 2022
<b>Fair value of plan assets at beginning of year</b>		<b>166,750.9</b>	<b>238,926.9</b>
Interest income		5,887.7	2,596.2
Employer contribution		13,193.8	8,957.7
Participant contribution		13.0	0.0
Benefit payments		-16,232.2	-8,370.4
Acquired through business combinations		0.0	0.0
Return on plan assets		3,861.1	-71,127.7
Foreign exchange difference		1,173.0	-4,312.7
Other		-0.6	80.9
<b>Fair value of plan assets at end of year</b>		<b>174,646.7</b>	<b>166,751.0</b>

### Reconciliation of the net liability

Amounts in thousand €	Note	31 Dec 2023	31 Dec 2022
<b>Net liability/(asset) at beginning of year</b>		<b>2,637.4</b>	<b>21,386.6</b>
Service cost recognized		10,122.3	9,968.0
Net interest income	13	-142.6	103.7
Total remeasurements in OCI	B	4,983.1	-18,981.7
Acquired through business combinations	6	0.0	0.0
Participant contribution		0.0	0.0
Employer contribution	D	-13,193.8	-8,957.7
Net benefit payments		0.0	-1,403.9
Foreign exchange difference		-102.1	592.8
Other		-27.9	-70.8
<b>Net liability/(asset) at end of year</b>		<b>4,276.4</b>	<b>2,637.0</b>

### Disaggregation of fair value of plan assets

Amounts in thousand €	Note	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		69.9%	69.5%
Other		2.5%	2.1%
<b>Total</b>		<b>100.0%</b>	<b>100.0%</b>

### Significant assumptions

At 31 December 2023	Country		
	Belgium	UK	Germany
Discount rate	3.70%	4.90%	3.55%
Inflation rate	2.20%	3.20%	2.20%
Salary increase	3.05%	3.20%	3.00%
Weighted average duration	12.9	12.4	16.8

At 31 December 2022	Country		
	Belgium	UK	Germany
Discount rate	0.95%	1.80%	1.10%
Inflation rate	1.90%	3.50%	2.00%
Salary increase	3.40%	2.95%	3.00%
Weighted average duration	14.9	18.0	21.2

The discount 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 € At 31 December 2023	Country		
	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	-863.5	-553.0
Inflation rate +0.5%	1,997.0	852.9	606.0
Salary increase -0.5%	-2,838.0	-865.3	0.0
Salary increase +0.5%	3,063.0	850.2	0.0

Amounts in thousand € At 31 December 2022	Country		
	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 € At 31 December 2023	Note	Country			
		Belgium	UK	Germany	Other
<b>Net liability/(asset) at beginning of year</b>		<b>-299.6</b>	<b>-7,488.5</b>	<b>9,043.9</b>	<b>1,381.5</b>
Service cost recognized		9,068.5	444.0	65.0	544.8
Net interest income		-112.0	-387.0	325.0	31.4
Total remeasurements in OCI		2,363.0	1,937.0	1,017.0	-333.9
Acquired through business combinations		0.0	0.0	0.0	0.0
Participant contribution		0.0	0.0	0.0	0.0
Employer contribution		-11,958.5	-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		1.2	0.5	-0.9	-28.7
<b>Net liability/(asset) at end of year</b>		<b>-937.4</b>	<b>-6,389.0</b>	<b>10,160.7</b>	<b>1,442.0</b>

Amounts in thousand € At 31 December 2022	Note	Country			
		Belgium	UK	Germany	Other
<b>Net liability/(asset) at beginning of year</b>		<b>17,246.2</b>	<b>-10,924.2</b>	<b>13,582.1</b>	<b>1,482.4</b>
Service cost recognized		9,626.5	203.8	134.7	3.0
Net interest income		150.0	-199.4	148.3	4.8
Total remeasurements in OCI		-17,558.8	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		-8,529.0	-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		-5.0	79.7	0.0	-145.2
<b>Net liability/(asset) at end of year</b>		<b>-299.6</b>	<b>-7,488.5</b>	<b>9,043.9</b>	<b>1,381.5</b>

