cegeka

Consolidated financial statements 2022

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Introduction by André Knaepen

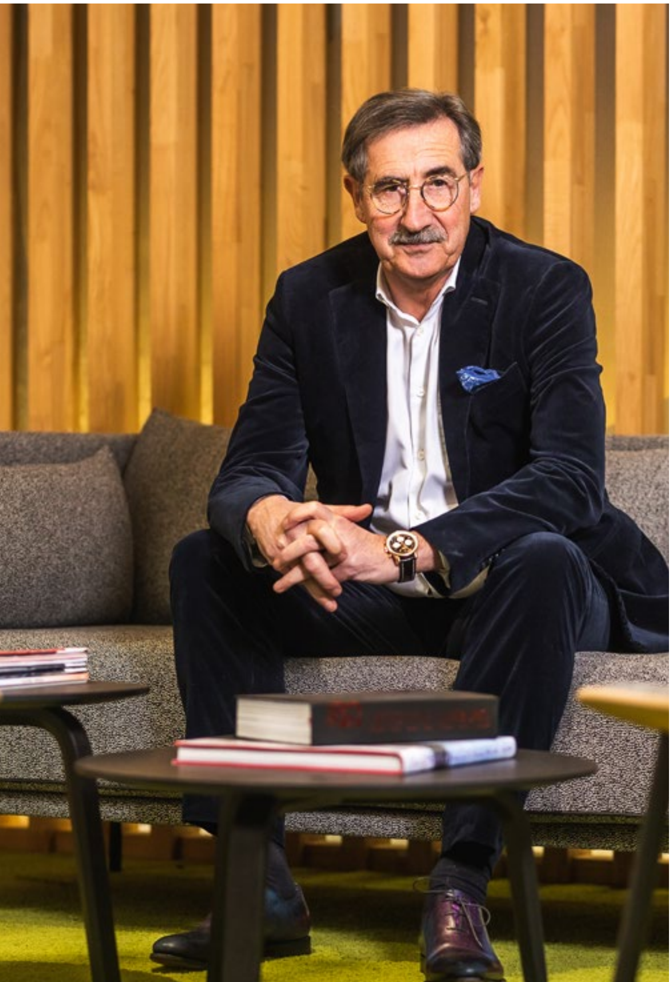
Throughout the past year, Cegeka has proven to be a force of craftmanship and dedication. Despite the obstacles we faced - from geopolitical instability to the challenges of inflation - we rose to the occasion and were successful. In 2022, we achieved a turnover of 832 million euros, a 18% increase from the previous year, and our operational profit rose by 6%, reaching 63 million euros. This result is a testament to the hard work of all 'Cegekans': people who truly embody the spirit of our company. I also want to express my gratitude to CEO Stijn Bijnens, the captain of the Cegeka 'fleet', for his visionary leadership and guidance in (often) turbulent waters.

> **" Throughout the past year, Cegeka has proven to be a force of craftmanship and dedication. "**

At the heart of our success lies our steadfast dedication to our customers, reflected in our motto 'in close cooperation.' For three decades now, we have made customer-centricity and collaboration our top priority. Every single person at Cegeka is expected to go above and beyond: it is a mindset that has earned us our loyal customer base and inspires trust in new customers. 'In close cooperation' was our guiding star when we started out in 1992 with 30 people, it still is today with over 6,000 employees, and it will always be so, however large we grow. And grow we will, both organically and through acquisitions. Today, Cegeka is present in 11 countries, and this number will increase.

Cegeka's 30th anniversary last year marked a significant milestone. We have become a leading IT integrator in Europe with a comprehensive portfolio. Our investments in Artificial Intelligence are rapidly establishing us as a European knowledge center, while our early adoption of the 5G technology solidifies our position as a pioneer. We continue to take bold steps with the 'Trinity of Innovation': 5G, Cloud and AI. Our public cloud competencies and private data centers allow us to pursue a hybrid cloud strategy, providing customers with the best of both worlds. Last but not least, our cybersecurity department is now at the forefront of the industry, providing a top-tier service.

As a sustainable business, our commitment to ESG goals is yielding positive results, and I could not be more pleased. We have set ambitious targets on reducing our environmental footprint, promoting diversity and inclusion in our workforce, and contributing to socially impactful projects. At Cegeka, sustainability is not just a buzzword; it is deeply rooted in our culture and values. Every day, I see progress across all our locations as we strive towards a more sustainable future.



To conclude, I am filled with pride and gratitude for all those who have contributed to our success. We all share the same goal: help customers become quick, supple, digitally relevant and ultimately resilient. I have no doubt that with our continued commitment to excellence, we will achieve even greater heights in the years to come.

Thank you to our customers, employees, business partners and stakeholders for your support and trust. Together, we will shape the future of technology.

André Knaepen,
Founder and Chairman of the Board

Introduction by Stijn Bijnens

Despite the turbulence of our post-pandemic world, I remain very hopeful about the future. My optimistic outlook allows me to see every obstacle as an opportunity for positive change. At Cegeka, we believe technological innovation is the absolute key to driving that change forward. Take the rapid pace of Artificial Intelligent development: it is an awe-inspiring example of how innovation can revolutionize the way we live, work and solve complex problems in new ways. At Cegeka, we are committed to leveraging technology to do exactly that: to drive change, to create impact, and yes, to make the world a more sustainable and equitable place to live in.

I am delighted to report that our group has enjoyed a year of great success, thanks in large part to the contributions of each of our member countries. I want to take a moment to recognize two countries in particular. The Netherlands has been a crucial part of our organization, serving as a second home base for us. With Annelore Buijs taking the helm as Managing Director in January 2023, I have no doubt that our Dutch counterpart will thrive under her capable leadership. Meanwhile, in Sweden, we are excited to have Soazig Hamon as Managing Director. Her vision and expertise will be invaluable as we work to expand our presence in this market.

Making waves with the Trinity of Innovation

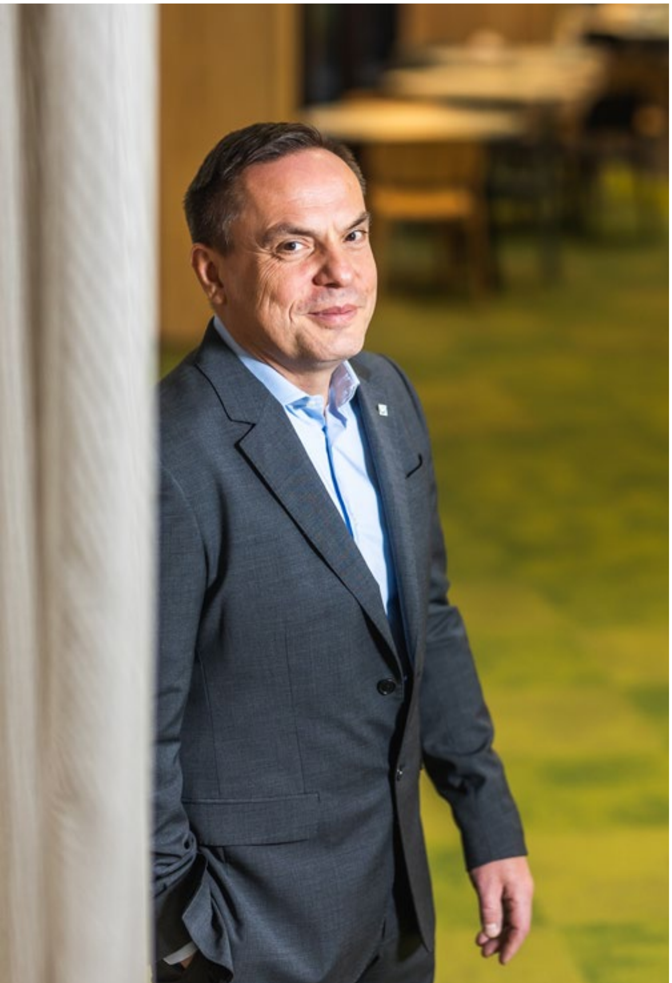
In 2020, I introduced the concept of the 'Trinity of Innovation.' I did so to highlight the powerful synergy that can be realized by combining Artificial Intelligence, 5G and cloud computing. Given their enormous potential, these technologies combined will fundamentally revolutionize our way of working. When the Trinity is in full force, we will witness productivity and operational efficiency gains we have not seen in decades.

That AI and 5G would be the focus of attention today, was something we anticipated. Our acquisition of nationwide 5G spectrum in 2022 put us squarely on the map as an unstoppable force in the b2b and b2c telco operator market. As for AI: today we have an international team of some 300 data and AI experts working in diverse fields, from data analytics to advanced Machine Learning. AI is here to stay: it will become the unmissable copilot in our lives.

Our hybrid cloud strategy combines hyperscalers such as Microsoft Azure with our own Cegeka data centers, enabling us to provide customers with various levels of sovereignty based on their specific needs and legal requirements. Additionally, we are focused on developing a comprehensive managed services portfolio to enhance the consumability of our offerings, making them more flexible and user-friendly.

Connecting the dots in our portfolio

Cegeka's portfolio offers a comprehensive range of services and solutions that include applications, infrastructure, data solutions and consultancy. What sets us apart is not only the breadth and depth of our offer, but the seamless integration of all the components. Our integrated end-to-end approach connects all the dots. In 2022, we have made significant progress in all of these areas, but I want to highlight two that exemplify our dedication to customer relevance.



First, our cyber security department has undergone significant changes in the last three years, culminating in our recognition as the number 1 Belux cybersecurity player in the 2023 Whitelane Report. The launch of the Cegeka C-SOR²C, a modern SOC with advanced automation techniques, aligns with our goal of shifting the conversation from cyber security – a technical debate – to cyber resilience – a business one.

Secondly, observability is becoming an increasingly important customer need in today's fast-paced digital landscape. At Cegeka, we recognize this and have made it a central focus of our customer engagement platform, Horizon. Through Horizon, we offer all our customers a 'single pane of glass' with granular insight into individual services, allowing them to take control of their digital environments. You could say that Horizon is the digital embodiment of our 'in close cooperation' philosophy.

Driving change and making impact ‘in close cooperation’

In the past three years, we have reinvented ourselves to build an even stronger organization. Our main priority isn’t just growth, it is resilient growth. That means a laserlike focus on sustainability, adaptability, long-term vision and last but not least: customer relevance. We want to make impact and drive change for our customers and their customers – whether they are citizens, employees, caregivers, parents, patients, students, or anything else.

> **“ Our main priority isn’t just growth, it is resilient growth. That means a laserlike focus on sustainability, adaptability, long-term vision and last but not least: customer relevance. ”**

We do this ‘in close cooperation’, the personal credo of our founder André Knaepen and a reflection of how we work. ‘In close cooperation’ has always been centered on building lasting relationships based on trust and transparency. Our ‘easy-to-talk-to’ reputation and ‘contact-over-contract’ mindset make us stand out from the crowd, especially as we expand into new territory. We are committed to maintaining these values, as they represent a promise to our customers: we’re in this together.

In conclusion, we understand that our success is not just measured by financial growth, but by our ability to create sustainable and meaningful impact for our customers, employees, and society as a whole. We take sustainability seriously, and our commitment to our environmental, social, and governance (ESG) goals is a top priority. I am more than pleased with the sure and steady progress we are making on all fronts in all our locations.

As the saying goes, people are at the heart of IT, and I wholeheartedly agree. I am incredibly proud of team Cegeka: today more than 6,000 people! They are the backbone of our success, and I thank them for their dedication, loyalty and hard work. I also extend my gratitude to our customers for their ongoing trust in our craftmanship and collaboration, and to our shareholders, investors and business partners for their support of our future vision.

Stijn Bijnens
CEO

Introduction by Stephan Daems

We are proud to present to you our first IFRS annual accounts. It has been a tremendous work by our local and corporate finance teams together with external consultants. The publication of our IFRS statements is a next step in increasing our financial resilience.

The main differences between standards used in the past (Belgian GAAP) and IFRS are explained in Note 4, first-time adoption of IFRS, but I want to highlight the following with substantial impact on the balance sheet and the result of 2022:

- Change of consolidation method for Nexuzhealth and Smartschool from full consolidation to equity method because they are considered in the IFRS financial statements to be joint ventures, where control is shared with minority shareholders;
- Putting lease obligations on the balance sheet as "Right-of-use assets" and "Lease liabilities" and depreciating these Right-of-use assets instead of reporting the lease payments as operating costs;
- Restatement of the Profit Sharing Certificates as Shareholder Loans (and not as part of the Equity) and their remuneration as interest cost (and not as profit distribution);
- Not amortizing goodwill, but submitting goodwill to impairment testing.

As a result, we report a consolidated revenue of EUR 831,8 million, an increase by 18% compared to 2021. This increase is partly the result of the acquisitions in 2021 and 2022 (5%), but for the main part the result of autonomous growth (13%). The operating result was EUR 62,8 million, an increase by 6%. The profit for the period increased from EUR 38,5 million to EUR 47,6 million.

" The publication of our IFRS statements is a next step in increasing our financial resilience. "

We realized a significant number of acquisitions and share transactions:

- The acquisition of Solver Sweden (Data Solutions), consolidated as of April 1st, 2022;
- The incorporation of Citymesh Mobile

to participate in the spectrum auction, together with Digi, and to be considered as a joint venture;

- The acquisition of Dexmach (Azure Cloud specialist, Infra), consolidated as of July 1st, 2022;
- The acquisition of remaining shares of Solutions Factory (Business Solutions Austria);
- The acquisition of Avento (Customer Engagement specialist, Business Solutions), consolidated as of July 1st, 2022;
- The incorporation of NSI France;
- The acquisition of BuSI (Professional Services) by NSI, consolidated as of November 1st, 2022;
- The incorporation of InSky, the future network operator, together with Digi, and to be considered as a joint venture;
- The acquisition of additional shares in NSI to increase our stake to almost 75%;
- The capital increase of the consolidating entity with EUR 9,7 million, by two new shareholders (Noshaq and ID&D)
- The acquisition of Hyrde Networks (Sigfox operator in The Netherlands) by Citymesh, consolidated as of January 1st, 2023 (balance sheet of December 31st, 2022).

As a result of these acquisitions the Goodwill increased from EUR 203,4 million to EUR 240,7 million.

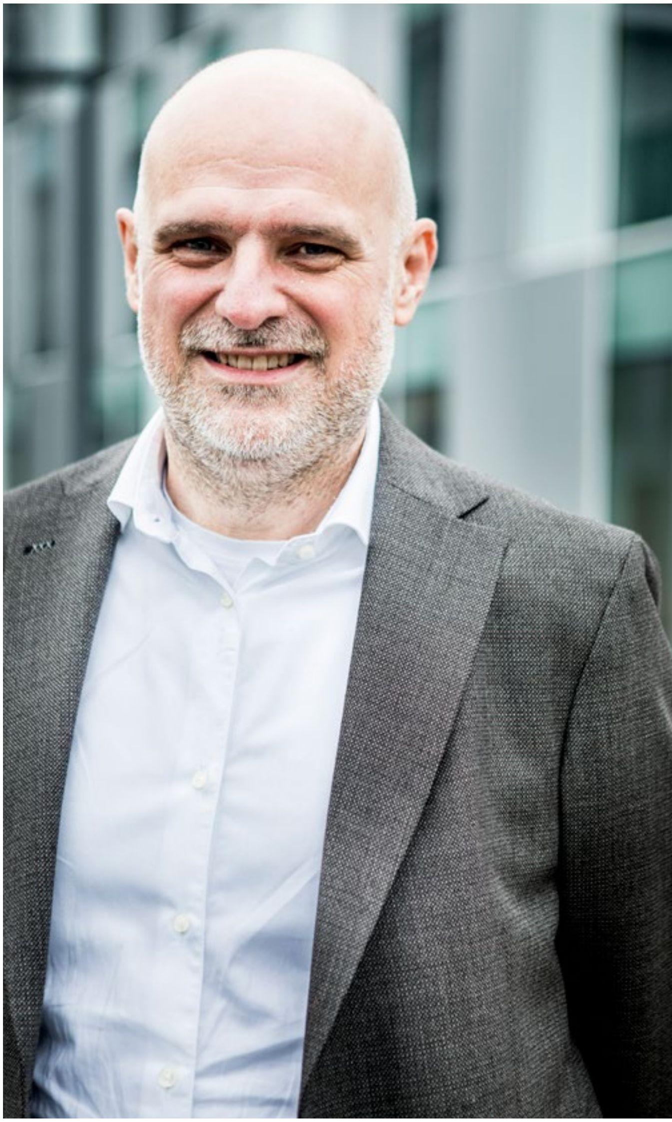
Thanks to the net profit and the comprehensive income, Equity increased from EUR 109,9 million to EUR 160,0 million, including EUR 11,1 million Non-controlling interests.

In 2022 we refinanced the group. The existing Facilities Agreement on the entire group has been refinanced by the existing banking partners on the core IT activities of Cegeka Groep and daughter companies, excluding the ringfenced entities NSI and Nexuzhealth. In doing so we secured our financing for the core activities and preserved the financing capabilities of the other parts of the group (NSI, Business Solutions, Nexuzhealth, Smartschool and Citymesh).

Even after the adoption of IFRS, presenting the profit sharing certificates and the lease liabilities as part of the net debt, our leverage stayed below 3,0x demonstrating the financing capacity for growth opportunities.

I wish you al lot of enjoyment in reading this annual report.

