



# COURAGEOUSLY AMBITIOUS

Our 2021 House Results.  
Governance, Risk &  
Financial Statement.



HOUSE OF HR



# 2021 HOUSE RESULTS GOVERNANCE, RISK AND FINANCIAL STATEMENTS

## CONTENTS

<b>Corporate Governance</b>	<b>03</b>	<b>Consolidated financial statements</b>		<b>Consolidated report of</b>	
1 House of HR	04	<b>for the year ended 31 December 2021</b>	<b>27</b>	<b>the board of directors</b>	<b>113</b>
2 Board of Directors	05	Consolidated balance sheet		<b>Statutory auditor's report</b>	<b>121</b>
3 CEO and Executive Committee	08	as at 31 December 2021	28		
4 Leadership team	10	Consolidated income statement for the period			
5 Corporate Governance in the Group	10	ended 31 December 2021	29		
6 Shareholders structure and voting rights	11	Consolidated statement of comprehensive			
7 Remuneration	11	income for the period ended			
		31 December 2021	30		
<b>Risk Management</b>	<b>13</b>	Consolidated statement of changes			
How we manage Risk	14	in equity for the period ended			
Pillar 1 – Audit Committee	15	31 December 2021	31		
Pillar 2 – Risk management	15	Consolidated statement of cash flows			
Pillar 3 – Insurances	21	for the period ended 31 December 2021	32		
Pillar 4 – Internal audit	22				
Add-on	24	<b>Notes to the consolidated</b>			
		<b>financial statements</b>	<b>33</b>		
		1 General information	33		
		2 Summary of significant accounting policies	34		
		3 Group structure of the House of HR	48		
		4 Financial risk management	58		
		5 Critical accounting judgements,			
		estimates and assumptions	67		
		6 Segment Reporting	70		
		7 Intangible assets	74		
		8 Goodwill	76		
		9 Property, plant and equipment	78		
		10 Financial instruments by category	80		
		11 Derivative financial instruments	81		
		12 Trade and other receivables	81		
		13 Income tax	84		
		14 Cash and cash equivalents	88		
		15 Equity	88		
		16 Borrowings	91		
		17 Provisions for other liabilities and charges	94		
		18 Employee benefit obligations	95		
		19 Share-based payments	96		
		20 Trade payables and other payables	97		
		21 Other liabilities	97		
		22 Revenues	99		
		23 Other gains/(losses) – net	100		
		24 Grants	101		
		25 Cost of services	101		
		26 Selling expenses	102		
		27 Other general and administrative expenses	102		
		28 Expenses by nature	103		
		29 Depreciation, amortization and			
		impairment of PP&E and Intangible Assets	105		
		30 Finance income and costs	106		
		31 Employee benefit expense	107		
		32 Contingencies	107		
		33 Commitments	107		
		34 Related-party transactions	108		
		35 Audit fees	110		
		36 Covid19	110		
		37 Events after the reporting date	111		

# CORPORATE GOVERNANCE

## CONTENTS

<b>Corporate Governance</b>	<b>03</b>
1 House of HR	04
2 Board of Directors	05
3 CEO and Executive Committee	08
4 Leadership team	10
5 Corporate Governance in the Group	10
6 Shareholders structure and voting rights	11
7 Remuneration	11

# GOVERNANCE

## 1 HOUSE OF HR

'House of HR' is a public limited liability company (in Belgium called 'naamloze vennootschap' or 'société anonyme'), organized under the Belgian law. It has its registered office at Beversesteenweg 576, 8800 Roeselare. At the Crossroads Bank for Enterprises ('Kruispuntbank Ondernemingen') House of HR is registered under number 0643.887.978, RPR/RPM Gent, section Kortrijk.

House of HR consists today of 10 PowerHouses, representing more than 40 boutiques, all specialized and active in Specialized Talents Solutions and Engineering & Consulting.

Specialized Talent Solutions	Engineering & Consulting
Accent	Abylsen
Covebo	Continu Professionals
TIMEPARTNER	Redmore
TMI	GRITT
	Cohedron
	SOLCOM

House of HR has over 700 offices spread over Belgium, the Netherlands, France, Germany, Luxemburg, Poland, Portugal, Spain, Switzerland and Romania. House of HR is known for its entrepreneurial spirit, digital innovations and boldness and has been outperforming the market ever since being founded.

The French private equity firm Naxicap entered as a shareholder in 2012, and acquired a majority stake in 2014. The remaining shares are held by founding partner Conny Vandendriessche and a number of managers in the Group.

As a fast growing multinational, House of HR considers the implementation of governance standards a topic of utmost importance. These standards must facilitate effective entrepreneurship as well as careful management, delivering long-term success to the Group. Good governance is fundamental to establish transparency and accountability throughout the Group.

In what follows, we will zoom in on the different elements constituting our Corporate Governance structure.

## 2 BOARD OF DIRECTORS

### 2.1 Structure and composition

The Board of Directors consists of 10 members. Their roles and responsibilities, the composition of the Board, the structure and the organization are described in 14-17 of the articles of association of the company.

Unless otherwise decided by the shareholders meeting, directors are appointed for a maximum term of six years. This term can be renewed.

Appointing and renewing directors is based on recommendations of the Remuneration and Nomination Committee. This committee takes into account several well balanced parameters, such as governance skills, professional skills, behavioral skills and gender diversity. Appointing and renewing directors is also subject to approval by the shareholders' meeting.

As per today, the Board of Directors consists of the following persons:

Name	Age	Position
<b>Mr. Eric Aveillan</b>	50	Chairman
Pro-Fund BV, represented by its permanent representative <b>Ms. Conny Vandendriessche</b>	57	Director
<b>Ms. Rika Coppens</b>	49	Managing Director
<b>Mr. Aurélien Dorkel</b>	37	Director
Pentacon BV, represented by its permanent representative <b>Mr. Paul Thiers</b>	68	Director
<b>Mr. Philippe Marcel</b>	68	Independent Director
FinFactory BV, represented by its permanent representative <b>Ms. Astrid Heiremans</b>	40	Independent Director
Naxicap Partner SA, represented by its permanent representative <b>Mr. Grégoire de Mazancourt</b>	34	Director
Banque Populaire Développement SA, represented by its permanent representative <b>Mr. Valentin Eischen</b>	26	Director
Naxicap Rendement 2022 SAS, represented its permanent representative by <b>Ms. Agathe Baujard</b>	31	Director

Mr. **Daniel Masata** is appointed as advisor to the Board of Directors.

Below, you can read the biographies of all the members of the Board of Directors and its advisor.

**Eric Aveillan** is Chairman of the Board of House of HR. He is the CEO of Naxicap Partners and also represents Naxicap Partners in certain of their investment companies. He has a degree in accounting and finance (*diplôme d'études comptables et financières, diplôme d'études supérieures comptables et financières*) from Sciences Po, Paris, 1996.

**Conny Vandendriessche** is Director of House of HR. Conny Vandendriessche also serves as a member of the Board at JBC, The Birdhouse, ORAC NV and Televic. She also founded and is the managing partner of 'We Are Jane' and 'Stella P'. Conny Vandendriessche received her hostess tourism degree from Vormingsinstituut Toerisme Brugge in 1985. She also holds professional qualifications in 'Next Generation Leadership' from Antwerp Management School, the 'Women Entrepreneur Program' from Stanford University and IGMO Groeimangement from Vlerick Business School.

**Rika Coppens** is the Managing Director of House of HR and serves as permanent representative of House of HR at the Board of Directors of certain of House of HR's (direct and indirect) PowerHouses. Rika Coppens also is a non-executive board member at Colruyt Group. Before joining House of HR, she held senior positions at the EFR Group, where she was CEO from 2015 to 2017, after having been CFO from 2010 to 2014. She also served as an independent director and member of the Audit Committee at RealDolmen from 2017 to 2018. Rika Coppens holds a Master's degree in Commercial Engineering from KU Leuven (1996).

**Aurélien Dorkel** is Director of House of HR and Investment Director at Naxicap Partners. Aurélien Dorkel received his Bachelor's degree from ECAM Lyon in 2008 and a degree in financial engineering from EM Lyon Business School in 2009.





The Board of Directors has established several committees to assist in certain matters such as audit and risk, and remuneration and nomination of candidates for different positions within the Group. Furthermore, the Board of Directors receives assistance from an Innovation Committee. It has established an ESG Committee in 2021, dealing with corporate social responsibility matters.

- **Audit and Risk Committee**

The Audit Committee consists of Aurelien Dorkel, Pro-Fund BV represented by its permanent representative Conny Vandendriessche and FinFactory BV represented by Astrid Heiremans who is appointed Chairman of the Audit Committee, with Abdel Bencheikh, Head of Risk & Internal Audit, acting as its secretary.

This Committee advises the Board of Directors on its responsibility to ensure that the financial reports are fair, balanced and understandable. It provides the information needed for shareholders to assess the Group's position, performance, business model and strategy. The Committee is also monitoring and reviewing all risk and control activities and reporting about this task to the Board of Directors, as the Board of Directors has the ultimate responsibility for maintaining a strong set of internal controls and for overseeing, reviewing and ensuring the effectiveness of the risk management and internal control systems. House of HR has a governance and control charter ('GERMP') signed by all PowerHouses in the Group. *(See Risk Management in our 2021 House Report, pages 78 to 83)*

The Audit and Risk Committee has met four times in 2021, with full attendance.

- **Remuneration and Nomination Committee**

The Remuneration and Nomination Committee consists of Conny Vandendriessche, Aurélien Dorkel and Paul Thiers.

The Remuneration and Nomination Committee is responsible for considering and making recommendations to the Board of Directors on the general policy on executive and senior management remuneration, overall remuneration packages for executive directors, and design and operation of the Group's share incentive plans.

Next to that, this Committee makes recommendations to the Board of Directors on the appointment or succession of senior management.

The Remuneration and Nomination Committee has met three times in 2021, with full attendance.

- **Innovation Committee**

The Innovation Committee consists of Rik Vera, Luc Burgelman, Wilbert Ingels, Daniel Masata and Wim Vanhaelemeesch, all of them possessing in-depth experience in strategic innovation.

This Committee is responsible for delivering strategic advice to the Board of Directors on innovation and (new) digital initiatives. Several applications resulted from this innovation advice, such as NOWJOBS, Gighthouse and SWOP.

The Innovation Committee has met four times in 2021, with full attendance.

- **ESG Committee**

In the course of 2021, House of HR established an ESG Committee, fully in line with its commitment to roll out a corporate and social responsibility strategy.

The ESG Committee consists of Abdel Bencheikh, secretary of the ESG Committee, Anouk Lagae, Edwin van den Elst, chair of the ESG Committee, Florian Massaux, Rika Coppens, Roger Lothmann and Conny Vandendriessche.

This Committee streamlines all existing and new ESG initiatives in the Group as well as in the PowerHouses. *(See ESG summary in our House Report 2021, pages 48 to 57)*

The ESG Committee has met two times in 2021.

### 3 CEO AND EXECUTIVE COMMITTEE

The Board of Directors has entrusted to the Chief Executive Officer (CEO) the responsibility for the day-to-day management of House of HR. As such, the CEO has operational responsibility for the entire House of HR Group. She leads the Executive Committee (ExCom) which consists of the CEO, the Chief Financial Officer (CFO), the Head of Legal, the Chief Information Officer (CIO), the Chief Digital Officer and Public Affairs (CDO), the Chief Marketing Officer (CMO), the Head of Risk and Internal Audit and the Management Assistant.

The ExCom reports to the CEO and works with the Board of Directors on topics such as corporate governance,

general management and the implementation of the corporate strategy as defined by the Board of Directors. Also, the ExCom performs other duties as assigned by the CEO or the Board of Directors.

The ExCom advises on all operational and financial aspects of the business of House of HR. Normally it meets every two to three weeks. The ExCom met 17 times in the course of 2021.

The following table explains details about the members of the ExCom, as per date of publication of the Annual Report.

Name	Age	Position
Rika Coppens	49	Chief Executive Officer
Andres Cano	59	Chief Financial Officer
Thomas Martens	40	Head of Legal
Wilbert Ingels	52	Chief Information Officer
Abdel Bencheikh	58	Head of Risk and Internal Audit
Lieven Van Nieuwenhuyze	45	Chief Digital Officer and Public Affairs
Victoria Hemelaer	38	Chief Marketing Officer
Saar Demeyer	38	Management Assistant



**Rika Coppens**  
House of HR CEO



**Andrés Cano**  
House of HR CFO



**Thomas Martens**  
House of HR Head of Legal



**Wilbert Ingels**  
House of HR  
Chief Information Officer



**Abdel Bencheikh**  
House of HR Head of Risk  
and Internal Audit



**Lieven Van Nieuwenhuyze**  
House of HR  
Chief Digital Officer



**Victoria Hemelaer**  
House of HR CMO



**Saar Demeyer**  
House of HR  
Management Assistant

Below, the biographical information of the members of the ExCom is described:

**Rika Coppens** is the Managing Director of House of HR and serves as permanent representative of House of HR at the Board of Directors of certain of House of HR's (direct and indirect) PowerHouses. Rika Coppens also is a non-executive board member at Colruyt Group.

Before joining House of HR, she held senior positions at the EFR Group, where she was CEO from 2015 to 2017, after having been CFO from 2010 to 2014. She also served as an independent director and member of the Audit Committee at RealDolmen from 2017 to 2018. Rika Coppens holds a Master's degree in Commercial Engineering from KU Leuven (1996).

**Andrés Cano** is Chief Financial Officer at House of HR and serves as a permanent representative of House of HR and Altares Participaciones SL on the Board of Directors of certain of the PowerHouses. He is member of the Board of Directors at You First Sports SA and Sacha SA. Andrés Cano received his Bachelor's degree in business administration from ICADE in 1986 and an MBA from MBS/University of Houston in 1996.

**Thomas Martens** is Head of Legal at House of HR and serves as the Managing Director of Intellex BV. He was a lawyer at Laga Law firm from 2006 to 2014. He received his Master of Laws degree from the University of Gent in 2005, and holds a Master's degree in labor studies from University College in Dublin (2006).

**Wilbert Ingels** is Chief Information Officer at House of HR. He is a board member at Macadam. Before joining House of HR, he was CIO at Isabel from 2014 to 2016. From 2008 to 2014, Wilbert Ingels founded and was CTO at Racktivity NV. He was CEO at Cloudfounders NV from 2008 to 2016. Wilbert Ingels holds a Master's degree in engineering and electronics from the University of Brussels (1991).

**Abdel Bencheikh** is the Head of Risk and Internal Audit at the House of HR. He also founded and serves as an associate at Prométhée Partners. Before joining the House of HR, he was the Head of Risk and Compliance at Natixis Asset Management between 1999 and 2015. Mr. Bencheikh received his PhD in physics from Blaise Pascal University in 1992.

**Lieven Van Nieuwenhuyze** is Chief Digital Officer and Public Affairs Director at House of HR. From 2016 to 2019, he was marketing director at Accent Jobs and House of HR. He served on the Board of Directors at Accent Group from 2016 to 2019. Before joining House of HR, Lieven Van Nieuwenhuyze was an e-marketing executive at USG People from 2010 to 2012. From 2012 to 2015 he was general manager at USG Professionals. He holds a Master's degree in labor and organizational psychology from KU Leuven (2000), and a post-academic degree in e-business from the university of Gent (2005). In 2008 he completed a post-academic course in 'User-centered design – usability' from KU Leuven.

**Victoria Hemelaer** is Chief Marketing Officer (CMO) at House of HR. Before joining House of HR in 2020, she worked as product and marketing director Europe at Deceuninck. From 2012 to 2018, she was active at Mohawk Industries in Europe and USA in the field of product, marketing and global business development. She holds a Master's degree in Law from the university of Gent (2006) and a Master's degree in general management at Vlerick Business School (2007).

**Saar Demeyer** is the Management Assistant at House of HR. She started her career at Accent Group and has been working for the group for almost 10 years. She holds a degree in Business/Corporate Communications (2006) and a postgraduate degree in International Marketing (2007).

## 4 LEADERSHIP TEAM

The Leadership Team consists of the CEO, the members of the ExCom and all CEO's of the PowerHouses in the Group. The Leadership Team reports to the CEO of House of HR. It advises to the CEO and the ExCom and

reflects on the strategy as set out by the Board of Directors. By doing so, it pushes the Group to a higher level of strategic planning and long-term success, thanks to the combination of many different opinions and local views, experiences, market trends and long-term strategy in different European countries.



**Anouk Lagae**  
CEO of Accent



**Diederik Sohier**  
CEO Gritt



**Edwin van den Elst**  
CEO Redmore



**Florian Massaux**  
CEO Abylsen



**Hendrik Buitnik**  
CEO Covebo



**Jeroen Ekkel**  
CEO Cohedron



**Roger Lothmann**  
CEO TIMEPARTNER



**Jeroen de Bruijn**  
CEO Continu  
Professionals



**Oliver Koch**  
CEO SOLCOM



**Noël de Vries**  
CEO TMI

## 5 CORPORATE GOVERNANCE IN THE GROUP

### 5.1 Decentralized structure

House of HR is characterized by its entrepreneurial spirit and decentralized structure. This model is developing a double service offering of Specialized Talent Solutions and Engineering & Consulting in major European markets. Meanwhile, the founders and management keep the opportunity to have significant impact and share in the success and growth of the PowerHouses, thanks to the system of tracking shares.

To get a sound balance, House of HR has established a detailed corporate governance strategy, defining key decisions to be taken or approved at Group level. Examples are overall strategy, focus areas, acquisition strategy, brand strategy, Group objectives, as well as all occurrences that might have a material impact on any of the PowerHouses or the Group as a whole.

In addition, House of HR values highly transparency towards all its stakeholders and, thus, aims to stay in touch at regular intervals. House of HR and all its PowerHouses have proven extremely vigilant and creative during 2020 and 2021 to find new ways to connect with its stakeholders. House of HR engaged at regular intervals with all the stakeholders via video conferences and was able to

maintain the interaction between the Board members, the ExCom members, the shareholders and other stakeholders.

### 5.2. Transactions and other important relations

It's part of the nature of the business of House of HR to have transactions with related parties or affiliates, certain of its shareholders, senior managers and entities in which shareholders or managers have ownership interests. Examples of such interactions are financing agreements, lease agreements, shareholder arrangements and commercial arrangements. House of HR also transacts with entities that may be deemed to be affiliates because the Group holds a minority stake in them.

House of HR ensures that all these agreements are no more favorable to the related parties or its affiliates than what it would negotiate with disinterested third parties.

## 6 SHAREHOLDERS STRUCTURE AND VOTING RIGHTS

The issued share capital of House of HR consists of 501.741.589 shares including:

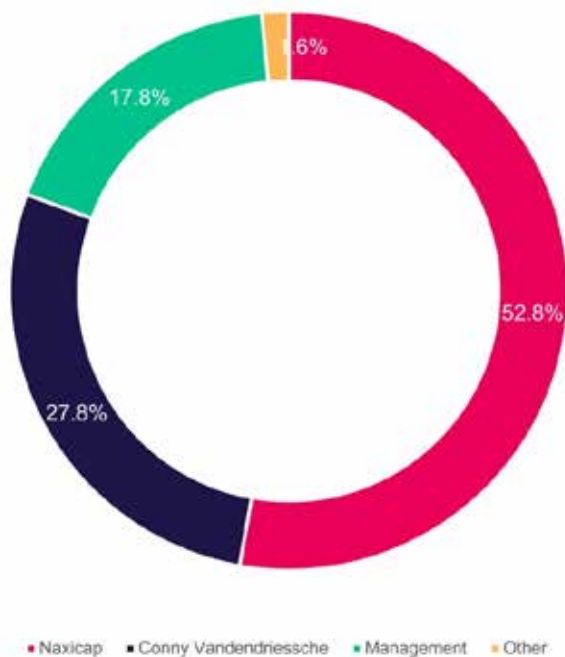
- 414.116.963 ordinary shares
- 41.824.730 tracking shares
- 45.799.896 preference shares

In 2018, the business completed a legal reorganization whereby a number of internal transfers of legal entities within the Group as well as a number of legal mergers, de-mergers and partial de-mergers of various entities were undertaken to simplify the legal structure of the House of HR Group.

Reference is made to note 15 in the Financial Statements for more details on the types and movements of the shares.

The following graph provides information on the ownership of the registered shares (ordinary and tracking shares) of House of HR as per today, without nominal value.

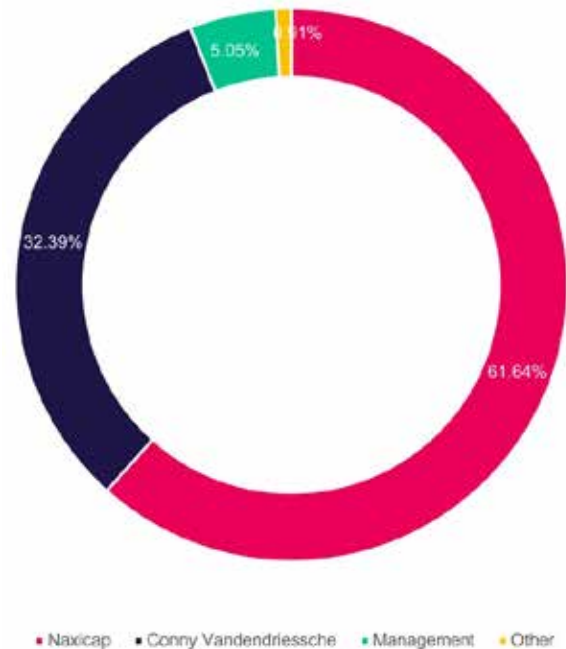
% of shares of House of HR



Ordinary shares follow the value created by the Group. Tracking shares follow the value created by the PowerHouses in the Group for which the manager/shareholders are responsible. This differentiation ensures that both entrepreneurial behavior and collaboration as a group are incentivized.

In the course of 2020, House of HR has implemented the new Belgian code of companies and associations, and has introduced double voting rights for certain categories of ordinary shares (i.e. class A and class B shares). Class A shares are managed by Naxicap, class B shares by Conny Vandendriessche.

% of voting rights of House of HR



## 7 REMUNERATION

The total amount of remuneration paid in 2021 to the members of the Board of Directors in their capacity as board member or member of any of the advisory committees, was EUR 0,6 million.

During 2021, EUR 3,2 million was the aggregate amount of remuneration in salary and bonuses paid to the members of the ExCom for the services they delivered in all their capacities.

House of HR maintains a directors' and officers' insurance policy with respect to the members of the management board and senior officers.

The aggregate number of shares held by the Board of Directors on December 31, 2021 was 387.311.207 shares. The total aggregated number of shares held by the ExCom on December 31 2021 was 5.352.879 shares.

	Ordinary shares	Preferred shares	Total shares
Board of Directors	370.528.634	16.782.573	387.311.207
ExCom	3.681.027	1.671.852	5.352.879



# RISK MANAGEMENT

## CONTENTS

<b>Risk Management</b>	<b>13</b>
How we manage Risk	14
Pillar 1 – Audit Committee	15
Pillar 2 – Risk management	15
Pillar 3 – Insurances	21
Pillar 4 – Internal audit	22
Add-on	24



# HOW WE MANAGE RISK...

*Mapping risks, preventing, controlling and managing risks: the way House of HR is dealing with risk is a pivotal element in the way our Group is creating long-term sustainable value. In this section, we are providing additional details and zooming in on the four pillars of our risk management strategy as set out by our 'Governance and Enterprise Risk Management Program' (GERMP).*

Environmental, social and governance (ESG) considerations are a key focus for the Group and its PowerHouses in order to guarantee the company's long-term and sustainable success. ESG risks and opportunities are integrated into the Group's overall risk management program. (See Risk Management in our 2021 House Report, pages 78 to 83)

## ON RISK AND HOW TO CONTROL IT...

House of HR is a highly entrepreneurial boutique holding. We foster the entrepreneurial spirit of our companies and our Happy Rebels. Yet, being entrepreneurial and innovative does not exclude risks at different levels. Managing these risks is essential to help us achieve our long-term strategy. A strong risk framework aims at defining the risk boundaries and steering activities in such a way that House of HR can both achieve its long-term targets and meanwhile safeguard its continuity.

To this extent, House of HR has implemented a 'Governance and Enterprise Risk Management Program' (GERMP) in 2016. From the implementation on, the purpose of this GERMP was clear: to put in place a top notch risk management and control structure. We would ensure a strong, credible, effective and sustainable Enterprise Risk Management and Internal Audit framework within all the companies in our Group.

So how do we deal with the different aspects of our GERMP? Read on...

### Governance and Enterprise Risk Management Program

Dealing with risk is something that involves all persons in the company. Ownership starts at the top: executives are showing strong commitment and active support, both on Group and on PowerHouses' level. This top level support is key to the successful implementation of the GERMP. All CEOs sign and abide by the GERMP, and behave as active sponsors of it by among others:

- allocating the resources needed to execute the program, both in terms of personnel and time
- appointing a 'Risk Management Correspondent' (RMC) who serves as the facilitator and the first point of contact with the Group Head of Risk Management & Internal Audit
- being involved in the Internal Audit process and supporting the action plan implementations
- participating actively in yearly risk and control review meeting and ad hoc meetings

Our GERMP rests on four pillars, which consist of Audit Committee, risk management, insurance and Internal Audit. By optimizing systems, processes and efficiencies, we are convinced a strong GERMP is key to our success.

For the GERMP to be truly effective, a yearly Review Meeting is set up with every PowerHouse. It is held before the last Audit Committee of the year. These meetings include the local CEO, CFO and RMC and the Head of Risk Management and Internal Audit. Following a standard agenda, several GERMP and related topics are discussed:



The quality and effectiveness of the internal control activities, risk management, governance system and procedures are discussed. Aim of these meetings is to accurately and comprehensively support and advice the Audit Committee on the company's current and future risks. As such, these review meetings help House of HR and its PowerHouses to further develop its risk management strategy.



## **PILLAR 1 – AUDIT COMMITTEE**

The role of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control and risk management, the audit process, and the company's process for monitoring compliance with laws and regulations.

Its charter is fully inspired by the rules applicable to listed companies in Europe (and especially in Belgium). Also, it is inspired by the model of the Institute of Internal Auditors and by best practices shown by listed companies.

The members of the Audit Committee are elected by the Board of Directors. The length of the mandate of the members of the Audit Committee corresponds to the length of their mandate as member of the Board of Directors. The members of the Audit Committee have competences in terms of accounting, audit, risk management and finance. A minimum of one member is independent.

The Audit Committee consists of Aurelien Dorkel, Pro-Fund BV represented by its permanent representative Conny Vandendriessche and Finfactory BV represented by Astrid Heiremans who is appointed Chairman of the Audit Committee, with Abdel Bencheikh, Head of Risk & Internal Audit, acting as its secretary.

The Audit Committee intends to meet at least four times a year, with the authority to convene additional meetings, as circumstances require. In 2021, the Audit and Risk Committee has met four times.

The Audit Committee has to assist the Board of Directors in fulfilling its oversight responsibilities for several aspects:

- Financial statement and external audit: The Audit Committee reviews the annual financial statements and the consolidated financial statements before submission to the Board of Directors, and considers whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles.
- System of internal control and risk management: The Audit Committee ensures the relevance, reliability and implementation of internal control procedures, including information technology security and compliance with laws and regulations, and the identification and management of risks throughout the Group.
- Internal Audit process: The Audit Committee receives Internal Audit reports and meets with the Group Head of Risk and Internal Audit and third party provider to discuss conclusions. It also approves the yearly Internal Audit Plan and budget on a proposal from the Head of Risk Management and Internal Audit.

## **PILLAR 2 – RISK MANAGEMENT**

Risk management is embedded in our overall governance structure, and consists of our specific methodology to identify, assess, mitigate, control and report on all existing and potential risks. (See Risk Management in our 2021 House Report, pages 78 to 83)

Below the risk methodology used by the Group is explained in more detail.