## Note 26. Trade and other payables

Amounts in thousand €	Note	31 Dec 2023	31 Dec 2022	1 Jan 2022
Trade payables		65,677.8	52,899.9	48,123.9
Advance payments		11,254.1	9,992.2	12,174.2
Short-term employee benefits		100,330.7	95,681.4	88,683.5
Non-income tax payables		25,416.0	16,481.4	17,816.0
Deferred income		18,218.2	13,399.7	11,183.4
Accrued charges		3,314.5	3,140.1	3,794.5
Other payables		639.3	1,548.6	2,751.0
<b>Trade and other payables</b>	<b>C</b>	<b>224,850.6</b>	<b>193,143.2</b>	<b>184,526.5</b>

Trade and other payables mount to thousand € 224,850.6 per 31 December 2023. They largely consist out of short-term employee benefits, representing 45% of the total, which relate amongst others to holiday pay accruals and payroll related taxes. Non-income tax payables, representing 11% of the total, consist almost entirely out of VAT payables. Deferred income, representing 8% 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, 39% 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, SD Worx 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	180,808.2	188,973.7	74,581.2	111,580.0	2,812.5
Lease liabilities	72,102.7	73,524.6	20,986.6	42,632.2	9,905.9
Other financial liabilities	5,454.5	5,454.5	3,774.2	1,680.2	0.0
Trade and other payables	224,850.6	224,850.6	224,850.6	0.0	0.0
<b>Total at 31 December 2022</b>	<b>483,216.0</b>	<b>492,803.5</b>	<b>324,192.7</b>	<b>155,892.4</b>	<b>12,718.4</b>
Borrowings	149,123.7	160,666.2	41,329.9	119,336.3	0.0
Lease liabilities	67,658.7	69,555.3	22,875.6	35,826.7	10,853.0
Other financial liabilities	7,331.4	7,331.4	4,154.6	3,176.8	0.0
Trade and other payables	193,143.2	193,143.2	193,143.2	0.0	0.0
<b>Total at 31 December 2021</b>	<b>417,257.0</b>	<b>430,696.1</b>	<b>261,503.3</b>	<b>158,339.8</b>	<b>10,853.0</b>

#### 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
<b>2023</b>					
Investments at fair value through profit and loss	19	0.0	0.0	9,127.9	9,127.9
Money market fund investments	23	415,989.6	0.0	0.0	415,989.6
Asset backed securities	23	15,934.1	0.0	0.0	0.0
<b>2022</b>					
Investments at fair value through profit and loss	19	0.0	0.0	5,774.2	5,774.2
Money market fund investments	23	0.0	0.0	0.0	0.0
Asset backed securities	23	15,000.0	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	2,936,339	141.670
BNP Paribas Flexi	LU1815416877	153,641	103.710

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

Amounts in thousand €	Note	31 Dec 2023		31 Dec 2022		1 Jan 2022	
		Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets							
- Guarantees		2,438.0	2,438.0	2,229.3	2,229.3	2,768.9	2,768.9
- Investments at fair value through profit and loss		9,127.9	9,127.9	5,774.2	5,774.2	1,789.9	1,789.9
- Loans granted		5,554.3	5,554.3	787.8	787.8	0.0	0.0
- Other		1,646.9	1,646.9	912.8	912.8	289.6	289.6
<b>Total assets</b>	<b>19</b>	<b>18,767.0</b>	<b>18,767.0</b>	<b>9,704.0</b>	<b>9,704.0</b>	<b>4,848.4</b>	<b>4,848.4</b>
Borrowings							
- Senior Facilities Agreement		70,425.9	70,425.9	30,264.8	30,264.8	0.0	0.0
- Subordinated bond		80,663.3	82,010.8	80,509.9	82,293.4	78,798.4	84,915.8
- Shareholder loans		0.0	0.0	7,658.5	7,658.5	0.0	0.0
- Bank loans		29,719.0	29,719.0	30,690.3	30,690.3	226.0	226.0
Lease liabilities		72,102.8	72,102.8	67,658.7	67,658.7	65,880.5	65,880.5
Other financial liabilities		18,956.5	18,956.5	7,333.0	7,333.0	7,642.2	7,642.2
<b>Total liabilities</b>		<b>271,867.4</b>	<b>273,214.9</b>	<b>224,115.2</b>	<b>225,898.7</b>	<b>152,547.1</b>	<b>158,664.6</b>

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 is subsidiary of WorxInvest Subholding NV, owning 100% of the voting rights.