Stephan Daems
CFO



Consolidated statements

Consolidated statement of financial position

For the year ended 31 December 2022

All figures in Thousand Euro	Notes	31.12.2022	31.12.2021	01.01.2021
Property, plant and equipment	5	22.981	21.102	20.420
Goodwill	6	240.668	203.878	196.214
Other Intangible assets	7	22.135	26.477	25.565
Right-of-use assets	8	75.086	76.168	84.935
Investments in associates and joint ventures	9	24.761	23.302	7.527
Non-current financial assets	10	2.163	520	524
Derivative financial instruments	10	111	186	0
Net employee defined benefit assets	21	4.799	2.235	228
Deferred tax assets	33	8.491	8.272	9.443
Non-current assets		**401.196**	**362.140**	**344.858**
Inventories	11	5.009	1.675	948
Trade and other receivables	12	219.336	174.420	140.053
Contract assets	13	11.145	14.186	7.169
Deferred charges and accrued income	14	19.147	20.712	17.488
Income tax receivable	33	4.526	3.869	7.122
Cash and cash equivalents	15	111.781	78.118	74.778
Current assets		**370.944**	**292.980**	**247.558**
TOTAL ASSETS		**772.140**	**655.120**	**592.416**

All figures in Thousand Euro	Notes	31.12.2022	31.12.2021	01.01.2021
Equity	**16**	**160.036**	**109.941**	**87.796**
Issued capital		109.699	100.000	100.000
Treasury shares			-13.330	
Retained earnings		35.842	7.696	-20.917
Other components of equity		3.348	3.093	
Equity attributable to owners of the Company		**148.888**	**97.459**	**79.083**
Non-controlling interests	17	**11.148**	**12.482**	**8.713**
Loans and borrowings	18	121.192	81.849	89.509
Loans from Shareholders	18	95.500	108.050	105.022
Non-current lease liabilities	8	55.125	55.435	62.384
Non-current provisions	19	1.217	1.535	1.924
Other non-current liabilities	20	7.158	5.183	7.834
Non-current employee benefit liabilities	21	4.877	4.739	5.368
Deferred tax liabilities	33	4.530	1.635	1.934
Non-current liabilities		**289.599**	**258.428**	**273.974**
Trade and other payables	22	106.431	98.966	64.087
Contract liabilities	23	13.805	10.693	5.672
Deferred income and accrued charges	24	45.967	35.113	33.785
Loans and borrowings	18	36.361	46.838	38.251
Loans from Shareholders	18	18.915	3.092	3.031
Lease liabilities	8	20.815	20.811	23.686
Provisions	19	621	489	2.024
Other current liabilities	20	658	5.179	1.006
Derivative financial instruments	10	0	73	263
Employee benefit obligations	21	72.592	63.082	56.685
Income tax payable	33	6.341	2.414	2.156
Current liabilities		**322.504**	**286.751**	**230.647**
TOTAL LIABILITIES		**772.140**	**655.120**	**592.416**

Consolidated statement of profit or loss

For the year ended 31 December 2022

All figures in Thousand Euro	Notes	31.12.2022	31.12.2021
Revenue	**25**	**831.848**	**705.917**
Other operating income	26	5.959	7.868
Cost of sales	27	-83.215	-65.733
Employee benefits expenses	28	-375.401	-330.382
Contractor costs	28	-205.252	-170.439
Depreciations and amortizations	29	-38.607	-34.806
Other operating expenses	30	-72.526	-52.971
Operating result (EBIT)		**62.806**	**59.454**
Finance income - interest income		100	65
Finance income - other		980	438
Finance costs - interest costs		-11.445	-9.235
Finance costs - other		-1.581	-662
Financial Result	**31**	**-11.946**	**-9.393**
Non-underlying items	32	10.362	0
Share of profit/loss (-) of associates and joint ventures	9	1.752	4.130
Profit/loss (-) before income tax		**62.974**	**54.191**
Income tax expense	33	-15.372	-15.665
Profit/loss (-) for the period from continuing operations		**47.601**	**38.526**
Group profit/loss (-) attributable to shareholders		45.795	36.962
Group profit/loss (-) attributable to non-controlling interest		1.807	1.564
Profit/loss (-) for the period		**47.601**	**38.526**

Consolidated statement of comprehensive income

For the year ended 31 December 2022

All figures in Thousand Euro	Notes	31.12.2022	31.12.2021
Profit for the year		**47.601**	**38.526**
Items that will not be reclassified subsequently to profit or loss			
Remeasurement gains/losses (-) on defined benefit obligations	21	93	4.322
Deferred tax on remeasurement gains/losses (-) on defined benefit obligations		-23	-1.081
Actuarial gains or losses, net of tax		**70**	**3.242**
Net other comprehensive income/loss (-) that will not be reclassified to profit or loss in subsequent periods		**70**	**3.242**
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		243	-94
Share of other comprehensive income of equity method investees, net of tax	9	185	0
Net other comprehensive income/loss (-) that may be reclassified to profit or loss in subsequent periods		**427**	**-94**
Other comprehensive income/loss (-) after tax impact		**497**	**3.147**
Attributable to:			
Equity holders of the parent		440	3.093
Non-controlling interests		57	55

Consolidated statement of changes in equity

For the year ended 31 December 2022

All figures in Thousand Euro	Share capital	Retained earnings	Cumulative translation adjustment	Actuarial gains & losses	Treasury shares	Equity attributable to Owners of the Company	Non-controlling interest	Equity
Balance per 1 January 2021	**100.000**	**-20.917**	**0**	**0**	**0**	**79.083**	**8.713**	**87.796**
Profit for the year		36.962				36.962	1.564	38.526
Other comprehensive income/ loss (-) for the year			-94	3.187		3.093	55	3.147
Total comprehensive income for the year	**0**	**36.962**	**-94**	**3.187**	**0**	**40.055**	**1.619**	**41.673**
Dividends		-5.531				-5.531	-433	-5.964
Treasury shares acquired in the year					-13.330	-13.330		-13.330
Acquisition of subsidiary						0	242	242
Acquisition/ disposal non controlling interest		-1.847	0			-1.847	1.754	-93
Other movements		-971	0			-971	588	-383
Balance at 31 December 2021	**100.000**	**7.696**	**-94**	**3.187**	**-13.330**	**97.458**	**12.483**	**109.941**

All figures in Thousand Euro	Share capital	Retained earnings	Cumulative translation adjustment	Actuarial gains & losses	Treasury shares	Equity attributable to Owners of the Company	Non-controlling interest	Equity
Balance per 1 January 2022	**100.000**	**7.696**	**-94**	**3.187**	**-13.330**	**97.458**	**12.483**	**109.941**
Profit for the year		45.795				45.795	1.807	47.601
Other comprehensive income/ loss (-) for the year		185	243	12		440	57	497
Total comprehensive income for the year	**0**	**45.979**	**243**	**12**	**0**	**46.234**	**1.864**	**48.098**
Issue of share capital	9.699					9.699		9.699
Dividends						0	-424	-424
Cancellation of treasury shares		-13.330			13.330	0		0
Acquisition of subsidiary						0	-830	-830
Acquisition/ disposal non controlling interest		-3.564				-3.564	-2.269	-5.833
Other movements		-940				-940	324	-616
Balance at 31 December 2022	**109.699**	**35.842**	**148**	**3.199**	**0**	**148.888**	**11.148**	**160.036**

Consolidated statement of cash flows

For the year ended 31 December 2022

All figures in Thousand Euro	Notes	31.12.2022	31.12.2021
Net Income		**48.098**	**41.673**
Adjustments for:			
Share of profit of an associate and a joint venture		-1.936	-4.130
Income tax expense		15.372	15.665
Net finance cost		11.946	9.393
(Gain)/loss disposal of equity method investees		-10.362	0
Depreciation and amortization		38.607	34.806
Gain/Loss in fair value of derivatives		2	-376
Movements in working capital:		-10.941	-4.835
Decrease / (Increase) in Inventory, trade receivables, contract assets and other assets		-45.287	-45.331
(Decrease) / Increase in trade and other payables, contract liabilities and other liabilities		34.346	40.496
Interest received		1.079	503
Interest paid		-11.679	-8.943
Income taxes paid		-9.428	-11.280
Net cashflow from operating activities		**70.760**	**72.476**
Dividends received		167	2.951
Purchase of property, plant & equipment		-8.510	-6.257
Purchase of Right-of-Use Asset		-8.423	-3.602
Acquisition of investment in equity method investees		-3.470	-14.818
Acquisition of a subsidiary, net of cash acquired		-28.489	-8.329
Net cashflow from investing activities		**-48.725**	**-30.055**

All figures in Thousand Euro	Notes	31.12.2022	31.12.2021
Proceeds on issue of shares		9.699	
Dividends paid to equity holders of the parent			-5.531
Dividends paid to non-controlling interests		-424	-433
Acquisition of non-controlling interests		-5.831	
Proceeds from borrowings		124.177	19.800
Repayment of borrowings		-95.311	-18.873
Net of proceeds and repayments of loans from shareholders		3.273	3.090
Repurchase of treasury shares			-13.330
Repayment of lease liabilities		-23.955	-23.803
Net cashflow from financing activities		**11.628**	**-39.081**
Net increase/ decrease (-) in cash and cash equivalents		33.663	3.340
Cash and cash equivalents at the beginning of the year		78.118	74.778
Cash and cash equivalents at the end of the year		**111.781**	**78.118**

Independent auditors' report

Independent auditors’ report

Independent auditor’s report to the general meeting of Cegeka Holding NV for the years ended 31 December 2022 and for the year ended 31 December 2021

In the context of the statutory audit of the Consolidated Financial Statements of Cegeka Holding (the “Company”) and its subsidiaries (together the “Group”), we report to you as statutory auditor. This report includes our opinion on the consolidated statement of financial position as at 31 December 2022 and 31 December 2021, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2022 and year ended 31 December 2021 and the disclosures (all elements together the “Consolidated Financial Statements”) as at 31 December 2022 and 31 December 2021, as well as our report on other legal and regulatory requirements. These two reports are considered one report and are inseparable.

We have been appointed as statutory auditor by the shareholders’ meeting of 3 June 2020, in accordance with the proposition by the Board of Directors. Our mandate expires at the shareholders’ meeting that will deliberate on the Consolidated Financial Statements for the year ending 31 December 2022.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have audited the Consolidated Financial Statements of Cegeka Holding NV, that comprise of the consolidated statement of financial position as at 31 December 2022 and 31 December 2021, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the years then ended and the disclosures (all elements together the “Consolidated Financial Statements”). The consolidated statement of financial position shows a balance sheet total at 31 December 2022 of € 772.140 thousand and at 31 December 2021 of € 655.120 thousand and the consolidated statement of profit or loss shows a profit for the year 2022 of € 47.601 thousand and shows a profit for the year 2021 of € 38.526 thousand.

In our opinion, the Consolidated Financial Statements give a true and fair view of the consolidated net equity and financial position as at 31 December 2022 and 31 December 2021, and of its consolidated results for the year then ended, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (“IFRS”) and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") applicable in Belgium. In addition, we have applied the ISA's approved by the International Auditing and Assurance Standards Board ("IAASB") that apply at the current year-end date and have not yet been approved at national level. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the Consolidated Financial Statements" section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect to independence.

We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium and for such internal controls relevant to the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern, The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, and to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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.

In performing our audit, we comply with the legal, regulatory and normative framework that applies to the audit of the Consolidated Financial Statements in Belgium. However, a statutory audit does not provide assurance about the future viability of the Company and the Group, nor about the efficiency or effectiveness with which the board of directors has taken or will undertake the Company's and the Group's business operations. Our responsibilities with regards to the going concern assumption used by the board of directors are described below.

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

- identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than when such misstatements result from errors, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or 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 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 audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going-concern;
- evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and evaluating whether the Consolidated Financial Statements reflect a true and fair view of the underlying transactions and events.

We communicate with the Board of Directors regarding, among 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.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

Report on 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 Board of Directors' report on the Consolidated Financial Statements, and other information included in the annual report.

Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the ISAs applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements, and other information included in the annual report, as well as to report on these matters.

Aspects relating to Board of Directors' report and other information included in the annual report

In our opinion, after carrying out specific procedures on the Board of Directors' report, the Board of Directors' report is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Code of companies and associations.

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Directors' report and other information included in the annual report, being:

contain any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, there are no material inconsistencies to be reported.

Independence matters

Our audit firm and our network have not performed any services that are not compatible with the audit of the Consolidated Financial Statements and have remained independent of the Company during the course of our mandate.

The fees related to additional services which are compatible with the audit of the Consolidated Financial Statements as referred to in article 3:65 of the Code of companies and associations were duly itemized and valued in the notes to the Consolidated Financial Statements.

Hasselt, 27 June 2023

EY Bedrijfsrevisoren BV
Statutory auditor
Represented by

Stefan Olivier *
Partner
*Acting on behalf of a BV/SRL

Olaf Janssen*
Partner
*Acting on behalf of a BV/SRL

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Index to notes to the consolidated financial statements

Notes to the consolidated financial statements

Note 1: Corporate information

Cegeka Holding NV (hereinafter "the Company") is a Belgian company incorporated on the 11th of September 2017. The Company is domiciled in Belgium with the registered office of the Company established at Kempische Steenweg 307, 3500 Hasselt.

The consolidated financial statements of the Company for the period ended December 31, 2022 comprise the Company and its subsidiaries (together referred to as the "Group" or as "Cegeka" being the trade name of the Group), as well as the interests of the Group in joint ventures and associates. The consolidated financial statements for the period ended December 31, 2022, were authorized for issue by the Board of Directors on 27 June 2023 and will be submitted for approval to the Shareholders' meeting to be held on 27 June 2023.

Cegeka is a European family-owned company, founded in 1992 by André Knaepen, and is an ambitious and leading European IT solutions provider. In line with our motto 'In close cooperation' we strive to provide the best possible customer service and support to our more than 2,500 customers in their digitization journey. Cegeka offers end-to-end solutions in the fields of Data, Applications and Infrastructure, which are strongly interconnected. Within the Cegeka organization, Citymesh is our mobile connectivity specialist for the business-to-business market. Nexuzhealth develops tailor-made solutions for the healthcare sector and Cegeka Business Solutions is the European Dynamics house, the go-to partner for Microsoft D365 solutions. Smartschool is the digital school platform in Belgium, designed to support collaboration between schools, teachers, students and parents. Cegeka has over 6,000 employees with locations in the Benelux, Germany, Austria, Romania, Moldova, Italy, the Czech Republic, Slovakia, Sweden and Greece.

Note 2: Summary of significant accounting policies

Basis of preparation

The Consolidated Financial Statements cover the 12-month period from 1 January 2022 to 31 December 2022. They have been prepared in accordance with the International Financial Reporting Standards ('IFRS') as adopted by the European Union and the interpretations as published by the International Accounting Standards Board ('IASB') and the International Financial Reporting Interpretations Committee ('IFRIC'), to the extent to which they are applicable to the Group's activities and are effective for the financial years starting on or after 31 December 2020.

For all periods up to and including the year ended 31 December 2021, the Group prepared its financial statements in accordance with local generally accepted accounting principles (Local GAAP). These consolidated financial statements for the year ended 31 December 2022 are the first the Group has prepared in accordance with IFRS. Note 4 provides further information on how the Group adopted IFRS.

The consolidated financial statements are presented in euros and all values are rounded to the nearest thousand (€000), except when otherwise indicated. The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities, which are measured at fair value: derivative financial instruments, put options granted to non-controlling shareholders and contingent consideration.

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

The Consolidated Financial Statements have been prepared in accordance with accrual accounting principles on a going concern basis.

The preparation of the Consolidated Financial Statements in conformity with IFRS requires significant judgment in the application of accounting policies and the use of certain accounting estimates. Underlying assumptions are based on prior experience, input from third parties, and on other relevant factors. Actual results may vary on the basis of these estimations. Consequently, the assumptions and estimates are regularly revisited and modified as necessary. Note 3 provides further information on the assumptions and estimates relevant to the Group.

The new and amended standards and interpretations listed below are compulsory for the Group since 1 January 2022, but had no significant impact on the current consolidated financial statements:

- 'Annual Improvements to IFRS Standards 2018-2020' (applicable as from 1 January 2022);
- new amendment to IFRS 3 'Business Combinations' (applicable as from 1 January 2022);
- amendment to IAS 16 'Property, plant and equipment' (applicable as from 1 January 2022);
- amendment to IAS 37 'Provisions, contingent liabilities and contingent assets' (applicable as from 1 January 2022).

There are no new accounting standards, amendments to existing standards or new IFRIC interpretations that are expected to have a material impact on the Group's operations in future reporting periods, including:

- amendment to IAS 1 'Presentation of Financial Statements: Classification of Liabilities as Current or Non-current' (applicable as from 1 January 2024, subject to EU approval);
- amendment to IAS 1 'Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies' (applicable as from 1 January 2023);

- amendment to IAS 8 ‘Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates’ (applicable as from 1 January 2023);
- amendment to IAS 12 ‘Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction’ (applicable as from 1 January 2023);
- amendments to IFRS 16 ‘Lease Liability in a Sale and Leaseback’ (applicable as from 1 January 2024, subject to EU approval).

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Basis of consolidation

The main significant accounting policies applied during the preparation of the consolidated financial statements are presented below. These methods were applied consistently to all previous financial years.

SUBSIDIARIES

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group 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 Group 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 Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group considers all relevant facts and circumstances in assessing whether it has power over an investee. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with Group accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full in consolidation.

Equity and net result attributable to non-controlling shareholders are shown separately in the balance sheet, the income statement and the comprehensive income statement. Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interests and other components of equity, while any resulting gain or loss is recognised in profit or loss. Any investment retained is initially recognised at fair value.

BUSINESS COMBINATIONS AND GOODWILL

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

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

INVESTMENTS IN JOINT VENTURES AND ASSOCIATED COMPANIES

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not in control or joint control over those policies. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in its associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment.

The income statement reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. The aggregate of the Group's share of profit or loss of equity accounted investments is shown on the face of the income statement within Share of profit/loss (-) of associates and joint ventures, which represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Once the investor's share of losses recognised under the equity method has reduced the investor's investment in ordinary shares to zero, its share of any further losses is applied to reduce the other components of the investor's interest in an associate or joint venture in the reverse order of their seniority, i.e. priority in liquidation (IAS 28.38). Once the investor's interest is reduced to zero, additional losses are provided for, and a liability is recognised, onIy to the extent that the investor has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the investor resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised (IAS 28.39).

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

CURRENT VERSUS NON-CURRENT CLASSIFICATION

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

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

FAIR VALUE MEASUREMENT

The Group measures financial instruments such as derivatives and earn-outs resulting from business combinations under IFRS 3 at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

- Disclosures for significant accounting judgment, estimates and assumptions Notes 3
- Quantitative disclosures of fair value measurement hierarchy Note 34
- Financial instruments (including those carried at amortised cost) Note 34
- Contingent consideration Notes 20, 34 and 36

FOREIGN CURRENCY

Cegeka primarily operates in the euro zone. The Group's consolidated financial statements are presented in euros, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

The functional currency of the Swedish subsidiaries is the Swedish krona and that of the Romanian subsidiaries is the Romanian Leu.