### **Risk matrix/map**

In order to successfully manage risk, all existing and potential risks are mapped. The primary responsible for identifying and controlling risks, are the management of the PowerHouses in our Group. They compile a yearly risk register, pointing at the local existing and potential business risks. Also, they formalize the mitigation controls or actions to address these risks.

Such local 'risk maps' are set up via risk assessments with scale ranging from 1 (very low) to 5 (very high) by the process owners. The assessment is performed on three impacts (Finance, Legal, Reputation) as well as on the likelihood of a risk occurring. The combined impact is calculated by the arithmetic average of the 3 impact scales.

The PowerHouses get support from the Group Risk and Internal Audit Department to have reliable and qualitative results and to benefit from best practices.

All local risk maps are consolidated on Group level. The data enable us to get a keen insight on the most important risks in all PowerHouses, and their likelihood to happen. At the consolidated risk map (See Risk Management in our 2021 House Report, pages 78 to 83), 1 % of all risks in the PowerHouses are situated in the very high risk area. 15 % are situated in the high risk area and 52% of the risks are in the medium risk zone. The remaining ones are in the low zone.

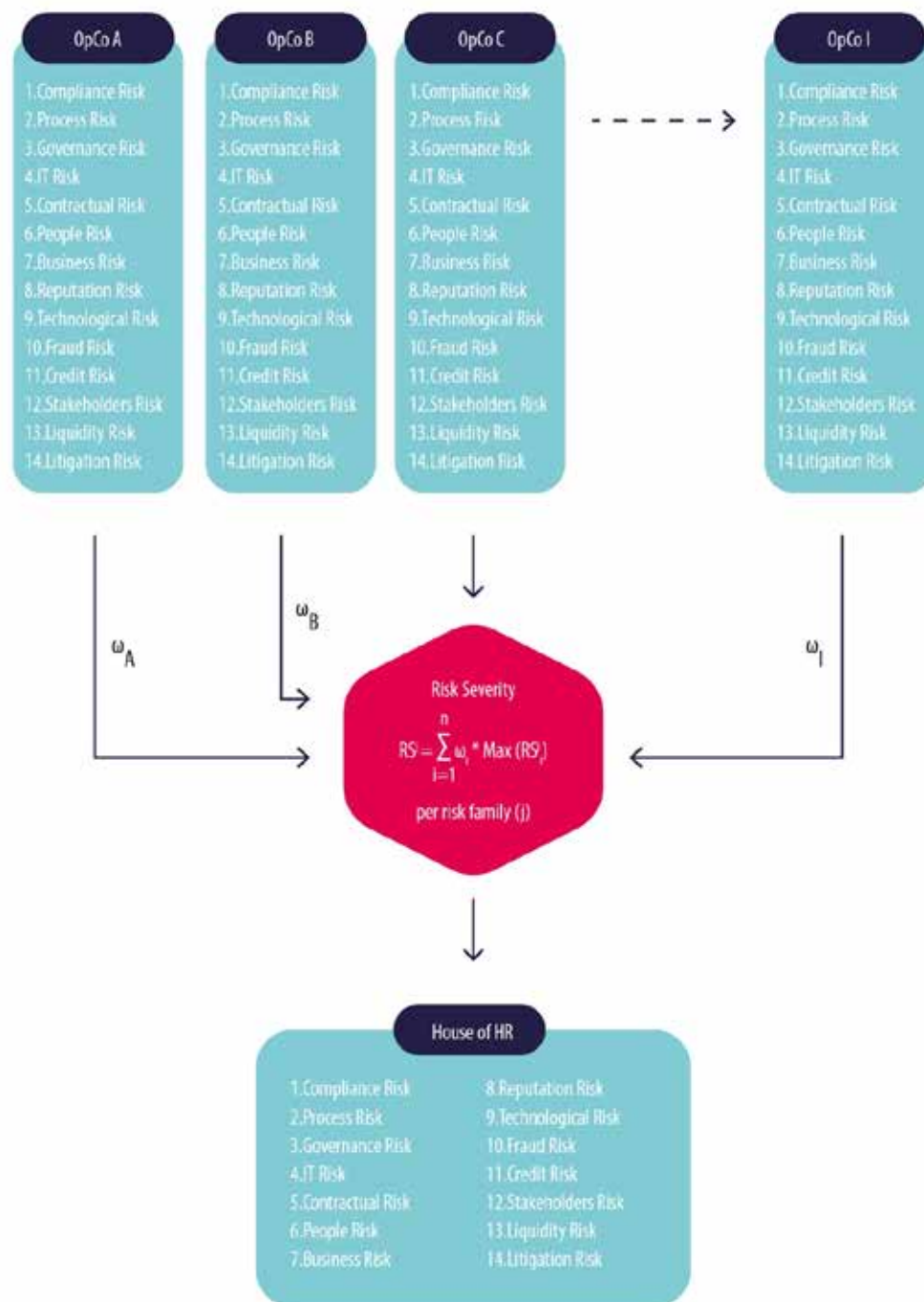
The overall consolidated risk map is discussed once a year in the Audit Committee.

### Risk severity metric

The risk severity metric (RS) is obtained as the global risk impact time probability that a risk will happen. House of HR has set up a risk model introducing the 'maximum risk severity metric' by:

For every PowerHouse, grouping the risks in one of the 14 identified risk families;

- The maximum risk severity is selected and weighted ( $\omega_i$ ) by the turnover of the PowerHouse;
- The House of HR risk severity metric is the sum of all these weighted maximum severity metrics for all PowerHouses.



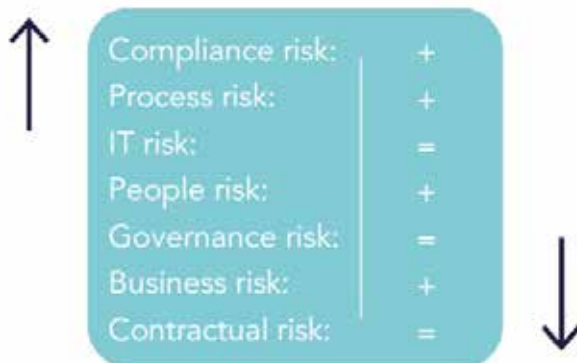
### Risk families and their risk severity metrics

The employment services sector is highly competitive and we may be unable to compete successfully or to effectively implement our business strategy. Market risks such as volatile market conditions, technological changes and changes in sentiment toward the staffing industry, will then impact not only our ability to do business but also our profitability and may therefore impact sustainability of our business and could impair the future of the Group.

Following the methodology set out above, we have distinguished risk families within House of HR, all with their own severity metric score. These risk families include risks which may prevent House of HR and its PowerHouses from realizing its financial and non-financial targets.

Besides the risks inherent to the market in which House of HR operates, we may not be able to generate sufficient cash to service our debt or sustain our operations. It may include not realizing the expected benefit from past or future acquisitions, transformation costs, intellectual property rights and missing insurance coverage, which could lead to actions to satisfy our debt obligations, not being successful.

Below a closer look at the most important risk families for House of HR in 2021 is made. The following pages summarize our principal risks, their impact, mitigating actions implemented and related progress for each. The list is not exhaustive and may change during the next financial year, as the risk landscape evolves. Evolution in significance for most important risk families, compared to 2020:



### Compliance risk

The compliance risk could consist for example of GDPR-issues, work accidents, labor agreement with independent workers, discrimination, psycho-social risks, tax, allowances and incentives and changes in labor law. The increase in severity score is mainly related to some compliance internal audits which were performed in 2021.

#### • Impact

We are active in an environment that becomes more and more regulated. Many of our activities are subject to legal and regulatory influences, such as new laws, changes in existing regulation, increased regulatory scrutiny: they all affect our daily operations and could impact the business model governing our activities.

#### • Action plans

Our PowerHouses put into place appropriate procedures and controls to ensure compliance with all relevant legislation. House of HR has also a strong focus on data protection compliancy (i.e. GDPR). In addition, internal audits are conducted by the Internal Audit team across the Group. These audits include, a.o, compliance audits on GDPR, AUG, WAS, medical examinations and work accidents. Findings are then mitigated by implementing the agreed action plans.

House of HR is devoted on health and safety by implementing all required measures to safeguard the wellbeing of the employees and external workforce. This is evidenced by several safety certifications obtained by the PowerHouses such as VCU, MASE and SCP. Also, they provide regular trainings to their employees about changes in rules and regulations.

#### • In progress

We work on a stronger awareness and sharing good practices among all our PowerHouses. In this respect, Group Internal Audit will roll out a continuous Internal Audit to check on compliance with the GDPR legislation in all PowerHouses throughout the year. Where needed, incompliances are being remediated immediately and their progress will be followed up closely by the Group Audit Committee. This will help us fulfill the legal requirements and further assist all employees in understanding their individual role in ensuring compliance.

### Process risk

Daily operations include risks, evidently. Think of missing background checks when hiring, lacking internal evaluation processes, credit note management, payroll outsourcing, formal procurement procedure, etc. We noted an increase in process risks within House of HR in 2021.

- **Impact**

Not respecting policies and procedures, inadequate or failed processes, systems and external events may lead to operational risk of loss, fraud or unintended gain. Other risks can rise through manual errors, business transformation and introducing new technologies and tools.

- **Action plans**

We update and formalize our processes with the latest industry and sector practices. As such, we get a better market proposition, distinguishing us from the competition. In this respect, our PowerHouses are investing in adequate software and tools. Working together with third party experts, developing adapted training and learning to the employees, obtaining quality certifications (such as ISO 9001 and NEN) and implementing robotic process automation (RPA), as the use of robotics reduces the risk of operational errors and mistakes. The aim is always to improve our process efficiency and the relationship with our clients, and their satisfaction. In addition processes are audited on regular basis, including payroll, invoicing and procurement.

- **In progress**

We have to constantly re-invent ourselves to continuously improve our processes. This is why we heavily invest in our people, new technologies and approaches to our markets.

### IT risk

IT-risks stand for a significant part of the Group's overall risk. These risks include elements such as lacking multi factor authentication and password policy, external digital fraud, ransomware, cyber attacks, vulnerability management, security monitoring, insufficient incident management, data center access and quality, and insufficient data protection practices. As we successfully realized our IT shared service center and kept implementing the Internal Audit action plans, we now notice a stabilization of IT risks within House of HR in 2021.

- **Impact**

IT-risks are abundant, and they keep increasing. Examples include cyber attacks, ransomware, phishing, data fraud, data theft, privacy and data breach. They all can lead to serious operational disruption, reputation damage and even legal penalties.

- **Action plans**

House of HR considers IT Security a top priority and established various security layers:

- Group-wide Cyber Insurance program.
- Expansion of the IT Security expertise center and security services on Group-level.
- Launch of a group-wide awareness platform: Via this platform, phishing tests are set up and rolled out, as well as incentives and learnings that increase security awareness.
- Also, IT security Internal Audit findings are further mitigated by the PowerHouses, and the agreed action plans are implemented, under the guidance of the Group.

- **In progress**

We work on stronger security posture by further finetuning our detection capabilities, aligning our defense strategy with the best market practices, and we add additional structural resilience capabilities to the platform of our companies. All this will enable to guarantee information security, data protection and compliance for all core systems. In addition, House of HR will launch a Group-wide recurring IT Security audit in 2022. The purpose is to implement periodic IT security checks at PowerHouse and Group level which will be repeated at regular intervals.

### People risk

People risk can involve several issues, such as sourcing, high turnover, sickness or understaffing at back-office departments or key functions. Due to the sanitary situation we saw a significant increase in risk severity in our Group compared to previous years.

- **Impact**

In a competitive market, people are our most important asset. We could fail in realizing our goals if we do not take care about our people.

- **Action plans**

We take steps to actively manage our ability to attract, retain and engage employees. Wellbeing of the employees is being monitored and improved on a daily basis. Initiatives in the Group are a.o. Great Place to Work, periodic evaluation process and employee satisfaction surveys. Also, our employee share plans help to align employees' interests with the long-term growth plans of our organization.

We also invest in sustainable employability by encouraging our people to learn and develop themselves. We aim to contribute our know-how and resources to support people in reaching their full potential (See Happy Rebels in our 2021 House Report, pages 52 to 54).

- **In progress**

As part of the social pillar of our ESG-strategy, people risk will stay a very important focus area for House of HR. Most of the material topics of the social pillar are considered as a priority for House of HR, such as diversity, retention and wellbeing.

### Governance risk

Most of our governance risks relate to corporate governance, internal control, segregation of duties and delegation of authority.

- **Impact**

If we fail to maintain the highest standards of governance, this may lead to a malfunctioning within the Group such as fraud. In addition, legal and reputational consequences with our customers and staff are possible.

- **Action plans**

We maintain appropriate governance and oversight via Group policies and procedures (such as a Code of Conduct, Conflict of Interest, Whistle Blowing). A Group Audit Committee is taking place several times a year to assess governance issues. In addition, at local level some concrete action plans are rolled out, such as the setup of an internal control team at Covebo and TIMEPARTNER.

- **In progress**

All policies and governance procedures, ethics and professional standards will further be improved through the execution of the ESG-roadmap. Here again, this happens under the supervision of the Group Risk and Internal Audit department.

### Business risk

Local and sector-industry economic volatility, political uncertainties, and the extended pandemic have created a business environment that calls for agility, resilience and a high degree of preparedness.

- **Impact**

Business risk implies uncertainty in profits or danger of loss and the events that could pose a risk due to some unforeseen events.

- **Action plans**

Our Group has a decentralized structure and offers specialized and diversified services, adding a digital component, without forgetting our human touch is the recipe to be resilient and future proof.

- **In progress**

Being prepared and able to quickly respond to market conditions will help us in meeting the market needs, thereby strengthening our reputation and profitability.

### Contractual risk

It's important to align the business objectives behind the contractual relationship, and ensure the services to be performed/delivered are balanced against the allocation of those risks. Risks may vary from missing signatures, significant liability exposures or even missing contracts.

- **Impact**

By accepting a high contractual liability without having a robust delivery process or the correct insurance coverage, you can get a stakeholder having a claim that could strongly affect your results and reputation.

- **Action plans**

We strongly recommend sticking to our standard contract forms. Non-standard contracts are reviewed by the local legal department, supported by the Group legal department, if needed. Also, the PowerHouses can rely on the Group Insurance master broker for support and advice about particular liability issues. Liability insurance is arranged at Group level.

- **In progress**

We strive to improve awareness, visibility and control by improving the contract liability arrangements and contract creation in our PowerHouses.

### ESG Risk management

We manage risks rigorously to help us achieve our strategy. At House of HR, we aim to align sustainability with risk management within the boundaries of our enterprise-wide risk management programme.

The majority of the risks identified in our yearly risk assessment can be mitigated by the execution of our ESG strategy. We strongly believe that initiatives and actions related to ESG will make a positive contribution to the management of our risks.

The result will be new ways for our Group to protect against emerging challenges and explore new methods of capitalising on opportunities that create sustainable value and drive performance.

### Risk dashboard

In 2018 already, a quarterly Key Risk Indicator (KRI) reporting was introduced. The aim is to monitor the internal control activities and risk management in every PowerHouse. Both qualitative and quantitative risk information are reported as essential elements. They track progress towards the stated goals and transparency about risk and controls. Main indicators include staff turnover, credit risk and work accidents. Other indicators are monitored as well, both on PowerHouse level. Think of bench risk, care ratio, sickness employees, rework, ...

## PILLAR 3 – INSURANCES

The Group's Insurance Strategy has a clear aim: to provide adequate, fit-for-purpose coverage against the Group's strategic objectives, and all this at optimal cost and service. In this view, insurance is a key area of our strategy, taking into account the cost of insurable risk.

Back in 2018, an external service provider was selected and appointed as the Group Insurance Broker. They assist the Group in realizing its Risk Management & Insurance Strategy by advising and providing strategic solutions on our non-life insurance needs.

The Group Insurance Broker is committed to provide full transparency on its remuneration without any direct or indirect contingent or hidden costs from insurance or reinsurance firms or any other third party.

### Our Group covers

Our current program consists of five covers that are negotiated on Group level:



- **General and professional liability**

This coverage is provided for the compensation of the legal liability for accidental injuries and/or damages to third parties by our activities, including the sale or supply of products and services or resulting from events during the insurance period.

- **Credit**

This coverage protects us against payment defaults of accounts receivable and insolvencies (such as due to bankruptcy). In other words, it protects us against the financial inability of our customers to pay within the terms agreed. In addition, it helps us optimizing the credit management process and follow-up of cash collection.

- **Cyber**

This policy is designed to help us limit the consequences of cyber incidents. Such incidents can take several forms: data breaches, ransomware, hacking, viruses, employee sabotage, extortion, theft, loss of information. It also helps us to remedy them by collaborating with independent technical experts within the extensive coverage.

- **Director & officer liability**

The potential personal liability is protected for Directors and Officers of House of HR in relation to their actions. It includes claims made against them for an alleged or actual wrongful act committed in their capacity as a Director or Officer.

- **Property**

This coverage is insuring House of HR against financial losses due to an incident at the insured facilities (such as a fire accident).

Apart from the Group level coverage, a series of stand-alone policies are put in place at the level of the PowerHouses, mostly covering operational risks. Examples are local Motor and local Workers' compensation.

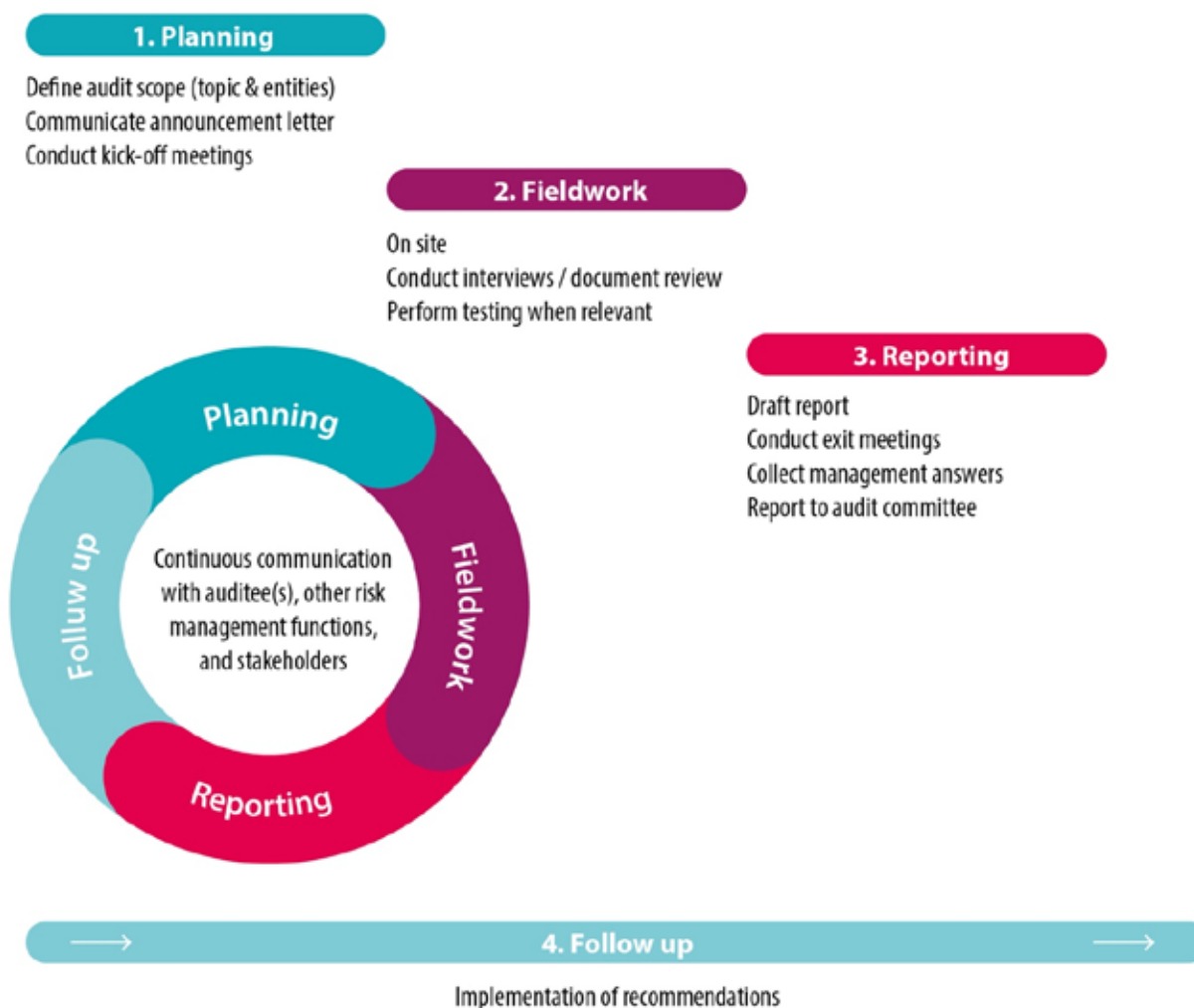


## PILLAR 4 – INTERNAL AUDIT

Another important element in our GERMP is Internal Audit. The role and responsibilities are described in the Internal Audit Charter, which is set up in accordance with the Standards of the Institute of Internal Auditors. Its first role is to help the Board and the Executive Management to protect assets, reputation and sustainability of the Group. It offers independent and objective assurance whether the quality and operational effectiveness of the Group's framework of risk management, control and governance processes are adequate, and whether it contributes to the protection of the interest and reputation of House of HR.

The execution of the Internal Audit is co-sourced to a third party service provider. The independence of an Internal Audit function of course is fundamental so as to deliver objective coverage on all parts of the Group. The third party provider has an impartial, unbiased attitude and avoids any potential conflict of interest. The audit team remains free from interference by any element in the organization. This includes topics such as audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independent and objective attitude.

The audit team is committed to collectively possess the knowledge and skills needed to perform its responsibilities. These responsibilities are outlined as follows:





### Internal Audit Plan

The yearly Internal Audit Plan is worked out by the Head of Risk Management and Internal Audit, and is then approved by the Audit Committee. They originate from different aspects of the risk management framework, and include input from risk assessments, major incidents, legislation changes, strategic re-organizations or M&A activities on Group level.



This plan covers all process cycles, all PowerHouses and all the Boutiques in our Group. On average, two Internal Audits are performed per year per PowerHouse. One has a Group level scope, the other one is locally tailored per PowerHouse. The following scheme gives an overview of all topics covered across the Group in the last 3 years.



### Audit fieldwork

The fieldwork is performed in a systematic way by the audit team, generally on site. It can take several forms, from interviews to detailed testing or analysis of documents and transactions. Due to Covid19, most fieldwork in 2021 was performed off-site and via online meetings.

The fieldwork consists of four elements:

1. Identify and analyze the key risks within the process or system
2. Confirm the process and any controls are in place to mitigate the risks
3. Evaluate the extent to which the controls do effectively mitigate these risks
4. Test the controls to confirm they are properly operating

Next, upon conclusion, an exit meeting is set up to discuss the work performed, including the audit findings and any outstanding issues. Note that the audit results are presented in a fair way. Recommendations must sound reasonable and free of errors or misrepresentations.

### Report

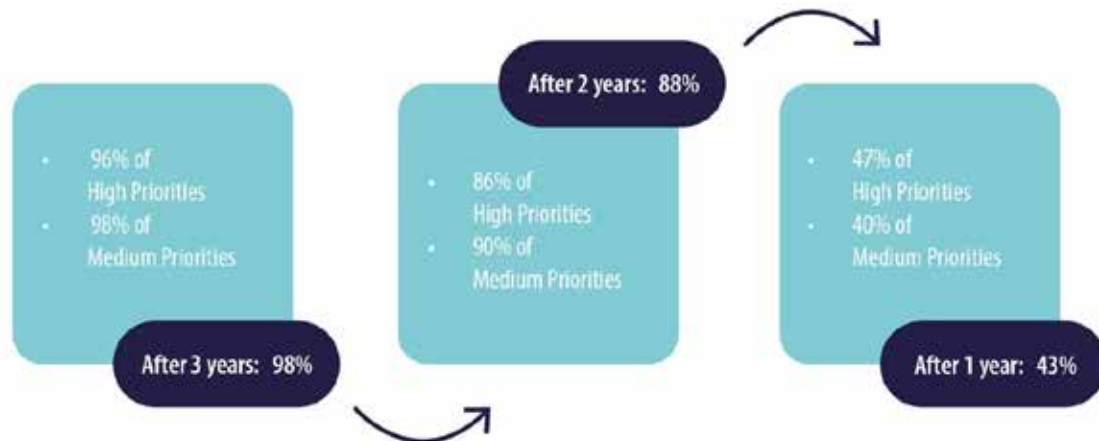
In a next phase, the final report is formalized by the audit firm. The report includes the management's response and its corrective actions taken or to be taken as agreed during the exit meeting. Once approved, it is distributed to the CEO of the PowerHouse. A summary of the conclusions is presented to the Audit Committee. The Chairman of the Audit Committee in turn will report to the Board of Directors if she feels this to be appropriate.

### Follow-up

The Audit Committee requires the action plans to be implemented correctly within the timescale provided by the local management. Also, controls are expected to effectively mitigate the risks to an acceptable level. The audit team is responsible for a quarterly follow-up and reviews every implementation. This is done to ensure that actions have been implemented, or that local management has accepted the risk of not taking any action. In case local management accepts this risk, the waived recommendations are always validated by the Audit Committee.

Below graph illustrates the progress made for the Internal Audits conducted in recent years. Respectively 98%, 88% and 43% of 2018, 2019 and 2020 audit findings are closed and validated per end of 2021.

The follow up of 2021 audit findings and agreed action plans will be started at the end of the first quarter of 2022.



Follow-up on Internal Audit Recommendations

## ADD-ON

### Compliance policies

Next, we have elaborated several Group compliance policies: procedures on corporate level, to be implemented by all PowerHouses within the Group.

#### 1. Code of Conduct

This Code outlines the high level values and principles in both our professional and personal behavior, stipulating our commitment to fulfill our mission in an ethical way. The code sets out acceptable business practices and standards, providing guidance in recognizing and dealing with ethical risks. The code includes mechanisms to reports unethical conduct without the risk of retaliation.

#### 2. Conflict of Interest policy

To manage possible conflicts of interest, a policy has been worked out for all House of HR's associates (i.e. shareholders, board members, executives, business unit managers). They are all requested to fill out a yearly questionnaire. Potential conflicts are then assessed by the Group Risk and Internal Audit and Group Legal department. The aim of this assessment is to check whether or not they could conflict with House of HR's Group business. If needed, mitigating actions are taken.

In 2021, 128 associates filled out the questionnaire, resulting in 26 new potential conflicts of interest. 12 cases were investigated and presented to the Audit Committee. In 2021 no concrete mitigation actions were required.