WorxInvest Subholding 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.

### Consolidated companies

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

### Associated companie 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.

Brabo Investments Sarl, a company under Luxembourg law, is a related party through its participation in SD Worx NV. On December 21, 2023, the general meeting of shareholders of SD Worx NV decided to distribute an interim dividend of 1.98 euros per share, amounting to a total interim dividend of thousand € 60,000.00. The dividend had not been paid out on December 31, 2023 the unpaid balance with respect to Brabo Investments Sarl, equivalent to 22.5% of this dividend, is included herein as a debt.

Amounts in thousand €		Sales / Recharges	Purchases	Other	Receivables	Payables	Loans	Dividends received/(paid)
<u>Shareholders</u>								
WorxInvest Subholding NV	2023	0.0	0.0	0.0	951.2	-1,662.7	4,774.8	0.0
	2022	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<u>Other related parties</u>								
SD Worx VZW	2023	35,071.7	-683.3	0.0	35,705.6	-12,844.3	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 for Society CV	2023	0.0	0.0	0.0	0.0	0.0	779.5	0.0
	2022	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Brabo Investment	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

### Key management

The total cash-based remuneration granted to members of key management in respect of their responsibilities in the Group amounts to thousand € 4,342.0 in 2023 (thousand € 4,144.5 in 2022). The below schedule provides a breakdown of this compensation.

Amounts in thousand €	31 Dec 2023	31 Dec 2022
Short-term benefits	1,011.2	891.5
Post-employment benefits	3.4	92.0
Termination benefits	0.0	0.0
Management fees	1,844.3	1,609.2
<b>Total cash-based remuneration</b>	<b>2,858.9</b>	<b>2,592.7</b>
Share-based payments	2,300.8	1,493.3

## Note 29. Audit

Deloitte Bedrijfsrevisoren BV, represented by Ben Vandeweyer, was appointed as the statutory auditor of WorxInvest NV upon incorporation of the entity. The total audit fees as well as the fees received for other services provided to WorxInvest 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	366.6	376.0
Fees for exceptional services or special missions executed in the company and its branches by the auditor		
- Other attestation missions	34.5	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 exceptional services or special missions executed in the company and its branches by people they are linked to		
- Fees for tax consultancy	20.8	82.6
- Fees for other missions external to the audit	321.6	1,414.4
<b>Total audit fees</b>	<b>1,901.2</b>	<b>2,864.7</b>

## Note 30. Events after balance sheet date

### Initial events after balance sheet date

#### Romanian Software

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.

#### Gimv

On November 30, 2023, the Group entered into a binding agreement to acquire a 27.81% stake in Gimv NV from VPM. Gimv NV is a Belgian investment company listed on the Euronext Brussels. The transaction value was set at 48.36 euros per share (cum dividend), which is equivalent to approximately 375 million euros. The execution of this agreement is subject to the approvals of the competition authorities, which were finally obtained on May 15, 2024, after which the closing took place on May 21, 2024. In the meantime, WorxInvest purchased an additional number of shares on the stock exchange, increasing its participation to approximately 28.8%.