Foreign currency transactions

Transactions denominated in foreign currencies are valued using the exchange rates applicable on the transaction dates. All receivables and liabilities denominated in foreign currencies recognized in the balance sheet at the end of the period are valued at the closing rates. All foreign exchange gains and losses generated by the translation of transactions denominated in foreign currencies are included within finance result.

Translation of financial statements of foreign operations

Assets and liabilities of foreign operations other than equity are translated into euro at exchange rates ruling at the balance sheet date. Income statement items of foreign operations are translated at the average rate for the period. The components of shareholders' equity are translated at historical rates. Resulting exchange differences are booked in other comprehensive income.

The main exchange rates for the currencies of non-euro zone countries used to prepare the consolidated financial statements are as follows:

Closing exchange rates 1 EUR =	At 31 December 2022	At 31 December 2021	As at 1 January 2021
Romanian Leu	4,94950	4,94900	4,86830
Swedish Krona	11,12180	10,25030	10,03430
American Dollar	1,06660	1,13260	1,22710
Czech Koruna	24,11600	24,85800	26,24200

Average exchange rates 1 EUR =	2022	2021
Romanian Leu	4,93168	4,92076
Swedish Krona	10,62743	10,27254
American Dollar	1,05388	1,13037
Czech Koruna	24,56027	25,64331

INTANGIBLE ASSETS

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Useful life	In years
Software	3 – 5
Licenses	3 – 20
Other intangibles, of which:	
Customer Relationships	5 - 10
Supplier contracts	5 - 10

The Group has no intangible assets with indefinite useful lives except for goodwill.

Internally-generated intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

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

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred and included in the employee benefits expenses.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. During the development stage, these intangibles are tested for impairment on an annual basis.

The useful life of software is estimated at between three and five years.

PROPERTY, PLANT, AND EQUIPMENT

Property, plant and equipment are carried at acquisition cost less any accumulated depreciation and impairment losses. Depreciation is recognised on a straight-line basis over the estimated useful life of the assets taking into account any residual value. Property, plant and equipment acquired in a business combination is initially measured at fair value, which thus becomes its deemed cost. Assets under construction are stated at cost, net of accumulated impairment losses, if any.

Useful life	In years
Buildings	5 - 20
Machinery and equipment	4 - 10
Furniture and rolling equipment	4 - 10
Other tangible assets	4 - 10

The residual value, useful life and depreciation method of each asset are reviewed, and adjusted if appropriate, at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The gain or loss arising from derecognition of an item of equipment is included in profit or loss when the item is derecognised. The gain or loss arising from derecognition of an item of equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

LEASES

IFRS 16 sets out the principles for the recognition, measurement, presentation, and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

The Group assesses whether a contract is, or contains, a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as IT equipment and small items of office furniture). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset as follows:

- Buildings 3 to 15 years;
- Cars, data lines and other equipment 3 to 5 years. The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or nonlease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

INVENTORIES

For the Group, Inventories are assets held for sale in the ordinary course of business and measured at the lower of cost (weighted average cost) and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

FINANCIAL INSTRUMENTS

Recognition and measurement

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets and financial liabilities are subsequently measured at either amortised cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL) depending on its classification.

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

All other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Financial assets at amortised costs

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market and are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interests. The Group's financial assets at amortised costs, less any impairment comprise, unless stated otherwise, trade and other receivables, bills of exchange received, short-term deposits and cash and cash equivalents in the statement of financial position. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Financial assets that are debt instruments, other than those measured at FVTPL, are tested for impairment using the expected credit loss model ('ECL'). The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. The Group always recognizes lifetime ECL for trade receivables.

At each reporting date, the Group measures the impairment loss for financial assets measured at amortized cost (e.g. trade receivables and bills of exchange received) as the present value of the expected cash shortfalls (discounted at the original effective interest rate). Amounts deemed uncollectible are written off against the corresponding allowance account at each balance sheet date.

In assessing collective impairment, the Group uses historical information on the amount of loss incurred, and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends. Additions to and recoveries from the bad debt allowance account related to trade receivables are reported in the income statement.

Financial assets at fair value

Other debt instruments and all equity investments are measured at fair value. Equity investments can either be carried at fair value through profit or loss (FVTPL) or at fair value through other comprehensive income (FVTOCI). This option can be elected on an investment by investment basis and cannot be reversed subsequently. Derivatives are categorized as at FVTPL unless they are designated and effective as hedges.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. The carrying amount of these assets is approximately equal to their fair value.

TRADE AND OTHER PAYABLES

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivatives to hedge mainly its exposure to interest rate risks arising from financing and investing activities. The net exposure of all subsidiaries is managed on a centralized basis by Group Treasury in accordance with the aims and principles laid down by general management. As a policy, the Group does not engage in speculative or leveraged transactions.

Derivatives are initially and subsequently measured at fair value. Their fair value is calculated using standard financial valuation models, based upon the relevant market rates at the reporting date. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

The Group does not apply hedge accounting. However, the derivatives provide effective economic hedges under the Group's risk management policies. Changes in the fair value of any such derivatives are recognized immediately in the income statement.

EMPLOYEE BENEFIT OBLIGATIONS

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the income statement when incurred. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a fund. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

By law, defined contribution pension plans in Belgium are subject to minimum guaranteed rates of return and have to be considered under IFRS as Defined Benefit plans. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Defined benefit plans

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Remeasurements comprising actuarial gains and losses, the effect of the asset ceiling (if applicable) and the return on plan assets (excluding interest) are recognised immediately in the statement of financial position with a charge or credit to other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income to the profit or loss in subsequent periods.

Past service cost are recognised in profit or loss when the plan amendment or curtailment occurs, or when the Group recognises related restructuring costs or termination benefits, if earlier. The Group recognises service costs within profit or loss as cost of sales and administrative expenses.

Gains or losses on settlement of a defined benefit plan are recognised when the settlement occurs. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset. Net interest expense or income is recognised within finance costs.

Defined benefit costs are split into three categories:

- Service costs, which includes current service cost, past service cost and gains and losses on curtailments and settlements
- Net interest expense or income
- Remeasurements

The Group recognises service costs within profit or loss as cost of employee benefits expenses. Net interest expense or income is recognised within finance costs. The retirement benefit obligation recognised in the consolidated statement of financial position represents the deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation 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 reporting date, taking into account the risks and uncertainties surrounding the obligation. Where 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 the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts (including leases) are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Disputes and litigations

The provision for litigation represents management's best estimate of probable losses due to ongoing litigation in which the Group is the subject of a legal dispute or legal action brought by a third party. The expected period for the related disbursements depends on the evolution and duration of the underlying legal proceedings.

REVENUE

The Group assesses when signing the contract the goods and services promised in the contract with the customer and identifies as obligations of benefits each promise to transfer to the customer a good or a service (or a set) which is distinct, either a series of goods or separate services that are substantially the same and delivered to the customer at the same rate.

A performance obligation is identified when the following criteria are met:

- Ability to exist separately: the customer can benefit from the good or service in isolation or in combination with other readily available resources
- Distinct within the contract: the promise to provide the good or service to the customer can be identified separately from the other promises contained in the contract if the Group considers that it fulfills its contractual obligations by delivering the promise concerned independently of the others. Contract promises are not distinct within the contract when, due to their nature, they must be transferred in combination with other promises.

The following revenue streams may represent performance obligations depending on their nature and the interdependence with other promises in the contract:

1. Revenue from recurring services including service level agreements (SLAs), changes, maintenance and support, and subscriptions recognized over the term of the contract;
2. Revenue from loan staff;
3. Revenues from intellectual property licenses are recognized when transferred to the customer.
4. Revenue from projects, either fixed price projects and time and material comprised of the transition phase of a project which comes after the project phase;
5. Revenue from hardware and software resale recognized when the customer obtains control over the software/ equipment;

When the promises identified per revenue stream are not distinct, Cegeka groups them together with other promises until it obtains a promise that is distinct (i.e. a promise of service). The moment of recognition of income relating to a performance obligation is based on the pattern of transfer to the customer of the predominant promise in the offer.

When the contracts include different performance obligations that are not substantially the same, the price of transaction is allocated to the various performance obligations included in the contract in proportion to the specific sales prices.

When another party is involved in the supply of goods or services to the customer, the Group determines for each obligation of performance if the nature of the promise is to provide the goods or services itself (i.e. the Group accts as principal) or to make the necessary arrangements for the third party to do so (i.e. the Group acts as agent). When the Group acts as an agent, only the commission is recognized as revenue.

TAXATION

The income tax expense represents the sum of the current tax and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice. Currently, the Group has no provision for an uncertain tax position.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on 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, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are not discounted and are offset when they relate to the same tax entity. They are classified in the balance sheet as non-current assets and liabilities.

Current and deferred tax for the year 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.

MISCELLANEOUS

Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium.

Cash dividend

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. As per the corporate laws of the Group, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

Contingencies

Contingent assets are not recognized in the financial statements. They are disclosed if the inflow of economic benefits is probable. Contingent liabilities are not recognized in the financial statements, except if they arise from a business combination. They are disclosed, unless the possibility of a loss is remote.

Events after the balance sheet date

Events after the balance sheet date which provide additional information about the Company's position as at the balance sheet date (adjusting events) are reflected in the financial statements. Events after the balance sheet date which are not adjusting events are disclosed in the notes if material.

Note 3: Summary of significant accounting judgements, estimates and assumptions

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.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

Capital management	Note 34
Financial instruments risk management and policies	Note 34
Sensitivity analyses disclosures	Note 6, 21, 34

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

CONSOLIDATION

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption, the Group 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

In certain circumstances, the majority of the voting rights will not be conclusive when determining whether an investee meets the criteria to be classified as a subsidiary. In those cases, additional analysis is performed considering, among others, the following factors:

- Board composition and the Group's ability to appoint the majority of the members
- Requirement for qualified majority concerning the investee's strategic decisions
- Substantive rights that would allow minority shareholders to block certain decisions concerning the investee's operations.

The Group 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 Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

IT CONSULTING SERVICES

The IT consulting division provides business IT management, design, implementation and support services under fixed-price and variable-price contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. This is determined based on the actual labour hours spent relative to the total expected labour hours.

Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin.

If contracts include the installation of hardware, revenue for the hardware is recognised at a point in time when the hardware is delivered, the legal title has passed and the customer has accepted the hardware.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised. If the contract includes an hourly fee, revenue is recognised in the amount to which the Group has a right to invoice. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

DETERMINING THE LEASE TERM OF CONTRACTS WITH RENEWAL AND TERMINATION OPTIONS – GROUP AS LESSEE

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the extension and termination options as part of the lease term for leases of buildings and cars when it is reasonably certain that these options will be exercised. Refer to notes 8 and 34 for further disclosures on the maturity of lease liabilities.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill. The Group does not have other intangibles with indefinite useful lives. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in note 6.

TAXES

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. The Group has recognised in 2022 deferred tax assets of EUR 7.476k (2021: EUR 6.383k). Further details on income and deferred taxes are disclosed in note 33.

DEFINED BENEFIT PLANS (PENSION BENEFITS)

The cost of the defined benefit pension plan and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases.

Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality.

Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for the respective countries. Further details about pension obligations are provided in note 21.

FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments (see note 34 for further details).

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

As part of the acquisitions in 2022, contingent consideration with an estimated fair value of EUR 2.6 Mio (2021: EUR 2.1 Mio) was recognised as at the reporting date. Future developments may require further revisions to the estimate. The contingent consideration is classified as other liability (see notes 20, 34 and 36 for further details).

LEASES – ESTIMATING THE INCREMENTAL BORROWING RATE

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency).

The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as specific country risk).

Note 4: First-time adoption of IFRS

These financial statements, for the year ended 31 December 2022, are the first Cegeka has prepared in accordance with IFRS. For periods up to and including the year ended 31 December 2021, the Group prepared its financial statements in accordance with local generally accepted accounting principles ('local GAAP').

Accordingly, the Group has prepared financial statements that comply with IFRS applicable as at 31 December 2022, together with the comparative period data for the year ended 31 December 2021. In preparing the financial statements, the Group's opening statement of financial position was prepared at 1 January 2021, Cegeka's date of transition to IFRS. This note explains the principal adjustments made by the Group in restating its Local GAAP financial statements, including the statement of financial position as at 1 January 2021 and the financial statements as of, and for, the year ended 31 December 2021.

Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS.

The Group has applied the following exemptions:

- IFRS 3 Business Combinations has not been applied to either acquisitions of subsidiaries that are considered businesses under IFRS, or acquisitions of interests in associates and joint ventures that occurred before 1 January 2021. Use of this exemption means that the Local GAAP carrying amounts of assets and liabilities, that are required to be recognised under IFRS, are their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with IFRS. Assets and liabilities that do not qualify for recognition under IFRS are excluded from the opening IFRS statement of financial position. IFRS 1 also requires that the Local GAAP carrying amount of goodwill must be used in the opening IFRS statement of financial position (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets). In accordance with IFRS 1, the Group has tested goodwill for impairment at the date of transition to IFRS. There was no impairment recognised on goodwill at 1 January 2021.
- Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1 January 2021. The gain or loss on a subsequent disposal of any foreign operation will include only foreign exchange differences that arose after the date of transition.
- The Group assessed all contracts existing at 1 January 2021 to determine whether a contract contains a lease based upon the conditions in place as at 1 January 2021 rather than a retrospective assessment. Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at 1 January 2021 making use of a single discount rate to a portfolio of leases with reasonable similar characteristics. Right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 January 2021. The lease payments associated with leases for which the lease term

ends within 12 months of the date of transition to IFRS and leases for which the underlying asset is of low value have been recognised as an expense on either a straight-line basis over the lease term or another systematic basis.

- The Group did not restate revenue contracts that begin and end within the same annual reporting period and did not restate revenue contracts that were completed before the earliest period presented. Cegeka also used the transaction price at the date when the contract was completed, for completed contracts with variable consideration, rather than estimating variable consideration amounts in the comparative reporting periods.

Estimates

The estimates at 1 January 2021 and at 31 December 2021 are consistent with those made for the same dates in accordance with Local GAAP (after adjustments to reflect any differences in accounting policies) apart from the following item where application of Local GAAP did not require estimation:

- Pensions and other post-employment benefits

Group reconciliation of equity as at 1 January 2021 (date of transition to IFRS) in thousands of EUR

	Notes	BE GAAP	Reclassification and remeasurements	IFRS
Property, plant and equipment	A	20.510	-90	20.420
Goodwill	A	200.356	-4.142	196.214
Other Intangible assets	A, M	14.762	10.802	25.565
Start-up expenses	B	162	-162	
Right-of-use assets	C	7.999	76.937	84.935
Investments in associates and joint ventures	A	389	7.139	7.527
Non-current financial assets		339	185	524
Derivative financial instruments	F	0	0	0
Net employee defined benefit assets	G	0	228	228
Deferred tax assets	L	7.222	2.221	9.443
Non-current assets		**251.739**	**93.119**	**344.858**
Inventories		948	0	948
Trade and other receivables	A, K	142.195	-2.143	140.053
Contract assets	A, E	6.465	704	7.169
Deferred charges and accrued income	A	18.270	-782	17.488
Income tax receivable	A	7.845	-723	7.122
Cash and cash equivalents	A	83.005	-8.227	74.778
Current assets		**258.728**	**-11.169**	**247.558**
TOTAL ASSETS		**510.466**	**81.950**	**592.416**

	Notes	BE GAAP	Reclassification and remeasurements	IFRS
Issued capital	I	195.500	-95.500	100.000
Treasury shares				
Other components of equity	O	-209	209	
Retained earnings	A, B, D, E, F, G, H, J	-15.845	-5.072	-20.917
Equity attributable to owners of the Company		**179.445**	**-100.363**	**79.083**
Non-controlling interests	**D**	**14.350**	**-5.637**	**8.713**
Loans and borrowings	M	75.750	13.759	89.509
Loans from Shareholders	I	9.522	95.500	105.022
Non-current lease liabilities	C	4.110	58.274	62.384
Non-current provisions		5.192	3.268	1.924
Other non-current liabilities	D, H	273	7.561	7.834
Non-current employee benefit liabilities	G	2.622	2.746	5.368
Deferred tax liabilities	L	1.260	673	1.934
Non-current liabilities		**98.728**	**175.246**	**273.974**
Trade and other payables	A, K	67.467	-3.381	64.087
Contract liabilities	A	5.691	-19	5.672
Deferred income and accrued charges	A	36.081	-2.296	33.785
Loans and borrowings	M	37.375	875	38.251
Loans from Shareholders	I, J	3.464	-433	3.031
Lease liabilities	C	4.281	19.405	23.686
Provisions		0	2.024	2.024
Other current liabilities		669	338	1.006
Derivative financial instruments	F	0	263	263
Employee benefit obligations	A	59.894	-3.592	56.685
Income tax payable	A	3.020	-864	2.156
Current liabilities		**217.942**	**12.704**	**230.647**
TOTAL LIABILITIES		**510.466**	**81.950**	**592.416**

Group reconciliation of equity at 31 December 2021 in thousands of EUR

	Notes	BE GAAP	Reclassification and remeasurements	IFRS
Property, plant and equipment	A	22.670	-1.567	21.102
Goodwill	A	223.327	-19.449	203.878
Other Intangible assets	A, M	19.118	7.359	26.477
Start-up expenses	B	71	-71	0
Right-of-use assets	C	7.151	69.017	76.168
Investments in associates and joint ventures	A	393	22.909	23.302
Non-current financial assets		434	86	520
Derivative financial instruments	F	0	186	186
Net employee defined benefit assets	G	0	2.235	2.235
Deferred tax assets	L	6.070	2.202	8.272
Non-current assets		**279.234**	**82.906**	**362.140**
Inventories		1.717	-42	1.675
Trade and other receivables	A, K, P	184.182	-12.522	171.660
Contract assets	A, E	14.740	1.185	15.925
Deferred charges and accrued income	A	22.138	-1.426	20.712
Income tax receivable	A	6.234	-1.343	4.890
Cash and cash equivalents	A	94.308	-16.190	78.118
Current assets		**323.319**	**-30.339**	**292.980**
TOTAL ASSETS		**602.552**	**52.567**	**655.120**
Issued capital	I	195.500	-95.500	100.000
Treasury shares	P		-13.330	-13.330
Other components of equity	C, G, O	-307	3.400	3.093
Retained earnings	A, B, D, E, F, G, H, J	-11.723	19.419	7.696
Equity attributable to owners of the Company		**183.470**	**-86.011**	**97.459**
Non-controlling Interests	**D**	**34.622**	**-22.139**	**12.482**
Loans and borrowings	A, M	86.214	-4.365	81.849