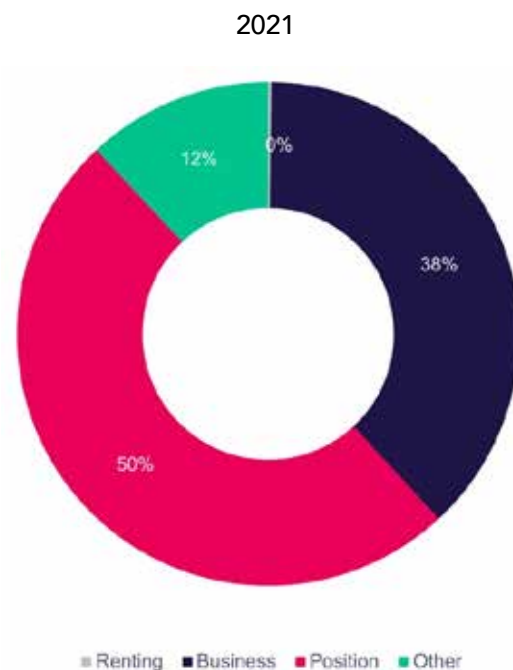
The potential conflicts detected, could be classified in 4 categories:

**Renting:** associates renting out assets to House of HR

**Business:** associates are linked to business (via a company or a related person) to House of HR

**Position:** associates (or a related person) hold a position linked with House of HR

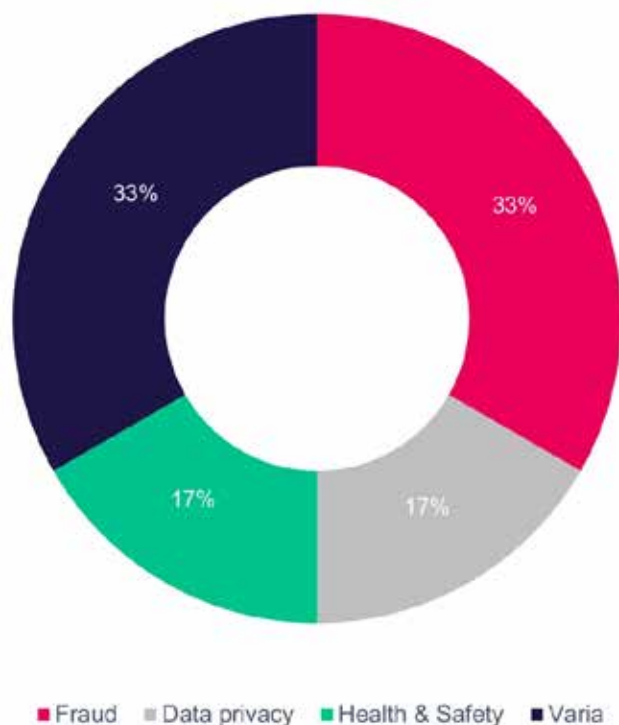
**Other:** other topics, such as legal case, benefits, etc.



### 3. Major Incident policy

This policy is describing the procedure to be followed in case of major incidents at Group level. 'Major incidents' are unexpected events causing (or potentially causing) operational disruption, significant legal impact, high reputation damage and/or high financial impact to the Group or any of the PowerHouses. Think of fraud attempts, negative media coverage, data privacy incidents,...

This policy is needed to ensure accurate actions can be taken in due time, following the correct procedures, fully in accordance with Governance standards. In 2021, 6 major incidents were reported to the Head of Risk and Internal Audit:



### 4. Whistle Blowing policy

House of HR top management has the possibility to report on potential fraud, corruption or other serious misconduct and irregularities. To this respect, top management can contact the Head of Risk and Internal Audit and/or the Chairman of the Audit Committee, outside the PowerHouse, and hence by-passing the local management. This by-passing can be needed in case the whistle blower feels the overall management or any other stakeholder should be involved in a particular misconduct. No cases were reported to the Head of Risk and Internal Audit and/or the Chairman of the Audit Committee in 2021.

### 5. Policy against violence and harassment at work

House of HR strives to provide a safe, healthy and respectful work environment for all its people. In line with House of HR's Code of Ethics and Conduct, which expresses a fundamental respect for the dignity of all human beings, this policy seeks to facilitate a safe and fair working environment with a clear statement of the expectations concerning conduct which may constitute violence and harassment.

Speaking up and taking action are key factors in creating a safe environment for all people at work. All breaches, questions, concerns and doubts can be raised via multiple channels. Next to reporting to the PowerHouse managers, the Group Head of Risk and Internal Audit or the Chairman of the Audit committee, House of HR has introduced 'Spot'. Spot allows to raise sensitive issues in an accessible and, if desired, anonymous way. Any issue will be addressed and followed up according to existing escalation procedures.

On top of these policies, all PowerHouses are responsible to work out extra policies in line with their specific sector and local legislation. Such policies and procedures have been elaborated on anti-corruption, anti-bribery, anti-discrimination, anti-money laundering, whistle blowing and environment.

#### Training

The setup and implementation of GERMP can only be successful if all people in the Group and the PowerHouses are fully aware of it. For that reason, all new risk management correspondents (RMC's) and top management of the different PowerHouses receive an onboarding training which provides a first introduction to our GERMP. With this presentation we explain the purpose and expectations of the framework and provide details on the Group compliance policies and procedures.

Additionally, to improve our maturity and to present the most recent evolutions on risk management, we organize a yearly risk workshop on Group level. This workshop discusses hot topics and introduces new elements of our risk management framework to all risk management correspondents and other employees involved at House of HR. In 2021, due to sanitary situation our physical workshop was cancelled.



# CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

## CONTENTS

<b>Consolidated financial statements for the year ended 31 December 2021</b>	<b>27</b>				
Consolidated balance sheet as at 31 December 2021	28	3 Group structure of the House of HR	48	21 Other liabilities	97
Consolidated income statement for the period ended 31 December 2021	29	4 Financial risk management	58	22 Revenues	99
Consolidated statement of comprehensive income for the period ended 31 December 2021	30	5 Critical accounting judgements, estimates and assumptions	67	23 Other gains/(losses) – net	100
Consolidated statement of changes in equity for the period ended 31 December 2021	31	6 Segment Reporting	70	24 Grants	101
Consolidated statement of cash flows for the period ended 31 December 2021	32	7 Intangible assets	74	25 Cost of services	101
		8 Goodwill	76	26 Selling expenses	102
		9 Property, plant and equipment	78	27 Other general and administrative expenses	102
		10 Financial instruments by category	80	28 Expenses by nature	103
		11 Derivative financial instruments	81	29 Depreciation, amortization and impairment of PP&E and Intangible Assets	105
		12 Trade and other receivables	81	30 Finance income and costs	106
		13 Income tax	84	31 Employee benefit expense	107
		14 Cash and cash equivalents	88	32 Contingencies	107
		15 Equity	88	33 Commitments	107
		16 Borrowings	91	34 Related-party transactions	108
		17 Provisions for other liabilities and charges	94	35 Audit fees	110
		18 Employee benefit obligations	95	36 Covid19	110
		19 Share-based payments	96	37 Events after the reporting date	111
		20 Trade payables and other payables	97		
<b>Notes to the consolidated financial statements</b>	<b>33</b>				
1 General information	33				
2 Summary of significant accounting policies	34				

**CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2021**

In EUR Assets	Note	31 December 2021	31 December 2020
<b>Non-current assets</b>			
Property, plant and equipment	9	125.060.499	107.701.297
Intangible assets	7	326.096.921	174.993.517
Goodwill	8	1.024.026.150	861.984.334
Deferred tax assets	13.3	5.758.696	3.087.128
Investments accounted for using the equity method	3.3	912.692	1.521.059
Other non-current assets	12.2	13.233.234	14.732.472
Derivative financial assets	11	3.027.960	1.750.000
Loans to related parties		140.000	0
<b>Total non-current assets</b>		<b>1.498.256.152</b>	<b>1.165.769.806</b>
<b>Current assets</b>			
Trade receivables	12.1	230.579.860	178.378.401
Income tax receivables	13.1	861.381	4.990.906
Other receivables	12.2	57.987.446	39.816.504
Cash and cash equivalents	14	208.134.200	378.395.645
<b>Total current assets</b>		<b>497.562.887</b>	<b>601.581.456</b>
<b>Total assets</b>		<b>1.995.819.039</b>	<b>1.767.351.262</b>

In EUR Equity and liabilities	Note	31 December 2021	31 December 2020
<b>Equity</b>			
Share capital and share premium	15.1	266.711.384	238.597.269
Other reserves	15.2	-134.368.171	-129.926.163
Retained earnings	15.3	175.592.115	132.413.401
<b>Capital and reserves attributable to owners of the company</b>		<b>307.935.328</b>	<b>241.084.507</b>
Non-controlling interests	3.4	11.767.299	3.515.398
<b>Total equity</b>		<b>319.702.627</b>	<b>244.599.905</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	16	1.046.121.387	1.041.849.283
Deferred income tax liabilities	13.3	79.412.461	44.421.003
Employee benefit obligations	18	3.229.647	3.116.375
Provisions for other liabilities and charges	17	881.778	895.149
Other non-current liabilities	21	70.224.204	65.323.241
<b>Total non-current liabilities</b>		<b>1.199.869.476</b>	<b>1.155.605.050</b>
<b>Current liabilities</b>			
Trade and other payables	20	61.413.931	37.847.824
Income tax liabilities	13.1	27.484.426	24.388.056
Borrowings	16	46.996.293	47.538.149
Employee benefit obligations	18	191.551.422	141.804.344
Provisions for other liabilities and charges	17	2.984.289	1.969.136
Other current liabilities	21	145.816.574	113.598.798
<b>Total current liabilities</b>		<b>476.246.935</b>	<b>367.146.306</b>
<b>Total liabilities</b>		<b>1.676.116.411</b>	<b>1.522.751.357</b>
<b>Total equity and liabilities</b>		<b>1.995.819.039</b>	<b>1.767.351.262</b>

The notes are an integral part of the consolidated financial statements.

**CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2021**

In EUR	Note	31 December 2021	31 December 2020
Revenue	22	2.050.123.191	1.596.349.465
Cost of services	25	-1.504.324.545	-1.188.211.005
<b>Gross profit/(loss)</b>		<b>545.798.646</b>	<b>408.138.460</b>
Selling expenses	26	-284.857.453	-221.028.497
Impairment of goodwill	8	0	0
Other general and administrative expenses	27	-112.911.905	-116.400.897
<b>Total operating expenses</b>		<b>-397.769.359</b>	<b>-337.429.394</b>
Other gains/(losses) – net	23	1.938.228	6.815.743
<b>Operating profit/(loss)</b>		<b>149.967.515</b>	<b>77.524.809</b>
Finance income	30	3.173.413	1.958.764
Finance expenses	30	-70.775.333	-60.778.823
<b>Net finance income/(loss)</b>		<b>-67.601.920</b>	<b>-58.820.059</b>
Share in profit/loss of equity accounted investments	3.3	-650.781	8.999
<b>Profit/(loss) before taxes</b>		<b>81.714.814</b>	<b>18.713.749</b>
Income tax expense	13.1	-36.140.140	-13.241.341
<b>Net profit/(loss) of the period</b>		<b>45.574.674</b>	<b>5.472.408</b>
Profit/(loss) from discontinued operation (attributable to equity holders of the company)	3.6		-20.581.694
<b>Net profit/(loss) of the period</b>		<b>45.574.674</b>	<b>-15.109.286</b>
Profit/(loss) attributable to:			
Owners of the entity holding ordinary shares		42.973.519	-15.970.120
Non-controlling interests		2.601.155	860.834

The notes are an integral part of the consolidated financial statements.

## **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME** **FOR THE PERIOD ENDED 31 DECEMBER 2021**

In EUR	31 December 2021	31 December 2020
Net profit/(loss) of the period	45.574.674	-15.109.286
Other comprehensive income:		
Items that subsequently may be reclassified to profit or loss, net of deferred income taxes		
Exchange differences on translation of foreign operations	-47.121	-196.542
Total other comprehensive income, net of taxes	-47.121	-196.542
Total comprehensive income for the period	45.527.553	-15.305.828
Total comprehensive income/(loss) for the period is attributable to:		
Owners of the entity holding ordinary shares	42.926.399	-16.166.663
Non-controlling interests	2.601.155	860.834

The notes are an integral part of the consolidated financial statements.



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2021

In EUR		Attributable to owners of the company				Non-controlling interests	Total equity	
		Share capital and share premium	Other reserves	Retained earnings	Total			
Balance at 1 January 2020		296.852.159	-126.774.904	114.027.604	284.104.859	6.056.585	290.161.444	
Net profit/(loss) of the period from continuing operations				4.611.574	4.611.574	860.834	5.472.408	
Net profit/(loss) of the period from discontinuing operations		3.6		-1.006.254	-1.006.254		-1.006.254	
Post tax gain/loss from remeasurement of discontinued operations to fair value less costs to sell		3.6		-19.575.440	-19.575.440	0	-19.575.440	
Total net profit/(loss of the period)			0	0	-15.970.120	860.834	-15.109.286	
Other comprehensive income of the period				-196.542	-196.542	0	-196.542	
Total comprehensive income			0	0	-16.166.662	860.834	-15.305.828	
Transactions with owners in their capacity as owners:								
Contributions of equity and capital decrease, net of transaction costs and tax		15	-58.254.890	-1.003.889	34.552.459	-24.706.320	-24.706.320	
Non-controlling interests on acquisition of subsidiary		3.1			0	83.115	83.115	
Transactions with non-controlling interests		3.4		-5.749.044	-5.749.044	-3.159.491	-8.908.535	
Dividends provided for or paid					0	-340.653	-340.653	
Employee share schemes – value of employee services		19		3.934.093	3.934.093		3.934.093	
Other movements				-332.419	-332.419	15.008	-317.411	
Total transactions with owners			-58.254.890	-3.151.259	34.552.459	-3.402.021	-30.255.711	
Balance at 31 December 2020			238.597.269	-129.926.163	132.413.401	241.084.507	3.515.398	244.599.905

In EUR		Attributable to owners of the company				Non-controlling interests	Total equity
		Share capital and share premium	Other reserves	Retained earnings	Total		
Balance at 1 January 2021		238.597.269	-129.926.163	132.413.401	241.084.507	3.515.398	244.599.905
Net profit/(loss) of the period from continuing operations				42.973.519	42.973.519	2.601.155	45.574.674
Other comprehensive income of the period				-47.121	-47.121	0	-47.121
Total comprehensive income		0	0	42.926.398	42.926.398	2.601.155	45.527.553
Transactions with owners in their capacity as owners:							
Contributions of equity and capital decrease, net of transaction costs and tax		15	28.114.115		28.114.115		28.114.115
Non-controlling interests on acquisition of subsidiary		3.1			0	6.015.317	6.015.317
Transactions with non-controlling interests		3.4		-5.974.771	-5.974.771	79.305	-5.895.466
Dividends provided for or paid					0	-436.710	-436.710
Employee share schemes – value of employee services		19		1.532.764	1.532.764		1.532.764
Other movements				252.316	252.316	-7.166	245.150
Total transactions with owners			28.114.115	-4.442.007	252.316	23.924.423	5.650.746
Balance at 31 December 2021			266.711.384	-134.368.171	175.592.115	307.935.328	11.767.299
							319.702.627

The notes are an integral part of the consolidated financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2021

In EUR	Note	31 December 2021	31 December 2020
<b>Profit/(loss) of the period</b>		<b>45,574,674</b>	<b>-15,109,286</b>
Profit from continued operations		45,574,674	5,472,408
Profit from discontinued operations	3.6	0	-20,581,694
<b>Adjustments to reconcile profit before tax to net cash flows:</b>			
Depreciation on property, plant and equipment	29	53,327,089	46,714,073
Amortisation and impairment on intangible assets	29	37,329,033	36,058,773
Finance income/cost	30	67,601,920	58,961,379
Increase/decrease in employee benefit provisions (share-based payment)	19	1,532,764	3,934,093
One-off events		-220,004	-55,288
Income tax expenses	13.1.1	36,140,140	13,239,012
Other gains/losses: earn-out and adjustments purchase price of subsidiaries	23	-1,589,119	-4,353,416
Gain/loss from remeasurement of discontinued operations to fair value less cost to sell	3.6	0	19,575,440
Other		650,781	-8,999
<b>Cash flow from operations before working capital and income taxes</b>		<b>240,347,279</b>	<b>158,955,782</b>
Change in Accounts Receivable	12.1	-18,230,072	67,397,425
Change in Accounts Payable	20	6,195,743	-7,403,400
Change in Other Assets	12.2	-15,076,461	-12,571,223
Change in Prepaid Expenses	12.2	-627	0
Change in Other Provision	17	2,111,739	1,802,764
Change in Payroll & Social Debt	18	21,568,775	3,550,977
Change in Fiscal Debt & Receivables		10,474,998	7,776,672
Change in Other Debt	21	-7,909,091	9,789,376
Change in Deferred Expenses	21	-1,255,713	-3,142,192
<b>Change in Working Capital</b>		<b>-2,120,710</b>	<b>67,200,398</b>
Current income taxes	13	-40,554,668	-37,631,138
<b>Net cash flow from operating activities</b>		<b>197,671,900</b>	<b>188,525,043</b>
Purchases of PPE	9	-6,827,321	-8,395,523
Proceeds from PPE	9	220,004	1,699,627
Purchases of intangible assets	7	-11,160,692	-8,203,558
Proceeds from intangible assets	7	0	0
Acquisition of subsidiaries, net of cash acquired	3.1	-180,837,811	-6,207,449
Adjustment purchase price		0	-1,056,773
Buy-out minorities	3.4	-3,771,884	-1,687,749
Earn-out	21	-6,105,057	-7,411,109
Acquisition of equity investments, JV and associates, net of cash acquired	3.3	-43,081	-235,691
<b>Net cash flow from investing activities</b>		<b>-208,525,843</b>	<b>-31,498,225</b>
Interest paid, incl. (re)financing fees and bank fees	16	-58,671,929	-47,675,018
Interest received	16	186,105	48,650
Proceeds from borrowings received	16	20,573,060	295,135,674
Repayment of borrowings	12.2	-100,176,057	-95,000,000
Loans granted	12.2	-3,980,382	-198,606
Proceeds from borrowings granted	15.1	2,019,258	833,333
Issuance of new shares	15	28,114,188	2,358,000
Leaver event 2020	15	-847,968	-37,566,163
Leaver event 2021	3.4	718,464	0
Dividends paid	15	-436,730	-417,755
Other equity movements (including FX)		93,416	0
Principal elements of lease payments	9	-46,998,925	-39,423,772
<b>Net cash flow from financing activities</b>		<b>-159,407,502</b>	<b>78,094,342</b>
Net cash flow from continuing operations	14	-170,261,444	235,121,160
Net cash flow from discontinuing operations	3.6		-914,546
<b>Cash and cash equivalents at the start of the period</b>		<b>378,395,645</b>	<b>144,189,030</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>208,134,200</b>	<b>378,395,645</b>

The notes are an integral part of the consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 GENERAL INFORMATION

House of HR NV (“HOHR” or “The Group”) – formally known as The House of His Royal majesty the customer II NV – is a limited liability company incorporated and domiciled in Belgium. The registered office of the entity is Beversesteenweg 576, 8800 Roeselare.

HOHR, together with its subsidiaries, has its roots in the Belgian Accent Group, founded in 1995 by Ms. Conny Vandendriessche and Mr. Philip Cracco. Naxicap Partners Limited made its initial investment in 2012 and became the majority shareholder in 2014 following the acquisition of Mr. Philip Cracco’s shares.

HOHR is a leading HR service provider focusing on two specific types of staffing:

- **Specialized Talent Solutions:** The Specialized Talent Solutions segment provides on the one hand temporary staffing solutions with a focus on ‘temp-to-perm’ placements, international job candidate recruiting and permanent placements for clients who need specific job profiles, and on the other hand (mostly) short-term staffing solutions to larger clients with multiple staffing needs.
- **Engineering & Consulting:** Highly skilled professionals are recruited to work in fast evolving sectors like energy, pharmaceuticals, technology, etc. The Group also assists clients with the search and selection of the right candidate, interim management or secondment.

The external growth strategy as developed by management of HOHR resulted in several important acquisitions that were successfully completed by the Group over the last years (Refer to the note 3 for more information). These acquisitions increased the Group’s foothold in its core sector of delivering general staffing on a temporary basis to customers as well as in companies active in niche sectors such as legal and financial services delivering highly ranged professionals to customers. Clients are both SMEs and large corporations, occupying leading positions in all kinds of industries.

The consolidated financial statements of HOHR include the Company and its subsidiaries (all together “the Group”).

The Group currently has a network of about 700 offices in Europe, and is active in Belgium, Germany, the Netherlands, France and Switzerland, but also present in Spain, Portugal, Romania, Luxembourg and Poland.

It now employs almost 4.300 people and is providing jobs to over 57.000 people each day via its brands:

- **Specialized Talent Solutions:** TIMEPARTNER, Accent and Covebo;
- **Engineering & consulting:** Abylsen, Continu Professionals, Redmore, GRITT, Vialegis, Cohedron, AERO and IBB.

All recent acquisitions substantially contribute to the overall performance of the Group.

The Group structure as in place as per 31 December 2021 is filed in note 3.

All subsidiaries held directly or indirectly by the Group maintain their accounting records and prepare statutory financial statements in accordance with local accounting regulations.

The financial statements are issued for authorization to the Annual Shareholders Meeting that will be held on 31 March 2022. The Board of Directors approved the financial statements per 17 March 2022.

## **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### **2.1 Basis of preparation**

#### **(i) Compliance with IFRS**

These audited consolidated non-statutory financial statements are comprised of the consolidated statement of financial position, the consolidated statement of financial performance, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period ended 31 December 2021 and the related notes.

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted within the European Union.

#### **(ii) Historical cost convention**

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.
- Derivative financial instruments, debt and equity financial assets and contingent consideration that have been measured at fair value;
- Cash-settled option plans for which the liability is measured at fair value;
- Other long-term employee benefits, for which the liability is measured in accordance with the projected unit-credit method.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

The consolidated financial statements are presented in euro (EUR) and all values are presented in EUR, except when otherwise indicated.

### **2.2 Changes in accounting policies and disclosures**

#### **(i) New and amended standards adopted by the Group**

Below an overview is filed of the impact on the Group of IFRS standards that became applicable for the first time as from 1 January 2021.

- Interest Rate Benchmark Reform Phase 2 amendments (Amendments to IFRS 9, IAS 39, IFRS4, IFRS 7 and IFRS 16)
- Amendments to IFRS 16 Leases: Covid19 Related Rent Concessions beyond 30 June 2021
- Amendments to IFRS 4 Insurance Contracts: deferred of IFRS 9

None of these standards, amendments to standards and interpretations did have any impact on the unaudited condensed consolidated interim financial statements. The Group did not early adopt any other standard, interpretation, or amendment that has been issued but is not yet effective.

### (ii) New and amended standards not yet adopted by the Group

Group's management preliminary assessment revealed that the following standards and amendments to standards that have been endorsed within the European Union and that are not yet applicable as per the first time for the financial year beginning 1 January 2021 should not have a material impact for the Group:

- Amendments to IFRS 3 Business Combinations
- Amendments to IAS 16 Property, Plant and Equipment
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets
- Annual improvements to IFRS 2018-2020: Amendments to IFRS 1 First-Time Adoption of IFRS, IFRS 9 Financial Instruments and IAS 41 Agriculture.)

Standards and amendments to standards that have not yet been endorsed within the European Union and that are not yet applicable as per the first time for the financial year beginning 1 January 2021:

- Amendments to IAS1: Presentation of Financial Statements Classification of Liabilities as Current or Non-current + disclosure of accounting policies
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- IFRS 17: Insurance Contracts

## 2.3 Principles of consolidation and equity accounting

### (i) Subsidiaries

The consolidated non-statutory financial information includes the financial statements of entities over which the Group exercises control. The Group controls an entity (including structured entities) 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 to decide over relevant activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations. Refer to note 3.1 for more information.

Intercompany transactions, balances, income and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of financial position, statement of financial performance and statement of other comprehensive income as well as the statement of changes in equity.

### (ii) Joint arrangements

A joint arrangement operates in the same way as other entities, except that a contractual arrangement between the Group and other ventures establishes joint control over the economic activity of the entity. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Under IFRS 11 'Joint Arrangements' investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

#### Joint operations

The Group recognizes its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. The Group does not have any joint operations as per 31 December 2021.

#### Joint ventures

Interests in joint ventures are accounted for using the equity method (see below), after initially being recognized at cost in the consolidated statement of financial position. Refer to note 3.2. for an overview of the Group's joint ventures.

### Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 2.11.

### (iii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of the Group.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

## 2.4 Foreign currency translation

### (i) Functional and presentation currency

Items included in the financial statements of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated non-statutory financial statements are presented in euro (EUR), which is the Group's functional and presentation currency.

### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognized in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'Finance income or costs'. All other foreign exchange gains and losses are presented in the income statement within 'Other gains/(losses), net'.

Translation differences on non-monetary financial assets and liabilities, such as equities held at fair value through profit or loss, are recognized as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale, are included in the fair value reserve in other comprehensive income. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

**(iii) Group companies**

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and all resulting exchange differences are recognized in other comprehensive income).

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognized in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

**2.5 Business Combinations**

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired.

The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity; and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

In case of a combination of entities which are ultimately controlled by the Group before and after the combination, management has chosen to apply predecessor accounting instead of the acquisition method of accounting. The assets or liabilities of these entities are not restated to their fair value, instead the Group incorporates the predecessor carrying values. These are generally the carrying amounts of assets and liabilities of the acquired entities. As the combining entities are looked at from the perspective of a transfer made by the controlling party, no new goodwill arises from the combination, and any difference between price paid and the carrying amount of net assets exchanged is recorded as a separate reserve in equity.

## 2.6 Goodwill

Goodwill is measured as described in note 3 on the business combinations and in note 8 after initial recognition. Goodwill on acquisitions of subsidiaries is shown separately in the statement of financial position. Goodwill on acquisitions of joint ventures and associates is included in equity accounted for investments and is tested for impairment as part of the overall balance.

Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

## 2.7 Intangible assets

Intangible assets are recognized when the cost of an asset can be reliably measured and it is probable that the entity will obtain future economic benefits from the asset over a period extending beyond the current fiscal year.

At initial measurement, intangible assets are measured at cost. Cost comprises the purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of preparing the asset for its intended use.

### (i) Trademark and customer relationship contracts

Separately acquired trademarks are shown at historical cost. Trademarks, licenses and customer relationship contracts acquired in a business combination are recognized at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses.

### (ii) Acquired computer software licenses

Externally acquired software licenses are stated at historical costs and amortized over its estimated useful life.

### (iii) Internally developed software

Costs associated with maintaining software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

Development costs are amortized from the point at which the asset is ready for use.

Research expenditure and development expenditure that do not meet the criteria indicated above are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.



**(iv) Amortization methods and periods of intangible assets**

The Group amortizes intangible assets with a limited useful life using the straight-line method over the following periods:

Intangible assets	Amortization method	Amortization periods
Trademarks	Straight-line amortization	Determined per purchase price allocation, between 11 and 20 years
Customer relationships	Straight-line amortization	Determined per purchase price allocation, between 7 and 15 years
Internally generated software	Straight-line amortization	3 to 5 years Up to 10 years for software with proven historical useful life
Acquired computer software licenses	Straight-line amortization	1 to 5 years
Other	Straight-line amortization	3 to 5 years

**2.8 Property, plant and equipment**

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Costs may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenances are charged to profit or loss during the reporting period in which they are incurred.

The Group depreciates PP&E assets with a limited useful life using the straight-line method over the following periods:

Property, plant and equipment	Depreciation method	Depreciation periods
Freehold land	Not depreciated	Not depreciated
Buildings	Straight-line depreciation	35 years
Plant, machinery and equipment	Straight-line depreciation	5 years
Vehicles	Straight-line depreciation	5 years
Furniture and office equipment	Straight-line depreciation	5 years
Leased plant and equipment	Straight-line depreciation	5 years or shorter if lease term is shorter
Other tangible assets	Straight-line depreciation	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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. Refer to impairment of assets for more information (note 2.10).

PPE is derecognized either on disposal, or when no future economic benefits are expected from its use or disposal.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

**2.9 Leases**

The Group leases mainly company cars, buildings and IT equipment.

All lease obligations, except for short term leases and low value items are considered on balance sheet, for which a right-of-use asset (included in Property, Plant and Equipment) and lease liability (included in other liabilities) is accounted for.

Leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

The respective leased assets are included in the statement of financial position based on their nature.

The Group also acts as a lessor in the sublease of buildings. For these contracts the right-of-use asset is derecognized and a lease receivable is recognized at the lease's inception at the present value of the minimum lease payments. A gain or loss is recognized at inception date for the difference between the fair value of the minimum lease payments of the sublease and the value of the right-of-use asset in the head lease.