#### RCFA

On March 11, 2024, WorxInvest NV signed a 'Revolving Credit Facility Agreement' (RCFA) for million € 200.0 with a maturity date on March 11, 2028. This RCFA is an unsecured facility under a negative pledge. In addition, several related companies guarantee this loan, and several group entities have been defined as 'material companies.' The RCFA is subject to several financial covenants, based on the pro-forma figures of WorxInvest NV:

- The debt ratio must not exceed 20%
- Equity must not be less than billion € 1.0

### Additional events after balance sheet date pursuant to the revision of the financial statements

#### F2A

On 30 July 2024, the Group announced its intent to acquire 100% of the shares of F2A, the leading provider of tech-enabled services in the HR and F&A sector in Italy, from private equity fund Ardian. The Group already had a presence in Italy, supporting international companies. F2A employs over

1,200 professionals and serves nearly 6,000 customers and accounts for an estimated turnover for 2024 of more than million euro 100 on a pro forma basis. With the acquisition of F2A, the Group is now taking a significant step and will become the leading payroll and HR solutions provider on the Italian market, the fourth biggest market in Europe.

The closing of the acquisition is currently still subject to regulatory approvals, specifically merger clearance and foreign direct investment clearance in Italy. The Group expects to obtain these approvals during the second half of 2024.

F2A realised a revenue of approximately million € 91.5 and a net loss of approximately million € 2.1 over the year ended 31 December 2023. The consideration transferred will consist of a fixed amount as well as several variable components which will be determined at the closing date of the transaction. The Group will fund the acquisition primarily by use of its existing revolving credit facility line.

### **TMF jobs**

On 6 August 2024, the Group announced that it has fully acquired TMF Jobs, a recruitment and temporary employment agency focused on European cross-border workers. With this transaction SD Worx Staffing Solutions reinforces its market position and expands its presence in the Netherlands.

### **Construction SD Worx HQ**

On 1 July 2024, SD Worx Real Estate NV as lessee and KBC Bank NV and ING Lease Belgium NV as lessors entered into an agreement of real estate lease, relating to the construction for the new headquarters of the SD Worx group at Brouwersvliet 5, 2000 Antwerp. Under this lease agreement, the lessors finance the investment by acquiring the building rights to the leased property and by leasing the leased property to the SD Worx Real Estate NV. The amount of the financing made available under the SD Worx RE Lease is EUR 64,000,000. The financing is secured by means of a EUR 25,000 mortgage vested on the leased property and a EUR 63,975,000 mortgage mandate vested on the same leased property. The SD Worx RE Lease does not contain any financial covenants.

### **WorxInvest Horizon**

On 3 July 2024 the fund-of-funds WorxInvest Horizon I held its first closing, to which WorxInvest NV committed an amount of EUR 60,000,000. WorxInvest Horizon offers investors immediate and broad diversification across strategies, sectors and geographies, which mitigates the risk of investing in a single fund and being exposed to individual fund performance. Through WorxInvest Horizon's multi-tiered sourcing approach it can offer investors access to high-quality, top performing funds. WorxInvest Horizon's specialised and experienced in-house team allows them to source investments, identifying promising opportunities and to perform comprehensive due diligence and actively monitor the portfolio on behalf of the investors. WorxInvest Horizon has obtained the status of Alternative Investment Fund Manager (AIFM) with the Belgian FSMA, allowing it to become the managing entity of alternative investment funds.

Through its 100% subsidiary WorxInvest Horizon BV, WorxInvest also acts as General Partner of the fund. Upon first closing of WorxInvest Horizon I, all fund investments previously made by WorxInvest NV were transferred at cost to the fund. The WorxInvest Horizon entities were incorporated in the course of May and June 2024.

### **Infravest**

On 19 September 2024, WorxInvest entered into a share purchase agreement to acquire 50% of the shares held by Gimv in Infravest BV ("Infravest") (the "Infravest Acquisition") whereby WorxInvest will acquire between 41% and 44% of the shares in Infravest (and the exact number will be determined on the date of closing of the Infravest Acquisition). Closing of the Infravest Acquisition is expected to take place on or about the end of 2024.