	Notes	BE GAAP	Reclassification and remeasurements	IFRS
Loans from Shareholders	I	12.571	95.479	108.050
Non-current lease liabilities	C	3.633	51.802	55.435
Non-current provisions		3.170	-1.634	1.535
Other non-current liabilities	D, H	0	5.183	5.183
Non-current employee benefit liabilities	G	3.056	1.683	4.739
Deferred tax liabilities	L	1.310	326	1.635
Non-current liabilities		**109.953**	**148.475**	**258.428**
Trade and other payables	A, K	94.128	4.839	98.966
Contract liabilities		10.725	-32	10.693
Deferred income and accrued charges	A	43.117	-8.004	35.113
Loans and borrowings	A, M	49.624	-2.786	46.838
Loans from Shareholders	I, J	3.537	-444	3.092
Lease liabilities	C	3.378	17.433	20.811
Provisions		0	489	489
Other current liabilities		591	4.589	5.179
Derivative financial instruments	F	0	73	73
Employee benefit obligations	A	66.096	-3.013	63.082
Income tax payable	A	3.313	-899	2.414
Current liabilities		**274.508**	**12.243**	**286.751**
TOTAL LIABILITIES		**602.552**	**52.567**	**655.120**

Group reconciliation of total comprehensive income for the year ended 31 December 2021

	Notes	BE GAAP	Reclassification and remeasurements	IFRS
Revenue	**A, E**	**744.317**	**-38.400**	**705.917**
Other operating income	A, D, F	16.148	-8.280	7.868
Cost of sales	A	-71.131	5.398	-65.733
Employee benefits expenses	A	-358.855	28.473	-330.382
Contractor costs	A, H	-176.936	6.497	-170.439
Depreciations and amortizations	C, B, N	-46.161	11.355	-34.806
Other operating expenses	A, C	-66.049	13.078	-52.971
Operating result (EBIT)		**41.333**	**18.121**	**59.454**

	Notes	BE GAAP	Reclassification and remeasurements	IFRS
Finance income - interest income		3	62	65
Finance income - other		438	-0	438
Finance costs - interest costs	C, I, J	-2.179	-7.056	-9.235
Finance costs - other		-624	-37	-662
Financial Result		**-2.362**	**-7.031**	**-9.393**
Share of profit/loss (-) of associates and joint ventures	A	54	4.076	4.130
Profit/loss (-) before income tax		**39.025**	**15.167**	**54.191**
Income tax expense	A, L	-17.955	2.290	-15.665
Profit/loss (-) for the period from continuing operations		**21.070**	**17.457**	**38.526**
Items that will not be reclassified subsequently to profit or loss				
Remeasurement gains/ losses (-) on defined benefit obligations	G	0	4.322	4.322
Deferred tax on remeasurement gains/ losses (-) on defined benefit obligations	L	0	-1.081	-1.081
Actuarial gains or losses, net of tax	**G, L**	**0**	**3.242**	**3.242**
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations	O		-94	-94
Other comprehensive income/ loss (-) after tax impact	**G, L**	**0**	**3.242**	**3.242**
Total comprehensive income/ loss (-) for the year, net of tax		**21.070**	**20.604**	**41.673**

Notes to the reconciliation of equity as at 1 January 2021 and 31 December 2021 and total comprehensive income for the year ended 31 December 2021

A Change in consolidation method

The criteria for consolidation are less stringent under the previous GAAP. At IFRS transition date, it has been established that Cegeka does not have control on the following entities, as prescribed by IFRS 10;

- Nexuzhealth NV, a joint venture where the Group owns 51% of the shares at 01 January 2021;
- Cegeka DSA-ventures BV and its subsidiary, a joint venture where the Group owns 65% of the shares at 01 January 2021;
- Cegeka Business Solutions Austria and its subsidiaries, a joint venture where the Group owns 70% of the shares at 01 January 2021.

In the financial year 2021, Cegeka acquired a stake of 50,11% of the shares in the joint venture 'Smartschool' existing out of the entities, Utmerke NV and its subsidiaries.

For these entities, the consolidation method changed from full consolidation under BE GAAP to the equity method under IFRS. Such change of consolidation methods also materially impacts the non-controlling interest within equity. Note 9 contains further information on this matter.

B Start-up expenses

Start-up expenses or formation expenses: Under previous GAAP, the formation expenses are capitalized as intangible assets and amortized systematically over a depreciation period. In IFRS, the formation expenses are not presented on the balance sheet but immediately recognized in profit or loss statement in the year they occur. This adjustment has been corrected in the opening balance sheet with an impact on equity.

C Leases

Under previous GAAP, the Group (acting as lessee) classifies leases as finance leases (on-balance sheet) or operating leases (off-balance sheet). As a result of the application of IFRS 16, the Group recognized lease liabilities relating to leases previously classified as operating leases under BE GAAP. These liabilities were measured as of the opening balance sheet date at the present value of the lease payments, discounted using the Group's incremental borrowing rate. As the related right-of-use assets were measured as an amount equal to the lease liability in the opening IFRS statement of financial position, there is no IFRS adjustment on the opening equity. Furthermore, the Group recognised two additional impacts on the right-of-use assets and lease liabilities, being (1) the recognition of a dismantling obligation of EUR 243k and (2) the deduction of the right-of-use assets with EUR 986k for two rented but unused floors in one of our offices.

Provision correction: As per IFRS 16:24 (d) the cost of the RoU asset should include an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The amount of the restoration obligation has been added in the leases and as such increasing the RoU assets and corresponding lease liability. This adjustment avoids any double counting by reversing the initial provision amount booked within provisions against retained earnings.

D Put options on non-controlling interest (NCI)

Put options granted to non-controlling interests in a subsidiary trigger the recognition of a gross liability in accordance with IAS 32. This adjustment has an impact on equity at initial recognition with subsequent changes in profit or loss.

E Revenue recognition

The revenue recognition adjustment corrects the allocation of the transaction price to each performance obligation identified in the contract on a relative stand-alone selling price basis for the opening balance of the ongoing contracts by correcting the margin allocated to each performance obligation within one contract with the customer.

F Derivatives recognised and measured at fair value

At 01 January 2021 the Group has outstanding derivatives (i.e. Interest Rate Swaps and a Commodity Swap on Diesel) for which the fair value at 01 January 2021 has been recognised against equity in the opening balance sheet under IFRS. The fair value movement of these derivatives, as the Group does not apply hedge accounting, are subsequently recognised through profit and loss in accordance with IFRS 9. Note 10 contains further information on the fair value of the derivatives.

G **Post-employment benefits**

IAS 19 requires that pension plans classified as defined benefit obligations (DBO) to be measured based on actuarial computation and to recognize a provision for any difference between the DBO and the fair value of the pension plan assets at the reporting date.

H **Share-based payments**

The adjustment relates to a cash-settled share-based payment correction in the opening balance sheet.
The compensation in cash is linked the value of the equity instruments of Cegeka Holding NV.

I **Profit sharing certificates**

Profit Certificate holders are entitled to a cumulative preferential dividends at an annual fixed rate, of which part is paid out in cash and part is capitalized and payable in full upon repayment of the profit certificates. The profit certificates are financial liabilities within the scope of IAS 32, as the Company has a non-discretionary obligation to pay out cash. Therefore, the reclassification of these certificates from equity instruments in the previous GAAP to financial liabilities in IFRS triggers this impact on equity.

J **Prior period errors**

Dividend recognition: Under the previous GAAP, the dividends/of the year are already recognised as a liability at closing date. Under IFRS, the dividend payable can only be recognised by the beneficiary at the moment the general shareholders' meeting decides upon their distribution. The adjustment relates to the derecognition of the dividend liability.

K **Factoring**

Under BE GAAP, factored receivables are derecognized and disclosed as off-balance sheet commitments. The off-balance sheet treatment of factoring-type agreements under IFRS is based on an assessment of the transfer of "risks and rewards". As the credit risk is not transferred for the factoring applicable at level of Cegeka Groep NV, Cegeka NV, and Cegeka Nederland BV , the related receivables shall be maintained on-balance (EUR 11 million as at 31 December 2021) but this IFRS adjustment has no net impact on equity.
For the non-recourse contracts with Cegeka Deutschland and Cegeka SpA the credit risk is transferred in full. The late payment risk is however partially retained by the Company. The trade receivables can therefore be derecognized under IFRS 9, except for the continuing involvement of the Group (EUR 10 thousand as at December 31, 2021 and EUR 11 thousand at transition date) without net impact on equity.

L **Deferred taxes**

The various transitional adjustments, mentioned above, resulted in various temporary differences. According to the accounting policies, the Group has to recognise the tax effects of such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

M **Intangible assets**

Under BE GAAP, Citymesh accounts for the 2.6 Gigahertz spectrum license and the corresponding payables to the BIPT as operating expenses. The Group chose to recognize the spectrum as an intangible asset and the related payables, due by annual instalments over the same period, as loans and borrowings in the IFRS statements, to be in line with the Group's accounting policies.

N **Depreciation and amortisation**

The Local GAAP carrying amount of goodwill has been used in the opening IFRS statement of financial position as at 01 January 2021 in accordance with IFRS 1, meaning that the goodwill amortisation booked under BE GAAP in financial year 2021 has been reversed in the adoption to IFRS. In the IFRS financial statements, goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

O Currency Translation Adjustment within equity

Under BE GAAP, the Group recognised translation differences on foreign operations in a separate component of equity. The Group has applied the IFRS 1 exemption where the cumulative currency translation differences for all foreign operations are deemed to be zero as at 1 January 2021. The resulting adjustment was recognised against retained earnings. Future exchange difference on translation of foreign operations are booked through OCI.

P Treasury shares

The buyback of own treasury shares by the Group in financial year 2021 was booked under BE GAAP as an other receivable but has been deducted from equity under IFRS.

Note 5: Property, Plant and Equipment

All figures in Thousand Euro	Land and buildings	Machinery and equipment	Furniture and rolling equipment	Tangibles under construction	Total
Cost					
Balance at 1 January 2021	**11.327**	**38.061**	**13.784**	**0**	**63.172**
Additions	39	4.128	1.946	143	6.257
Acquisition of subsidiary/business	0	3.310	245	0	3.555
Disposals	-1	-1.709	-104	0	-1.814
Exchange differences	0	-5	-19	0	-24
Balance at 31 December 2021	**11.365**	**43.785**	**15.852**	**143**	**71.145**
Additions	235	3.771	3.213	1.291	8.510
Acquisition of subsidiary/business	0	2.071	1.401	0	3.472
Disposals	0	-2.919	-496	0	-3.416
Exchange differences	11	4	-20	0	-6
Balance at 31 December 2022	**11.611**	**46.712**	**19.950**	**1.435**	**79.706**
Accumulated depreciation and impairment					
Balance at 1 January 2021	**-7.798**	**-27.786**	**-7.168**	**0**	**-42.752**
Depreciations for the year	-211	-4.709	-1.413	0	-6.333
Acquisition of subsidiary/business	0	-2.500	-200	0	-2.699
Eliminated on disposal of assets	1	1.696	29	0	1.726
Exchange differences	0	4	11	0	15
Balance at 31 December 2021	**-8.008**	**-33.294**	**-8.741**	**0**	**-50.043**
Depreciations for the year	-282	-5.153	-1.518	0	-6.954
Acquisition of subsidiary/business		-1.813	-1.002		-2.816
Eliminated on disposal of assets	0	2.874	222	0	3.096
Exchange differences	-11	-2	4	0	-9
Balance at 31 December 2022	**-8.301**	**-37.389**	**-11.035**	**0**	**-56.726**
Net book value					
At 31 December 2022	**3.310**	**9.322**	**8.914**	**1.435**	**22.981**
At 31 December 2021	**3.357**	**10.491**	**7.111**	**143**	**21.102**
At 1 January 2021	**3.530**	**10.275**	**6.616**	**0**	**20.420**

The most important investment projects in Property, Plant and Equipment were: the fit-out works and furniture/equipment for our offices in Antwerp, Leuven, Oostkamp and Bucharest and the build-up of the the mobile network of Citymesh.

Note 6: Goodwill

A cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. For the purpose of impairment testing, goodwill is allocated to the following groups of CGUs (hereafter 'Vessels'), which represents the lowest level within the Group at which goodwill is monitored for internal management purposes:

Goodwill allocation by group of cash-generating units

All figures in Thousand Euro	31.12.2022	31.12.2021	01.01.2021
Core	**164.255**	**155.192**	**149.802**
Infra	72.425	67.782	63.912
Applications	37.379	37.379	35.858
Data Solutions	10.396	5.977	5.977
Professional services	44.054	44.054	44.054
Business solutions	32.327	10.843	10.843
NSI	16.867	10.828	9.976
Citymesh	15.517	15.312	13.892
Nexuzhealth [1]	11.702	11.702	11.702
Smartschool [2]	0	0	0
Total goodwill (net book value)	**240.668**	**203.878**	**196.214**

[1] Nexuzhealth is a joint venture accounted for under the equity method (refer to note 9). The goodwill amount represents the carrying amount of goodwill determined under BE GAAP prior to the adoption of IFRS (refer to note 4).
[2] Acquired in 2021, Smartschool is a joint venture accounted for under the equity method (refer to note 9). As the acquisition has been performed after the date of transitioning to IFRS, the value of goodwill arising from this acquisition is not separately disclosed on the face of the balance sheet. However, we have tested this vessel for impairment.

Movement in the carrying amount of Goodwill

All figures in Thousand Euro	31.12.2022	31.12.2021	01.01.2021
At cost			
At 1 January	**203.878**	**196.214**	**196.214**
Acquisitions	**36.791**	**7.663**	
Infra	4.644	3.870	
Applications		1.521	
Data Solutions	4.419		
Professional Services			
Business Solutions	21.484		
NSI	6.039	852	
Citymesh	205	1.421	
At 31 December	**240.668**	**203.878**	**196.214**
Net book value			
At 1 January	203.878	196.214	196.214
At 31 December	240.668	203.878	196.214

At 31 December 2022, only goodwill relating to the BuSI acquisition, included in the Vessel 'NSI' is still in the allocation period (refer to note 34).

The Group performed its annual impairment testing as at 31 December 2022. The goodwill acquired through business combinations are allocated to their respective group of CGU's, which correspond to operating and reporting segments within the Group, which is linked to the Groups internal management reporting . These operating and reporting segments are denominated as vessels within the Group. To follow the structure of the reporting to senior management, Cegeka's Core is further disaggregated into the following vessels: Infra, Applications, Data Solutions and Professional Services.

Key assumption and outcome of in value-in-use calculations

	EBIT Margin	Pre-Tax Discount Rate	Recoverable Amount	Headroom
Core	**6,2% - 15,0%**	**14,90% - 15,23%**	**536.533**	**372.278**
Infra	7,6% - 8,1%	15,02%		
Applications	14,2% - 15,0%	14,90%		
Data Solutions	5,9% - 9,6%	14,93%		
Professional Services	6,2%	15,23%		
Business solutions	**12,5% - 16,8%**	**14,80%**	**158.460**	**126.134**
NSI	**7,1% - 9,0%**	**14,96%**	**107.182**	**90.315**
Citymesh	**(8,3%) - 9,4%**	**11,03%**	**22.653**	**7.136**
Nexuzhealth	**13,7% - 17,6%**	**12,00%**	**36.898**	**19.146**
Smartschool	**58,8% - 61,5%**	**14,92%**	**26.547**	**10.279**

The recoverable amounts of the Group's vessels as of 31 December 2022 have been determined based on a value in use calculation using cash flow projections covering a five-year business plan, which is approved by the Group's Executive Committee and prepared by senior management, and a pre-tax discount rate. These business plans serves as a basis to determine the future free cash flows to the firm and the EBIT's per Vessel. The cash flow projections beyond the five-year period are extrapolated using a 2% terminal growth rate, consistent with the long-term inflation target in the Eurozone.

The critical inputs to determine the discount rate are: risk-free rate, cost of equity, cost of debt and target long-term capital structure for the Group.

Sensitivity to changes in assumptions

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for each of the vessels (i.e. group of CGUs) to which goodwill is allocated. Management believes that any reasonably possible change in the key assumptions on which the recoverable amounts are based would not cause the carrying amount to exceed the recoverable amount of the vessels.

Based on the impairment tests conducted, goodwill does not need to be impaired. At the end of the financial reporting year the recoverable amount of the vessels was substantially in excess of its carrying amount.

Note 7: Other Intangible assets

All figures in Thousand Euro	Software	Licenses	Other Intangibles	Total
At cost				
Balance at 1 January 2021	**57.781**	**15.010**	**1.100**	**73.891**
Additions/ Internally developed	6.391			6.391
Acquisition of a subsidiary	974		825	1.799
Disposals	-707			-707
Exchange differences	-10			-10
Balance at 31 December 2021	**64.429**	**15.010**	**1.925**	**81.365**
Additions/ Internally developed	8.000			8.000
Acquisition of a subsidiary	1.344		6.617	7.961
Disposals	-2.100	-15.010		-17.110
Exchange differences	0			0
Balance at 31 December 2022	**71.674**	**0**	**8.542**	**80.216**
Accumulated depreciation and impairment				
Balance at 1 January 2021	**-46.977**	**-250**	**-1.100**	**-48.327**
Amortisation	-5.603	-1.001	-30	-6.633
Acquisition of a subsidiary	-626			-626
Disposals	698			698
Exchange differences	1			1
Balance at 31 December 2021	**-52.507**	**-1.251**	**-1.130**	**-54.888**
Amortisation	-5.752	-2.252	-193	-8.197
Acquisition of a subsidiary	-698			-698
Disposals	2.198	3.502		5.700
Exchange differences	1			1
Balance at 31 December 2022	**-56.759**	**0**	**-1.323**	**-58.081**
Net book value				
At 31 December 2022	**14.915**	**0**	**7.220**	**22.135**
At 31 December 2021	**11.922**	**13.759**	**796**	**26.477**
At 1 January 2021	**10.805**	**14.760**	**0**	**25.565**

Software and licenses are carried at cost less any accumulated amortisation and impairment losses, the same method is used for separately acquired intangible assets as internally generated intangible assets. The useful life of software is estimated at between three and five years.