## **2.10 Impairment of non-financial assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

## **2.11 Cash and cash equivalents**

For presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

## **2.12 Non-current assets (or disposal groups) held for sale and discontinued operations**

Non-current assets (or disposal groups) are classified as held for sale if (1) their carrying amount will be recovered principally through a sale transaction rather than through continuing use and (2) a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increase in fair value less costs to sell of an asset (or disposal group), but not more than any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Interests and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

## 2.13 Financial assets

### (i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

### (ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

### (iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

### Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as a separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

### Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

**(iv) Impairment**

The Group assesses on a forward-looking basis the expected credit loss associated with its financial assets carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables, see note 12 for further details.

**(v) Derivatives**

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group did not designate certain derivatives as hedge instruments.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognized immediately in profit or loss and are included in financial result.

As regards embedded derivatives, the Group assesses whether the derivative is closely related to the host instrument and accounted for separately or not.

**2.14 Offsetting financial assets and liabilities**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

**2.15 Compound financial instruments**

Compound financial instruments issued by the Group comprise convertible notes that can be converted to share capital, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

**2.16 Trade receivables and other receivables**

Trade receivables are amounts due from customers for sales made in the ordinary course of business. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less loss allowance. See note 12 for further information about the Group's accounting for trade receivables and for a description of the Group's impairment policies.

If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

The other receivables – projects related to contracts with customers are classified as other receivables.

## 2.17 Share capital

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of House of HR as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of House of HR.

## 2.18 Dividends

A liability is recognized for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

## 2.19 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortized cost basis until extinguishment on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognized and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

## 2.20 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

## 2.21 Provisions, Contingent Liabilities and Contingent Assets

### (i) Provisions

The Group recognizes provisions for legal claims or similar types of obligations when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are not recognized for future operating losses.

Provisions are measured at the present value of Group management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Where there are several similar obligations, the likelihood that an outflow will be required in settlement is determined by the Group by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

In case the Group expects a reimbursement from another party, the Group will recognize a separate asset when and only when it is virtually certain that the reimbursement will be received. The amount recognized for the reimbursement shall not exceed the amount of the provision. In the statement of comprehensive income, the expense relating to a provision may be presented net of the amount recognized for a reimbursement.

#### **(ii) Contingent liabilities and contingent assets**

The Group does not recognize any contingent liabilities, instead contingent liabilities are disclosed, unless the possibility of an outflow is remote. The Group discloses the inflow of economic benefits when it is probable. Contingent assets are recognized when it is virtually certain that the economic benefits will flow into the Group.

### **2.22 Current and deferred income tax**

The income tax expense for the period comprises current and deferred income tax. Tax is recognized in the statement of financial performance, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

#### **(i) Current income tax**

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

#### **(ii) Deferred income tax**

Deferred income tax is accrued in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

## 2.23 Employee benefits

### (i) Short-term obligations

The main employee benefits of the Group consist of short-term employee benefits for wages and salaries, including non-monetary benefits and annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees rendered the related service. These liabilities are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

### (ii) Pension benefits

#### Defined contribution plans

The Group has defined contribution plans as well as disability benefits in certain countries in which it operates whereby contributions by the Group are funded through payments to independent entities. For these schemes, the Group's obligation is limited to the payment of these annual contributions.

The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Because of the Belgian legislation applicable to the second pillar pension plans (the so-called "Wet op de Aanvullende Pensioenen"), all Belgian pension plans that are structured as defined contribution plans are considered defined benefit plans under IFRS. Because of this minimum guaranteed return, the employer is exposed to a financial risk since further contributions could be required if the return on the assets is not sufficient to reach the minimum benefits to be paid. The Company has plans that are financed through insurance contracts. The projected unit credit method has been used as the actuarial technique to measure the defined benefit obligation. The related assumptions, the defined benefit obligation and related plan assets are further disclosed in note 18.

#### Defined benefit plans

The Group does not offer defined benefit plans to its staff. For the specific situation on the Belgian pension plans, we refer to above.

### (iii) Other long-term employee benefits

Some Group entities provide jubilee benefits rewarding employees for long years of service. The liability recognized in the statement of financial position is the present value of the obligation at the reporting date. The remeasurements have been recognized in the statement of financial performance in full.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### (iv) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

In the Netherlands there is a legal obligation to pay a termination benefit to temporary workers of which the amount is based on the number of days one has been employed ("transitievergoeding").

The Group recognizes termination benefits at the earlier of the following dates:

- when the Company can no longer withdraw the offer of those benefits; and
- when the entity recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.



## 2.24 Share-based payments

Share-based compensation benefits are provided to key managers via the Long Term Incentive Plan (LTIP).

The LTIP is classified as an equity-settled share-based payment plan.

### Equity settled share-based payments

The fair value of the goods or services received is recognized with a corresponding increase in equity.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

A share-based payment award generally vests upon meeting specified conditions. Vesting conditions are either:

- Service conditions, which require the counterparty to complete a specified period of service during which the services are provided to the entity; or
- Performance conditions, which requires the counterparty to complete a specified period of service (i.e., a service condition) and involves specified performance targets to be met while the counterparty is rendering the required service.

A performance condition is further defined as either a market condition or a non-market condition. A market condition is a performance condition (i.e., requires specified targets to be met) and the performance conditions are related to the market price (or value) of the entity's equity instruments, such as: attaining a specified share price or achieving a specified target that is based on the market price (or value) of the entity's equity instruments relative to an index of market prices of equity instruments of other entities. A condition linked to a purely internal financial performance measure, such as profit or earnings per share, is not a market condition. Such measures will affect the share price, but are not directly linked to it, and hence are not market conditions. For a market condition to be treated as a performance vesting condition rather than a non-vesting condition, there must also be an implicit or explicit service condition.

Under IFRS 2, the nature of the condition (i.e., vesting or non-vesting, service, performance, market or non-market) affects the timing of when the expense is recognized and, in some cases, the measurement of the expense. In addition, if a condition is not met, whether the entity may reverse the previously recognized compensation expense depends on the nature of the condition that was not met. Therefore, the classification of a condition is a critical step in accounting for share-based payment transactions. Market conditions are only considered when estimating the fair value of the award at the grant date. Non-market vesting conditions are not considered when estimating the fair value of the shares or share options at the grant date. Instead, these vesting conditions are considered by adjusting the number of equity instruments included in the measurement of the transaction amount to reflect the number of awards that are expected to vest. Such non-market vesting conditions include a service condition.

## 2.25 Revenue recognition

The Group mainly generates revenue from offering temporary staffing solutions to its customers. The duration of these temporary staffing solutions may vary between a couple of hours up to a period of two years. The Group mainly offers temporary staffing solutions in the following industries: construction industry, manufacturing industry, logistics industry, sales and finance industry.

The Group also provides solutions to customers active in larger project-oriented businesses (such as the construction industry) where apart from staffing also specific deliverables must be provided for. Projects may take one week up to two to three months.

The Group has identified one performance obligation within the vast majority of its customer contracts, i.e. the delivery of services for a predefined period of time by one or more temping staff or consultants. Revenue from temporary staffing solutions is traditionally negotiated and invoiced to customers using an hourly rate (i.e. the transaction price). Temporary workers charge all their worked hours on project codes which are then accumulated on a weekly or monthly basis and billed to customers. Revenue from temporary staffing solutions is recognized over time upon rendering the services.

Revenues related to services rendered in the project business are recognized upon the performance of the service under contract by comparing the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual costs incurred as compared to the total expected costs to incur to successfully complete the project.

Revenue from permanent placements includes the fee received or receivable for the services provided. This fee is generally a percentage of the remuneration package of the candidate placed (net basis). The revenue of these placements is recognized at a point in time on completion of the service when the performance obligations are fulfilled, (for example the start date of the candidate placed).



The Group recognizes project related receivables if the Group has a right to payment for goods and services already transferred to a customer if that right to payment is conditional on something other than the passage of time. These project related receivables are recognized as part of the other receivables.

Contract fulfilment costs related to this project business are capitalized and amortized on a systematic basis consistent with the pattern of the transfer of the goods and services to which these assets relate.

Estimates of revenues, costs or extent of progress towards 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 to management.

Customers are invoiced on a weekly, bi-weekly or monthly basis and the consideration is payable when invoiced.

The Group offers volume rebates to a limited number of customers. The Group applies the 'most likely amount method' for contracts with a single volume threshold and the 'expected value method' for contracts with more than one volume threshold.

The Group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year.

For sales arrangements where the Group acts as a principal in the transaction and has the principal risk and rewards of ownership, including amongst others, the obligation to deliver the services, revenue is reported gross by the Group. Under arrangements where the Group acts as an agent, revenue is reported on a net basis.

## **2.26 Interest income**

Interest income is recognized using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognized using the original effective interest rate.

### 3 GROUP STRUCTURE OF THE HOUSE OF HR

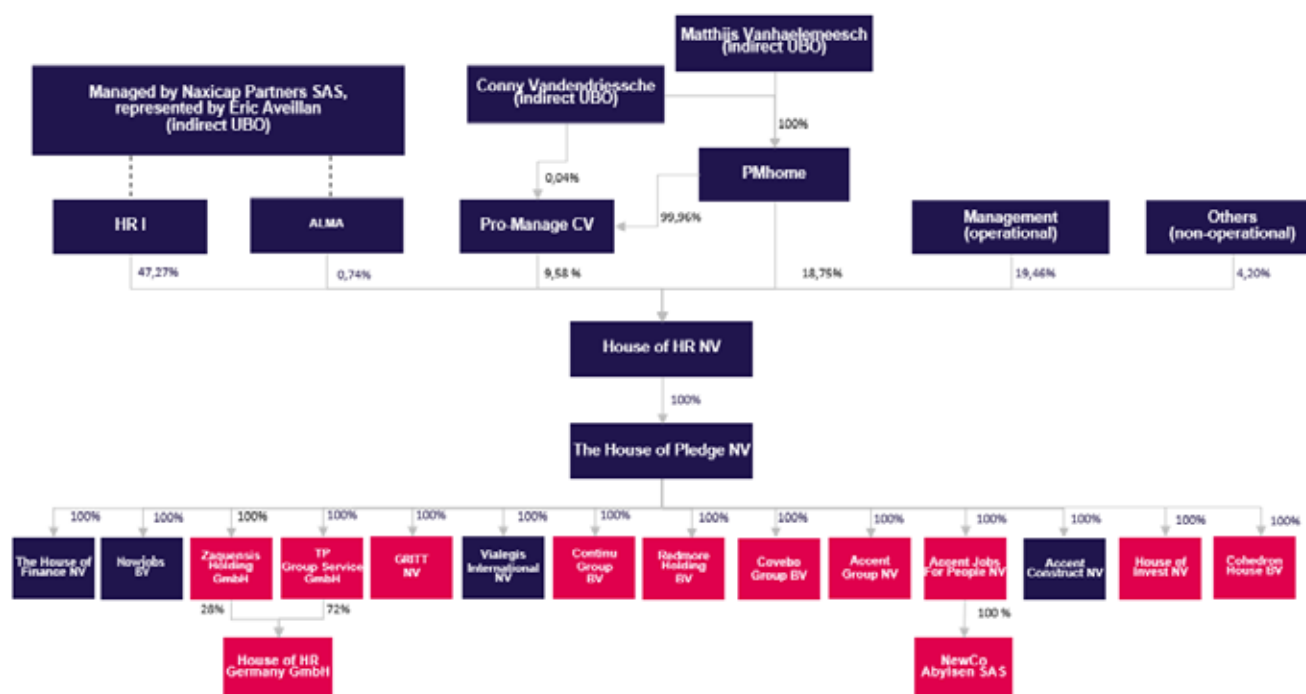
Since the creation of the Belgian Accent Group in 1995, the Group has significantly expanded its business as a result of a number of important and material external acquisitions. All these acquisitions are in-line with the mid- to long-term strategy of the House of HR to gain a more international foothold and to become a Group mainly offering services around specialized recruitment and engineering and consulting. The Group is now active in more than 10 European countries.

As part of the legal reorganization of the Group completed in 2018, the majority of the minority shareholders, which represented former management of the acquired companies, exchanged their non-controlling interests, together with any related shareholder loans (financial liabilities recognized in various entities of the Group) for cash and new shares issued by the parent company of the Group. Consequently, the Group currently holds into the majority of its subsidiaries 100% of the issued shares.

As a result of the changes in the equity held by non-controlling interests, the Group has adjusted the carrying amounts of the controlling and any remaining non-controlling interests to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid are directly recognized into equity.

During 2021, the Group further expanded with the acquisition of Solyne, Greenworking, avanti, Cohedron, Vanberkel Professionals and Bureau Brug.

The Group's structure as per 31 December 2021 is as follows:



HR I = former Naxicap

While the Group obtains control over the acquired entities, the Group does not always acquire all of the issued shares of these entities. The remaining shares are held by the former management of the acquired entities. To facilitate the acquisitions, new holdings are created in which the Group and the minority shareholders both contribute into the share capital in relation to the shares in the holding held by them. These holdings are consolidated in full by the Group. Amounts allocated to the minority shareholders are recognized as a separate component of the equity of the Group.

The following notes provide more information on the changes in the Group structure in 2021.

### 3.1 Business Combinations

#### (i) Acquisitions in the current year

##### Solyne

The Group, via its subsidiary Continu Professionals, has acquired 100% of the shares in the Solyne group as per 15 January 2021. Solyne is active as a specialist secondment provider of predominantly Dutch white-collar technical professionals, as well as professionals in adjacent sectors, for clients active in the public and private domain, operating in the Netherlands as a business specialized in secondment, freelance, subcontracting and temporary staffing services for its clients. The consideration paid for acquiring the shares amounts to EUR 34,14 million.

Solyne is included in the Group consolidation as from 1 January 2021.

##### Greenworking

The Group, via its subsidiary Abylsen, has acquired 60% of the shares of Greenworking group as per 26 January 2021. Greenworking is a consultancy firm active in the 'new ways of working' market. By its services, mainly focusing on French blue-chip companies, Greenworking is adding value in the field of teleworking, work-life balance, leadership, digital change and social responsibility. The consideration paid for acquiring 60% of the shares is composed of a fixed purchase price (EUR 18,90 million) and an earn-out. The earn-out is based on a multiple approach depending on the EBITDA level for financial year 2020. The estimated earn-out at acquisition date amounts to EUR 5,24 million. The expected payment is determined in respect of the individual earn-out agreement taking into consideration management's estimate of the expected level of profitability of the acquired company for the financial year 2020. Any change in the estimated earn-out of the company is recorded in the income statement.

Greenworking is included in the Group consolidation as from 1 January 2021.

##### Avanti

The Group, via its subsidiary House of HR Germany, has acquired 89% of the shares of avanti as per 15 June 2021. avanti is specialized in a wide array of healthcare staffing solutions all over Germany. The consideration paid for acquiring 89% of the shares is composed of a fixed purchase price (EUR 22,21 million), of which EUR 2,0 million consists of a vendor loan and EUR 1,3 million will be reinvested, and an earn-out. The earn-out is based on a multiple approach depending on the gross margin for the financial period from 1 April 2021 until 31 March 2022. The estimated earn-out at acquisition date amounts to EUR 3,35 million. The expected payment is determined in respect of the individual earn-out agreement taking into consideration management's estimate of the expected level of profitability of the acquired company for the relevant period. Any change in the estimated earn-out of the company is recorded in the income statement.

Avanti is included in the Group consolidation as from 1 June 2021.

##### Cohedron

The Group has completed the acquisition of the Dutch group Cohedron on 20 July 2021 after receiving clearance from the Dutch antitrust authorities on 8 July, 2021. The group consists of several specialties and works under different brand names: Wyzer, Future Communication, Human Capital Group, Argonaut, Zorg-Lokaal, Plangroep and Plangroep Financial Services. With more than 2.000 professionals and over 30 years of experience, Cohedron supports and advises public authorities, non-profit organizations and companies. It offers outsourcing of processes and secondment of qualified specialists (both in the public sector), as well as consultancy to organizations and public authorities. The consideration paid for acquiring 100% of the Cohedron shares amounts to EUR 115,43 million.

Cohedron is included in the Group consolidation as from 1 August 2021.

##### Vanberkel Professionals

The group, via its subsidiary Cohedron, has acquired 100% of the shares of Vanberkel Professionals on 3 August 2021. Vanberkel Professionals is offering financial specialists in the broader public sector, with a focus on five sectors: central government, local authorities, housing cooperatives, care and education. The consideration paid for acquiring the shares amounts to EUR 7,50 million.

Vanberkel Professionals is included in the Group consolidation as from 1 August 2021.

### Bureau Brug

The group, via its subsidiary Cohedron, has acquired 100% of the shares of Bureau Brug on 12 November, 2021. Bureau Brug recruits, selects and trains high skilled interim professionals in the Dutch public sector. The consideration paid for acquiring the shares amounts to EUR 9,61 million.

Bureau Brug is included in the Group consolidation as from 1 November 2021.

### (ii) Overview of acquired fair values and determination of the associated goodwill

Details of the purchase consideration, the net assets acquired and goodwill for all businesses acquired can be summarized as follows:

Consideration for acquiring the business	2021					2020		
	Solyne	Green-working	avanti	Cohedron	Vanberkel Professionals	Bureau Brug	Techmatch	BookU
Cash	34.137.397	18.902.983	18.911.000	115.433.484	7.500.000	9.610.000	5.580.000	238.538
Contribution of assets	0	4.715.310	2.000.000	0	0	0	0	500.000
Equity instruments in the Group	0	0	1.300.000	0	0	0	2.223.000	0
Earn-out	0	5.241.000	3.348.800	0	0	0	5.670.000	0
<b>Total consideration transferred for 100% of the business</b>	<b>34.137.397</b>	<b>28.859.293</b>	<b>25.559.800</b>	<b>115.433.484</b>	<b>7.500.000</b>	<b>9.610.000</b>	<b>13.473.000</b>	<b>738.538</b>
Indemnification asset	0	0	0	0	0	0	-543.950	0
<b>Total consideration paid for the acquisition</b>	<b>34.137.397</b>	<b>28.859.293</b>	<b>25.559.800</b>	<b>115.433.484</b>	<b>7.500.000</b>	<b>9.610.000</b>	<b>12.929.050</b>	<b>738.538</b>

Fair value of the acquired assets (@ 100%)	Solyne	Green-working	avanti	Cohedron	Vanberkel Professionals	Bureau Brug	Techmatch	BookU
Property, plant, equipment	210.788	2.018.864	6.927.288	12.931.753	1.179.978	96.150	426.391	3.290
Intangible assets	1.121	27.446	153.777	19.861.186	0		0	323.057
Acquisition-related intangible assets: trademarks	1.613.207	533.409	4.020.326	8.139.119	742.895		193.605	0
Acquisition-related intangible assets: customer relationships	23.183.504	8.808.904	13.344.646	89.650.244	2.023.993	3.980.890	3.664.991	0
Deferred income tax assets	0	0	1.712.460	0	0		0	0
Other non-current assets	0	81.192	89.377	408.425	320.388	4.320	0	476
Trade receivables	2.208.645	2.485.161	4.250.991	18.786.817	3.938.294	3.114.300	1.560.389	114.959
Other receivables	51.351	113.796	2.465.263	1.741.453	25.068	9.070	68.955	0
Income tax receivable	0	0	1.136.258	0	0		0	0
Cash and cash equivalents	1.884.728	5.019.992	2.540.357	10.353.255	2.132.797	1.778.445	2.200.370	133.598
Deferred income tax liabilities	-6.199.178	-2.475.713	-5.209.492	-25.272.185	-691.722	-1.003.079	-821.865	-23.484
Provisions	0	0	0	-214.395	0		0	0
Borrowings	0	0	-5.708.200	-81.351.352	0		0	-160.895
Other non-current liabilities	-86.553	-1.719.616	-4.437.346	-6.752.373	-685.216	-30.290	0	0
Trade and other payables	-478.015	-381.935	-29.869	-10.282.431	-2.677.071	-2.074.664	-96.705	-95.308
Income tax liabilities	-1.159.719	-140.971	-7.828	-2.791.110	-158.898	-6.755	-436.364	0
Employee benefit obligations	-808.116	-191.565	-8.608.268	-13.447.690	-866.080	-342.530	-1.206.177	-5.971
Other current liabilities	-1.457.247	-704.026	-2.243.926	-14.717.887	-1.675.366	-134.522	-650.731	0
<b>Total identifiable net assets acquired</b>	<b>18.964.515</b>	<b>13.474.938</b>	<b>10.395.815</b>	<b>7.042.828</b>	<b>3.609.061</b>	<b>5.391.334</b>	<b>4.902.859</b>	<b>289.721</b>
Less: Non-controlling interest	0	0	0	0	0		0	57.944
Add: Goodwill	15.172.881	15.384.355	15.163.985	108.390.656	3.890.939	4.218.666	8.026.191	506.761
<b>Net assets acquired</b>	<b>34.137.397</b>	<b>28.859.293</b>	<b>25.559.800</b>	<b>115.433.484</b>	<b>7.500.000</b>	<b>9.610.000</b>	<b>12.929.050</b>	<b>738.538</b>

The goodwill resulting from these acquisitions is attributable to the workforce and the expected high profitability of the acquired business. The goodwill is not deductible for tax purposes.

#### Accounting policy choice for non-controlling interests

IFRS allows the Group to recognize the non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis.

Group Management decided to recognize all the non-controlling interests at fair value.

#### Acquired receivables

The following table summarizes the fair value of acquired trade receivables as per acquisition date:

Acquired receivables	Solyne	Greenworking	avanti	Cohedron	Vanberkel Professionals	Bureau Brug
Contractual amount of trade receivables due	2.208.645	2.494.728	4.273.911	18.994.165	3.938.294	3.117.260
Amount of uncollectible trade receivables	0	-9.567	-22.920	-207.348		-2.960
<b>Fair value of acquired trade receivables</b>	<b>2.208.645</b>	<b>2.485.161</b>	<b>4.250.991</b>	<b>18.786.817</b>	<b>3.938.294</b>	<b>3.114.300</b>

The gross amount of the acquired trade receivables approximates its fair value.

#### Revenue and profit contribution

The acquired businesses contributed since their acquisition dates the following amount of revenue and net profit to the Group:

Contribution to revenue and net profit since the date of the acquisition:	Solyne	Greenworking	avanti	Cohedron	Vanberkel Professionals	Bureau Brug
Revenue:	22.454.880	8.394.896	37.639.236	70.335.482	8.205.865	1.229.351
Net profit:	2.990.706	2.927.291	3.125.172	-39.931	669.793	105.697

If the acquisitions had occurred on 1 January of the year, consolidated pro-forma revenue and net profit for the year ended would have been:

Contribution to revenue and net profit as if the acquisition was completed per 1 January:	Solyne	Greenworking	avanti	Cohedron	Vanberkel Professionals	Bureau Brug
Revenue:	22.454.880	8.394.896	63.442.494	159.021.269	17.511.683	6.882.703
Net profit:	2.990.706	2.927.291	-657.529	-3.979.127	1.264.426	1.371.392

These amounts have been calculated using the subsidiary's results, adjusting them for:

- differences in the accounting policies between the Group and the subsidiary, and
- the additional depreciation and amortization that would have been charged assuming the fair value adjustments to intangible assets had applied from 1 January of every year, together with the consequential tax effects.

The net loss of avanti mainly results to a one-off bonus to former management on the one hand, and the depreciation on the trademarks and customer relationships on the other hand. The net loss of Cohedron is impacted by one-off expenses relating to the acquisition done and the depreciation on the trademarks, customer relationships and FLOW software. The FLOW software, developed by Cohedron, brings together budget counselling, guardianship and debt counselling. The software is live as from mid 2021 and replaces the former PLANgroep legacy system. The fair value of the FLOW software was determined based on a 10 year business plan and amounts to EUR 18,55 million, which is being depreciated over 10 years.

#### Contingent assets and contingent liabilities

The Group did not recognize any material contingent assets or contingent liabilities under the purchase price allocation exercise.

*Reconciliation to the cash-flow statement*

Outflow of cash to acquire subsidiary, net of cash acquired	Solyne	Greenworking	avanti	Cohedron	Vanberkel Professionals	Bureau Brug
<b>Cash consideration</b>	<b>34.137.397</b>	<b>18.902.983</b>	<b>18.911.000</b>	<b>115.433.484</b>	<b>7.500.000</b>	<b>9.610.000</b>
<b>Less: balances acquired</b>						
Cash acquired	-1.884.728	-5.019.992	-2.540.357	-10.353.255	-2.132.797	-1.778.445
Bank overdraft						
<b>Net flow of cash – investing activities for business combinations</b>	<b>32.252.669</b>	<b>13.882.991</b>	<b>16.370.643</b>	<b>105.080.229</b>	<b>5.367.203</b>	<b>7.831.555</b>

*Acquisition related costs*

The total acquisition-related costs related to these acquisitions amount to EUR 2,01 million as per 31 December 2021. All these costs have been expensed within the statement of financial performance at the transaction date.

**(iii) Acquisitions in the prior year**

On 23 January 2020, the Group, via its subsidiary Continu Professionals, has acquired 100% of the shares in TechMatch for an amount of EUR 5,58 million. TechMatch is an independent engineering staffing specialist, specialized in mechanical engineering, process engineering and electrical engineering.

On 19 May 2020, the Group acquired a majority stake in Book'U as result of a capital increase, in which House of Invest contributed a contribution in kind of EUR 0,5 million and a contribution on cash of EUR 0,24 million.

**(iv) Acquisitions completed after year-end**

House of HR is taking the next step in its growth process with the acquisitions of SOLCOM on 28 January 2022 and TMI on 10 February 2022.

SOLCOM is a leading IT service provider headquartered in Reutlingen (Germany). They recruit experts in IT and Engineering to accompany clients through projects. House of HR has acquired 100% of SOLCOM, and SOLCOM's management in turn will also invest in House of HR by acquiring shares. With the acquisition of SOLCOM, House of HR is taking over one of the most dynamic companies in their field. The company made an estimated turnover of EUR 172 million in 2021 and continues to grow rapidly. House of HR acquired 100% of the shares for a price of EUR 175,00 million.

TMI is one of the largest HR service providers for the healthcare sector in the Netherlands. Both at home and abroad, TMI is responsible for the recruitment of profiles for hospitals, public care institutions, ambulance staff, nursing homes, and so on. Moreover, they also supply temporary staff (secondment), intermediate for freelancers, and offer flex jobs. The profiles they work with include doctors, nursing staff, psychologists, and pharmacists. TMI's 2020 gross turnover was EUR 71 million. Its 2021 gross turnover is expected to be close to EUR 100 million. House of HR acquired 100% of the shares for a price of EUR 92,88 million.

On 24 February 2022 Accent Group acquired 100% of the shares of Atrium for a fixed price of EUR 1,75 million and a maximum earn-out of EUR 0,45 million based on the EBITDA for 2022 and 2023. Atrium is a training center that provides training to increase safety at work.

**3.2 Interests in joint ventures**

On 30 December 2020 Sixie BV has been incorporated, in which Accent Group holds 50% of the shares. The joint venture is not individually material to the Group.

**3.3 Interests in associates**

As per 12 February 2021 the Group acquired 0,44% of the minority shares in Ariad for a price of EUR 0,04 million.

The Group has per December 31, 2021 35,00% shares in Happy Recruiter and 33,31% shares in Ariad. These entities are accounted for as associates and are considered not material for the total group.

In Q3 2021 both the shares in and the loan towards Happy Recruiter have been impaired to EUR 0, resulting in a loss of EUR 1,54 million.

### 3.4 Non-controlling interests

#### (i) Movement in minorities in the current year

- Acquisition of Greenworking, of which 40% is held by minority shareholders (EUR 4,72 million), see note 3.1;
- Acquisition of avanti, of which 11% is held by the minority shareholder (EUR 1,30 million), see note 3.1;
- As per 25 February 2021, Abylsen acquired additional shares in Mykelson Holding (1,16% of the ordinary shares) for a price of EUR 0,03 million.
- On 19 October 2021, Accent Jobs acquired the remaining minority shares in Abylsen for an amount of EUR 5,92 million. As a result of this transaction Accent Jobs holds 100% of the shares in Newco Abylsen.
- On 19 November 2021, Newco Abylsen sold shares in PI Holding (1% of the ordinary shares) for a price of EUR 0,02 million.
- On 21 December 2021, Vialegis NV sold 1,66% of the shares in Schollmeyer to managers of the company for a price of EUR 0,03 million. The purpose of this transactions is to strengthen the managers' connection with the company.