Infravest is a newly incorporated company, which is on the date hereof 100% held by Gimv. Infravest holds on the date hereof 7,753,604 (i.e. 21.32 %) of all outstanding and issued shares in Tinc NV (“Tinc”). Tinc is an investment company listed on Euronext Brussels, investing in infrastructure assets. TDP NV (“TDP”) holds 100% of Tinc Manager NV who is the statutory director of Tinc.

Immediately prior to the closing of the Infravest Acquisition, Gimv and Belfius Bank SA/NV will each contribute 50% of the shares they hold in TDP into Infravest, as a result of which Infravest will hold all shares in TDP (the TDP Contribution).

As a result of the closing of the Infravest Acquisition and the TDP Contribution, WorxInvest, Gimv and Belfius Bank SA/NV will together hold all of the outstanding and issued shares in Infravest whereby their respective percentage ownership will be determined at the date of closing of the Infravest Acquisition. As a result, Infravest will hold (i) 21.32% of the outstanding and issued shares in Tinc and (ii) 100% of all shares in TDP.

Closing of the Infravest Acquisition and TDP Contribution are subject to customary conditions precedent, among which obtaining the necessary regulatory approvals in respect of both transactions.

## Report of the board of directors

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, WorxInvest NV ('the Group'), as of 31 December 2023.

### Overview of activities and impact on the consolidated financial statements

#### a. Overview of activities and impact on the consolidated financial statements

In the course of 2023, the Group was formed through the contribution of a universality by WorxInvest Subholding NV (formerly WorxInvest NV) into the newly established WorxInvest NV. The contributed universality included the entire equity, both assets and liabilities of WorxInvest Subholding NV, based on the statement of financial position as of June 30, 2023, made up in view of this transaction.

Through the contribution, WorxInvest NV obtained control over all subsidiaries, which were previously also controlled by WorxInvest Subholding NV. The Group is of the opinion that the transaction does not fall under the application of IFRS 3 'Business Combinations', but qualifies as a business combination under common control. The assumption of the exercised control over the subsidiaries of the Group, by WorxInvest Subholding NV, or by WorxInvest NV, has not changed as a result of the transaction.

The consolidated financial statements are presented as if the Group existed the entire year, as well as in the previous period (2022).

Consolidated revenues amount to million € 1,098.6 for 2023. The operating result reached million € 110.8. The net result for the year amounted to million € 86.9.

#### b. Financial statements at the end of the reporting period

Enclosed you will find the consolidated financial statements prepared by us according to the method of full consolidation. With this method, all items of the balance sheet and income statement of the subsidiaries are merged with those of the parent company, after elimination of mutual transactions. The share of third parties is placed in a separate category. UwPayroll BVBA, Assusoft NV, and I3 are accounted for using the equity method.

As a result of the internationalisation of the Group, the Company reports its financial results according to the International Financial Reporting Standards (IFRS) instead of the Belgian Generally Accepted Accounting Principles. This affects the reported results. To compare on an equal basis, the figures from previous periods are converted to these international standards.

### Risks and uncertainties

#### WorxInvest's approach to risk

WorxInvest 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.

WorxInvest 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.

WorxInvest 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.

### **Other risk factors**

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

In addition to the risks associated with the payroll & HR and staffing market, the Group's performance is subject to the following risks:

- Financial stability: investments, liquidity and solvability

WorxInvest 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.

- Financial performance

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

- Innovation and disruption

As a premium provider, WorxInvest 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, the Group wants to continuously grow and improve its capabilities in this area.

- People

By reference to SD Worx, as HR services provider, the Group aims to value and develop the full potential of its people to make the Group 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.

## - Mergers & acquisitions

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

The Group 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 balance sheet date

### Initial events after balance sheet date

#### **Romanian Software**

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.

#### **Gimv**

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#### **RCFA**

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- The debt ratio must not exceed 20%
- Equity must not be less than billion € 1.0

### Additional events after balance sheet date pursuant to the revision of the financial statements

#### **F2A**

On 30 July 2024, the Group announced its intent to acquire 100% of the shares of F2A, the leading provider of tech-enabled services in the HR and F&A sector in Italy, from private equity fund Ardian. The Group already had a presence in Italy, supporting international companies. F2A employs over 1,200 professionals and serves nearly 6,000 customers and accounts for an estimated turnover for 2024 of more than million euro 100 on a pro forma basis. With the acquisition of F2A, the Group is now taking a significant step and will become the leading payroll and HR solutions provider on the Italian market, the fourth biggest market in Europe.