Intangible assets acquired by Cegeka in business combinations are measured at their acquisition cost less any accumulated amortisation and impairment losses. They mainly include customer relationships and supplier contracts. the useful life of customer relationships and supplier contracts is estimated at between five and ten years.

Cegeka has no intangible assets with indefinite useful lives except for the goodwill presented in note 6.

Acquisition during the year

The total investment in software amounts to EUR 8.000k in 2022 compared to EUR 6.391k previous reporting period of which EUR 7.463k is internally developed compared to EUR 5.276k in 2021. Cegeka further capitalized its development of own software solutions, being Dymanics Empire (a SAAS solution to manage Real Estate), Capacity (a SAAS solution to manage parking lots and to turn parking assets into smarter car parks), Mobilize (an user-friendly platform that helps you visualize traffic patterns and simulate, predict and discuss the impact of changes) and Horizon (Cegeka's digital customer and employee engagement platform).

The net book value at 31 December 2022 of these internally developed software solutions amount to EUR 13.404k out of the EUR 14.915k (2021: EUR 10.365k of the EUR 11.922k).

The disposal in 2022 of EUR 15.010k is related to the transfer of a spectrum license to a joint venture, outside the Group's consolidation scope.

The other intangible assets include customer relationships and freelancers pool acquired through business combinations of EUR 6.617k (last year acquired through business combinations included customer relationships and supplier contracts).

Note 8: Right-of-use assets

Cegeka leases several assets mainly buildings, cars and IT equipment. Cegeka leases land and buildings for its offices. The terms and conditions are negotiated on an individual case basis and contain different clauses. These leases are generally entered into for terms of 3 to 9 years and may contain extension options providing operational flexibility. The Group also leases cars for its employees mainly in Belgium and the Netherlands and for certain employees internationally. These leases generally have lease terms between 3 and 5 years. Finally, Cegeka also leases some of its IT equipment, this equipment is mainly related to the data lines (i.e. dark fibres) and servers in our datacentres in Hasselt and Geleen.

The carrying amounts of right-of-use assets recognized and the movements during the period are disclosed below.

All figures in Thousand Euro	Buildings	Cars	Data Lines and Other Equipments	Total
Balance at 1 January 2021	**52.834**	**21.777**	**10.325**	**84.936**
Additions	2.188	6.855	3.602	12.645
Acquired through acquisition of subsidiary/ business	105	421		526
Disposals/ modifications/ reassessments				0
Depreciations	-8.326	-8.577	-4.937	-21.840
Effect of movements in exchange rates	-96	-2	0	-98
Balance at 31 December 2021	**46.705**	**20.474**	**8.989**	**76.168**
Additions	7.917	9.689	8.423	26.029
Acquired through acquisition of subsidiary/ business	702	87	0	789
Disposals/ modifications/ reassessments	-4.446	0	0	-4.446
Depreciations	-8.785	-9.813	-4.858	-23.457
Effect of movements in exchange rates	7	-6	1	2
Balance at 31 December 2022	**42.101**	**20.430**	**12.556**	**75.086**
Carrying amount				
At 31 December 2022	**42.101**	**20.430**	**12.556**	**75.086**
At 31 December 2021	**46.705**	**20.474**	**8.989**	**76.168**
At 1 January 2021	**52.834**	**21.777**	**10.325**	**84.936**

The carrying amounts of lease liabilities and the movements during the period are disclosed below:

All figures in Thousand Euro	Buildings	Cars	Data Lines and Other Equipments	Total
Balance at 1 January 2021	**53.576**	**21.777**	**10.717**	**86.070**
Additions	2.293	7.276	3.649	13.218
Accretion of interest	553	201	17	770
Payments	-8.665	-9.636	-5.503	-23.803
Effect of movements in Exchange rates	-9	1	0	-9
Balance at 31 December 2021	**47.748**	**19.618**	**8.880**	**76.246**
Additions	8.411	9.689	8.382	26.481

Disposals/ Terminations	-3.725	87	0	-3.638
Accretion of interest	516	276	20	811
Payments	-8.915	-10.170	-4.869	-23.955
Effect of movements in Exchange rates	-1	-6	1	-5
Balance at 31 December 2022	**44.033**	**19.493**	**12.414**	**75.940**
Carrying amount				
At 31 December 2022	**44.033**	**19.493**	**12.414**	**75.940**
At 31 December 2021	**47.748**	**19.618**	**8.880**	**76.246**
At 1 January 2021	**53.576**	**21.777**	**10.717**	**86.070**

Analysed as	**31.12.2022**	**31.12.2021**	**01.01.2021**
Non-current	55.125	55.435	62.384
Current	20.815	20.811	23.686

The maturity table of the undiscounted lease liabilities are disclosed below:

All figures in Thousand Euro	Less than 1 year	1 to 5 years	Beyond 5 years	Total
At 31 December 2022	21.675	47.110	9.744	**78.529**
At 31 December 2021	21.616	43.506	14.043	**79.166**

The amounts recognised in profit or loss statement are disclosed below:

All figures in Thousand Euro	**31.12.2022**	**31.12.2021**
Depreciation expense on right-of-use assets	-23.457	-21.840
Interest expense on lease liabilities	-804	-778
Expense relating to short-term leases	-606	-1.850
Expense related to leases of low value assets	-3.353	-5.276

Note 9: Interests in associates and joint ventures

Cegeka has interests in the following associates and joint ventures:

Type	Name of associate/ joint venture	Place of incorporation and operation	Proportion of ownership interest and voting rights held by the Group		
			31.12.2022	**31.12.2021**	**01.01.2021**
Joint venture	**Nexuzhealth NV**	**Belgium**	**48,57%**	**48,57%**	**51,00%**
	Cegeka-dsa Ventures BV	the Netherlands	94,50%	61,43%	58,50%
	· Subsidiary: CNS International BV	the Netherlands	94,50%	61,43%	58,50%
Joint venture	**Cegeka-dsa Ventures BV and subsidiary**	**the Netherlands**	**94,50%**	**61,43%**	**58,50%**
	Cegeka Business Solutions Österreich GmbH	Austria	94,50%	66,15%	70,00%
	· Subsidiary: Cegeka GmbH	Austria	N/A	66,15%	70,00%
	· Subsidiary: SMART Management Corporate Advisory Services GmbH	Austria	N/A	66,15%	70,00%
	· Subsidiary: Solutions Factory Consulting Ltd	Russia	94,50%	66,15%	70,00%
Joint venture	**Cegeka Business Solutions Austria and subsidiaries**	**Austria/ Russia**	**94,50%**	**66,15%**	**70,00%**
	Utmerke BV	Belgium	50,11%	50,11%	N/A
	· Subsidiary: Madoninvest CommV	Belgium	50,11%	50,11%	N/A
	· Subsidiary: Kaus Borealis CommV	Belgium	50,11%	50,11%	N/A
	· Subsidiary: SmartBit CommV	Belgium	50,11%	50,11%	N/A
	· Subsidiary: Corsam BV	Belgium	N/A	50,11%	N/A
Joint venture	**Smartschool (formerly Utmerke BV and subsidiaries)**	**Belgium**	**50,11%**	**50,11%**	**N/A**
Joint venture	**Citymesh Mobile NV**	**Belgium**	**51,00%**	**N/A**	**N/A**
Joint venture	**InSky NV**	**Belgium**	**49,00%**	**N/A**	**N/A**
Associate	**Vastgoed Software BV[1]**	**the Netherlands**	**40,16%**	**40,16%**	**38,25%**

[1] A subsidiary of the Group has a direct interest in Vastgoed Software BV of 42,5%. This interest, at the level of the parent of the Group, equals 38,25% as there is a 10% minority shareholding at 01 January 2021. Due to the creation of the subgroup Business Solutions in 2021, the minority shareholding changed from 10% tot 5,5%, resulting in an interest at the level of the parent of the Group of 40,16% at 31 December 2021 and 31 December 2022.

The acquisition of 50,11% in Utmerke and subsidiaries in financial year 2021 is known as the Smartschool acquisition within the Group. The entity Corsam BV has been liquidated in May 2022. In financial year 2022, control has been acquired over Cegeka-dsa Ventures BV in March 2022 and over Cegeka Business Solutions Österreich GmbH in June 2022 after acquiring the remaining shares held by the minority shareholders. Furthermore, the two Austrian subsidiaries of Cegeka Business Solutions Österreich GmbH have merged with Cegeka Business Solutions Österreich GmbH.

In these consolidated financial statements all of the above associates and joint ventures are accounted for using the equity method as set out in the Group's accounting policies (note 2).

The following table shows the movement of the carrying amount of the Group's interest in associates and joint ventures.

Carrying amount	Nexuzhealth	Smartschool	Other associates and joint ventures	Interests in associates and joint ventures
Balance at 1 January 2021	**2.981**		**4.546**	**7.527**
Acquisition of interest in Smartschool		14.818		14.818
Changes in scope of consolidation	-93		-131	-224
Share in the result	1.883	287	1.961	4.131
Dividends			-2.951	-2.951
Balance at 31 December 2021	**4.771**	**15.105**	**3.427**	**23.302**
Acquisition of interest in Citymesh Mobile and InSky NV			3.470	3.470
Share in the result	1.280	1.161	-504	1.936
Dividends			-167	-167
Acquisition of Cegeka-DSA Ventures and Cegeka Business Solutions Austria going from joint venture to subsidiary			-3.781	-3.781
Balance at 31 December 2022	**6.050**	**16.268**	**2.443**	**24.761**

Change in the Group's ownership interest in an associate and joint ventures

In 2022, the Group, via Citymesh, entered into two joint ventures with Digi, one of Europe's leading operators. Citymesh and Digi joined forces and won 5G spectrum during the auction, they effectively became Belgium's fourth operator. That's why Citymesh and Digi are collaborating in the form of joint ventures. InSky, an infrastructure company, is a joint venture (49%) responsible for the roll-out of the Radio Access Network (RAN). Citymesh Mobile on the other hand is the joint venture (51%) which acquired the existing spectrum and required new 5G spectrum. The total investment of the Group for these joint ventures amounts to EUR 3.470k of which EUR 1.020k for Citymesh Mobile and EUR 2.450k for InSky.

Proceeds of disposal in thousand EUR	Cegeka Business Solutions Austria and subsidiaries
Fair value of investment (70%[2])	12.391
Less: carrying amount of investment on the date of change in control	-2.297
Gain on deemed disposal Cegeka Business Solutions Austria and subsidiaries	**10.094**

Proceeds of disposal in thousand EUR	Cegeka-dsa Ventures BV and subsidiary
Fair value of investment (65%[3])	1.754
Less: carrying amount of investment on the date of change in control	-1.486
Gain on deemed disposal Cegeka-dsa ventures and subsidiary	**268**
Total Gain on deemed disposals	**10.362**

[2] Due to the creation of the subgroup Business Solutions in 2021, there is an additional minority shareholding of 5,5% to be taken into account when comparing the direct interest of 70% with the interest at the level of the parent of the Group (66,15%) at 31 December 2021.

[3] Due to the creation of the subgroup Business Solutions in 2021, there is an additional minority shareholding of 5,5% to be taken into account when comparing the direct interest of 65% with the interest at the level of the parent of the Group (61,43%) at 31 December 2021.

The fair value of the investment is derived from the consideration transferred in 2022 for the remaining shares. Cegeka paid EUR 5.310k for the remaining 30% of the shares in Cegeka Business Solutions Austria and paid EUR 944k for the remaining 35% of the shares in Cegeka-dsa ventures. As a result of these transaction a goodwill balance of EUR 19.324k was generated.

The Group decided to recognize these deemed disposals outside of the operating result (EBIT) and in the non-underlying items in the statement of profit or loss.

Financial information of material associates and joint ventures accounted for at equity method

Summarised financial information in respect of each of the Group's material associates and joint ventures at the end of the reporting period are as follows:

1. NEXUZHEALTH

The following table summarizes the financial information of Nexuzhealth, based on its IFRS financial statements. The table also reconciles the summarized financial information to the carrying amount of the Cegeka's interest in Nexuzhealth.

	31.12.2022	31.12.2021	01.01.2021
Non-current assets	10.834	7.056	3.953
Current assets	15.419	10.073	6.934
of which cash & cash equivalents	880	1.005	255
Total assets	**26.253**	**17.129**	**10.887**
Non-current liabilities	1.477		
Current liabilities	12.319	7.307	5.041
Total liabilities	**13.796**	**7.307**	**5.041**
Net assets	**12.456**	**9.822**	**5.845**
Group's share in equity	6.050	4.771	2.981
Goodwill	-	-	-
Group's carrying amount of the investment	**6.050**	**4.771**	**2.981**

	31.12.2022	31.12.2021
Revenue	32.176	21.656
Other operating income	28	39
Profit/ loss (-) for the year	**2.254**	**3.877**
Other comprehensive income attributable to owners of the Company	380	-
Total comprehensive income for the year	**2.635**	**3.877**
Group's share of profit/ loss (-) for the year	**1.280**	**1.883**

The interest in Nexuzhealth has slightly changed during financial year 2021 resulting in a loss in the carrying amount of the Group's interest in Nexuzhealth of EUR 93k on top of the Group's share of profit for the year 2021.

2. SMARTSCHOOL (I.E. UTMERKE AND SUBSIDIARIES)

The following table summarizes the financial information of the Smartschool group, based on its IFRS financial statements. The table also reconciles the summarized financial information to the carrying amount of the Cegeka's interest in the Smartschool group.

	31.12.2022	31.12.2021	01.01.2021
Non-current assets	46.291	48.187	
Current assets	13.924	12.595	
of which cash & cash equivalents	12.123	11.341	
Total assets	**60.215**	**60.782**	
Non-current liabilities	16.773	20.622	
Current liabilities	10.953	9.991	
Total liabilities	**27.726**	**30.614**	
Net assets	**32.489**	**30.169**	
Group's share in equity	16.268	15.105	
Goodwill	-	-	
Group's carrying amount of the investment	**16.268**	**15.105**	

	31.12.2022	31.12.2021*
Revenue	9.660	3.090
Other operating revenues	14	46
Profit/ loss (-) for the year	**2.318**	**572**
Other comprehensive income attributable to owners of the Company	-	-
Total comprehensive income for the year	**2.318**	**572**
Group's share of profit/ loss (-) for the year	**1.161**	**287**

*The profit for the year 2021 represents four months of activities as Cegeka purchased its stake in the Smartschool group in August 2021.

Note 10: Non-current financial assets and derivative financial instruments

All figures in Thousand Euro	31.12.2022	31.12.2021	01.01.2021
Long-term deposits and receivables	458	303	307
Government grant receivable	1.488		
Shares in non-consolidated companies	217	217	217
Derivative financial instruments	111	186	0
Non-current financial assets and derivative financial instruments	**2.274**	**705**	**524**

The shares in non-consolidated companies relate to investments in entities in which the Group owns less than 10% of the shares. These are accounted for at cost and are deemed immaterial for the Group.

Name of non-consolidated company	Place of incorporation and operation	Proportion of ownership interest and voting rights held by the Group		
		31.12.2022	31.12.2021	01.01.2021
Leansquare SA - BE 0541.651.760	Belgium	1,20%	1,07%	5,35%
Charleroi Entreprendre SC - BE 0427.178.892	Belgium	1,12%	1,00%	1,00%
Ostbelgieninvest AG - BE 0437.216.117	Belgium	0,62%	0,56%	0,56%

Derivative financial instruments

Cegeka entered into a commodity swap financial instrument on diesel for a total exposed amount of EUR 285k, the fair value of the derivative equalled to EUR 186k at December 31, 2021. This commodity swap reached its maturity in April of 2022.

Later in the year 2022, Cegeka entered into a 3-year interest rate swap for a notional amount of EUR 55,3 million to cover the Group's exposure to the variability in cash flows attributable to the long-term interest rate risk associated with the new club deal entered into in July 2022. Compared to prior year, Cegeka had entered in to a 5-year interest rate swap for a notional amount of EUR 47,7 million, which reached its maturity in April of 2022.

Derivatives not designated as hedging instruments	Maturity	Notional amount	31.12.2022	31.12.2021	01.01.2021
Commodity swap diesel	April 2022	285	-	186	-30
Interest rate swap 2017	April 2022	47.733	-	-73	-233
Interest rate swap 2022	July 2025	55.262	111	-	-
			111	**113**	**-263**

The carrying amount reflects the positive change in fair value of those interest rate swaps and commodity swaps that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of interest rate risk for expected future repayments of outstanding loans and borrowings and to reduce the level of volatility in the diesel price for (expected) purchases. These derivatives are measured subsequently at fair value through profit or loss, the net fair value of the interest rate swaps amounts to EUR 111k at December 31, 2022.

Note 11: Inventories

For the year ended December 31, 2022, inventories amounted to EUR 5.009k (December 31, 2021: EUR 1.675k) consisting of laptops, tills, routers and other IT related equipment.

Note 12: Trade and other receivables

All figures in Thousand Euro	31.12.2022	31.12.2021	01.01.2021
Trade receivables	211.668	175.631	139.614
Loss allowance	-2.242	-3.085	-3.475
Trade receivables net	**209.427**	**172.545**	**136.139**
Loan to joint venture, Citymesh Mobile	4.250		
Government grant receivable	2.100		
Other receivable	3.559	1.874	3.913
Other receivables net	**9.909**	**1.874**	**3.913**
Current	**219.336**	**174.420**	**140.053**

The ageing analysis of trade receivables and valuation allowances is disclosed below:

	31.12.2022	31.12.2021	01.01.2021
All figures in Thousand Euro	Gross	Gross	Gross
Not overdue	162.649	135.633	105.385
Overdue less than 30 days	34.181	24.796	21.567
Overdue between 30 and 60 days than 30 days	6.907	6.319	4.740
Overdue for more than 60 days	7.931	8.883	7.923
Total	**211.668**	**175.631**	**139.614**

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days. The Group has recognized a loss allowance of EUR 2.242k at 31 December 2022 compared to EUR 3.085k at 31 December 2021. The majority of the loss allowance relates to the bucket 'Overdue for more than 60 days' of the above table.