#### (ii) Movement in minorities in the prior year

- As per January 11, 2020 Newco Abylsen acquired 100.000 shares in PI Holding (5,0% of the ordinary shares) for a price of EUR 0,09 million.
- As per January 27, 2020 Newco Abylsen acquired 100.000 shares in Newco Pharmacos (2,6% of the shares) for a price of EUR 0,10 million.
- As per March 3, 2020 Vialegis NV acquired 50 shares in Vialegis SA (5% of the shares) for a price of EUR 0,25 million.
- As per July 9, 2020 Triple A Belgium has been incorporated with Triple A Risk Finance International BV as its sole shareholder. On October 9, 2020 250 shares in Triple A Belgium (25% of the shares) were sold for a price of EUR 0,25 million.
- As per July 31, 2020 Covebo Group BV acquired 1.300 shares in Covebo VNOM via a contribution in kind As per September 22, 2020 Newco Abylsen acquired 13.300 shares in 6BO (44,3% of the shares) for a price of EUR 0,03 million.
- As per September 22, 2020 Newco Abylsen acquired 13.300 shares in 6BO (44,3% of the shares) for a price of EUR 0,03 million.
- As per September 30, 2020 Newco Abylsen acquired 125.000 shares in Newco Belgatech (12,5% of the shares) and 306.250 profit certificates for a price of EUR 1,06 million.
- As per September 30, 2020 Vialegis Europe NV acquired 700 shares in Iterlegis Staffing Solutions for a price of EUR 0,06 million.

The summarized financial information for the subsidiaries of the Group that have non-controlling interests that are material to the Group is represented in below overview:

[illegible]

31 December 2020	Belgatech	Pharma Insight	Vialegis SA (Lux)	Schollmeyer & Steidl GmbH	Triple A - Risk Finance		Triple A - Risk Finance		Triple A - Risk Finance		Pharmacos	Book'U	Total
					Poland	Sp. z o.o.	Spain	Belgium	Mykelson Consulting	Eastelson			
Non-current assets	3,261,679	11,483,813	5,962	315,370	32,494	86,907	15,569	3,994	289,093	957	3,834,148	379,120	19,709,106
Current assets	2,600,327	-141,311	677,305	450,582	1,289,152	3,155,100	292,629	307,044	2,224,387	75,949	2,200,273	170,643	13,302,080
<b>Total assets</b>	<b>5,862,006</b>	<b>11,342,502</b>	<b>683,267</b>	<b>765,952</b>	<b>1,321,646</b>	<b>3,242,007</b>	<b>308,198</b>	<b>311,038</b>	<b>2,513,480</b>	<b>76,907</b>	<b>6,034,421</b>	<b>549,763</b>	<b>33,011,186</b>
Non-current liabilities	-737,066	-532,530	0	-173,865	25,001	-201,932	-150,000	0	-23,372		-331,171	-450,037	-2,574,971
Current liabilities	-3,167,035	-2,900,369	-287,929	-334,910	-263,755	-877,874	-81,364	-288,836	-266,781	-191,633	-1,360,962	-251,926	-10,273,374
<b>Total liabilities</b>	<b>-3,904,101</b>	<b>-3,432,898</b>	<b>-287,929</b>	<b>-508,775</b>	<b>-238,753</b>	<b>-1,079,806</b>	<b>-231,364</b>	<b>-288,836</b>	<b>-290,153</b>	<b>-191,633</b>	<b>-1,692,133</b>	<b>-701,963</b>	<b>-12,848,345</b>
Net assets	-1,481,218	-7,642,951	-303,125	21,745	-812,169	-1,124,345	-53,784	-16,652	-2,216,980	108,991	-3,329,232	121,760	-16,727,960
<b>Accumulated NCI</b>	<b>-476,687</b>	<b>-266,653</b>	<b>-92,213</b>	<b>-278,922</b>	<b>-270,723</b>	<b>-1,037,856</b>	<b>-23,050</b>	<b>-5,551</b>	<b>-6,347</b>	<b>5,736</b>	<b>-1,013,056</b>	<b>30,440</b>	<b>-3,434,881</b>
Revenue	9,390,983	12,083,226	890,478	2,146,737	1,882,632	8,853,536	779,839	377,331	1,107,365	968,850	5,402,429	69,812	43,953,218
Profit for the period	257,313	322,770	267,637	-336,708	857,156	1,339,530	56,657	-77,798	139,679	19,552	282,064	-454,113	2,673,739
Other comprehensive income													0
<b>Profit allocated to NCI</b>	<b>32,164</b>	<b>27,270</b>	<b>53,527</b>	<b>-84,177</b>	<b>214,289</b>	<b>642,974</b>	<b>16,997</b>	<b>-19,449</b>	<b>1,569</b>	<b>978</b>	<b>65,516</b>	<b>-90,823</b>	<b>860,834</b>
<b>Dividends paid to NCI</b>				<b>-44,653</b>		<b>-96,000</b>							<b>-340,653</b>



### 3.5 Overview of subsidiaries and joint ventures

#### (i) Overview of subsidiaries

The Group holds 100% in its subsidiaries on 31 December 2021, except for the subsidiaries mentioned in the table below.

Overview HOHR %	Country	Shares	% held
Newco Belgatech	Belgium	875.000	87,50%
PI Holding	Belgium	1.780.000	89,00%
Vialegis SA (Lux)	Luxembourg	800	80,00%
Schollmeyer & Steidl GmbH	Germany	7.202	73,34%
Triple A – Risk Finance Poland	Poland	150	75,00%
ITDS Polska Sp. z.o.o.	Poland	52	52,00%
Triple A – Risk Finance Spain	Spain	700.000	70,00%
Triple A – Risk Finance Belgium	Belgium	750	75,00%
Eastelson	France	4.750	95,00%
Newco Pharmacos	France	2.951.680	76,67%
Book'U	Belgium	58.230	80,00%
Newco Greenworking	France	7.072.983	60,00%
House of HR Germany Subco	Germany	22.246	88,98%
Pharmacos R&D	France	7.500	57,50%

#### Significant restrictions on certain assets within the subsidiaries

Cash and short-term deposits held in the Netherlands are subject to local exchange control regulations. These regulations provide for restrictions on exporting capital from those countries, other than through normal dividends. The carrying amount of restricted cash in the consolidated financial statements as per 31 December 2021 of EUR 7,63 million mainly relates to these restrictions.

#### (ii) Overview of material joint ventures

The Group has a joint venture with Sixie BV. This entity has been incorporated during the last quarter of 2020 and is only operational as from 2021.

### 3.6 Discontinued operations

As per June 23, 2020, a share and receivable transfer agreement has been signed resulting in the sale of GRITT Projects NV. The Group, via its subsidiaries GRITT NV and Logi-Technic NV held 100% of the shares in GRITT Projects NV. This transfer was desirable for GRITT and Logi-Technic, and the House of HR group in general, as the business model of GRITT Projects was not aligned with the group strategy and was not delivering the expected group performance. The client base was excessively narrow, implying strong purchasing power from the customers, which resulted in lower margins than foreseen. This resulted in a deteriorated financial situation of GRITT Projects. Furthermore, all parties are convinced that the new shareholders are in a better position to make GRITT Projects profitable again in the coming years.

Following transactions have occurred in 2020 with regard to the sale of GRITT Projects NV:

1. Capital increase done by GRITT NV and Logi-Technic NV of EUR 3,24 million.
2. Sale of the shares held by GRITT NV and Logi-Technic NV, against EUR 1 closing price + a supplement of EUR 0,35 million (the amount equal to the net proceeds from HOHR leaver procedure).

As a result of the above transactions, a total loss of EUR 19,58 million has been recorded in the P&L of 2020.

Reconciliation post tax gain/(loss)	in EUR
<b>Consideration paid</b>	
Cash	1
Supplement	346.375
Fair value of contingent consideration	0
<b>Total disposal consideration</b>	346.376
Carrying amount of net assets sold	-1.946.780
<b>Gain on sale before income tax and reclassification of foreign currency translation reserve</b>	<b>2.293.156</b>
Reclassification of foreign currency translation reserve	0
Other closing considerations	
– Debt forgiveness	-499.000
– Transfer of receivable	-7.874.366
<b>Gain (loss) on sale before income tax</b>	<b>-6.080.210</b>
Income tax expense on gain	0
Goodwill impairment recorded	-13.495.230
<b>Post tax gain/(loss) from remeasurement of discontinued operations to fair value less costs to sell</b>	<b>-19.575.440</b>

This transaction does not impact the 2021 balance sheet or profit and loss statement.

## Financial performance and cash flow information

### Condensed cash flow statement at closing date

Cash flow statement	in EUR
Net cash flow from operating activities	735.407
Net cash flow from investing activities	-75.643
Net cash flow from financing activities	254.782
<b>NET CASH INCREASE/(DECREASE)</b>	<b>914.546</b>

### Balance sheet at closing date

The carrying amounts of assets and liabilities as at the date of the sale were:

Balance sheet at closing date	in EUR
Property, plant and equipment	2.142.883
Intangible assets	1.601.143
Goodwill	424.296
Deferred tax assets	13.731
Other non-current assets	1.828
Trade receivables	4.693.962
Inventory and work in progress	706.522
Income tax receivables	280.000
Other receivables	5.405.239
Cash and cash equivalents	914.546
<b>Non-current liabilities</b>	<b>-9.324.973</b>
Trade and other payables	-822.603
Income tax and other liabilities	-50.956
Employee benefit obligations	-1.113.877
Current liabilities	-6.818.519
Non-current liabilities	-9.324.973
Trade and other payables	-822.603
<b>Total liabilities</b>	<b>-18.130.929</b>
<b>Net assets</b>	<b>-1.946.780</b>

**Financial performance**

Income statement of discontinued operations:

in EUR	31 December 2020
Revenue	6.577.548
Cost of services	-4.171.758
<b>Gross profit/(loss)</b>	<b>2.405.790</b>
Selling expenses	-2.418.875
Impairment of goodwill	0
Other general and administrative expenses	-871.173
<b>Total operating expenses</b>	<b>-3.290.048</b>
Other gains/(loss) – net	16.995
<b>Operating profit/(loss)</b>	<b>-867.263</b>
Finance income	523
Finance expenses	-141.844
<b>Net finance income/(costs)</b>	<b>-141.321</b>
Share in profit/(loss) of equity accounted investments	
<b>Profit/(loss) before taxes</b>	<b>-1.008.584</b>
Income tax expense	2.328
<b>Net profit/(loss) of the period</b>	<b>-1.006.256</b>
Profit/(loss) from discontinued operations (attributable to equity holders of the company)	-19.575.440
<b>Net profit/(loss) of the period</b>	<b>-20.581.696</b>
<b>Profit/(loss) attributable to:</b>	
Owner of the entity holding ordinary shares	-20.581.696
Non-controlling interests	0

## 4 FINANCIAL RISK MANAGEMENT

### 4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including limited foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The objective is to identify, quantify, manage and then monitor events or actions that could lead to financial losses. The Group uses derivative financial instruments to hedge certain interest risk exposures. In particular, the Group protects the variable interest rate on loans via the use of caps that limit the exposure to fluctuations of Euribor.

Risk management is carried out by the Group's treasury department. Group's treasury identifies, evaluates and hedges financial risks with approval from the Board of Directors.

#### Market risk

##### Foreign exchange risk

Overview of exchange rates	31 December 2021		31 December 2020	
	Average	At year-end	Average	At year-end
CHF	1,09	1,04	1,08	1,09
PLN	4,57	4,60	4,44	4,57
RON	4,92	4,95	4,84	4,87
HUF	358,52	369,19	351,25	363,89

The Group's exposure to foreign exchange risk is very limited as the Group's operations are essentially denominated in euro. Therefore, the impact of fluctuations of these currencies of +/-10% is considered as immaterial.

##### Interest rate risk

The Group's interest rate risk arises from long term borrowings.

At 31 December 2021, the Group has EUR 550,00 million of outstanding bank loans, structured as a bullet loan under the Senior Facility Agreement. Once per year, excess cash flow is calculated based on final audited accounts which serve to determine whether a mandatory prepayment of the Senior Facility Agreement should take place under this agreement. So far, no mandatory prepayments have taken place. These loans are floating rate borrowings, with interest based on Euribor floored to zero plus a fixed margin of 4,25 if leverage is greater than or equal to 3.25x.

As per February 19, 2021 the Group has successfully repriced their Senior Facility Agreement, resulting in a 50 BPS reduction. As a result the interest is based on Euribor floored to zero plus a fixed margin of 3,75 depending on the leverage. The total impact of the repricing amounts to EUR 13,07 million saving for the Group. Total financing expenses for this repricing of EUR 2,75 million are capitalized as part of the bank borrowings and are being depreciated over the remaining lifetime of the loan.

At 31 December 2021, the Group has EUR 370,00 million of outstanding Senior Secured Notes, due in 2026, with a fixed interest rate of 4,375% and EUR 200,00 million of outstanding Senior Unsecured Notes, due in 2027, with a fixed interest rate of 7,50%.

No hedging instruments are in place during 2021 to cover any potential interest rate risk. Notes are issued with a fixed interest rate of 4,375% and 7,50%. For Term Loan B (EUR 550,00 million) a variable interest rate is applicable.

The floating rate borrowings are entirely accounted for at amortized cost, and therefore the impact of changes in the market interest rate on the fair value of these floating rate borrowings at the closing date will have no impact on the income statement or on the equity. The Group does not apply hedge accounting.

Euribor floating rate borrowings which are not covered by the swaps are subject to interest rate risk. An increase (decrease) of 100 basis points in interest rate as per year-end would have an effect on profit after tax and equity as follows:

	31 December 2021
Increase 100 bps	-5.500.000
Decrease 100 bps	5.500.000

The Group has in total EUR 5,72 million of borrowings from related parties outstanding at the period ended 31 December 2021.

### Credit risk

Credit risk for the Group mainly arises from cash and cash equivalents, favorable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

### Risk management

The Group has no significant concentrations of credit risk other than that for ordinary debtors. The Group has policies to ensure that the services are provided to customers with an appropriate credit history.

Credit risk is managed locally by each subgroup (brand). Credit risk mainly arises as credit exposures to customers, including outstanding receivables.

The credit quality of customers, considering the financial position of customers, past experience and other factors, is closely assessed by the credit department on a regular basis. During 2020 a credit insurance program was set-up through the entire group, in order for House of HR to have control over their open receivables, especially in challenging Covid19 times.

Individual risk limits are set based on internal or external ratings in accordance with limits set by the finance committee. The utilization of credit limits is regularly monitored.

Management does not expect any material losses from non-performance by these counterparties.

### Impairment of financial assets

The Group has three types of financial assets that are subject to the expected credit loss model:

- trade receivables for sales of services;
- receivables resulting from project services in progress;
- debt investments carried at amortized cost.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, there was no identified impairment loss.

### Trade receivables

The Group applies the IFRS9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before each reporting year-end and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macro-economic factors affecting the ability of the customers to settle the receivables.

Forward-looking information has been considered in assessing the Expected Credit Loss impairment under IFRS9, taken into consideration the possible downside resulting from the Covid19 pandemic. This did not result in a significant impact on the ECL model assumptions.

On that basis, the expected credit loss allowance as at 31 December 2021 was determined as follows for both trade receivables:

At 31 December 2021	Current	More than 30 days past due	More than 60 days past due	More than 1 year past due	Total
Expected loss rate	0,11%	1,49%	13,30%	2,36%	0,55%
Gross carrying amount – Trade receivables	219.216.571	7.826.230	6.574.177	3.306.017	236.922.994
Gross carrying amount – Contract assets	1.278.118				1.278.118
<b>Loss allowance</b>	<b>249.771</b>	<b>116.491</b>	<b>874.518</b>	<b>78.073</b>	<b>1.318.852</b>

31 December 2020	Current	More than 30 days past due	More than 60 days past due	More than 1 year past due	Total
Expected loss rate	0,12%	1,28%	12,12%	5,33%	0,76%
Gross carrying amount – Trade receivables	164.558.946	9.617.970	7.078.890	4.622.787	185.878.594
Gross carrying amount – Contract assets	1.122.137				1.122.137
<b>Loss allowance</b>	<b>197.922</b>	<b>123.480</b>	<b>857.735</b>	<b>246.235</b>	<b>1.425.372</b>

The closing loss allowances for trade receivables as at 31 December 2021 reconcile to the opening loss allowances as follows:

Movements in the provision for impairment of trade receivables	2021
<b>Balance at January 1</b>	<b>7.500.039</b>
Acquisition of subsidiaries	242.795
Disposal of subsidiaries	
Increase in loss allowance recognised in profit or loss during the year	894.712
Unused amounts and write-offs	-2.294.412
Translation differences	0
<b>Balance at December 31</b>	<b>6.343.134</b>

Trade receivables and project related receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due. Several factors are considered in assessing the likelihood of impairment which is assessed on a case-by-case basis.

Impairment losses on trade receivables and project related receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

The Group first applies this policy under the incurred loss model, and then, for the rest of receivables which are not provided for, the Group applies the expected credit loss model, and recognizes an additional provision.

The aging overview as of each year-end date is as follows:

Aging of trade receivables, based on invoice date	31 December 2021		31 December 2020	
	Amount	%	Amount	%
Less than 1 month	185.766.076	78%	153.433.513	83%
Between 1 and 2 months	30.736.635	13%	17.183.575	9%
Between 2 months and 1 year	16.770.850	7%	10.615.654	6%
Between 1 and 2 years	1.161.270	0%	1.355.928	1%
More than 2 year	2.488.163	1%	3.289.924	2%
of which				
Not impaired	230.579.860	97%	178.378.401	96%
Impaired	6.343.134	3%	7.500.039	4%
<b>Total</b>	<b>236.922.994</b>	<b>100%</b>	<b>185.878.440</b>	<b>100%</b>

As of 31 December 2021, trade receivables of EUR 36,80 million were past due but not impaired. These receivables are expected to be recovered and have not been provided for because they relate to well-known customers and they are strictly followed up by the credit department. The ageing analysis of these trade receivables is as follows:

Receivables past due but not provided for	31 December 2021	31 December 2020
Less than 1 month	24.340.858	29.966.370
Between 1 and 2 months	8.041.862	5.353.177
Between 2 months and 1 year	3.635.765	4.609.778
Between 1 and 2 years	658.048	120.250
More than 2 year	128.389	358.318
<b>Total</b>	<b>36.804.921</b>	<b>40.407.894</b>

As of 31 December 2021, trade receivables of EUR 6,34 million were impaired and provided for, as shown in the table below. The provision was made in line with the incurred loss model and expected credit loss model, as described in the note 4.1 under the credit risk section.

Receivables past due and provided for	31 December 2021	31 December 2020
Less than 1 month	579.470	978.079
Between 1 and 2 months	130.586	230.579
Between 2 months and 1 year	2.337.170	1.786.695
Between 1 and 2 years	448.001	1.153.459
More than 2 year	2.847.906	3.351.226
<b>Total</b>	<b>6.343.134</b>	<b>7.500.039</b>

The credit quality of trade receivables and cash is as follows:

Trade receivables	31 December 2021	31 December 2020
<b>Counterparties with external credit rating</b>		
Prime	33.816.304	4.026.285
High grade	15.624.142	10.095.828
Upper medium grade	43.256.615	33.923.980
Lower medium grade	30.006.777	28.281.866
Non-investment grade speculative	25.956.037	30.298.375
Highly speculative	12.603.910	18.004.712
Substantial risk	13.666.603	14.811.940
Extremely speculative	3.727.594	4.197.074
Default imminent	231.461	772.735
In default	913.047	1.189.488
<b>Total amount for counterparties with external credit rating</b>	<b>179.802.491</b>	<b>145.602.282</b>
<b>Counterparties without external credit rating</b>		
Group 1 – new customers (less than 6 months)	6.750.974	4.532.888
Group 2 – existing customers (> 6 months) with no defaults in the past	14.307.376	8.488.035
Group 3 – existing customers (> 6 months) with some defaults in the past	29.719.018	19.755.196
Total amount for counterparties without external credit rating	50.777.369	32.776.119
<b>Total amount for counterparties without external credit rating</b>	<b>50.777.369</b>	<b>32.776.119</b>
<b>Total trade receivables</b>	<b>230.579.860</b>	<b>178.378.401</b>

The credit quality of trade receivables is positively impacted by the further implementation of commercial finance in the group (refer to note 12).

Cash and cash equivalents	31 December 2021	31 December 2020
Prime	50.897	949.888
High grade	8.612.058	12.011.522
Upper medium grade	199.440.047	365.139.736
Lower medium grade	31.198	294.498
<b>Cash and cash equivalents</b>	<b>208.134.200</b>	<b>378.395.645</b>

### Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the use of trade supplier credit terms.

Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities (note 16) at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements. The Group also uses factoring agreements with certain banks in order to obtain early access to cash flows.

Surplus cash held by the operating entities over and above balance required for working capital management is transferred to the Group treasury. Surplus cash is retained to finance future growth of the Group through acquisitions.



The table below analyses the Group's non-derivative and derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows and include future contractual interest payments. As a result, those amounts differ from the balances in the statement of financial position.

At 31 December 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows
<b>Non-derivatives</b>					
Subordinated loans	2.828.969	43.313	3.905.330		<b>6.777.611</b>
Bank loans	52.156.250	52.098.958	1.073.718.750	207.500.000	<b>1.385.473.958</b>
Commercial finance					<b>0</b>
Other loans	3.675	151.913			<b>155.588</b>
Finance lease liabilities	42.255.607	27.456.384	37.162.681	8.567.158	<b>115.441.830</b>
Trade and other payables	61.413.931				<b>61.413.931</b>
<b>Total non- derivatives</b>	<b>158.658.431</b>	<b>79.750.568</b>	<b>1.114.786.761</b>	<b>216.067.158</b>	<b>1.569.262.918</b>
<b>Derivatives</b>					
Early repayment option	0	0	0	0	<b>0</b>
<b>Total Derivatives</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

At 31 December 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows
<b>Non-derivatives</b>					
Subordinated loans	43.431	43.313	4.533.554		4.620.298
Bank loans	36.434.406	66.899.306	164.661.458	1.179.400.347	1.447.395.517
Commercial finance					0
Other loans	3.675	83.206	151.903		238.783
Finance lease liabilities	35.954.876	25.110.647	30.213.404	9.646.225	100.925.152
Trade and other payables	37.847.824				37.847.824
<b>Total non- derivatives</b>	<b>110.284.212</b>	<b>92.136.470</b>	<b>199.560.320</b>	<b>1.189.046.573</b>	<b>1.591.027.574</b>
<b>Derivatives</b>					
Early repayment option	0	0	0	0	0
<b>Total Derivatives</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

In order to meet its cash outflow obligations, the Group uses cash flows generated from operating activities and credit facilities with financial institutions if necessary. In order to mitigate the liquidity obligations in the less than one-year bucket, cash flows from revolving credit facilities with drawdown rights for additional EUR 95,00 million are available until the termination date of SFA, 26 July 2026. The Group has drawn EUR 95,00 million from the Revolving Credit Facility end of March 2020 to ensure sufficient liquidity for the group considering the Covid19 pandemic. This has been repaid mid-June 2020. In July 2021 the Group has drawn EUR 20,00 million from the Revolving Credit Facility to fund the acquisition of Cohedron. This had been repaid in August 2021.

## 4.2 Capital risk management

### Borrowings and related gearing ratio

	31 December 2021	31 December 2020
Total borrowings	1.093.117.680	1.089.387.432
Less: cash and cash equivalents	-208.134.200	-378.395.645
<b>Net debt</b>	<b>884.983.480</b>	<b>710.991.787</b>
Total equity	319.702.627	244.599.905
<b>Total capital</b>	<b>1.204.686.107</b>	<b>955.591.692</b>
<b>Gearing ratio</b>	<b>73%</b>	<b>74%</b>

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Under the terms of the Senior Facilities Agreement, the Group is required to comply with the financial covenant that the consolidated senior secured net leverage ratio must be not more than 6.0:1.

The Group has complied with this covenant throughout the reporting period. As at 31 December 2021, the consolidated senior secured net leverage ratio of the Group (net debt to normalized EBITDA; i.e. EBITDA adjusted based on the SFA agreement) was 3.16:1.

Management considers there is no material risk of breaching any covenant in the foreseeable future.

### Dividends

In general no dividends are paid out to majority shareholders. For the dividends declared to minority shareholders, please refer to the note 3.4 on non-controlling interest.

## 4.3 Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted (unadjusted) market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the reporting date. These instruments are included in level 2.

The instruments included in level 3 are those for which one or more significant inputs are not based on observable market data.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The following tables present the Group's assets and liabilities that are measured or disclosed at fair value at 31 December 2021 and 2020:

31 December 2021	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				<b>0</b>
Derivative financial instruments			3.027.960	<b>3.027.960</b>
<b>Assets for which fair values are disclosed</b>				<b>0</b>
Trade receivables			230.579.860	<b>230.579.860</b>
Loans to related parties			140.000	<b>140.000</b>
Cash and cash equivalents			208.134.200	<b>208.134.200</b>
Other non-current assets			13.233.234	<b>13.233.234</b>
Other receivables			57.987.446	<b>57.987.446</b>
<b>Liabilities measured at fair value</b>				<b>0</b>
Derivative financial instruments				<b>0</b>
<b>Liabilities for which fair values are disclosed</b>				<b>0</b>
Trade and other payables			61.413.931	<b>61.413.931</b>
Bank borrowings			1.087.203.501	<b>1.087.203.501</b>
Other loans			197.179	<b>197.179</b>
Vendor loans			4.142.000	<b>4.142.000</b>
Shareholder's loans			1.575.000	<b>1.575.000</b>
Other liabilities – financial leases			111.208.629	<b>111.208.629</b>
Other liabilities excl. finance leases			104.832.148	<b>104.832.148</b>

31 December 2020	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				<b>0</b>
Derivative financial instruments			1.750.000	<b>1.750.000</b>
<b>Assets for which fair values are disclosed</b>				<b>0</b>
Trade receivables			178.378.401	<b>178.378.401</b>
Loans to related parties			0	<b>0</b>
Cash and cash equivalents			378.395.645	<b>378.395.645</b>
Other non-current assets			14.732.472	<b>14.732.472</b>
Other receivables			39.816.504	<b>39.816.504</b>
<b>Liabilities measured at fair value</b>				<b>0</b>
Derivative financial instruments				<b>0</b>
<b>Liabilities for which fair values are disclosed</b>				<b>0</b>
Trade and other payables			37.847.824	<b>37.847.824</b>
Bank borrowings			1.085.440.825	<b>1.085.440.825</b>
Other loans			229.607	<b>229.607</b>
Vendor loans			2.142.000	<b>2.142.000</b>
Shareholder's loans			1.575.000	<b>1.575.000</b>
Other liabilities – financial leases			96.720.787	<b>96.720.787</b>
Other liabilities excl. financial leases			82.201.252	<b>82.201.252</b>

At 31 December 2021 and 2020 a level 3 fair value has been used for all financial instruments measured at fair value.

All assets and liabilities are recorded at their carrying amount, except for the bank loans and underlying derivatives. Refer to note 16 for the fair value determination of the borrowings and the derivative assets.

With regard to the estimates used for the valuation of the earn-outs (included in 'Other liabilities excl. financial leases'), reference is made to note 3.1.