The closing of the acquisition is currently still subject to regulatory approvals, specifically merger clearance and foreign direct investment clearance in Italy. The Group expects to obtain these approvals during the second half of 2024.

F2A realised a revenue of approximately million € 91.5 and a net loss of approximately million € 2.1 over the year ended 31 December 2023. The consideration transferred will consist of a fixed amount as well as several variable components which will be determined at the closing date of the transaction. The Group will fund the acquisition primarily by use of its existing revolving credit facility line.

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On 6 August 2024, the Group announced that it has fully acquired TMF Jobs, a recruitment and temporary employment agency focused on European cross-border workers. With this transaction SD Worx Staffing Solutions reinforces its market position and expands its presence in the Netherlands.

### **Construction SD Worx HQ**

On 1 July 2024, SD Worx Real Estate NV as lessee and KBC Bank NV and ING Lease Belgium NV as lessors entered into an agreement of real estate lease, relating to the construction for the new headquarters of the SD Worx group at Brouwersvliet 5, 2000 Antwerp. Under this lease agreement, the lessors finance the investment by acquiring the building rights to the leased property and by leasing the leased property to the SD Worx Real Estate NV. The amount of the financing made available under the SD Worx RE Lease is EUR 64,000,000. The financing is secured by means of a EUR 25,000 mortgage vested on the leased property and a EUR 63,975,000 mortgage mandate vested on the same leased property. The SD Worx RE Lease does not contain any financial covenants.

### **WorxInvest Horizon**

On 3 July 2024 the fund-of-funds WorxInvest Horizon I held its first closing, to which WorxInvest NV committed an amount of EUR 60,000,000. WorxInvest Horizon offers investors immediate and broad diversification across strategies, sectors and geographies, which mitigates the risk of investing in a single fund and being exposed to individual fund performance. Through WorxInvest Horizon's multi-tiered sourcing approach it can offer investors access to high-quality, top performing funds. WorxInvest Horizon's specialised and experienced in-house team allows them to source investments, identifying promising opportunities and to perform comprehensive due diligence and actively monitor the portfolio on behalf of the investors. WorxInvest Horizon has obtained the status of Alternative Investment Fund Manager (AIFM) with the Belgian FSMA, allowing it to become the managing entity of alternative investment funds.

Through its 100% subsidiary WorxInvest Horizon BV, WorxInvest also acts as General Partner of the fund. Upon first closing of WorxInvest Horizon I, all fund investments previously made by WorxInvest NV were transferred at cost to the fund. The WorxInvest Horizon entities were incorporated in the course of May and June 2024.

### **Infravest**

On 19 September 2024, WorxInvest entered into a share purchase agreement to acquire 50% of the shares held by Gimv in Infravest BV ("Infravest") (the "Infravest Acquisition") whereby WorxInvest will acquire between 41% and 44% of the shares in Infravest (and the exact number will be determined on the date of closing of the Infravest Acquisition). Closing of the Infravest Acquisition is expected to take place on or about the end of 2024.

Infravest is a newly incorporated company, which is on the date hereof 100% held by Gimv. Infravest holds on the date hereof 7,753,604 (i.e. 21.32 %) of all outstanding and issued shares in Tinc NV ("Tinc"). Tinc is an investment company listed on Euronext Brussels, investing in infrastructure assets. TDP NV ("TDP") holds 100% of Tinc Manager NV who is the statutory director of Tinc.

Immediately prior to the closing of the Infravest Acquisition, Gimv and Belfius Bank SA/NV will each contribute 50% of the shares they hold in TDP into Infravest, as a result of which Infravest will hold all shares in TDP (the TDP Contribution).