In accordance with IFRS 9, the Group has determined the Expected Credit Losses ('ECL'). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group also assessed whether the historic pattern would change materially in the future and expected no significant impact.

Customer credit risk is managed by each division within the different vessels, subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables and contract assets are regularly monitored and any major new engagement is generally covered by letters of credit or other forms of credit insurance obtained from reputable financial institution.

Valuation allowances on short-term receivables

All figures in Thousand Euro	31.12.2022	31.12.2021
Balance at 1 January	-3.085	-3.476
Additions	-261	-641
Change in scope	43	
Non-recoverable amounts (use)	906	268
Reversals	155	764
Balance at 31 December	**-2.242**	**-3.085**

Note 13: Contract assets

All figures in Thousand Euro	31.12.2022	31.12.2021	01.01.2021
Contract assets	11.145	14.186	7.169
Total contract assets	**11.145**	**14.186**	**7.169**
Analysed as			
Non-current			
Current	11.145	14.186	7.169

Contract assets relates to revenue earned from essentially ongoing fixed price projects. As such, the balance of this account vary and depend on the number of projects at year end.

Invoicing is done to customers based on a series of performance related milestones and revenue recognition is based on the progress towards completion of the projects.

Changes in contract assets in the year 2022 are mainly due to:

- timing differences between revenue recognition, billing and collection, leading to the recognition of trade receivables and contract assets.

The contract assets are classified as current as they are expected to be realized as part of Cegeka's normal operating cycle. The majority will thus convert to trade receivables in the next months. The ECL procedures described in note 12 on trade receivables are also applicable for contract assets. A provision for loss allowance on contract assets is deemed not material considering the short-term nature of this balance and the credit standing of the customers.'

Unbilled revenue, as part of trade and other receivables (note 12) generally represents revenue for which the Company has already provided a service or product and has a right to invoice in accordance with the customer agreement but for which the customer has not yet been invoiced and thus relate to unconditional rights to consideration/ payment and are not to be considered contract assets.

Note 14: Deferred charges and accrued income

All figures in Thousand Euro	31.12.2022	31.12.2021	01.01.2021
Deferred charges	18.139	19.441	14.826
Accrued income	982	1.232	2.392
Other	27	39	271
Total	**19.147**	**20.712**	**17.488**

The deferred charges mainly exist out of incurred costs for third-party licenses and third-party IT services, which are a component of Cegeka's services to its customers, but will be charged as an expense in later reporting periods. The corresponding deferred income is disclosed in note 24.

Note 15: Cash and cash equivalents

All figures in Thousand Euro	31.12.2022	31.12.2021	01.01.2021
Cash at bank and in hand	111.781	78.118	74.778
Cash and cash equivalents	**111.781**	**78.118**	**74.778**

The financial instruments classified as cash and cash equivalents are subject to insignificant risk of changes in value. The cash at bank and in hand is immediately available. These instruments are held with financial institutions with investment grade credit rating. Therefore the expected credit loss on cash and cash equivalents is deemed immaterial.

Note 16: Equity

Share capital

	31.12.2022	31.12.2021	01.01.2021
Ordinary shares, fully paid	97.667.143	100.000.000	100.000.000

	31.12.2022	31.12.2021
At 1 January	100.000.000	100.000.000
Cancelled on 19 July 2022	-3.808.657	
Issued on 25 November 2022	1.475.800	
At 31 December	**97.667.143**	**100.000.000**

In May 2021, Cegeka acquired 3.808.657 ordinary shares for EUR 13.330.299,50 which were cancelled in July 2022 without reducing the share capital. The Group does not hold own shares at 31 December 2022.

In 2022, the share capital was increased by EUR 9.698.957,60 by the issue of 1.475.800 ordinary shares of EUR 6,572 each.

Furthermore, the Group paid an interim dividend for 2021 in December 2021 of EUR 0,0575 cents per share.

Note 17: Non-Controlling Interests

At 31 December 2022, non-controlling interests amounted to EUR 11.148k (EUR 12.482k at 31 December 2021). The table below shows changes in this item:

All figures in Thousand Euro	31.12.2022	31.12.2021
At 1 January	**12.483**	**8.713**
Share of comprehensive income attributable to non-controlling interests	1.864	1.619
Dividends attributable to non-controlling interests	-424	-433
Acquisitions of the year with non-controlling interests	-830	242
Change in ownership percentages with non-controlling interests	-2.269	1.754
Impact of put options granted to non-controlling shareholders	324	588
At 31 December	**11.148**	**12.483**

The non-controlling interests of the Group is related essentially to subgroup NSI and subgroup Business Solutions. Cegeka has a stake of 66,88% in subgroup NSI which was raised to 74,98% in November 2022. As Cegeka already controlled Group NSI before this transaction, this acquisition qualifies as an equity transaction. This means that the negative difference between (1) the amount by which the non-controlling interests are adjusted (EUR 2.269k), and (2) the fair value of the consideration paid is deducted (EUR 3.564k) directly from the shareholders' equity attributable to the parent.

Furthermore, Cegeka has a stake of 94,50% in subgroup Business Solutions, which equalled to 90,00% in 2021. In 2021 the Group decided to create this separate subgroup for all Microsoft Dynamics activities of the Group. This subgroup was a merger of Cegeka's Real Estate activities (formerly known as Cegeka-dsa BV, with its Dynamics Empire solution), having a minority shareholding of 10%, and the other more generic Microsoft Dynamics F&O, Business Central and Customer Engagement activities, having no minority shareholding. After the merger of these activities in July 2021, Cegeka strengthened its interest from 90,00% to 94,50%, reducing the minority shareholding of the combined subgroup to 5,5%. This resulted in a loss of minority shareholding of EUR 538k on the Real Estate activities and a gain of minority shareholding on the more generic Microsoft Dynamics activities of EUR 2.292k, resulting in a net increase of the nominal value of non-controlling interests with EUR 1.754 of which the counterpart has been deducted directly from the shareholders' equity attributable to the parent.

The remaining non-controlling interests relate to the acquisitions in Sweden (Solver AB in 2022 and Levilo AB (now Cegeka Applications AB) in 2021) and subgroup Citymesh, where Cegeka has a stake of 76,66%.

Note 18: Loans and borrowings

All figures in Thousand Euro	31.12.2022	31.12.2021	01.01.2021
Loans and borrowings	121.192	81.849	89.509
Loan from shareholders	95.500	108.050	105.022
Lease liabilities	55.125	55.435	62.384
Non-current loans and borrowings	**271.818**	**245.335**	**256.915**
Loans and borrowings	36.361	46.838	38.251
Loan from shareholders	18.915	3.092	3.031
Lease liabilities	20.815	20.811	23.686
Current loans and borrowings	**76.091**	**70.741**	**64.968**
Total loans and borrowings	**347.908**	**316.076**	**321.883**

An overview of the main interest-bearing loans and borrowings is shown in the table below:

	Interest rate (%)	Maturity	31.12.2022	31.12.2021	01.01.2021
Loans from Shareholders	6,00	June 2024	114.415	111.143	108.053
Club deal 2017	Euribor + 0,90	July 2022	-	61.283	76.925
Club deal 2017 - Revolving	Euribor + 0,90	July 2022	-	19.800	-
Club deal 2022	Euribor + 1,60	July 2027	110.524	-	-
Bank loans Subgroup NSI	3,25	October 2029	13.841	4.169	3.767
EUR 7 mio bank loan	4,03	December 2023	7.002	7.002	7.002
Other loans and borrowings					
Loan from third-party shareholder of Citymesh	4,00	December 2030	4.500	2.000	2.000
NOW/ Corona			7.233	8.736	10.685
BIPT				13.759	14.760
Other loans			14.453	11.937	12.621
Lease liabilities	0,90 - 7,00		75.940	76.246	86.070
			347.908	**316.076**	**321.883**

Maturity analysis of loans and borrowing

2022 in Thousand Euro	Less than 1 year	1 to 5 years	Beyond 5 years	Total
	78.591	**257.517**	**11.801**	**347.908**

Changes in liabilities arising from financing activities

All figures in Thousand Euro	At 1 January 2022	Cash flows	Foreign exchange movement	Changes in fair values	New loans and borrowings	New leases	Other	At 31 December 2022
Interest-bearing loan from shareholders	111.143	-3.135			6.408			114.415
Interest-bearing loans and borrowings	128.687	-95.311			124.177			157.553
Lease liabilities	76.246	-23.955	-5			26.481	-2.827	75.940
Derivatives - Interest rate swaps	73			-184				-111
Total liabilities from financing activities	**316.148**	**-122.401**	**-5**	**-184**	**130.585**	**26.481**	**-2.827**	**347.798**

All figures in Thousand Euro	At 1 January 2021	Cash flows	Foreign exchange movement	Changes in fair values	New loans and borrowings	New leases	Other	At 31 December 2021
Interest-bearing loan from shareholders	108.053	-3.137			6.226			111.143
Interest-bearing loans and borrowings	127.760	-18.873			19.800			128.687
Lease liabilities	86.070	-23.803	-9			13.218	770	76.246
Derivatives - Interest rate swaps	233			-160				73
Total liabilities from financing activities	**322.116**	**-45.813**	**-9**	**-160**	**26.026**	**13.218**	**770**	**316.148**

Note 19: Provisions

All figures in Thousand Euro	31.12.2022	31.12.2021	01.01.2021
Provision for loss making projects	1.412	1.702	3.553
Provision for restoration costs	244	244	244
Provision for other risks and charges	182	79	151
Total	**1.838**	**2.024**	**3.948**
Analysed as			
Non-current	1.217	1.535	1.924
Current	621	489	2.024

	Provision for loss making projects	Provision for restoration costs	Provision for other risks and charges
Balance at 1 January 2021	**3.553**	**244**	**151**
Additional provision in the year	22		
Utilisation of provision	-1.873		-72
Reversals			
Change in conso scope			
Translation losses/ gains			
Balance at 31 December 2021	**1.702**	**244**	**79**
Additional provision in the year	120		135
Utilisation of provision	-410		-31
Reversals			
Change in conso scope			
Translation losses/ gains			
Balance at 31 December 2022	**1.412**	**244**	**182**

Provision for loss making projects

The provision for loss making projects relate to two projects and the provision has been recorded because all the costs necessary to fulfil the contract exceeds the related benefits.

Note 20: Other liabilities

All figures in Thousand Euro	31.12.2022	31.12.2021	01.01.2021
Put option on NCI	3.000	3.000	3.000
Contingent consideration	4.019	2.044	685
Share-based payment, settled in cash			3.877
Other	140	140	273
Other non-current liabilities	**7.158**	**5.183**	**7.834**

All figures in Thousand Euro	31.12.2022	31.12.2021	01.01.2021
Contingent consideration	658	723	1.006
Share-based payment, settled in cash		4.457	
Other current liabilities	**658**	**5.179**	**1.006**

Cegeka has committed, following the acquisition of Citymesh in 2020, to acquire the non-controlling interests owned by management in Citymesh NV and nCentric Holding NV (13,34% of the share capital) should these third parties wish to exercise their put options. The exercise price of such options granted to non-controlling interest is reflected on the liability side of our balance sheet. In accordance with IAS 32.23, a financial liability shall be recognised for the present value of the redemption value, since Cegeka does not have the ability to avoid this obligation if certain events would to occur. The option can become exercisable at any moment. However, none of the parties have the power to determine when one of the triggering events might occur.

The Share-based payment liability relates to the remuneration of a director and was cash-settled in 2022. The key valuation inputs were the Group's financial performance (measured as EBITDA), net debt, transaction multiple, share price volatility and discount rate.

Note 21: Employee benefit obligations

Non-current employee benefit obligations

All figures in Thousand Euro	31.12.2022	31.12.2021	1.1.2021
Net employee defined benefit assets	-4.799	-2.235	-228
Termination benefits			
Other long-term employee benefits			
Presented as assets (-)	**-4.799**	**-2.235**	**-228**
Net employee defined benefit liabilities	3.854	3.574	4.610
Termination benefits	429	612	575
Other long-term employee benefits	594	552	183
Presented as liabilities	**4.877**	**4.739**	**5.368**
Total net non-current employee benefit obligations, net	**78**	**2.504**	**5.140**
of which thus, net liability/ asset (-) on defined benefit obligations	-945	1.340	4.382

Current employee benefit obligations

All figures in Thousand Euro	31.12.2022	31.12.2021	01.01.2021
Wages and salaries	34.637	27.794	26.521
Social security contributions	10.632	9.830	8.162
Payroll taxes	10.642	9.433	6.426
Health insurance liabilities	1.004	480	394
Bonuses and commissions	13.180	13.705	9.864
Other liabilities	2.498	1.840	5.317
Total current employee benefit obligations	**72.592**	**63.082**	**56.685**

Defined contribution plans

Obligations with respect to contributions to defined contribution pension plans are recognized as an expense as they fall due once the contributions have been paid, the Group has no further payment obligation. The pension plans offered by the Group in Belgium constitute by nature a defined contribution plan and is treated as such under BE GAAP. However, in Belgium, defined contribution plans require companies to guarantee a minimum return on contributions, which triggers such plans to be classified as defined benefit plans under IAS 19.

Defined benefit plans

Defined benefit plans are in place for Germany, Belgium and Italy. As a result, a provision is recognised in the statement of financial position for the differences between the defined benefit obligation and the fair value of the plan assets. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of the plan assets and the present value of the defined benefit liability were carried out at 31 December 2022 by a certified actuarian. The present value of the defined benefit liability, and the related current service cost and past service cost, were measured using the projected unit credit method. All results are expressed in thousand Euros.

The principal assumptions used for the purpose of the actuarial valuations were as follows:

Key assumptions used

Belgium	Valuation at		
	31.12.2022	**31.12.2021**	**01.01.2021**
Discount rate(s)	From 3,90% to 0,98%	From 1,02% to 0,89%	from 0,52% to 0,08%
Expected rate(s) of salary increase	From 3,00% to 0,00%	From 2,80% to 0,00%	From 2,80% to 0,00%
Average longevity at retirement age for current pensioners			
Male	MR/FR-5 to MR/FR-3	MR/FR-5 to MR/FR	MR/FR-5 to MR/FR
Female	MR/FR-5 to MR/FR-3	MR/FR-5 to MR/FR	MR/FR-5 to MR/FR
Average longevity at retirement age for current employees			
Male	MR/FR-5 to MR/FR-3	MR/FR-5 to MR/FR	MR/FR-5 to MR/FR
Female	MR/FR-5 to MR/FR-3	MR/FR-5 to MR/FR	MR/FR-5 to MR/FR

Germany	Valuation at		
	31.12.2022	**31.12.2021**	**01.01.2021**
Discount rate(s)	1,00%	0,80%	0,84%
Expected rate(s) of salary increase	0,00%	0,00%	0,00%
Average longevity at retirement age for current pensioners			
Male	MR/FR	MR/FR	MR/FR
Female	MR/FR	MR/FR	MR/FR
Average longevity at retirement age for current employees			
Male	MR/FR	MR/FR	MR/FR
Female	MR/FR	MR/FR	MR/FR

Italy	Valuation at		
	31.12.2022	**31.12.2021**	**01.01.2021**
Discount rate(s)	3,40%	0,40%	0,10%
Expected rate(s) of salary increase	5,93%	2,40%	2,25%
Average longevity at retirement age for current pensioners			
Male	MR/FR	MR/FR	MR/FR
Female	MR/FR	MR/FR	MR/FR
Average longevity at retirement age for current employees			
Male	MR/FR	MR/FR	MR/FR
Female	MR/FR	MR/FR	MR/FR

Amounts recognised in profit or loss in respect of these defined benefit plans are as follows:

All figures in Thousand Euro	**31.12.2022**	**31.12.2021**
Service cost		
Service cost	7.369	6.904
Past Service cost	0	0
Interest expense	696	245
Interest income	-730	-247
Components of defined benefit costs recognised in profit or loss	**7.334**	**6.902**

The expense (service cost) for the year, EUR 7,3 million (2021: EUR 6,9 million) has been included in profit or loss as employee benefit expenses. The net interest expense has been included within finance result (note 31). The remeasurement of the net defined benefit liability is included in other comprehensive income.

Amounts recognised in other comprehensive income are as follows:

All figures in Thousand Euro	31.12.2022	31.12.2021
The return on plan assets (excluding amounts included in net interest expense)	12.295	462
Remeasurements due to change in demographic assumptions	0	0
Remeasurements due to change in financial assumptions	-13.454	-4.775
Experience adjustments	0	0
Experience adjustments in the DBO reconciliation	1.523	170
Experience adjustments in the assets' reconciliation	0	0
Other	-457	-178
Remeasurement of net defined benefit obligations	**-93**	**-4.322**

The remeasurement gain due to change in financial assumptions, booked through OCI in 2021, is linked to the increase in the discount rate, which has a higher impact on the defined benefit liabilities due to their longer duration compared to the defined benefit assets, which in some cases are cash under financing funds.