#### 4.4 Offsetting financial assets and financial liabilities

The following financial assets and financial liabilities are subject to offsetting:

As at 31 December 2021					
Financial assets	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the balance sheet	Net amounts of financial assets presented in the statement of financial position	Financial instruments collateral	Net amount
Cash and cash equivalents	208.134.200		208.134.200	-208.134.200	0
Trade receivables	230.579.860		230.579.860		230.579.860
Loans to related parties	140.000		140.000		140.000
Derivative financial assets	3.027.960		3.027.960		3.027.960
Other non-current assets	13.233.234		13.233.234		13.233.234
Other receivables	57.987.446		57.987.446		57.987.446
<b>Total</b>	<b>513.102.700</b>	<b>0</b>	<b>513.102.700</b>	<b>-208.134.200</b>	<b>304.968.500</b>

As at 31 December 2021					
Financial liabilities	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off in the balance sheet	Net amounts of financial liabilities presented in the statement of financial position	Financial instruments collateral	Net amount
Trade payables	61.413.931		61.413.931		61.413.931
Bank borrowing	1.087.203.501		1.087.203.501	-208.134.200	879.069.301
Other loans	197.179		197.179		197.179
Borrowings from related parties	5.717.000		5.717.000		5.717.000
Other liabilities – financial leases	111.208.629		111.208.629		111.208.629
Other liabilities excl. financial leases	104.832.148		104.832.148		104.832.148
<b>Total</b>	<b>1.370.572.388</b>	<b>0</b>	<b>1.370.572.388</b>	<b>-208.134.200</b>	<b>1.162.438.188</b>

As at 31 December 2020					
Financial assets	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the balance sheet	Net amounts of financial assets presented in the statement of financial position	Financial instruments collateral	Net amount
Cash and cash equivalents	378.395.645		378.395.645	-378.395.645	0
Trade receivables	178.378.401		178.378.401		178.378.401
Derivative financial assets	1.750.000		1.750.000		1.750.000
Other non-current assets	14.732.472		14.732.472		14.732.472
Other receivables	39.816.504		39.816.504		39.816.504
<b>Total</b>	<b>613.073.022</b>	<b>0</b>	<b>613.073.022</b>	<b>-378.395.645</b>	<b>234.677.377</b>

As at 31 December 2020					
Financial liabilities	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off in the balance sheet	Net amounts of financial liabilities presented in the statement of financial position	Financial instruments collateral	Net amount
Trade payables	37.847.824		37.847.824		37.847.824
Bank borrowing	1.085.440.825		1.085.440.825	-378.395.645	707.045.181
Other loans	229.607		229.607		229.607
Borrowings from related parties	3.717.000		3.717.000		3.717.000
Other liabilities – financial leases	96.720.787		96.720.787		96.720.787
Other liabilities excl. financial leases	82.201.252		82.201.252		82.201.252
<b>Total</b>	<b>1.306.157.295</b>	<b>0</b>	<b>1.306.157.295</b>	<b>-378.395.645</b>	<b>927.761.651</b>

There are no enforceable master netting arrangements. The related receivables and payables in the statement of financial position are presented gross while upon payment the net position is settled.

The Group has pledged cash on bank accounts, intercompany receivables, and shares of the Group and the most material subsidiaries, as described in note 16 on borrowings. In case of default, the banks would be able to cover the debt from cash and intercompany receivables as shown in the table above, and the rest in shares of the Group and related subsidiaries.

## **5 CRITICAL 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. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

This note provides an overview of the areas that involve a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong.

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### **5.1 Accounting 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 recognized in the consolidated financial statements:

#### **Determination of the consolidation scope of the Group**

Refer to note 3.1 for more information.

#### **Accounting for factoring agreements within the Group**

The Group entered into factoring agreements with banks, under which trade receivables of certain entities within the Group are transferred to the factors. These entities are part of Accent Group and GRITT, and the factoring arrangements involve ING, Belfius and KBC Bank. During 2020, the Group has implemented a commercial finance agreement (factoring) in TIMEPARTNER. During 2021, the Group has implemented a commercial finance agreement (factoring) in Continu Professionals and Covebo. Furthermore, a commercial finance agreement is in place at avanti. Significant judgement is needed in order to assess whether the criteria for derecognition of these assets under IFRS 9 has been met, and whether the Group can derecognize trade receivables at the moment of transfer to the factors.

In order to meet the IFRS 9 criteria for the derecognition, substantially all risks and rewards of ownership related to the financial asset (i.e. receivable) need to be transferred to the factor.

#### **Capitalization of development costs**

The Group internally develops software applications that are used in the day-to-day service offerings.

Development costs are capitalized in accordance with the accounting policy in note 2. Initial capitalization of costs is based on management's judgement that technological and economic feasibility of the internally developed software is confirmed. Group management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

### **5.2 Critical judgements in applying the entities' accounting policies**

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 beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### **Impairment testing on goodwill**

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 to sell and its value in use.

The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset.

The value in use calculation is based on a discounted cash flow 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 asset's performance of the cash-generating unit being tested.

The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

The key assumptions used to determine the recoverable amount for the different cash-generating units, including a sensitivity analysis, are further explained in note 8.

#### **Fair value of financial instruments**

The Group has a Senior Facility Agreement and Senior (Un)Secured Notes. A derivative financial asset has been recognized in relation to the embedded derivative – the right to exercise an early payment option. As this option is not considered to be closely related to the host contract, a derivative asset has been recognized separately from the host contract and has been measured at fair value on initial recognition and subsequently at fair value through income statement.

The Optional Redemption of Notes is valued using financial models available in Bloomberg. The value of the option feature is equal to the difference between the bond price observed on the market and the estimated bond price if there was no redemption option. It is then adjusted to capture the impact of the costs of refinancing. The main parameters of the analysis are the bond price, the volatility of interest rates and the net book value of the refinancing fees. For more details refer to note 11 on derivatives.

#### **Share-based payment plans**

The Group has offered to a selected group of managers share-based compensation benefits, in order to incentivize them to further develop the activities of the Group. The value of the LTIP at grant date has been calculated based on the equity value of the entity, excluding the value of the tracking shares. Judgement was made in order to determine these assumptions. For more detail, refer to the note 19.

#### **Fair value of intangible assets acquired in a business combination**

As part of the purchase price allocations that were completed by the Group for the recent acquisitions of the Group, both brand names and customer relationships have been accounted for by the Group at their estimated fair value. In determining the fair value of these intangible assets, assumptions and estimates are made in relation to the long-term growth rate, discount rates and contributory asset charges. Refer to note 3.1 for more information.

#### **Taxes**

Uncertainties may exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

#### **Useful life and residual value of intangible assets and property, plant and equipment**

Judgement is required in estimating the useful lives and residual value of intangible and tangible assets. The residual value is the estimated amount that would be currently obtained from the disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Group management reviews its estimated useful life as well as the residual value of intangible and tangible assets on an annual basis.

Refer to the PP&E note (note 9) and intangible assets note (note 7) for more information.

**Determining the lease term of contracts with renewal options**

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 the option, under some of its leases to lease the assets for additional terms between 3 and 9 years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. 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 (e.g., a change in business strategy).

The Group included the renewal period as part of the lease term for leases of its buildings due to the significance of these assets to its operations when it is reasonably certain that these renewal options will be exercised by the Group.

**Estimated earn-out**

Earn-out arrangements may exist as part of the negotiations of the purchase price in business combinations. At acquisition date, the earn-out liability is calculated based on the most likely outcome, taken into account the information that is at hand at that time. A revaluation of this estimate is performed at year-end, based on the updated information available. Judgement is required in estimating the likely outcome of the earn-out as this frequently includes future information, such as expected EBITDA growth or expected gross margin growth. In case of a difference between the initial estimate and the updated estimate at year-end, the difference is recorded through P&L in Other gains & loss.

## 6 SEGMENT REPORTING

As from 2021 the Group only presents two segments (instead of three previously) to reflect the integration of the General and Specialized Staffing segments into the Specialized Talent Solutions segment which occurred in the course of Q1 2021. This integration has been materialized through the successful completion of the partial merger between TIMEPARTNER and Zaquensis in Q2 2021. A new holding company was created, i.e. "House of HR Germany", holding all shares in the TIMEPARTNER and former Zaquensis entities. The former holding companies, TIMEPARTNER Group Service GmbH and Zaquensis Holding GmbH, are shareholder of House of HR Germany. This segment reporting also reflects better the strategy of House of HR towards becoming even more specialized in the Human Resources solutions market. The final purpose of this segmentation is to better focus on how to attract candidates and present the services to our client base.

This initiative is supported with the acquisition of Solyne, Greenworking, avanti, Cohedron, Vanberkel Professionals and Bureau Brug in 2021 (refer to note 3.1).

With this new approach of two segments, the Group is able to deliver custom made solutions to our target markets, and believes it will deliver faster than market sales growth.

- **Specialized Talent Solutions:** The Specialized Talent Solutions segment provides on the one hand temporary staffing solutions with a focus on 'temp-to-perm' placements, international job candidate recruiting and permanent placements for clients who need specific job profiles, and on the other hand (mostly) short-term staffing solutions to larger clients with multiple staffing needs.
- **Engineering & consulting:** Highly skilled professionals are recruited to work in fast evolving sectors like energy, pharmaceuticals, technology etc. The Group also assists clients with the search and selection of the right candidate, interim management or secondment.

Corporate management is responsible for managing performance, underlying risks, and effectiveness of operations.

The table below shows the segment information provided to the strategic steering committee for the reportable segments and the basis on which revenue is recognized.

The income statement of 2020 has been restated excluding the disposal of GRITT Projects NV (engineering & consulting segment). The post-tax gain/loss from discontinued operations is presented on a separate line in the income statement. For a detailed income statement of the disposed entity, refer to note 3.6.



Segment reporting – income statement for the 12 months ended as at 31 December 2021 in EUR	Specialized Talent Solutions	Engineering & Consulting	Corporate	Group eliminations and other	Total
Revenue recognised over time	1.364.253.834	636.575.636			2.000.829.470
Revenue recognised at point in time	17.246.249	31.708.810	338.570		49.293.628
Revenue from transactions with other operating segments in the group	1.719.389	302.934	0	-2.022.323	0
Cost of services	-1.070.651.147	-435.837.080	-127.942	2.291.625	-1.504.324.545
<b>Gross profit/(loss)</b>	<b>312.539.801</b>	<b>232.750.392</b>	<b>210.628</b>	<b>297.826</b>	<b>545.798.646</b>
Selling expenses	-177.795.537	-107.405.711	-802.511	1.146.306	-284.857.453
Impairment of goodwill	0	0	0	0	0
Other general and administrative expenses	-50.227.080	-41.654.898	-18.125.666	-2.904.261	-112.911.905
<b>Total operating expenses</b>	<b>-228.022.617</b>	<b>-149.060.609</b>	<b>-18.928.177</b>	<b>-1.757.955</b>	<b>-397.769.359</b>
Other gains/(losses) – net	1.381.279	-9.019.092	16.632.446	-7.056.405	1.938.228
<b>Operating profit/(loss)</b>	<b>85.898.463</b>	<b>74.670.690</b>	<b>-2.085.104</b>	<b>-8.516.534</b>	<b>149.967.515</b>
Financial income	227.198	234.028	40.742.342	-38.030.155	3.173.413
Financial expenses	-25.982.753	-16.966.469	-64.855.448	37.029.336	-70.775.333
<b>Net finance income/(loss)</b>	<b>-25.755.555</b>	<b>-16.732.441</b>	<b>-24.113.106</b>	<b>-1.000.819</b>	<b>-67.601.920</b>
Share in profit/loss of equity accounted investments	0	-1	-650.781	0	-650.781
<b>Profit/(loss) before taxes</b>	<b>60.142.908</b>	<b>57.938.249</b>	<b>-26.848.990</b>	<b>-9.517.353</b>	<b>81.714.814</b>
Income tax expenses	-17.982.783	-17.966.188	-191.168	0	-36.140.140
<b>Net profit/(loss) of the period</b>	<b>42.160.124</b>	<b>39.972.060</b>	<b>-27.040.158</b>	<b>-9.517.353</b>	<b>45.574.674</b>
Profit/(loss) from discontinued operation (attributable to equity holders of the company)				0	
<b>Net profit/(loss) of the period</b>	<b>42.160.124</b>	<b>39.972.060</b>	<b>-27.040.158</b>	<b>-9.517.353</b>	<b>45.574.674</b>

Segment reporting – income statement for the 12 months ended as at 31 December 2020 in EUR	Specialized Talent Solutions	Engineering & Consulting	Corporate	Group eliminations and other	Total
Revenue recognised over time	1.066.523.325	511.333.680		0	1.577.857.005
Revenue recognised at point in time	10.409.178	8.013.461	69.812	0	18.492.451
Revenue from transactions with other operating segments in the group	1.260.225	400.339	0	-1.660.564	0
Cost of services	-840.044.294	-349.760.249	-741	1.594.278	-1.188.211.005
<b>Gross profit/(loss)</b>	<b>238.148.434</b>	<b>169.987.240</b>	<b>69.072</b>	<b>-66.286</b>	<b>408.138.460</b>
Selling expenses	-144.307.773	-77.314.659	-269.514	863.449	-221.028.497
Impairment of goodwill	0	0	0	0	0
Other general and administrative expenses	-61.295.240	-39.109.443	-12.213.393	-3.782.821	-116.400.897
<b>Total operating expenses</b>	<b>-205.603.013</b>	<b>-116.424.102</b>	<b>-12.482.907</b>	<b>-2.919.372</b>	<b>-337.429.394</b>
Other gains/(losses) – net	-1.021.060	-2.867.689	11.684.413	-979.921	6.815.743
<b>Operating profit/(loss)</b>	<b>31.524.361</b>	<b>50.695.449</b>	<b>-729.422</b>	<b>-3.965.579</b>	<b>77.524.809</b>
Financial Income	109.548	322.295	48.939.012	-47.412.090	1.958.764
Financial expenses	-20.626.885	-12.653.946	-55.870.496	28.372.505	-60.778.823
<b>Net finance income/(costs)</b>	<b>-20.517.337</b>	<b>-12.331.652</b>	<b>-6.931.484</b>	<b>-19.039.585</b>	<b>-58.820.059</b>
Share in profit/(loss) of equity accounted investments	0	0	8.999	0	8.999
<b>Profit/(loss) before taxes</b>	<b>11.007.024</b>	<b>38.363.797</b>	<b>-7.651.908</b>	<b>-23.005.165</b>	<b>18.713.749</b>
Income tax expenses	-3.066.913	-12.439.094	2.264.666	0	-13.241.341
<b>Net profit/(loss) of the period</b>	<b>7.940.112</b>	<b>25.924.704</b>	<b>-5.387.242</b>	<b>-23.005.165</b>	<b>5.472.408</b>
Profit/(loss) from discontinued operation (attributable to equity holders of the company)		-20.581.694		0	-20.581.694
<b>Net profit/(loss) of the period</b>	<b>7.940.112</b>	<b>5.343.009</b>	<b>-5.387.242</b>	<b>-23.005.165</b>	<b>-15.109.286</b>

\* Revenue recognized at point in time has been restated in 2020 to correctly reflect the actual revenue at point.

Segment assets and segment sales are presented before elimination of intersegment transactions. Sales between segments are on an arm's length basis in a manner similar to transactions with third parties.

The group eliminations in 2021 contain, amongst others, the expense for the Long Term Incentive Plan of EUR 1,53 million (see note 19), the elimination of EUR 1,04 million dividend on preferred shares from Accent Group to House of HR and the elimination of EUR 6,76 million plus value on the sale of shares in Gighthouse and NOWJOBS from Accent to House of Invest.

The group eliminations in 2020 contain the expense for the LTIP of EUR 3,93 million (see note 19) and the elimination of EUR 19,05 million dividend on preferred shares paid by TIMEPARTNER to House of HR.

Segment reporting – balance sheet as at 31 December 2021 in EUR	Specialized Talent Solutions	Engineering & Consulting	Corporate	Group eliminations and other	Total
Total segment assets	1.125.452.426	1.228.466.636	1.779.728.720	-2.137.828.743	1.995.819.039
Total segment liabilities	-1.125.452.426	-1.228.466.636	-1.779.728.720	2.137.828.743	-1.995.819.039
Amount of investments in associates and joint ventures accounted for by the equity method			912.692		912.692

Segment reporting – balance sheet as at 31 December 2020 in EUR	Specialized Talent Solutions	Engineering & Consulting	Corporate	Group eliminations and other	Sum Total
Total segment assets	1.007.137.063	836.664.490	1.719.320.835	-1.795.771.127	1.767.351.262
Total segment liabilities	-1.007.137.063	-836.664.490	-1.719.320.835	1.795.771.127	-1.767.351.262
Amount of investments in associates and joint ventures accounted for by the equity method			1.521.059		1.521.059

The Specialized Talent Solutions segment, composed of Accent, Covebo, and TIMEPARTNER (excluding AERO and IBB) is active in Belgium, The Netherlands and Germany. The Engineering & Consulting segment, composed of Abylsen, Continu Professionals, Redmore, GRITT, Vialegis, Cohedron, AERO and IBB, is active throughout France, the Netherlands, Belgium, and Germany. We refer to note 22 for a split of the revenue per geographical region.

## 7 INTANGIBLE ASSETS

### Acquisition related intangible assets

	Intangible assets						
	Customer relationships	Brand name	Internally generated software	Software under development	Externally acquired software	Other	Total
At 1st of January 2020							
Cost	162.067.713	65.814.709	30.347.050	1.391.891	6.998.076	333.307	266.952.746
Accumulated amortization and impairment	-35.643.743	-10.232.901	-16.170.604	0	-4.441.317	-210.099	-66.698.663
Net book amount	126.423.970	55.581.808	14.176.446	1.391.891	2.556.759	123.209	200.254.083
Movements in 2020							
Acquisition of subsidiaries	3.664.991	193.605	613.655				4.472.251
Acquisition of subsidiaries – accumulated depreciations			-290.597				-290.597
Disposal of subsidiaries – gross book value	-1.210.774		-1.210.798	-6.750			-2.428.321
Disposal of subsidiaries – accumulated depreciations	181.616		644.911	342			826.869
Additions			4.909.627	3.282.528	11.543		8.203.698
Disposals – reversal of gross book value		-2.202.971	-3.576.726				-5.779.697
Disposals – reversal of accumulated amortisation/impairment	0	2.202.971	3.552.328				5.755.299
Amortisation/impairment	-17.888.796	-11.595.932	-6.550.266	-342	-5.354		-36.040.689
Transfers – Acquisition value	0		5.291.197	-2.715.304	-2.472.266	-100.456	3.170
Transfers – Accumulated depreciations	1		-1.028.574		971.055	56.320	-1.199
Other changes in acquisition value	0	0	-704				-704
Other changes in accumulated depreciations	0	-1	19.256				19.254
Closing balance at December 31,2020	111.171.009	44.179.480	16.549.755	1.952.364	1.061.736	79.072	174.993.416
At 31 December 2020							
Cost	164.521.930	63.805.343	36.373.301	1.952.364	4.537.352	232.851	271.423.142
Accumulated amortization and impairment	-53.350.921	-19.625.863	-19.823.546	0	-3.475.616	-153.779	-96.429.726
Net book amount	111.171.009	44.179.480	16.549.755	1.952.364	1.061.736	79.072	174.993.416

Intangible assets							
	Customer relationships	Brand name	Internally generated software	Software under development	Externally acquired software	Other	Total
<b>At 1st of January 2021</b>							
Cost	164.521.930	63.805.343	36.373.208	1.952.364	4.537.352	232.851	271.423.048
Accumulated amortization and impairment	-53.350.921	-19.625.863	-19.823.546	0	-3.475.616	-153.779	-96.429.726
<b>Net book amount</b>	<b>111.171.009</b>	<b>44.179.480</b>	<b>16.549.662</b>	<b>1.952.364</b>	<b>1.061.736</b>	<b>79.072</b>	<b>174.993.323</b>
<b>Movements in 2021</b>							
Acquisition of subsidiaries	140.989.715	15.048.955	23.087.665	289.177			179.415.511
Acquisition of subsidiaries – accumulated depreciations			-3.334.433				-3.334.433
Additions	255.000	110.000	5.341.641	6.660.061	49.206		12.415.908
Disposals – reversal of gross book value		-7.235.974	-821.418				-8.057.392
Disposals – reversal of accumulated amortisation/impairment		7.235.974	715.111				7.951.085
Amortisation/impairment	-23.589.205	-4.424.253	-8.946.125		-329.858	-39.536	-37.328.977
Translation differences			93				93
Transfers – Acquisition value	0	0	3.104.076	-3.500.762			-396.685
Transfers – Accumulated depreciations	0	0	839.579	92.734	-501.299	-39.536	391.479
Other changes in acquisition value	0	0	-87.719				-87.719
Other changes in accumulated depreciations	43.509	1	91.024				134.534
<b>Closing balance at December 31, 2021</b>	<b>228.870.027</b>	<b>54.914.184</b>	<b>36.539.156</b>	<b>5.493.574</b>	<b>279.786</b>	<b>0</b>	<b>326.096.727</b>
<b>At 31 December 2021</b>							
Cost	305.766.645	71.728.324	66.997.547	5.400.840	4.586.558	232.851	454.712.765
Accumulated amortization and impairment	-76.896.618	-16.814.141	-30.458.391	92.734	-4.306.773	-232.851	-128.616.038
<b>Net book amount</b>	<b>228.870.027</b>	<b>54.914.184</b>	<b>36.539.156</b>	<b>5.493.574</b>	<b>279.786</b>	<b>0</b>	<b>326.096.727</b>

### (i) Acquisition related intangible assets

The carrying amounts of the customer relationships and the brand names as per 31 December 2021 amount to EUR 228,87 million and EUR 54,91 million, respectively.

The customer relationships and brand names were acquired as part of a business combination or an asset deal. They are recognized at their fair value at the date of acquisition and are subsequently amortized on a straight-line based on the timing of projected cash flows of the contracts over their estimated useful lives.

The fair value is determined on a basis that reflects an amount that the entity would have paid for the asset in an arm's length transaction between knowledgeable and willing parties, based on the best information available.

Refer to the Business Combination note (note 3.1) for more information on the additions to the customer relationships and the brand names.

During the last quarter of 2020, the Group launched the project to verify the impact of a possible merge between the TIMEPARTNER group and the ZAQUENSIS group and consequently recorded an impairment for the tradename ZAQUENSIS of EUR 5,70 million in the 2020 financial statements. Early 2021, the Board of Directors approved the merger of both companies resulting in the disposal of the ZAQUENSIS brand in 2021.

### (ii) Software

The Group capitalizes amounts of both externally acquired software and internally developed software. Internally developed software is initially classified under the category "Software under development" and is transferred to the category "Internally generated software" once the software becomes available for use. As from that moment amortizations will start.

### Externally acquired software

The carrying amount of externally acquired software amounts to EUR 0,28 million as per 31 December 2021. The main amounts recorded for externally acquired software relates to licenses for ERP packages used within the Group (mainly Tagetik and Navision).

### Internally developed software and software under development

The carrying amount of internally generated software amounts to EUR 36,54 million as per 31 December 2021. The carrying amount of software under development amounts to EUR 5,49 million as per 31 December 2021.

The majority of the internally developed software as well as the software under development relates to the "MyAccent app" and the "My tools" digital platform that is used by Accent Jobs for People to run the HR business; the IT platform named "FLOW" developed by Cohedron to bring together budget counselling, guardianship and debt counselling; and the development of the apps created by the Group such as NOWJOBS, SWOP, Softskills, etc.

The Group expenses a total of EUR 3,2 million of research and development expenditures in the income statement.

Amortizations on intangible assets are charged to the Selling Expenses (EUR 30,54 million) and the General and administrative expenses (EUR 6,79 million) in the statement of financial performance.

There are no intangible assets with an indefinite useful life.

## 8 GOODWILL

Goodwill acquired through business combinations is allocated by Group management to the following two segments:

- The Specialized Talent Solutions segment, which provides on the one hand temporary staffing solutions with a focus on 'temp-to-perm' placements, international job candidate recruiting and permanent placements for clients who need specific job profiles, and on the other hand (mostly) short-term staffing solutions to larger clients with multiple staffing needs. The Specialized Talent Solutions Segment is composed of the Accent Group, the Covebo Group, and the TIMEPARTNER Group, excluding AERO and IBB which are part of the Engineering and Consulting segment.
- Engineering & Consulting: The Group recruits highly skilled professionals to work in fast evolving sectors like energy, pharmaceuticals, technology, search and selection, interim management or secondment – in line with client needs. The Engineering & Consulting segment is composed of the GRITT, Vialegis, Abylsen, Continu Professionals, Redmore, Cohedron and part of the TIMEPARTNER Group, being AERO and IBB.

### Carrying amount of goodwill allocated to each of the segments

Movements in goodwill as well as the allocation of goodwill to the different segments at year-end is shown in the following table:

As at 31 December 2020						
Segment	1 January 2020	Acquisition of subsidiaries	Disposal of subsidiaries	Impairment charge	Other adjustments	31 December 2020
Corporate	0	506.762	0	0	0	506.762
Specialized Talent Solutions	413.337.298	0	0	0	-7.597.552	405.739.746
Engineering & Consulting	454.009.879	8.026.191	-13.919.525	0	7.621.281	455.737.825
<b>TOTAL</b>	<b>867.347.176</b>	<b>8.532.953</b>	<b>-13.919.525</b>	<b>0</b>	<b>23.729</b>	<b>861.984.333</b>

As at 31 December 2021						
Segment	1 January 2021	Acquisition of subsidiaries	Disposal of subsidiaries	Impairment charge	Other adjustments	31 December 2021
Corporate	506.762	0	0	0	0	506.762
Specialized Talent Solutions	405.739.746	15.163.985	0	0	-127.166	420.776.565
Engineering & Consulting	455.737.825	147.004.997	0	0	0	602.742.823
<b>TOTAL</b>	<b>861.984.333</b>	<b>162.168.983</b>	<b>0</b>	<b>0</b>	<b>-127.166</b>	<b>1.024.026.150</b>

### Key assumptions used in value in use calculations

The Group tests whether goodwill has suffered any impairment on an annual basis. This impairment test is annually performed based on Q3 interim financial statements. For the 31 December 2021 reporting period, the recoverable amount of the CGU's was determined based on value in use calculations which require the use of assumptions.

The calculations use cash flow projections based on financial budgets approved by management covering a five-year window for the 2021 impairment. Cash flows beyond the projection period are extrapolated using the estimated growth rates stated

below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

The calculation of value in use for all CGU's are most sensitive to the following assumptions:

- **Post-tax discount rates:** Discount rates represent the current market assessment of the risks specific to each cash-generating unit, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data..

Post-tax discount rate	31 December 2021	31 December 2020
Specialized Talent Solutions	9,45%	10,6%
Engineering & Consulting	9,29%	10,6%

- **EBITDA Margin:** The EBITDA margins are based upon past performance and management's expectations for the future.

EBITDA Margin	31 December 2021	31 December 2020
Specialized Talent Solutions	9,6%	9,0%
Engineering & Consulting	18,7%	15,0%

- **Growth rate estimates:** Rates are based on published inflation rates provided by the IMF (International Monetary Fund). For the reasons explained above, the long-term rate is used to extrapolate the projections.

Growth rate	31 December 2021	31 December 2020
Specialized Talent Solutions	2,0%	2,0%
Engineering & Consulting	2,0%	2,0%

Based on the goodwill impairment exercise performed, the carrying value of the CGU's doesn't exceed its recoverable amount.

### Sensitivity to changes in assumptions

With regard to the assessment of value in use of the two segments, Group's management believes that no reasonable possible change in any of the above assumptions would cause the carrying value of the segment to materially exceed its recoverable amount.

Nor a 0% sales growth, nor a decrease in EBITDA of 200 bps, nor an increase in WACC up to 200 bps impacts the carrying amount of the goodwill and (in)angible assets.