As a result of the closing of the Infravest Acquisition and the TDP Contribution, WorxInvest, Gimv and Belfius Bank SA/NV will together hold all of the outstanding and issued shares in Infravest whereby their respective percentage ownership will be determined at the date of closing of the Infravest Acquisition. As a result, Infravest will hold (i) 21.32% of the outstanding and issued shares in Tinc and (ii) 100% of all shares in TDP.

Closing of the Infravest Acquisition and TDP Contribution are subject to customary conditions precedent, among which obtaining the necessary regulatory approvals in respect of both transactions.

### **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 Group’s employees for their contribution and dedicated efforts in achieving the financial results of the past year.

26 September 2024,

On behalf of the directors,

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

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F Dierckx (Sep 26, 2024 16:01 GMT+2)

CommV DCM Seagull  
with permanent representative  
Dirk Collier,  
Director

*DCollier*  

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DCollier (Sep 26, 2024 17:41 GMT+2)

**Signature:**   

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F Dierckx (Sep 26, 2024 16:01 GMT+2)  
**Email:** filip.dierckx@sdworx.com  
**Title:** Chairman

**Signature:** *DCollier*  

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DCollier (Sep 26, 2024 17:41 GMT+2)  
**Email:** dirk.collier@yahoo.com  
**Title:** Board Member











# WorxInvest - IFRS - Financial Statements - 2023-12 - ENG - clean

Final Audit Report

2024-09-26

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-  Signer dirk.collier@yahoo.com entered name at signing as DCollier  
2024-09-26 - 15:41:32 GMT- IP address: 84.196.121.35
-  Document e-signed by DCollier (dirk.collier@yahoo.com)  
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## WorxInvest NV/ SA

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 WorxInvest NV/SA for the year ended 31 December 2023 - Consolidated financial statements

In the context of the statutory audit of the consolidated financial statements of WorxInvest NV/SA ("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 in the deed of incorporation dated 15 June 2023. Our mandate will expire on the date of the shareholders' meeting deliberating on the financial statements for the year ending 31 December 2025. We have audited the consolidated financial statements of WorxInvest NV/SA for the first time during the financial year referred to in this report.

## 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 1 478 635 (000) EUR and the consolidated statement of profit and loss shows a profit for the year then ended of 86 856 (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 the 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.

### Emphasis of matter

Without prejudice to the above-expressed opinion, we draw attention to the disclosure on page 1 'Revised financial statements' of the consolidated financial statements, in which the reasons are described that led the governing body to correct the consolidated financial statements of the financial year ending on 31 December 2023, in accordance with article 3:19 of the Companies and Associations Code, as well as the resulting impact thereof.

We also draw attention to Note 5 of the consolidated financial statements, which describes the consequences of the contribution of the entirety of WorxInvest Subholding NV as the contributing company to WorxInvest NV as the acquiring company. Since this transaction qualifies as a business combination under common control, the Group (WorxInvest) processed the transaction using the 'pooling of interest' method. All assets and liabilities were acquired at book value on 1 July 2023, being the retroactive date on which the transaction was deemed to have taken place, and the difference with the contribution value was directly processed in equity. The Group has chosen to present full year figures, as well as to add pro forma comparative figures based on a carve-out from SD Worx for Society, the ultimate parent of the Group, which has prepared consolidated annual accounts for the comparative period.

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

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

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

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

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

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

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

- conclude on the appropriateness of the use of the going concern basis of accounting by the board of directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

## Other legal and regulatory requirements

### Responsibilities of the board of directors

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

### Responsibilities of the statutory auditor

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

### Aspects regarding the directors' report on the consolidated financial statements

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

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

## Statements regarding independence

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

Signed at Antwerp.

### The statutory auditor

**Digitally signed by**  
**Ben Vandeweyer** Signed By: Ben Vandeweyer (Signature)  
Signing Time: 26-sep-2024 | 22:21 CEST

 **DocuSign** C: BE  
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**Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL**  
Represented by Ben Vandeweyer

# Deloitte.

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