The amount included in the statement of financial position arising from the Group's obligations in respect of its defined benefit retirement plans is as follows:

All figures in Thousand Euro	31.12.2022	31.12.2021
Present value of defined benefit obligations	66.276	73.600
Fair value of plan assets	67.221	72.260
Funded status	-945	1.340
Restrictions on asset recognition	0	0
Net liability/ asset (-) from defined benefit obligations	**-945**	**1.340**

Movements in the present value of defined benefit obligations in the year were as follows:

	31.12.2022	31.12.2021
Opening defined benefit obligation	**73.600**	**74.272**
Service cost		
a. Current service cost	7.369	6.904
b. Past Service cost	0	0
Interest expense	**696**	**245**
Cash flows		
a. Benefit payments from plan assets	-3.470	-3.336
b. Benefit payments from plan participants	0	0
c. Settlement payments from plan assets	-34	-5
d. Settlement payments from employer	0	0
e. Participant contributions	47	48
f. Administrative expenses included in the DBO	0	0
g. Taxes included in the DBO	0	0
h. Insurance premiums for risk benefits	0	0
Other significant events		
a. Increase (decrease) due to effect of any business combinations / divestitures / transfers	0	78
b. Increase (decrease) due to plan combinations	0	0
Remeasurements		
a. Effect of changes in demographic assumptions	0	0
(i) Change in Mortality Tables	0	0
(ii) Change in Turnover Tables	0	0
(iii) Change in Retirement Age	0	0
(iv) Other demographic changes	0	0
b. Effect of changes in financial assumptions	-13.454	-4.775
(i) Change in Inflation	0	0
(ii) Change in Salary increase	0	0
(iii) Change in Medical Trend	0	0
(iv) Other financial changes	0	0
(v) Change in discount rate	0	0
c. Effect of experience adjustments	1.523	170
Closing defined benefit obligation	**66.276**	**73.600**

Movements in the fair value of plan assets in the year were as follows:

	31.12.2022	31.12.2021
Opening fair value of plan assets	**72.260**	**69.849**
Interest income	**730**	**247**
Cash flows		
a. Total employer contributions	-	-
(i) Employer contributions	9.935	5.828
(ii) Employer direct benefit payments	-	-
(iii) Employer direct settlement payments	-	-
b. Participant contributions	47	48
c. Benefit payments from plan assets	-3.470	-3.336
d. Benefit payments from employer	11	11
e. Settlement payments from plan assets	-	-
f. Settlement payments from employer	-	-
g. Administrative expenses paid from plan assets	-	-
h. Taxes paid from plan assets	-	-
i. Insurance premiums for risk benefits	-	-
Other significant events		
a. Increase (decrease) due to effect of any business combinations / divestitures / transfers	0	75
b. Increase (decrease) due to plan combinations	-	-
Return on plan assets (excluding interest income)	**3**	**1**
a. Remeasurement due to discount rate change	-	-
b. Actual return excluding interest income	-12.295	-462
Closing fair value of plan assets	**67.221**	**72.260**

FUNDED STATUS

All figures in Thousand Euro	31.12.2022	31.12.2021
Defined benefit obligation at end of year	66.276	73.600
Fair value of plan assets at end of year	67.221	72.260
Funded status	**-945**	**1.340**

(ii) Employer direct benefit payments

(iii) Employer direct settlement payments

NET DEFINED LIABILITY/ ASSET (-) RECONCILIATION

	31.12.2022	31.12.2021
Opening Net Defined Benefit Liability/ Asset (-)	**1.340**	**4.423**
Defined Benefit cost included in P&L	7.334	6.902
Defined Benefit cost included in OCI	-4.511	-5.555
Other significant events in OCI	4.419	1.233
Other	420	176
Total Employer contributions	-9.947	-5.838
Closing Net Defined Benefit Liability/ Asset (-)	**-945**	**1.340**

The major categories and fair values of plan assets at the end of the reporting period for each category are as follows:

	Quoted			Unquoted		
	31.12.2022	31.12.2021	01.01.2021	31.12.2022	31.12.2021	01.01.2021
Assets held by insurance companies (Individual)	67.221	72.260	69.849			
Total asset value as at end of year	**67.221**	**72.260**	**69.849**			

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	31.12.2022	31.12.2021	01.01.2021
On the discount rate assumption			
DBO using the discount rate minus 0,5%	68.305	77.232	78.622
DBO using the discount rate plus 0,5%	65.202	70.598	70.419

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

PARTICIPANTS DATA

	31.12.2022	31.12.2021	01.01.2021
Active Members			
Number	2.695,00	2.470,00	2.358,00
Average Salary	72,01	62,02	60,81
Average Age	37,10	36,41	48,78
Average Past service	14,83	14,87	19,55
Inactive Members			
Number	2.052,00	1.854,00	1.592,00
Average Pension Payment	23,50	28,95	23,53
Average Age	36,93	36,05	47,99

Note 22: Trade and other payables

All figures in Thousand Euro	31.12.2022	31.12.2021	01.01.2021
Trade payables	83.563	85.493	52.361
Tax, other than income tax, and social liabilities	21.541	12.856	11.152
Social and employee related liabilities	72.592	63.082	56.685
Other payables	1.328	618	574
Total	**179.023**	**162.049**	**120.772**

Note 23: Contract liabilities

	31.12.2022	31.12.2021	01.01.2021
Contract liabilities	13.805	10.693	5.672
Total contract liabilities	**13.805**	**10.693**	**5.672**
Analysed as			
Non-current			
Current	13.805	10.693	5.672

Cegeka earns contractually the right to bill upon achievement of specified milestones or upon customer acceptance of work performed. The excess of cumulative billings over cumulative revenue recognized is reflected in the consolidated statement of financial position as contract liabilities.

The changes in the amounts of contract liabilities in reporting year 2022 were mainly due to the receipts of advances from our customers, which led to the recognition of contract liabilities (prepayments and billed in advance).

Most contract liabilities are intended to convert to revenues in the coming months.

Note 24: Deferred income and accrued charges

	31.12.2022	31.12.2021	1.1.2021
Accrued costs	3.730	2.297	1.912
Deferred income	42.223	32.647	31.757
Other	13	169	116
Total deferred income and accrued charges	**45.967**	**35.113**	**33.785**

The increase in deferred income is mainly due by (1) the growth of current year acquisitions and previous year acquisitions and (2) by organic growth of our SaaS solution, Dymanics Empire, which bills in December 2022 the new service period 2023 for its recurring services/ SLA's

Note 25: Revenue

Disaggregation of revenue by vessel

All figures in Thousand Euro	31.12.2022	31.12.2021
Infrastructure	275.675	249.423
Applications	163.598	149.007
Business Solutions	107.016	88.126
Professional Services	232.885	195.665
Data Solutions	33.057	12.366
CityMesh	19.617	11.329
Total revenue	**831.848**	**705.917**

Disaggregation of revenue – destination geographical region

	31.12.2022	31.12.2021
Belgium	427.545	348.590
Luxembourg	44.343	37.340
The Netherlands	247.690	214.732
France	5.414	3.953
Germany	37.075	33.486
Italy	27.910	26.606
Austria	3.020	12.277
Czech Republic	623	575
Slovakia	418	150
Romania	12.704	11.158
Poland	8	19
Switserland	6.916	6.296
USA	3.336	2.439
Canada	231	2.236
Ireland	320	315
United Kingdom	1.150	659
Spain	325	145
Sweden	7.591	2.524
Moldova	130	31
Rest of Europe	4.184	1.670
Rest of the world - outside Europe: Hong Kong, India,...	915	716
Total revenue	**831.848**	**705.917**

Note 26: Other operating income

All figures in Thousand Euro	31.12.2022	31.12.2021
Government Grants	1.877	1.254
Supplier settlement agreement after dispute		3.323
Derivative financial instruments	-3	376
Other Income	4.085	2.915
Total	**5.959**	**7.868**

The other operating income mainly consists out of miscellaneous reinvoicing and recovery of expenditures at cost.

Note 27: Cost of Sales

All figures in Thousand Euro	31.12.2022	31.12.2021
Costs of licenses, hardware and IT services related to revenue	83.215	65.733
Total cost of sales	**83.215**	**65.733**

Note 28: Employee benefits expenses

All figures in Thousand Euro	31.12.2022	31.12.2021
Salaries and wages	305.863	263.453
Social security costs	64.159	58.661
Pension costs	5.379	8.269
Total employee benefits expenses	**375.401**	**330.382**
Contractor costs	205.252	170.439
Of which Cash-settled share-based payments	130	580
Total contractor costs	**205.252**	**170.439**
Total employee benefits expenses and contractor costs	**580.653**	**500.821**

The Expenses relating to defined benefit pension plans and defined contribution pension plans, included in other employee benefits expense, concern the Group's subsidiaries in Belgium, Germany and Italy. The characteristics of these plans are set out in note 21.

The average number of the Group's employees is 5.356 compared to 4.690 in 2021.

Note 29: Depreciations and amortizations

All figures in Thousand Euro	31.12.2022	31.12.2021
Amortization of intangible assets	8.197	6.633
Depreciation of tangible assets	6.954	6.333
Depreciation of Right-of-use assets	23.457	21.840
Total depreciations and amortizations	**38.607**	**34.806**

Note 30: Other operating expenses

All figures in Thousand Euro	31.12.2022	31.12.2021
IT related costs (not related to revenue)	39.482	31.916
Travel and representation costs	9.981	4.946
Advisory and insurance costs	9.938	9.419
Office related costs (not related to rent)	7.316	5.516
Other costs	5.809	1.174
Total other operating expenses	**72.526**	**52.971**

Note 31: Financial result

All figures in Thousand Euro	31.12.2022	31.12.2021
Interest on loans to related parties	1.080	503
Financial Income	**1.079**	**503**
Interests on loans and borrowings	10.702	8.038
Interest on lease liabilities	811	770
Net interest expense on defined benefit obligations	536	183
Other	977	905
Financial Costs	**13.026**	**9.896**
Financial Result	**-11.946**	**-9.393**

Note 32: Non-underlying items

All figures in Thousand Euro	Notes	31.12.2022	31.12.2021
Deemed disposal of joint ventures	9	10.362	
Non-underlying items		**10.362**	

Note 33: Income and deferred taxes

Income taxes

All figures in Thousand Euro	31.12.2022	31.12.2021
Consolidated profit or loss		
Current income tax:		
Current income tax charge	14.220	13.369
Adjustments in respect of current income tax of previous year	155	440
Deferred tax:		
Relating to the origination and reversal of temporary differences	998	1.856
Income tax expense reported in the statement of profit or loss	**15.374**	**15.665**

All figures in Thousand Euro	31.12.2022	31.12.2021
Consolidated other comprehensive income		
Deferred tax related to items recognised in OCI during the year:		
Relating to remeasurement on actuarial gains of defined benefit obligations	23	1.081
Deferred tax charged to OCI	**23**	**1.081**

Reconciliation of tax expense and the accounting profit multiplied by the Group's domestic tax rate for 2021 and 2022:

All figures in Thousand Euro	31.12.2022	31.12.2021
Accounting profit before income tax	**62.974**	**54.191**
At Cegeka's statutory income tax rate of 25% (2021: 25%)	15.743	13.548
Adjustments in respect of current income tax of previous years	-155	-440
Share of results of an associate and joint ventures	-438	-1.033
Share of results in non-underlying items	-2.592	
Effect of foreign income tax rates	-244	-670
Other non-deductible expenses	1.907	1.963
At the effective income tax rate of 23% (2021: 25%)		
Income tax expense reported in the statement of profit or loss	**14.220**	**13.369**

Deferred taxes

A) DEFERRED TAXES AND LIABILITIES BY LINE ITEM

Deferred taxes on the consolidated statement of financial position refers to the following temporary differences:

All figures in Thousand Euro	31.12.2022			31.12.2021			01.01.2021		
	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities	Net
Intangible assets	259	-3.206	-2.947	324	-4.760	-4.436	2.430	-5.211	-2.781
Property, plant equipment	5	0	5	487	0	487	485		485
Right-of-use assets	0	-16.101	-16.101	0	-17.387	-17.387	0	-19.428	-19.428
Inventories	49	0	49	34		34	24		24
Trade receivables	54	-1.908	-1.854	29	-3.151	-3.122	41	-518	-477
Trade payables	1.655	0	1.655	2.794		2.794			0
Provisions and employee benefit liabilities	606	-1.143	-538	499	-466	32	898	-127	771

Other liabilities	0	-30	-30	4.569	-44	4.526	4.765	0	4.765
Lease liabilities	16.247		16.247	17.324	0	17.324	19.367	0	19.367
Deferred taxes and liabilities related to temporary differences	**18.874**	**-22.388**	**-3.515**	**26.061**	**-25.808**	**253**	**28.010**	**-25.284**	**2.726**
Tax losses carried forward	7.476		7.476	6.383		6.383	4.867		4.783
Net deferred tax assets/ liabilities (-)	**26.349**	**-22.388**	**3.961**	**32.444**	**-25.808**	**6.636**	**32.877**	**-25.284**	**7.509**

B) RECONCILIATION OF DEFERRED TAX ASSETS/ LIABILITIES, NET

All figures in Thousand Euro	31.12.2022	31.12.2021
As of 1 January	**6.636**	**7.509**
Tax income/ expense (-) during the period recognised in profit or loss	-998	-1.856
Tax income/ expense (-) during the period recognised in OCI	-23	-1.081
Deferred tax assets/ liabilities (-) acquired in business combinations	-1.654	2.063
as at 31 December	**3.961**	**6.636**

Note 34: Financial instruments and Fair value

Capital management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a leverage ratio, which is EBITDA divided by net debt. The Group's policy is to keep the leverage ratio below the banks targets as described in the liquidity risk section. The Group includes within net debt current and non-current loans and borrowings, excluding loans from shareholders, less cash and cash equivalents.

LEVERAGE RATIO

The ratio at the end of the reporting period was as follows:

	31.12.2022	31.12.2021
Debt (loans, borrowings and lease liabilities)	347.908	316.076
Cash and cash equivalents	111.781	78.118
Net debt	**236.128**	**237.958**
EBITDA	**101.414**	**94.260**
Leverage ratio[1]	2,33	2,52

[1] The net debt and EBITDA as presented here are unadjusted.

In order to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2022 and 2021.

Classes and categories of financial instruments and their fair values

01.01.2021	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Derivative financial instruments				0				0
Trade and other receivables			140.053	140.053		140.053		140.053
Financial liabilities								
Loans and borrowings			127.760	127.760		129.666		129.666
Loans from Shareholders			108.053	108.053		125.958		125.958
Lease liabilities			86.070	86.070		86.070		86.070
Other financial liabilities	4.964			4.964		3.000	1.964	4.964
Derivative financial instruments	263			263		263		263
Trade and other payables			64.087	64.087		64.087		64.087

31.12.2021	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Derivative financial instruments	186			186		186		186
Trade and other receivables			174.420	174.420		174.420		174.420
Financial liabilities								
Loans and borrowings			128.687	128.687		130.298		130.298
Loans from Shareholders			111.143	111.143		133.680		133.680
Lease liabilities			76.246	76.246		76.246		76.246
Other financial liabilities	5.906			5.906		3.140	2.766	5.906
Derivative financial instruments	73			73		73		73
Trade and other payables			98.966	98.966		98.966		98.966

31.12.2022	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Derivative financial instruments	111			111		111		111
Trade and other receivables			219.336	219.336		219.336		219.336
Financial liabilities								
Loans and borrowings			157.553	157.553		156.521		156.521
Loans from Shareholders			114.415	114.415		115.790		115.790
Lease liabilities			75.940	75.940		75.940		75.940
Other financial liabilities	7.816			7.816		3.140	4.676	7.816
Trade and other payables			106.431	106.431		106.431		106.431

Cash and cash equivalents are not included in this overview.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between Levels during the current or prior year.

As part of the acquisition in 2021 of Citymesh 0G NV, a contingent consideration has been agreed. The consideration is dependent on the growth of Gross margin revenue in the period between 2020 and 2023. Using Monte Carlo simulation, the fair value of the consideration at the acquisition date was EUR 1.3 Mio. At year-end, the management sees no material changes in the key valuation inputs that would warrant a recalculation of the fair value as determined at the acquisition date.

In January 2022, the Group acquired Solver Sweden AB and agreed on a contingent consideration based on EBIT level for fiscal year of 2022. At year-end the consideration amounted to EUR 0.6 mio and will be paid out in 2023.

In October 2022, the Group acquired Business & Systems Integration SRL and a contingent consideration based on EBIT level for the period of 17 months (August 22 and December 23) has been agreed. Using discounted cash flow techniques, the fair value of the consideration at the acquisition date was EUR 2.0 mio. At year-end, the management considers the fair value calculated as at the acquisition date to be appropriate.

A reconciliation of fair value measurement of the contingent consideration liability (Level 3) is provided below:

	31.12.2022	31.12.2021
Contingent consideration begin of the year	**2.766**	**1.691**
Settlement of contingent liabilities during the year	-723	-1.006
Contingent liabilities arising on business combination during the year	2.633	2.081
Contingent consideration end of the year	**4.676**	**2.766**

Financial risk management objectives

The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks by using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Corporate Treasury function reports quarterly to the Group's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

The Group's activities expose it primarily to the financial risks of changes in interest rate risk. The Group enters into interest rate swaps to manage its exposure.

The Group has no material exposure to foreign currency risk.

Interest rate risk

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

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group's policy is to maintain borrowings at fixed rates of interest of approximately 50%, excluding borrowings that relate to discontinued operations. To manage this, the Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

At 31 December 2022, after taking into account the effect of interest rate swaps, approximately 41% of the Group's borrowings are at a fixed rate of interest (2021: 51%).

To assess the impact of changes in the interest rates level on the Group's profit before tax, while taking into account the effects of derivatives, a sensitivity analysis was performed assuming an absolute change of 50 basis point of market interest rates at year-end 2022 and year-end 2021. The impact amounts to EUR 346k (2021:EUR 114k).

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 and derivative contracts with banks and financial institutions, and other financial instruments.

The Group's main exposure to credit risk relates to trade receivables and contract assets, which are deemed to be low credit risk and consequently a simplified approach is applied in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. Historically, losses related to debtors have been immaterial due the short term nature of the receivables and the credit quality of customers.

Concentration risk

The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. As at 31 December 2022, there was no significant concentration of credit risk with any single counterparty and no single customer represented more than 10% of the total revenue of the Group in 2022.

Concentration risk regarding refinancing its debt is considered to be low, as the Group has access to sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, profit certificates, and lease contracts. The Group's policy is that not more than 25% of borrowings should mature in the next 12-month period. Approximately 22% of the Group's debt will mature in less than one year at 31 December 2022 (2021: 22%) based on the carrying value of borrowings reflected in the financial statements. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

31.12.2022	up to 12 months	1 to 5 years	More than 5 years	Total amount
Loans and borrowings	49.206	113.007	19.821	182.035
Loans from Shareholders	18.915	104.066		122.981
Put option on Non-controlling Interests	3.000			3.000
Lease liability	21.675	47.110	9.744	78.529
Derivative financial instruments				0
Contingent consideration	658	4.159		4.816
Trade payables	106.431			106.431
Total	**199.885**	**268.342**	**29.565**	**497.792**

31.12.2021	up to 12 months	1 to 5 years	More than 5 years	Total amount
Loans and borrowings	55.459	70.401	6.793	132.654
Loans from Shareholders	3.092	133.490		136.582
Put on NCI	3.000			3.000
Lease liability	21.616	43.506	14.043	79.166
Derivative financial instruments		73		73
Contingent consideration	723	2.184		2.906
Share-based payment, settled in cash	4.457			4.457
Trade payables	98.966			98.966
Total	**187.313**	**249.653**	**20.836**	**457.803**

On 19 July 2022, the Group entered into a facility agreement, amounting up to a maximum of EUR 151 mio. This facility agreement has 4 components: i) a term loan amounting to EUR 77,3 mio repayable in 5 years; ii) a term loan amounting to EUR 33,3 mio repayable in 5 years; iii) a revolving facility of EUR 25 mio and iv) an accordion option of EUR 15 mio.