## 9 PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment	Land and Buildings	Plant, machinery and equipment	Furniture and vehicles	Other tangible fixed assets	Leased PP&E	Total PPE
<b>–At 1st of January 2020</b>						
Cost	315.730	6.538.153	24.202.363	22.275.533	103.970.664	157.302.441
Accumulated depreciation and impairment	33.203	-4.325.232	-13.583.758	-13.453.733	-31.078.578	-62.408.099
<b>Net book amount</b>	<b>348.933</b>	<b>2.212.920</b>	<b>10.618.605</b>	<b>8.821.799</b>	<b>72.892.086</b>	<b>94.894.343</b>
<b>Movements in 2020</b>						
Acquisition of subsidiaries	24.255	-21.597	119.415	162.753	447.249	732.076
Acquisition of subsidiaries – accumulated depreciations	-22.761	21.580	-86.610	-77.891		-165.681
Disposal of subsidiaries		-579.335	-734.222	-194.697	-2.428.397	-3.936.651
Disposal of subsidiaries – accumulated depreciations		469.758	658.116	174.054	448.235	1.750.163
Additions		597.820	5.469.472	2.328.230	46.675.048	55.070.571
Disposals – reversal of gross book value		-629.373	-4.161.581	-730.303	-13.247.863	-18.769.121
Disposals – reversal of accumulated amortisation/impairment	80	486.159	2.834.488	655.081	13.022.489	16.998.297
Depreciation/impairment	-2.651	-500.048	-4.965.152	-2.627.992	-38.632.733	-46.728.576
Translation differences			3.736			3.736
Transfers – acquisition value	47.459	-3.966.449	8.505.043	-5.476.562	887.338	-3.170
Transfers – accumulated depreciations	-70	2.494.541	-6.132.722	3.919.289	-279.838	1.199
Other changes in acquisition value		-1	-16.751	-7.316	7.781.382	7.757.316
Other changes in accumulated depreciations		-1.712	18.457	8.067	71.983	96.795
<b>Closing balance at December 31,2020</b>	<b>395.245</b>	<b>584.264</b>	<b>12.130.295</b>	<b>6.954.512</b>	<b>87.636.979</b>	<b>107.701.297</b>
<b>At 31 December 2020</b>						
Cost	387.445	1.939.218	33.387.476	18.357.638	144.085.422	198.157.198
Accumulated depreciation and impairment	7.801	-1.354.954	-21.257.180	-11.403.125	-56.448.442	-90.455.901
<b>Net book amount</b>	<b>395.245</b>	<b>584.264</b>	<b>12.130.295</b>	<b>6.954.512</b>	<b>87.636.979</b>	<b>107.701.297</b>

Property, Plant and Equipment	Land and Buildings	Plant, machinery and equipment	Furniture and vehicles	Other tangible fixed assets	Leased PP&E	Total PPE
<b>At 1st of January 2021</b>						
Cost	387.445	1.939.218	33.387.476	18.357.638	144.085.422	<b>198.157.198</b>
Accumulated depreciation and impairment	7.801	-1.354.954	-21.257.180	-11.403.125	-56.448.442	<b>-90.455.901</b>
<b>Net book amount</b>	<b>395.245</b>	<b>584.264</b>	<b>12.130.295</b>	<b>6.954.512</b>	<b>87.636.979</b>	<b>107.701.297</b>
<b>Movements in 2021</b>						
Acquisition of subsidiaries			6.587.112	1.209.322	20.835.264	<b>28.631.698</b>
Acquisition of subsidiaries – accumulated depreciations			-4.697.185	-557.410		<b>-5.254.595</b>
Additions		308.903	4.834.203	2.008.482	32.577.198	<b>39.728.786</b>
Disposals – reversal of gross book value	12.629	-279.081	-2.204.533	-524.252	-19.788.526	<b>-22.783.763</b>
Disposals – reversal of accumulated amortisation/impairment	-15.562	278.161	1.943.596	409.758	19.721.270	<b>22.337.223</b>
Depreciation/impairment		-194.287	-5.552.421	-2.646.260	-44.934.121	<b>-53.327.089</b>
Translation differences			2.199			<b>2.199</b>
Transfers – acquisition value	-124.974	-304.407	107.565	299.011	-164.502	<b>-187.308</b>
Transfers – accumulated depreciations	2.661	182.991	-143.282	-21.584	80.719	<b>101.505</b>
Other changes in acquisition value		-6.631	116.469	60.897	8.087.517	<b>8.258.252</b>
Other changes in accumulated depreciations		-4.585	-47.292	-77.504	-18.326	<b>-147.707</b>
<b>Closing balance at December 31,2021</b>	<b>270.000</b>	<b>565.328</b>	<b>13.076.724</b>	<b>7.114.974</b>	<b>104.033.473</b>	<b>125.060.499</b>
<b>At 31 December 2021</b>						
Cost	275.100	1.658.002	42.830.490	21.411.098	185.632.373	<b>251.807.063</b>
Accumulated depreciation and impairment	-5.100	-1.092.674	-29.753.765	-14.296.124	-81.598.900	<b>-126.746.564</b>
<b>Net book amount</b>	<b>270.000</b>	<b>565.328</b>	<b>13.076.724</b>	<b>7.114.974</b>	<b>104.033.473</b>	<b>125.060.499</b>



The Group's main PP&E items relate to owned company cars, office furniture, hardware-equipment as well as leasehold improvements the Group has made in its leased headquarters and regional offices (branches). The caption "Leased PP&E" includes various company cars, houses, branches and headquarters that are considered as financial lease resulting from the IFRS16 standard on leases:

	31 December 2021	31 December 2020
<b>Right-of-use asset</b>		
Buildings	<b>67.014.874</b>	61.037.149
Cars	<b>36.797.488</b>	26.303.839
Office equipment and vehicles	<b>221.111</b>	295.991
<b>Total right-of-use asset</b>	<b>104.033.473</b>	87.636.979

Changes into PP&E as per 31 December 2021 mainly relate to the acquisitions done in 2021 and the replacement of office furniture and company cars. Refer to note 3.1 for more information on the different business combinations that have been completed by the Group.

Other changes in acquisition value relate to the modifications in the assumptions of the lease contracts, such as the prolongment of the lifetime of existing contracts.

Depreciations on PP&E are charged to Cost of Services (EUR 20,41 million), Selling Expenses (EUR 26,37 million) and the General and administrative expenses (EUR 6,55 million) in the statement of financial performance.

## 10 FINANCIAL INSTRUMENTS BY CATEGORY

The Group holds the following financial instruments:

Financial assets	Financial assets at fair value through OCI (FVOCI)	Financial assets at fair value through P&L (FVPL)	Financial assets at amortised costs	Total
<b>31 December 2021</b>				
Trade receivables			230.579.860	<b>230.579.860</b>
Loans to related parties			140.000	<b>140.000</b>
Cash and cash equivalents			208.134.200	<b>208.134.200</b>
Other non-current assets			13.233.234	<b>13.233.234</b>
Other receivables			57.987.446	<b>57.987.446</b>
Derivative assets		3.027.960		<b>3.027.960</b>
<b>Total financial assets</b>	<b>0</b>	<b>3.027.960</b>	<b>510.074.740</b>	<b>513.102.700</b>

Financial assets	Financial assets at fair value through OCI (FVOCI)	Financial assets at fair value through P&L (FVPL)	Financial assets at amortised costs	Total
<b>31 December 2020</b>				
Trade receivables			178.378.401	178.378.401
Cash and cash equivalents			378.395.645	378.395.645
Other non-current assets			14.732.472	14.732.472
Other receivables			39.816.504	39.816.504
Derivative assets		1.750.000		1.750.000
<b>Total financial assets</b>	<b>0</b>	<b>1.750.000</b>	<b>611.323.022</b>	<b>613.073.022</b>

Financial liabilities	Financial liabilities at fair value through OCI (FVOCI)	Financial liabilities at fair value through P&L (FVPL)	Financial liabilities at amortised costs	Total
<b>31 December 2021</b>				
				<b>0</b>
Trade and other payables			61.413.931	<b>61.413.931</b>
Bank borrowings			1.087.203.501	<b>1.087.203.501</b>
Other loans			197.179	<b>197.179</b>
Vendor loans			4.142.000	<b>4.142.000</b>
Shareholder's loans			1.575.000	<b>1.575.000</b>
Other liabilities – financial leases			111.208.629	<b>111.208.629</b>
Other liabilities excl. financial leases			104.832.148	<b>104.832.148</b>
<b>Total financial liabilities</b>	<b>0</b>	<b>0</b>	<b>1.370.572.388</b>	<b>1.370.572.388</b>

Financial liabilities	Financial liabilities at fair value through OCI (FVOCI)	Financial liabilities at fair value through P&L (FVPL)	Financial liabilities at amortised costs	Total
<b>31 December 2020</b>				
Trade and other payables			37.847.824	37.847.824
Bank borrowings			1.085.440.825	1.085.440.825
Other loans			229.607	229.607
Vendor loans			2.142.000	2.142.000
Shareholder's loans			1.575.000	1.575.000
Other liabilities – financial leases			96.720.787	96.720.787
Other liabilities excl. financial leases			82.201.252	82.201.252
<b>Total financial liabilities</b>	<b>0</b>	<b>0</b>	<b>1.306.157.295</b>	<b>1.306.157.295</b>

The majority of financial assets and liabilities are classified as assets/liabilities at amortized cost, except for derivatives which are measured at the fair value through profit or loss. For more details on accounting policies applied for each category, please refer to the note 2.

## 11 DERIVATIVE FINANCIAL INSTRUMENTS

The Group has the following derivative financial instruments:

### (i) Interest rate swaps and rate swaps

There were no interest rate swaps within the Group as per 31 December 2020 nor per 31 December 2021.

### (ii) Early payment option on SSN and SUN

The Group has Senior (Un)Secured Notes of EUR 570,00 million as disclosed in borrowings (refer to note 16 for more details). A derivative financial asset has been recognized in relation to an embedded derivative – the right for the issuer to exercise an early payment option. As this option is not considered to be closely related to the host contract, a derivative asset has been recognized and has been measured at the fair value on initial recognition with subsequent changes in fair value recorded in the income statement. The fair value of this early repayment option as per 31 December 2020 amounts to EUR 1,42 million for the Senior Secured Notes and EUR 0,33 million for the Senior Unsecured Notes. At year-end 2021 a derivative financial asset of EUR 3,03 million has been recognized.

The prepayment option relating to the Senior (Un)Secured Notes is valued using financial models available in Bloomberg. The value of the option feature is equal to the difference between the bond price observed on the market and the estimated bond price if there was no redemption option. It is then adjusted to capture the impact of the costs of refinancing. The main parameters of the analysis are the bond price, the volatility of interest rates and the net book value of the refinancing fees.

Relating to the Senior Unsecured Notes, three redemption options and one repurchase option is included in the Note. These options are the following, i.e.

- Repurchase option triggered by a Change of Control
- Optional Redemption on Certain Tender Offers
- Optional Redemption for Taxation Reasons
- Optional Redemption of Notes

The contract does not require the issuer to make mandatory redemption payments with respect to the Note. Expert judgement is used to argue that the fair value of the following embedded options are nihil: Repurchase option triggered by a Change of Control, Optional Redemption on Certain Tender Offers and Optional Redemption for Taxation Reasons.

The Group does not use derivatives for speculative investments.

### Sensitivity to changes in assumptions

The value of the derivative is mainly impacted by the yield of the underlying debt. Sensitivity analysis performed on this yield results in following valuation:

	Spread -100 bps	Base	Spread +100 bps
SSN	11,41	0,00	0,00
SUN	9,74	3,03	0,00

## 12 TRADE AND OTHER RECEIVABLES

### 12.1 Current trade receivables

Trade receivables	31 December 2021	31 December 2020
Trade receivables from third parties	236.818.665	185.847.841
Trade receivables from related parties	104.330	30.599
Less: provision for impairment	-6.343.134	-7.500.039
<b>Trade receivables, net</b>	<b>230.579.860</b>	<b>178.378.401</b>

### (i) Classification as current trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables have varying due dates, a period of 0 – 90 days comprises the range for credit terms. Therefore, they are classified as current asset. Trade receivables are recognized initially at the amount of the consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method.

**(ii) Transferred receivables**

The Group entered into factoring agreements with banks, under which trade receivables of certain entities within the Group are transferred to the factors. These entities are part of Accent Group and GRITT, and the factoring arrangements involve ING, Belfius and KBC Bank, for a total of EUR 50,00 million. During 2020, the Group has implemented a commercial finance agreement (factoring) in TIMEPARTNER. During 2021, the Group has implemented a commercial finance agreement (factoring) in Continu Professionals and Covebo. The total commercial finance agreement for TIMEPARTNER, Continu Professionals and Covebo amount to EUR 100,00 million. For avanti a commercial finance agreement was already in place at acquisition date. As both the late payment risk and credit risk have been substantially transferred to the counterparty, this agreement has been accounted for as a non-recourse agreement as the continuing involvement is considered insignificant. At year-end 2021, EUR 106,42 million accounts receivable has been transferred to the factor which has been deducted from the open trade receivables as per December 31, 2021.

A further EUR 23,24 million is recorded as other receivable and comprises the difference between the gross trade receivable sold and the amount received from the factoring company (90% for Accent and GRITT, 85% for TIMEPARTNER, 80% for Continu Professionals, 70% for Covebo and 90% for avanti).

**(iii) Fair value of receivables**

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

**(iv) Impairment and risk exposure**

Information about the impairment of trade receivables and the Group's exposure to credit risk can be found in note 4. As the Group is mainly active in the EURO-zone, there is no exposure to foreign currency risk. There is also no exposure to price risk as the investments will be held to maturity.

**12.2 Other financial assets at amortized cost**

The Group classifies its financial assets at amortized cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at amortized costs as per 31 December 2021 include:

Other financial assets at amortized cost	31 December 2021	31 December 2020
Subleasing	5.778.207	6.834.606
Loans granted to third parties	1.892.395	3.937.521
Other non-current assets	5.562.632	3.960.345
Loans to related parties	140.000	0
<b>Total non-current assets</b>	<b>13.373.235</b>	<b>14.732.472</b>
Other receivables	9.470.230	8.382.655
Prepayments	7.972.689	6.703.447
VAT receivable	2.269.597	1.488.619
CICE receivable		198.049
Other receivables – projects	1.278.118	1.122.137
Grants to be received	9.276.263	6.778.615
Short term Warranties	4.570	270
Loans granted to third parties	2.117.230	2.123.733
Subleasing	1.031.602	1.050.191
Accrued interests	109.147	95.629
Commercial finance	23.238.999	11.424.871
Other receivables from related parties	1.219.000	448.290
<b>Total current assets</b>	<b>57.987.446</b>	<b>39.816.504</b>

**(i) Subleasing**

In 2020 a large leasing contract for housing was signed by Covebo of which a large part is subleased to an external party. This results in a total receivable balance of EUR 6,81 million at year-end 2021 and an one-off gain of EUR 0,46 million at inception of the contract (hence recorded in P&L in 2020) since the rent income on the sublease is higher than the rent cost on the main lease.

**(ii) Loans granted to third parties**

The loans granted to third parties include a loan granted to the new shareholders of GRITT Projects NV, a subsidiary disposed by the Group in 2020. The loan towards Happy Recruiter of EUR 0,75 million has been impaired to EUR 0 in 2021.

**(iii) Other non-current assets**

The other non-current assets relate mainly to financial guarantees paid by the Group for its ongoing lease contracts of branches and housing accommodation.

**(iv) Other current receivables and prepayments**

The other receivables include EUR 4,30 million withholding tax deductions. The main amounts of the remaining current receivables are related to accruals for income to be received/costs to be carried forward.

**(v) Other receivables – projects**

Project related receivables result from project services in progress for which the right to payment of goods or services have been transferred to the customer. This relates to projects that typically cover a period of more than one year.

**(vi) Grants to be received**

A receivable of EUR 2,16 million has been recorded in Accent for wages and training expenses of people at work that can be reclaimed. The amount that can be reclaimed depends on the amount of training given to the people at work and the number of people hired from risk groups.

Covebo and Continu Professionals receive the LIV (“lage-inkomensvoordeel”) grant every year from the Dutch government, which is intended to encourage employers to hire employees with a low wage. The amount received is a fixed fee for every hour worked by employees with a wage within a certain range, that is defined by the government and indexed yearly. For 2021 the outstanding receivable amounts to EUR 2,47 million.

TIMEPARTNER receives the KUG (“Kurzarbeit”; translated to compensation for reduced hours) grants from the German government, in case the sales drop with >10% on branch level and for which the amount received is depending on the number of hours the employee works less, and a refund for quarantine. For 2021 the outstanding receivable amounts to EUR 4,64 million.

Refer to note 24 for more information on the grants.

**(vii) Commercial finance**

Refer to note 12.1 (ii).

**(viii) Fair values of other financial assets at amortized cost**

Due to the short-term nature of the other current receivables, their carrying amount is considered to be the same as their fair value. For the non-current receivables, the fair values are also not significantly different to their carrying amounts.

**(ix) Impairment and risk exposure**

Besides the impairment recorded on the loan towards Happy Recruiter, the Group did not account any loss allowances on the other receivables. As the Group is mainly active in the EURO-zone, there is no exposure to foreign currency risk. There is also no exposure to price risk as the investments will be held to maturity.

## 13 INCOME TAX

### 13.1 Income tax expense

This note provides an analysis of the Group's income tax expense, shows what amounts are recognized directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Group's tax position.

#### 13.1.1 Income tax expense

The major components of income tax expense for the years ended are:

Income tax expense	31 December 2021	31 December 2020
Current tax on profits for the year	40.284.787	22.544.799
Adjustments in respect of prior years	2.414.875	-919.346
<b>Total current tax</b>	<b>42.699.662</b>	<b>21.625.453</b>
Deferred tax		
Decrease/(increase) in deferred tax asset	-198.775	-1.180.719
(Decrease)/increase in deferred tax liabilities	-7.769.882	-9.551.152
Impact of change in the income tax rate	1.409.135	2.347.759
<b>Total deferred income tax</b>	<b>-6.559.522</b>	<b>-8.384.112</b>
<b>Income tax expense</b>	<b>36.140.140</b>	<b>13.241.341</b>

#### 13.1.2 Numerical reconciliation of income tax expense

The tax expenses as shown above have been calculated in conformity with local and international tax laws. The tax on the Company's profit before tax differs from the theoretical amount that would arise using the domestic rate in each individual jurisdiction of the consolidated companies as follows:

	31 December 2021	31 December 2020
Profit from continuing operations before income tax expense	81.714.813	18.713.749
Profit from discontinuing operation before income tax expense		
<b>Profit/(loss) before taxes</b>	<b>81.714.814</b>	<b>18.713.749</b>
Theoretical income tax rate in %	26%	25%
<b>Tax calculated at domestic tax rates applicable to profit in the respective countries</b>	<b>21.414.030</b>	<b>4.692.260</b>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Neutralization internal plus/less value	484.943	63.366
Gain on the determination of the fair value of previously acquired interests	-94.258	
Expenses non deductible for tax purposes	9.522.967	7.398.856
Dividends allocated to preference shareholders	0	644.305
Shares	0	-1
Prolonged accounting year		19.449
Adjustments for current tax of prior periods	2.238.827	-924.040
Unrecognised deferred income tax losses	2.927.726	1.307.255
Tax increase due to insufficient prepayments	719.061	159.854
Previously unrecognised tax losses used to reduce deferred tax expense	-904.917	4.192.129
Tax computed on other basis	560.951	-3.626.608
Liquidation bonus		1.555
IFRS adjustment	-959.167	-1.108.346
Share-based payments	383.191	983.443
Other	-131.662	-391.251
Re-measurement of deferred taxes: change in domestic tax rates	1.371.293	2.339.256
Innovation deduction	-1.392.846	-2.510.143
<b>Income tax expense</b>	<b>36.140.140</b>	<b>13.241.341</b>

The weighted average applicable tax rate is 44%, compared to 71% in 2020. The average tax rate is highly impacted by the losses of Corporate, being House of HR, House of Invest and House of Finance (EUR 26,85 million in 2021 compared to EUR 7,65 million in 2020) and elimination of intragroup transactions (refer to note 6) that are taxable in the statutory accounts. Excluding these items the average tax rate amounts to 30,6% in 2021 and 26,8% in 2020. Refer to (iv) for the main driver behind this increase.

Primary drivers that impact the effective tax rates include the following:

**(i) Expenses not deductible for income tax purposes**

The recurring expenses not deductible for tax purposes include permanent differences such as expenses which are non-deductible under local tax laws (e.g. car expenses and meal expenses).

**(ii) Re-measurement of deferred tax – change in domestic tax rates**

The impact of the re-measurement of deferred taxes mainly relates to changes in the applicable income tax rates in the Netherlands.

The Corporate Income Tax regime in the Netherlands has been modified. Originally this reform included a reduction of the corporate tax rate from 25% from the year ending 31 December 2018 and 2019 to 22,55% from the year ending 31 December 2020, with a further decrease to 20,5% as from the year ending 31 December 2021. However, in 2020 this reform has been adjusted and the income tax rate is again set on 25% for the years to come. In 2021 the Dutch Government approved an increase of the income tax rate to 25,8% as from 2022.

Furthermore the tax rate in France changed from 26,5% in 2021 to 25% as from 2022.

The impact of this change in the tax rate has been recognized in the tax expense in profit and loss except to the extent that it relates to items previously recognized outside of profit and loss.

**(iii) Unrecognized income tax assets**

The Group decided not to recognize additional deferred income tax assets on losses carried forward in some of its entities as the Group believes that the realization of the related tax benefit through the future taxable profits is not probable.

The majority of the unrecognized deferred income tax losses relates to the House of HR NV, the entity on which the Corporate projects are performed that are applicable for the total group. As no deferred tax asset has been recognized on the (accumulated) losses, this impacts the Effective Tax Rate as presented in above table.

**(iv) Adjustments for current tax of prior periods**

In the course of 2021, Accent has requested a tax ruling relating to the cross-charge from Accent Group to other operational entities within the group. The tax ruling is currently pending. The implications resulting from the tax ruling have been adjusted retro-actively in the 2020 fiscal results, which are recorded in the 2021 financial statements. This adjustment has resulted in a different tax base for fiscal year 2020 which has been reflected in the taxes in P&L in 2021.

**13.2 Amounts recognized directly in equity**

The deferred income taxes that have been recognized directly in equity are minor.

### 13.3 Deferred taxes

Using the balance sheet liability method, deferred tax assets and liabilities are recognized to provide for temporary differences between the value of the assets and liabilities for financial reporting purposes and for tax purposes.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income taxes relate to the same tax jurisdiction.

Deferred tax assets and liabilities are valued at tax rates enacted or substantially enacted at year-end and which are expected to apply in the coming years when the assets and liabilities are expected to be realized or settled. The analysis of the deferred income tax assets and deferred income tax liabilities is as follows:

	31 December 2021	31 December 2020
<b>Deferred tax assets:</b>		
Deferred tax asset to be recovered within 12 months	3.897.620	1.337.304
Deferred tax asset to be recovered after more than 12 months	1.861.076	1.749.825
<b>Total deferred income tax assets</b>	<b>5.758.696</b>	<b>3.087.128</b>
<b>Deferred tax liabilities:</b>		
Deferred tax liability to be recovered within 12 months	-10.204.016	-5.954.418
Deferred tax liability to be recovered after more than 12 months	-69.208.214	-38.466.620
<b>Total deferred income tax liabilities</b>	<b>-79.412.461</b>	<b>-44.421.003</b>
<b>Deferred tax assets/(liabilities) (net)</b>	<b>-73.653.765</b>	<b>-41.333.874</b>

The gross movement on the deferred income tax account is as follows:

	2021
<b>Opening Balance</b>	<b>-41.333.874</b>
Acquisition of subsidiaries	-39.130.954
Disposal of subsidiaries	
Income statement credit/(charge)	6.620.161
Tax charged (credit) directly to equity	115.252
Tax charged (credited) directly to other comprehensive income	
Other movements	75.650
<b>Balance at 31 December</b>	<b>-73.653.765</b>



The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting within the same jurisdiction, is as follows:

Deferred tax assets	Tax losses	Capitalization expenses	PPA Adjustments	Provisions	Employee benefit obligation	Other	Total
<b>Balance at 1 January</b>	<b>713.928</b>	<b>351.815</b>	<b>0</b>	<b>273.707</b>	<b>1.213.490</b>	<b>1.968.444</b>	<b>4.521.384</b>
Acquisition of subsidiaries	1.712.460			51.350		1.629.313	<b>3.393.123</b>
Disposal of subsidiaries							<b>0</b>
Income statement credit / (charge)	-617.301			139.560	348.475	891.265	<b>761.999</b>
Tax charged (credit) directly to equity						10.797	<b>10.797</b>
Tax charged directly to other comprehensive income							<b>0</b>
Other movements	126.159	-157.178				125.328	<b>94.308</b>
<b>Balance at 31 December</b>	<b>1.935.246</b>	<b>194.637</b>	<b>0</b>	<b>464.616</b>	<b>1.561.965</b>	<b>4.625.147</b>	<b>8.781.611</b>

Deferred tax liabilities	Tax losses	Capitalization expenses	PPA Adjustments	Provisions	Employee benefit obligation	Other	Total
<b>Balance at 1 January</b>	<b>82.533</b>	<b>-4.428.464</b>	<b>-41.496.006</b>	<b>0</b>	<b>0</b>	<b>-13.321</b>	<b>-45.855.258</b>
Acquisition of subsidiaries			-42.524.077				<b>-42.524.077</b>
Disposal of subsidiaries							<b>0</b>
Income statement credit / (charge)		-130.745	6.297.117			-308.210	<b>5.858.162</b>
Tax charged (credit) directly to equity		98.914				5.541	<b>104.455</b>
Tax charged directly to other comprehensive income							<b>0</b>
Other movements	-82.533	28.528	0			35.347	<b>-18.658</b>
<b>Balance at 31 December</b>	<b>0</b>	<b>-4.431.767</b>	<b>-77.722.966</b>	<b>0</b>	<b>0</b>	<b>-280.644</b>	<b>-82.435.376</b>

Deferred income tax assets are recognized for tax losses carried forward, excluding unused notional interest deduction (NID), to the extent that the realization of the related tax benefit through the future taxable profits is probable, i.e. in those companies where, based on business projections over a period of 10 years, the company estimates that the losses can be utilized within this timeframe.

The Group did not recognize deferred income taxes for:

Amount of unrecognised deferred income tax assets	31 December 2021	31 December 2020
Losses carried forward	14.556.064	11.299.021
Dividends received deduction	1.306.249	459.937
R&D deduction	43.077	44.205
<b>Total</b>	<b>15.905.390</b>	<b>11.803.163</b>

These relate for the main part to House of HR, the entity on which the Corporate projects are performed that are applicable for the total group. Main foreign entities have a tax consolidation available that allow them to compensate the tax losses with the tax gains.

## 14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents	31 December 2021	31 December 2020
Cash at bank and on hand	200.411.518	374.630.118
Short-term bank deposits	94.604	104.757
Restricted cash	7.628.078	3.661.194
<b>Cash and cash equivalents excluding bank overdrafts</b>	<b>208.134.200</b>	<b>378.396.069</b>

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

Cash and cash equivalents	31 December 2021	31 December 2020
Cash and cash equivalents excluding bank overdrafts	208.134.200	378.396.069
Bank overdrafts		-424
<b>Cash and cash equivalents</b>	<b>208.134.200</b>	<b>378.395.645</b>

The cash and cash equivalents disclosed above and in the statement of cash flows include EUR 7,63 million of restricted cash. These deposits are subject to regulatory restrictions in the Netherlands (system of G-accounts containing amounts for taxes to be paid on salaries) or relate to deposits for buildings/branches and are therefore not available for general use by the other entities within the Group.

As indicated in note 16 on the borrowings, the Group's current and future cash and cash equivalents are pledged as security for these borrowings. The entire amount of the Group's bank borrowings and accrued interest are secured according to collective pledge agreements.