The main covenant for the banks is the leverage ratio calculated as net debt divided by EBITDA, normalized for acquisitions. The maximum leverage pre IFRS is 2,75x, with a spike option to 3,50x. Under the IFRS set of accounts, the maximum leverage will be 3,05x with as spike option to 3,60. If after full IFRS conversion material issues arise in relation to this covenant, the parties will renegotiate the terms of the agreement to correctly reflect the impact of the conversion.

The second covenant is Interest Coverage (EBITDA / Net Interest Charges). The minimum Interest Coverage is 4,0x pre IFRS and 4,5x post IFRS, with the same remark concerning the impact of the conversion.

Note 35: Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its associates/ joint ventures are disclosed below.

Trading transactions

		Sales to related parties	Purchases from related parties	Amounts owed by related parties*	Amounts owed to related parties *
Joint Ventures					
Nexuzhealth	2022	122	4.531		831
	2021	380	3.875	19	625
Smartschool	2022		34		5
	2021		6		3

* The amounts are classified as trade receivables and trade payables, respectively (see note 12 and 22).

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Loans to related parties

	31.12.2022	31.12.2021	01.01.2021
Loans to Joint Ventures			
Citymesh Mobile NV	4.250		

The Group has provided its joint ventures with short-term loans at rates comparable to the average commercial rate of interest.

Compensation of key management of the Group

	31.12.2022	31.12.2021
Short-term employee benefits	2.167	2.033
Share-based payments	130	580
	2.297	**2.613**

The compensation for the Group's key management is included in the statement of profit or loss as contractor costs. The amounts disclosed in the table above are recognised as an expense during the reporting period.

Note 36: Subsidiaries

The consolidated financial statements include the financial statements of Cegeka Holding NV and its subsidiaries at December 31, 2022 listed in the following table (the percentage in the table below represents the percentage of shares held by the Group):

Name	Place of incorporation and operation	Principal activity	Functional currency	Holding percentage		
				31.12.2022	31.12.2021	01.01.2021
Cegeka Groep NV	Belgium	Sales	EUR	100,00%	100,00%	100,00%
Cegeka NV	Belgium	Sales	EUR	100,00%	100,00%	100,00%
Advanced Network Engineering SRL	Romania	Sales	RON	100,00%	100,00%	100,00%
Cegeka Health Care NV	Belgium	Sales	EUR	100,00%	100,00%	100,00%
Dexmach BV	Belgium	Sales	EUR	100,00%	0,00%	0,00%
I&O Factory BV	Belgium	Sales	EUR	100,00%	0,00%	0,00%
Cegeka Nederland Holding BV	the Netherlands	Holding	EUR	100,00%	100,00%	100,00%
Cegeka Nederland BV	the Netherlands	Sales	EUR	100,00%	100,00%	100,00%
Cegeka Consulting BV	the Netherlands	Sales	EUR	100,00%	100,00%	100,00%
Cegeka End User Management BV	the Netherlands	Sales	EUR	100,00%	100,00%	100,00%
Cegeka Data Solutions BV	the Netherlands	Sales	EUR	100,00%	100,00%	100,00%
Cegeka Romania SRL	Romania	Sales	RON	100,00%	100,00%	100,00%
SecurIT BV	the Netherlands	Sales	EUR	100,00%	100,00%	0,00%
SecurIT USA Inc	United States	Sales	USD	100,00%	100,00%	0,00%
Cegeka Deutschland GmbH	Germany	Sales	EUR	100,00%	100,00%	100,00%
Cegeka s.r.o.	Czech Republic	Sales	CZK	100,00%	100,00%	100,00%
Cegeka s.r.o.	Slovakia	Sales	SKK	100,00%	100,00%	100,00%
Cegeka SpA	Italy	Sales	EUR	100,00%	100,00%	100,00%

Name	Place of incorporation and operation	Principal activity	Functional currency	Holding percentage		
				31.12.2022	31.12.2021	01.01.2021
Cegeka Sverige AB	Sweden	Sales	SEK	100,00%	100,00%	100,00%
Cegeka Applications AB	Sweden	Sales	SEK	70,00%	70,00%	0,00%
Solver Sweden AB	Sweden	Sales	SEK	80,00%	0,00%	0,00%
Cegeka Development SRL	Moldova	Sales	MDL	100,00%	100,00%	100,00%
NSI IT Software & Services NV	Belgium	Sales	EUR	74,98%	66,88%	66,88%
Multidata BV [1]	Belgium	Sales	EUR	0,00%	66,88%	66,88%
NSI Invest SA	Belgium	Sales	EUR	74,98%	66,88%	66,88%
Multidata SARL	Luxembourg	Sales	EUR	74,98%	66,88%	66,88%
NSI Luxembourg SA	Luxembourg	Sales	EUR	74,98%	66,88%	66,88%
Rime IT SARL	Luxembourg	Sales	EUR	74,98%	66,88%	0,00%
NSI France S.A.S. [2]	France	Sales	EUR	74,98%	0,00%	0,00%
Business & Systems Integration SRL	Belgium	Sales	EUR	74,98%	0,00%	0,00%
BuSI Luxembourg SA	Luxembourg	Sales	EUR	74,98%	0,00%	0,00%
Cegeka Business Solutions Holding BV	the Netherlands	Holding	EUR	94,50%	94,50%	90,00%
Cegeka Business Solutions Real Estate Software BV	the Netherlands	Sales	EUR	94,50%	94,50%	90,00%
Cegeka-dsa Ventures BV	the Netherlands	Sales	EUR	94,50%	0,00%	0,00%
CNS International BV	the Netherlands	Sales	EUR	94,50%	0,00%	0,00%
Cegeka Business Solutions NV	Belgium	Sales	EUR	94,50%	94,50%	100,00%
Cegeka Sphinx IT BV [3]	Belgium	Sales	EUR	0,00%	0,00%	100,00%
Avento NV	Belgium	Sales	EUR	94,50%	0,00%	0,00%
Cegeka Business Solutions Nederland BV	the Netherlands	Sales	EUR	94,50%	94,50%	0,00%
Cegeka Business Solutions Italy srl [4]	Italy	Sales	EUR	94,50%	94,50%	0,00%
Cegeka Business Solutions Österreich GmbH [5]	Austria	Sales	EUR	94,50%	0,00%	0,00%

[1] Multidata BV has merged with NSI IT Software & Systems SA
[2] NSI France SAS was founded in September 2022
[3] Cegeka Sphinx IT BV has merged with Cegeka Business Solutions NV in January 2021
[4] Cegeka Business Solutions Italia srl was founded in October 2021
[5] Cegeka GmbH Smart Management Corporate Advisory Services GmbH have merged with Cegeka Business Solutions Österreich in January 2022

Name	Place of incorporation and operation	Principal activity	Functional currency	Holding percentage		
				31.12.2022	31.12.2021	01.01.2021
Solutions Factory Consulting Ltd	Russia	Sales	RUB	94,50%	0,00%	0,00%
Greenfox BV	Belgium	Sales	EUR	100,00%	100,00%	100,00%
CityMesh NV	Belgium	Sales	EUR	76,66%	76,66%	76,66%
In Any Event BV	Belgium	Sales	EUR	76,66%	76,66%	76,66%
cWave BV	Belgium	Sales	EUR	76,66%	76,66%	76,66%
Gridmax SRL	Belgium	Sales	EUR	76,66%	76,66%	76,66%
CityMesh 0G NV	Belgium	Sales	EUR	76,66%	76,66%	0,00%
Hyrde Networks BV	the Netherlands	Sales	EUR	76,66%	0,00%	0,00%
nCentric Holding NV	Belgium	Holding	EUR	76,66%	76,66%	76,66%
nCentric Europe BV	Belgium	Sales	EUR	76,66%	76,66%	76,66%
nCentric Inc	United States	Sales	USD	76,66%	76,66%	76,66%

Acquisitions of the year 2022

SOLVER AB – ACQUIRED ON 25 JANUARY 2022

The acquisition of Solver Sweden represents an important step for Cegeka in its expansion into Scandinavia, where the data and artificial intelligence market is booming. The Nordic countries were the first to embark on digital transformation years ago and are now at the front of the European pack. Solver Sweden has three offices in Sweden, with its headquarters in Stockholm and offices in Gälve and Falun. Solver Sweden has been an established player in the Swedish business intelligence and data engineering market for over 15 years.

DEXMACH AND I&O FACTORY BV – ACQUIRED ON 8 JUNE 2022

Dexmach, with its headquarters in Temse, is considered in Belgium as the innovative expert in the field of Microsoft Azure. The company has the necessary expertise and experience in developing scalable cloud environments according to the most advanced standards and the most stringent quality requirements in terms of cybersecurity. This acquisition strengthens Cegeka's activities in the field of cloud, in particular, public cloud. Dexmach, one of the three Azure Expert MSPs in Belgium and combines Microsoft Azure with seven Microsoft Advanced Specializations and won the Microsoft Partner of the Year Award as recently as 2020.

AVENTO NV - ACQUIRED ON 12 JULY 2022

With the acquisition of Avento, Cegeka is further expanding its CRM activities by adding a dedicated mobile Microsoft D365 solution for the sales and merchandising teams. Avento solutions are designed with a particular focus on the food, beverage and pharmaceutical industry, which offer significant added value to customers' mobile sales teams and contribute to solving their challenges quickly and efficiently. Avento is integrated into Cegeka Business Solutions, Cegeka Group's partner for Microsoft D365 solutions.

BUSINESS & SYSTEMS INTEGRATION SRL AND BUSI LUXEMBOURG SA - ACQUIRED ON 8 NOVEMBER 2022

BuSI has been active since 2002 and has today 260 IT professionals, working in public sector organisations and large private companies, mainly in Wallonia and Brussels. By acquiring 100% of the shares of BuSI, NSI, the Cegeka Group company active in the French-speaking markets of Belgium and in Luxembourg, confirms its intention to strongly grow its presence in Belgium and now has almost 1,400 employees. The added value of this acquisition is significant for both companies; NSI will see a diversification of its customer base and a significant addition to its expertise, and BuSI will be joining an IT group that shares its values and promises more opportunities for its staff.

HYRDE NETWORKS BV - ACQUIRED ON 30 DECEMBER 2022

With the acquisition of Hyrde Networks, Citymesh, the Telecom arm within the Group, is highlighting its growth ambitions when it comes to low power networks, which put simply are a cheap network of sensors and chips that requires very little energy and maintenance, but ensures that objects such as water meters, vehicles and parcels become traceable/connectable. Hyrde Networks monitors and maintains various and complex network infrastructures. They rolled out the first Sigfox network in the Netherlands. The strategic partnership with Cegeka is an important factor in the story. Citymesh installs, connects and monitors the sensors, while Cegeka can take care of the processing, visualisation and interpretation of the data. Thanks to this cooperation, thanks to smart investments and an even greater offering within connectivity, Citymesh is ready to grab the Dutch market as well.

For the material acquisition of 2022 the fair value of the identifiable assets and liabilities as a the date of acquisition were:

Assets acquired and liabilities assumed	BuSI	Remaining acquisitions
Non-current assets	7.110	678
of which Intangible assets acquired through business combination	6.617	
Current assets	10.683	4.259
of which Cash and cash equivalents	3.441	1.735
Assets	**17.793**	**4.936**
Liabilities	**9.580**	**2.056**
Total identifiable net assets at fair value	**8.214**	**2.881**
Non-controlling interest measured at fair value		-999
Goodwill arising on acquisition	8.054	11.398
Purchase consideration transferred	**16.268**	**13.279**
Goodwill attributable to the Group	6.039	11.398
Goodwill attributable to Non-Controlling Interests	2.015	
Purchase consideration	**16.268**	**13.279**
Consideration transferred in cash at closing	14.293	12.621
Contingent consideration liability	1.975	658
Net cash acquired	3.441	1.735
Cash paid	-14.293	-12.621
Net cash flow on acquisition[1]	**-10.852**	**-10.886**

[1] The total net cash flow on acquisition of EUR 21.738k can be reconciled to the cash flow statement by adding (1) an incorporation of a subsidiary (EUR 50k), (2) an earn-out of EUR 446k for a past business combination and (2) the consideration paid (EUR 6.255k) for the remaining shares in Cegeka Business Solutions Austria and Cegeka dsa-ventures, which were joint ventures prior to these transaction (refer to note 9).

Acquisition of the year 2021

LEVILO AB (NOW CEGEKA APPLICATIONS AB) - ACQUIRED ON 18 MAY 2021

Levilo provides full 'life-cycle' support, from consulting, implementation, support, upgrade even to closing down IFS systems (for example when companies change ERP systems within mergers or within a transfer to a new system). This acquisition provided Cegeka with opportunity to enter into a new market (Scandinavian market) with a limited investment. As an implementation partner of IFS, Levilo is able to offer all aspects of IFS Applications and cover the complete lifecycle of the system.

ENGIE M2M (NOW CITYMESH 0G NV) - ACQUIRED ON 24 JUNE 2021

With this acquisition, Citymesh completes its wireless portfolio with 0G connectivity. The Sigfox network is ideally suited for IoT projects that use ultra-low bandwidth and need long battery life. The global roaming capabilities will allow Citymesh to support both national and international customers. Sigfox offers ultra-low power consumption combined with low hardware and network costs. This network type is ideally suited for digital water meters, track & trace applications, and challenging locations such as concrete or underground structures. A 0G network efficiently sends small data packets over low frequencies that reach further than, for example, WiFi. In Belgium, the Sigfox network currently connects more than 250,000 IoT devices. With this acquisition of the Sigfox network, Citymesh now owns a national IoT network in addition to its 4G and 5G licences.

RIME-IT SA – ACQUIRED ON 5 NOVEMBER 2021

Founded in 2011, RIME IT supports IT projects at private companies, organisations in the public sector and the European institutions. RIME IT's Luxembourg branch in Steinfort employs around 60 people. Following the acquisition of Multidata in 2011 and the foundation of NSI Luxembourg in 2017, this acquisition further solidifies NSI's ambitions to become a major IT player in Luxembourg.

SECURIT BV – ACQUIRED ON 10 NOVEMBER 2021

SecurIT is an Identity & Access Management (IAM) specialist based in Amsterdam, the Netherlands, with another branch in Greenville, South Carolina in the United States. SecurIT has about 60 employees. This acquisition strengthens Cegeka's activities in the field of cyber security and, in particular, IAM. With SecurIT's high level of expertise and many years of experience, Cegeka will be able to support its clients even better during the roll-out of IAM projects and provide enhanced security for their IT environments. This acquisition is consistent with Cegeka's ambition to become the leading strategic partner in all areas of cybersecurity in Belgium and the Netherlands.

For the material acquisition of 2021 the fair value of the identifiable assets and liabilities as a the date of acquisition were:

Assets acquired and liabilities assumed	Engie M2M (now Citymesh 0G NV)	Remaining acquisitions
Non-current assets	4.078	160
of which Intangible assets acquired through business combination	595	0
Current assets	545	4.778
of which Cash and cash equivalents	75	2.059
Assets	**4.623**	**4.938**
Liabilities	**897**	**3.690**
Total identifiable net assets at fair value	**3.726**	**1.249**
Non-controlling interest measured at fair value		-628
Goodwill arising on acquisition	1.658	6.243
Purchase consideration transferred	**5.384**	**6.864**
Goodwill attributable to the Group	1.272	6.243
Goodwill attributable to Non-Controlling Interests	386	
Purchase consideration	**5.384**	**6.864**
Consideration transferred in cash at closing	4.078	6.085
Contingent consideration liability	1.306	779
Net cash acquired	75	2.059
Cash paid	-4.078	-6.085
Net cash flow on acquisition[1]	**-4.003**	**-4.026**

[1] The total net cash flow on acquisition of EUR 8.029k can be reconciled to the cash flow statement by adding a paid earn-out of EUR 300k for a past business combination.

Note 37: Commitments and contingent liabilities

At 31 December 2022, the Group had contracted commitments of EUR 2.7 million (tangible assets).

Furthermore, in obtaining the club deal financing in financial year 2022, the following entities, Cegeka Groep NV, Cegeka NV, Cegeka Nederland Holding BV, Cegeka Nederland BV, Cegeka Deutschland GmbH and Cegeka Romania SRL are the guarantors of this facility agreement. The facilities are secured by the banks having pledges on the shares and assets of the guarantors.

Note 38: Events after the reporting period

There are no significant post balance sheet events, however the Group continues to grow through acquisitions.

At the time of issuance of these financial statements, the accounting for business combinations occurred in 2023 is not completed.

Acquisitions 2023

WESTPOLE ITALY

In February 2023, Cegeka acquired 100% of the shares in Westpole Italy, which marks a new milestone in the Group's globalisation. Thanks to this acquisition, Cegeka becomes a relevant IT integrator in the Italian market. In terms of IT Infrastructure, it means a duplication of Cegeka's Italian activities and a strengthening in terms of skills and knowledge. The acquisition doesn't include the activities of Westpole in Belgium. Given the recent transaction, no further information is available for disclosure.

Note 39: Audit fees

All figures in Thousand Euro	31.12.2022	31.12.2021
Audit services for the annual financial statements (statutory and consolidated)	567	434
Audit related services	363	145
Other assignments outside the audit assignments	15	49
Total audit fees	**945**	**628**

The audit fees are included in the advisory and insurance costs of the other operating expenses, part of the statement of profit or loss.

In 2022, the fees for the audit related services are primarily related to the IFRS conversion.

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