## 15 EQUITY

### 15.1 Shareholders' equity

The authorized share capital and share premium of the Group as per 31 December 2021 is EUR 266,71 million and consists of 501.741.589 shares. The following movements in the shareholders' equity were noted in 2021:

Share capital and share premium	Total	
	Shares	Par value
<b>Balance 1 January 2021</b>	<b>487.597.749</b>	<b>238.597.269</b>
Leaver conversion	-703.031	
Mover conversion	-1.738.064	
Capital increase	16.584.935	28.114.114
Leaver event		
<b>Total</b>	<b>14.143.840</b>	<b>28.114.114</b>
<b>Balance 31 December 2021</b>	<b>501.741.589</b>	<b>266.711.383</b>

Following changes in equity have occurred during 2021:

- Capital increase of EUR 28,11 million due to the investment of new and existing managers;
- Acquisition of Greenworking, of which 40% of the shares relate to minority shareholders;
- Acquisition of avanti, of which 11% of the shares relate to minority shareholders;
- Buy out of the minorities (1% of the shares) in Newco Abylsen;
- Buy-out of the minorities (1,16% of the shares) in Mykelson;
- Sales of shares (1% of the shares) in PI Holding;
- Sale of shares in Schollmeyer (1,66% of the shares) to minorities;

Besides above-mentioned changes in equity, following changes in shareholders have taken place during 2021:

- Leaver conversion, resulting in the conversion of tracking shares into C shares
- Mover conversion, resulting in the transfer of Accent tracking shares to GRITT tracking shares;
- Mover conversion, resulting in the transfer of Accent tracking shares to C shares;
- Mover conversion, resulting in the transfer of GRITT tracking shares to Abylsen tracking shares due to the sale of ETA from GRITT to Abylsen.
- Mover conversion, resulting in the transfer of Vialegis tracking shares to Redmore tracking shares due to the sale of Vialegis NV from Vialegis International to Redmore Holding.

Above transactions have resulted in following movement of shares:

Old shares		Creation of shares	
		New shares	
Leaver conversion			
3.908.743	Abylsen tracking shares	4.378.364	C shares
-1.063.772	Continu Professionals tracking shares	1.595.324	C shares
-159.814	GRITT tracking shares	76.270	C shares
-31.694	Vialegis tracking shares	33.158	C shares
-6.093.132	TIMEPARTNER tracking shares	287.529	C shares
-5.240.027		4.536.996	
Mover conversion			
-43.704	Accent tracking shares	145.822	GRITT tracking shares
-87.431	Accent tracking shares	100.665	Ordinary shares
-1.411.122	GRITT tracking shares	482.447	Abylsen tracking shares
-1.464.289	Vialegis tracking shares	539.548	Redmore tracking shares
-3.006.546		1.268.482	
Capital increase			
		4.554.955	Ordinary shares
		88.160	Accent tracking shares
		1.267.383	Continu Professionals tracking shares
		50.167	TIMEPARTNER tracking shares
		42.525	Redmore tracking shares
		6.502.180	Cohedron tracking shares
		1.946.602	Abylsen tracking shares
		2.132.963	Preferente aandelen 8%
		16.584.935	

The following types of shares exist as per 31 December 2021:

- Class A, B, C and D ordinary shares
- Class C convertible tracking shares for Accent, Covebo, Abylsen, Continu Professionals, TIMEPARTNER, GRITT, Redmore and Cohedron
- Preferred equity shares with cumulative preferred dividend of 6%
- Preferred equity shares with cumulative preferred dividend of 8%
- Preferred equity shares with cumulative preferred dividend of 8,5%
- Partial repaid preferred equity shares with cumulative preferred dividend of 8%

The holders of ordinary shares are entitled to receive dividends as declared from time to time. A-shareholders and B-shareholders are entitled to two votes per shares at meetings of the company, while C- and D-shareholders are entitled to one vote per share. All ordinary shares have been paid in full.

The convertible tracking shares provide the holder with dividends, liquidation proceeds and exit proceeds based on the performance of the underlying Operational Companies.

Preferred shares can only be held by a shareholder holding ordinary shares or tracking shares.

The number of shares held is as follows:

	2021 Number of Shares	2020 Number of Shares
<b>Ordinary shares</b>		
Shares – class A	126.603.228	125.975.403
Shares – class B	240.906.785	240.563.499
Shares – class C	39.475.798	32.604.511
Shares – class D	7.131.152	5.780.934
<b>Tracking shares (class C)</b>		
Accent convertible tracking shares	2.727.102	2.857.447
Abylsen convertible tracking shares	7.716.733	9.114.993
Continu Professionals convertible tracking shares	8.522.714	7.416.297
Covebo convertible tracking shares	3.681.543	3.681.543
Vialegis convertible tracking shares	0	1.464.289
TIMEPARTNER convertible tracking shares	3.917.073	4.628.534
Zaquensis convertible tracking shares	2.950.028	2.950.028
GRITT convertible tracking shares	1.070.695	2.738.749
Redmore convertible tracking shares	4.736.662	4.154.589
<b>Cohedron convertible tracking shares</b>	6.502.180	
Preference shares		
Preference shares PA6	3.500.000	3.500.000
Preference shares PA8	19.625.366	17.492.403
Preference shares PA8.5	21.000.109	21.000.109
Partial repaid preference shares PTPA8	1.674.421	1.674.421
<b>Total shares</b>	<b>501.741.589</b>	<b>487.597.749</b>

## 15.2 Other reserves

The following table shows a breakdown of the balance sheet line item “other reserves” and the movement in these reserves during the year.

Other reserves	Convertible bond	Transactions with non- controlling interests	Other	Total other reserves
<b>Balance 1 January 2021</b>	<b>-7.031.311</b>	<b>-142.723.630</b>	<b>19.828.778</b>	<b>-129.926.163</b>
Changes in minorities		-5.974.771		-5.974.771
Long-term incentive plan			1.532.764	1.532.764
<b>Balance 31 December 2021</b>	<b>-7.031.311</b>	<b>-148.698.401</b>	<b>21.361.542</b>	<b>-134.368.171</b>

Refer to note 15.1 for information on the changes in minorities.

## 15.3 Retained earnings

Movements in retained earnings were as follows:

<b>Retained earnings</b>	
<b>Balance 1 January 2021</b>	<b>132.413.401</b>
Net profit of the period	42.973.519
Foreign currency translation	-47.121
Other movements	252.316
<b>Balance 31 December 2021</b>	<b>175.592.115</b>

## 16 BORROWINGS

The following table illustrates the borrowings per 31 December 2021:

Total borrowings	31 December 2021	31 December 2020
<b>Non-current borrowings</b>		
Senior Facility Agreement	508.909.232	506.754.981
Senior Secured Notes	351.546.500	350.609.701
Senior Unsecured Notes	181.902.598	180.545.014
Other loans	188.056	222.587
<i>Related party borrowings</i>		
Convertible bond		
Non-convertible bond		
Vendor loan	2.000.000	2.142.000
Shareholder loans	1.575.000	1.575.000
Subordinated loans for preference shares		
Total related party borrowings	3.575.000	3.717.000
<b>Non-current borrowings</b>	<b>1.046.121.387</b>	<b>1.041.849.283</b>
<b>Current borrowings</b>		
Senior Facility Agreement	16.220.959	18.906.918
Senior Secured Notes	14.629.348	14.629.348
Senior Unsecured Notes	13.994.863	13.994.863
Other loans	9.123	7.020
<i>Related party borrowings</i>		
Shareholder loans		
Vendor loans	2.142.000	
<b>Current borrowings</b>	<b>46.996.293</b>	<b>47.538.149</b>
<b>Total Borrowings</b>	<b>1.093.117.680</b>	<b>1.089.387.432</b>

All borrowings which are due within one year from the year-end date are classified as current borrowings, as well as the current portion of long-term borrowings.

### (i) Borrowings

#### Bank borrowings

During December 2017, the bank loans were refinanced with a new Senior Facility Agreement at the Corporate level with variable interest rates. The carrying amount of the drawings, net of transaction cost, was EUR 456,9 million. The drawings as per 31 December 2017 had 7 years of maturity and a variable interest rate based on Euribor plus a margin. In March 2018, an additional tranche of EUR 125,00 million was withdrawn under the same terms.

In July 2019, the bank loans were refinanced with a new Senior Facility Agreement at Corporate level of EUR 550,00 million with variable interest rates, together with an issuance of Senior Secured Notes of EUR 320,00 million. In August 2019 additional Senior Secured Notes were issued of EUR 50,00 million.

In December 2020 Senior Unsecured Notes were issued of EUR 200,00 million.

These loans were initially measured at fair value, with subsequent measurement at amortized cost. The conditions for the new loan issued in 2019 are similar to the proceeding loan. As a result, refinancing expenses relating to 2017 refinancing remain capitalized and are amortized over the lifetime of the new loan. Additionally, refinancing expenses for the 2019 refinancing have also been capitalized and are being depreciated over the lifetime of the loan. Financing expenses relating to the 2020 Senior Unsecured Notes amount to EUR 5,85 million and have been capitalized. These are depreciated over the lifetime of the notes.

As per February 19, 2021 the Group has successfully repriced their Senior Facility Agreement, resulting in a 50 BPS reduction. The total impact of the repricing amounts to EUR 13,07 million saving for the group. Total financing expenses for this repricing of EUR 2,75 million are capitalized as part of the bank borrowings and are being depreciated over the remaining lifetime of the loan.

Further, as per 3 February 2022, House of HR was able to successfully lend an additional EUR 190,00 million Term Loan B facility, of which EUR 2,62 million financing expenses are capitalized per 31 December 2021.

The Senior Secured Notes and Senior Unsecured Notes have an option for early repayment. These options has been valued at EUR 4,08 million and EUR 0,35 million respectively at refinancing date, which is included in the fair value of the bank borrowings and amortized over the lifetime of the notes. Refer to note 11 for more information on the repayment options..

#### Vendor loans

Vendor loans at 31 December 2021 relate to loans provided by former shareholders of Covebo for EUR 2,14 million and former shareholders of avanti for EUR 2,0 million.

#### Shareholder's loans

In 2018, a shareholder's loan has been provided to Vialegis Group.

#### Current borrowings

Current borrowings relate to the current portion of bank loans payable within one year after the year-end date.

The following tables show the movements of the borrowings of the Group:

Movements in non-current borrowings		1 January – 31 December 2021
<b>Balance At January 1</b>		<b>1.041.849.283</b>
Repayments		
Acquisition of subsidiaries		
Additional borrowings		2.000.000
Remeasurements at fair value		49.259.274
Contribution in kind resulting from roll-over		
Reclassification to equity		
Non-current borrowings before reclassification		1.093.108.557
Reclassification to short-term part of non-current borrowings		-46.987.170
Reclassification to other short-term debt		
<b>Balance at December 31</b>		<b>1.046.121.387</b>

Movements in current borrowings		1 January – 31 December 2021
<b>Balance at January 1</b>		<b>47.538.149</b>
Repayments		-66.794.792
Acquisition of subsidiaries		
Contribution in kind resulting from roll-over		
Additional borrowings		20.000.000
Remeasurements at fair value		-734.234
Current borrowings before reclassification		9.123
Reclassification to short-term part of borrowings		46.987.170
<b>Balance at December 31</b>		<b>46.996.293</b>

The Group drew EUR 20,00 million from the Revolving Credit Facility in July 2021 for the acquisition of Cohedron. This has been repaid in August 2021.

The following are the available undrawn facilities:

Undrawn borrowing facilities	31 December 2021	31 December 2020
Expiring within beyond year 1	100.000.000	100.000.000
<b>Total</b>	<b>100.000.000</b>	<b>100.000.000</b>
Bank guarantees	EUR 5 million is already used as a bank guarantee and is therefore not available	EUR 5 million is already used as a bank guarantee and is therefore not available

The maturity of borrowings is included in the liquidity section of note 4.

### Significant assumptions taken for the fair value calculations at initial measurement

The difference between the fair value and carrying value in the table below for the bank loans is related to on the one hand paid transactions costs that are reflected in the net book value, under the amortized cost method, and on the other hand the derivative on the Senior (Un)Secured Note that was accounted for at fair value (refer to note 11). For the remaining borrowings, the fair values are not materially different to their carrying amounts since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

Fair value of borrowings	31 December 2021		31 December 2020	
	Fair Value	Carrying value	Fair value	Carrying value
Bank loans	1.087.203.501	1.120.000.000	1.085.440.825	1.120.000.000
Convertible notes				
Non-convertible bond				
Vendor loan	4.142.000	4.142.000	2.142.000	2.142.000
Shareholders loans	1.575.000	1.575.000	1.575.000	1.575.000
Other loans	197.179	197.179	229.607	229.607
Subordinated loans for preference shares		0		0
Commercial finance		0		0
<b>Total borrowings</b>	<b>1.093.117.680</b>	<b>1.125.914.179</b>	<b>1.089.387.432</b>	<b>1.123.946.607</b>

### (ii) Financial covenants

Under the terms of the Senior Facilities Agreement, the Group is required to comply with the financial covenant that the consolidated senior secured net leverage ratio must be not more than 6.0:1.

The Group has complied with this covenant throughout the reporting period. As at 31 December 2021, the consolidated senior secured net leverage ratio of the Group (net debt to normalized EBITDA; i.e. EBITDA adjusted based on the SFA agreement) was 3.16:1.

### (iii) Collateral for the Group's bank borrowings

For the bank loans in place (SFA loan agreements), multiple pledge agreements have been entered into which collectively secure the bank borrowings for the entire amount outstanding and accrued interest on the bank borrowings. The Group is subject to regular bank reporting, and leverage is monitored. In the event of a default of repayment of the bank borrowings and related interest payments, the pledgee may enforce against the pledged assets. During the period under review, there was no default of the payment obligations.

The present and future assets pledged as collateral include the following:

- All the shares of HOHR and material subsidiaries;
- All bank accounts of HOHR and material subsidiaries;
- All the intercompany loan receivables of the Group and material subsidiaries (excluding cash pooling).

We and our affiliates, or agents acting on our or their behalf, may retain, purchase, or sell for our own account any of our outstanding publicly traded Notes, and may subsequently re-offer or re-sell any such Notes purchased. We do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation we may have to do so.

## 17 PROVISIONS FOR OTHER LIABILITIES AND CHARGES

The following table summarizes the movement of the provisions:

	Sickness provision	Litigations	Provision for decommissioning	Other	Total
<b>Balance at 1 January</b>	<b>1.708.936</b>	<b>1.094.333</b>	<b>0</b>	<b>61.016</b>	<b>2.864.285</b>
Movements					
Acquisition of subsidiaries	214.396				214.396
Additional provision	824.369	381.733	736.992	-36.735	1.906.359
Amounts used during the year	-121.226	-15.000	-37.500		-173.726
Withdrawals		-945.848			-945.848
Interest due to passage of time			602		602
<b>Balance at 31 December</b>	<b>2.626.474</b>	<b>515.218</b>	<b>700.093</b>	<b>24.281</b>	<b>3.866.068</b>
Non-current provisions	881.778				
Current provisions	2.984.289				
<b>Balance at 31 December</b>	<b>3.866.068</b>				

### (i) Sickness provision

The sickness provision relates to the accumulated sick leave in the Netherlands.

### (ii) Provisions for litigations

The amount represents provisions for certain legal claims brought against the Group by former staff members. The provision charge is recognized in the income statement within the "Other general and administrative expenses". Management's view is that the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided for at 31 December 2021.

### (iii) Provision for dismantling obligations

The provision for decommissioning was recorded as part of the lease liability as per 31 December 2020 and has been reclassified to provisions as per 31 December 2021 in line with IFRS16.



## 18 EMPLOYEE BENEFIT OBLIGATIONS

The table below outlines the outstanding employee benefit obligations that were reported on the statement of financial position:

Obligations accounted for in the statement of financial position	31 December 2021	31 December 2020
Short-term employee benefits	187.588.651	138.946.354
Post employment benefits	3.016.398	2.373.284
Termination benefits	2.143.559	1.699.529
Other long-term employee benefits	2.032.461	1.901.553
<b>Total amount of employee benefits</b>	<b>194.781.069</b>	<b>144.920.719</b>
Total non-current employee benefits	3.229.647	3.116.375
Total current employee benefits	191.551.422	141.804.344
<b>Total amount of employee benefits</b>	<b>194.781.069</b>	<b>144.920.719</b>

### 18.1 Short-term employee benefits

The amount of short-term employee benefits outstanding at the reporting date mainly relates to unpaid salaries and wages as well as the related taxes on these amounts. The amounts both relate to salaries and wages for temping staff as well as the permanent staff that is working for the Group.

### 18.2 Post-employment employee benefits

#### (i) Pension plans

The Group offers several defined contribution plans to its employees. Because of the Belgian legislation applicable to the second pillar pension plans (the so-called "Wet op de Aanvullende Pensioenen"), all Belgian pension plans that are structured as defined contribution plans are considered defined benefit plans under IFRS. Because of this minimum guaranteed return, the Group is exposed to a financial risk since further contributions could be required if the return on the assets is not sufficient to reach the minimum benefits to be paid. The Group has plans that are financed through insurance contracts. The Group carefully reviewed the different pension plans at the different reporting periods and concluded that the application of the projected unit credit method to calculate the defined benefit obligation would not result in a material amount to be accounted for on the statement of financial position. No similar minimum funding exists in other countries where the Group is active.

The Group does not provide any material defined benefit plans to its employees.

#### (ii) Disability benefits

The Group also provides disability benefits to its employees which have similar terms and conditions as the defined contribution plans and therefore also must be accounted for in a similar way. As the Group is insured for these disability benefits, no provision has been accounted for by the Group.

### 18.3 Termination benefits

The termination benefits relate to:

1. Outstanding payables towards former employees, mainly key management. Refer to note 34 Related Parties for more information.
2. The transition accrual in the Netherlands ("Wet arbeidsmarkt in balans"; WAB).

### 18.4 Other long-term employee benefits

Amounts reported for under the Other long-term employee benefits fully relate to jubilee premiums offered by the Group rewarding employees for long years of service.

#### (i) Jubilee benefits

The following table shows the split between the non-current and the current employee jubilee benefits:

Obligations accounted for in the statement of financial position for jubilee premiums	31 December 2021	31 December 2020
Non-current jubilee benefits	2.032.461	1.901.553
Current jubilee benefits	298.606	239.476
<b>Total amount of jubilee premiums</b>	<b>2.331.066</b>	<b>2.141.029</b>

The following assumptions have been used when calculating the jubilee premiums:

Overview of assumptions used:	31 December 2021	31 December 2020
Discount rate	0.5% – 1.5%	0.5% – 1.5%
Retirement age	67	67
Turnover		

Year – turnover	31 December 2021	31 December 2020
0 year	8,75%	8,75%
0,5 year	4,25%	4,25%
1-2 years	2,25%	2,25%
3 years	1,00%	1,00%
4 years	0,50%	0,50%

The impact of the remeasurements on the outstanding jubilee premium is accounted for in the statement of financial performance.

## 19 SHARE-BASED PAYMENTS

The share-based payments consist of the LTIP on the level of the shareholders of HOHR.

The Group launched a share-based payment plan throughout 2018 offering management team to participate in a LTIP. The purpose of the plan is to create an incentive for members of management and executives of the Group who can make an important contribution to the success and the growth of the Group, to help the Group retaining and attracting managers with the necessary experience and skills, and to align the interests of those managers with the grantors' interests as shareholders of the Company and give them the opportunity to share in the value creation and growth of the Group.

The term of the options runs from the grant date until 28 June 2023 for Belgian tax residents (5 years maximum vesting period). For other beneficiaries, the term of validity is maximum 10 years.

The plan is settled in the ordinary shares of the Company. The option holder may exercise the options subject to the occurrence of an exit event, a non-exit event or a good leaver event.

The plan contains several vesting conditions:

- Service conditions – the beneficiary should have a contractual relationship with the group at the vesting date (in case of an exit or a non-exit event) or qualify as a good leaver (in case of a good leaver event);
- Performance conditions – the number of options that vest (and can be exercised) is determined at the vesting date and depends on the return (or a deemed return) of the grantors on the initial value (effectively the increase in the fair value of the shares of the Group since 31/12/2017).

This LTIP is comprised of 100 million share options, of which 75 million are granted during 2018, 12,5 million during 2019 and 12,5 million during 2021. The share options are granted free of charge at the grant date. The fair value per share option at grant date in 2018 amounts to EUR 2,17 compared to the exercise price of EUR 1,53 after the capital reduction of 2020. For the shares granted in 2019 and 2021, the fair value per share amounts to EUR 1,33 and EUR 1,63 respectively. The value of the shares has been determined based on an EBITDA-multiple model (correcting for net debt) and is recognized in P&L based on the exit probability. As the expected volatility of the people included in the plan has no impact on the total value, no assumption was made in this respect. As a result of the accounting for the LTIP during the period, an expense has been

recognized in the income statement with a corresponding credit in equity in 2018 for EUR 13,95 million and EUR 4,65 million in 2019, EUR 3,93 million in 2020 and EUR 1,53 million in 2021.

The average contractual lifetime per end of December 2021 for the options amounts to 5,05 years. The corresponding weighted average exercise price amounts to 2,00 EUR.

The value of the LTIP at grant date has been calculated based on the equity value of the entity, excluding the value of the tracking shares.

## 20 TRADE PAYABLES AND OTHER PAYABLES

Trade payables	31 December 2021	31 December 2020
Trade payables to third parties	58.435.636	37.041.130
Amounts due to related parties	2.978.295	806.694
<b>Total</b>	<b>61.413.931</b>	<b>37.847.824</b>

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature. These mainly relate to invoices for services such as rent, electricity, IT, etc. The increase in trade payables compared to 31 December 2020 mainly results from the 2021 acquisitions (EUR 20,58 million trade payables as per 31 December 2021). As per 31 December 2020, the trade payables also included a main part of the refinancing expenses.

## 21 OTHER LIABILITIES

The other non-current and current liabilities for the period are:

Other non-current and current liabilities	31 December 2021	31 December 2020
Lease liabilities	69.908.441	61.780.621
Earn-outs to pay		3.460.000
Other long-term liabilities	315.762	82.621
Related party transactions	0	-1
Amounts due to related parties	0	-1
<b>Total other non-current liabilities</b>	<b>70.224.204</b>	<b>65.323.241</b>
VAT	59.180.680	42.102.583
Lease liabilities	41.300.188	34.940.166
Interest accruals	21.657.621	15.923.419
Other liabilities – projects	2.840.257	1.061.383
Disability contribution	2.488.802	1.592.931
Grants to be refunded	107.786	5.818.694
Other accruals (insurance, board fees, management bonus etc.)	6.622.411	5.119.452
Other liabilities	2.978.884	2.948.687
Related party transactions	8.639.946	4.091.483
Option plan		847.966
Debt to related parties		0
Earn-outs to pay	4.338.606	842.000
Debts to shareholders	4.301.340	2.401.517
<b>Total other current liabilities</b>	<b>145.816.574</b>	<b>113.598.798</b>

### Earn-outs to pay

The earn-outs to pay relate to the acquisitions of TechMatch and avanti, refer to note 3.1. The earn-out to Greenworking has been paid in December 2021.

### Other liabilities – projects

Project related liabilities result from advance invoices sent to customers for services that still need to be rendered. This relates to projects that typically cover more than 1 year.

### Grants to be refunded

In 2020 this concerns the accrual for the reimbursement of the governmental grant (NOW grant) received by Continu Professionals resulting from the Covid19 pandemic. As it was more likely than not that the criteria for obtaining this grant would not be met, a payable has been recorded for the amount received (EUR 5,82 million) in 2020. During 2021 this debt has been paid back.

### Finance lease liabilities

The Group has accounted for the following finance lease liabilities:

	31 December 2021	31 December 2020
Gross finance lease liabilities – minimum lease payments:		
No later than 1 year	42.255.607	35.954.876
Later than 1 year and no later than 5 years	64.619.065	55.324.051
Later than 5 years	8.567.158	9.646.225
<b>Total undiscounted finance lease liabilities</b>	<b>115.441.830</b>	<b>100.925.152</b>
Future finance charges on finance leases	-4.233.200	-4.204.365
<b>Present value of finance lease liabilities</b>	<b>111.208.629</b>	<b>96.720.787</b>

The discounted finance lease liability is as follows:

	31 December 2021	31 December 2020
No later than 1 year	40.393.608	34.167.622
Later than 1 year and no later than 5 years	62.539.860	53.213.961
Later than 5 years	8.275.162	9.339.205
<b>Present value of finance lease liabilities</b>	<b>111.208.629</b>	<b>96.720.787</b>

The increased lease liability is mainly attributable to the acquisitions done in 2021, refer to note 9.

The Group uses the exemption for low value items and short-term contract, for which, respectively EUR 0,43 million and EUR 19,95 million expenses are included in the profit and loss statement.

### Related party transactions

Refer to note 34 for more information on the related party transactions.

## 22 REVENUES

### 22.1 Disaggregation of revenue from contracts with customers

Revenue of the Group consists of the fair value of the consideration received or receivable for the services rendered during the year to third parties. The Group mainly derives revenue from the transfer of services over time and at a point in time in the following geographical regions and lines of services:

Revenue per geographical region	31 December 2021	31 December 2020
Belgium	657.632.944	552.015.433
The Netherlands	777.734.638	588.274.095
Germany	460.817.149	336.573.622
France	131.228.604	103.343.411
Other	22.709.856	16.142.903
<b>Total amount of revenue</b>	<b>2.050.123.191</b>	<b>1.596.349.465</b>

Revenue per segment	31 December 2021	31 December 2020
Specialized Talent Solution	1.381.500.083	1.076.932.503
Engineering and Consulting	668.284.538	519.347.150
Corporate	338.570	69.812
<b>Total amount of revenue</b>	<b>2.050.123.191</b>	<b>1.596.349.465</b>

At 31 December 2021	Specialized Talent Solution	Engineering & consulting	Corporate	Total revenue
Revenue recognised over time	1.364.253.834	636.575.636		2.000.829.470
Revenue recognised at point in time	17.246.249	31.708.810	338.570	49.293.628
<b>Total amount of revenue</b>	<b>1.381.500.083</b>	<b>668.284.538</b>	<b>338.570</b>	<b>2.050.123.191</b>

At 31 December 2020	Specialized Talent Solution	Engineering & consulting	Corporate	Total revenue
Revenue recognised over time	1.066.523.325	511.333.680		1.577.857.005
Revenue recognised at point in time	10.409.178	8.013.461	69.812	18.492.451
<b>Total amount of revenue</b>	<b>1.076.932.503</b>	<b>519.347.150</b>	<b>69.812</b>	<b>1.596.349.465</b>

\* Revenue recognized at point in time has been restated for 2020 to represent the actual revenue at point in time.

The Group mainly generates revenue from offering temporary staffing solutions to its customers. The duration of these temporary staffing solutions may vary between a couple of hours up to a period of two years (without minimum volumes attached to these contracts).

The Group also provides solutions to customers active in project-oriented businesses where apart from staffing also specific deliverables have to be provided for. Projects may take one week up to two to three months.

The Group does not have a single major customer from which it generates revenue.

## 22.2 Assets and liabilities related to contracts with customers

The Group has recognized the following project related receivables and liabilities related to contracts with customers:

	31 December 2021	31 December 2020
<b>Assets recognised from costs to fulfill a contract/contract costs</b>		
Asset recognised from costs incurred to fulfill a contract at 31 December	1.278.118	1.122.137
Amortisation and impairment loss recognised as cost providing services during the period		
<b>Remaining amount of contract costs/costs to fulfill a contract on the balance sheet</b>	<b>1.278.118</b>	<b>1.122.137</b>

	31 December 2021	31 December 2020
<b>Contract assets and liabilities</b>		
Contract liabilities – advance payments received	2.851.957	1.061.383
Contract liabilities – other type		
<b>Total current contract liabilities</b>	<b>2.851.957</b>	<b>1.061.383</b>

The amount of contract liabilities as per year-end mainly relates to advance payments received by the Group for which services are delivered in the course of the following accounting period.

As per year-end, the following amount of contract liabilities and amortization on these contract liabilities are incurred by the Group:

	31 December 2021	31 December 2020
<b>Revenue recognized related to contract liabilities</b>		
Revenue recognised that is included in the contract liability balance at the beginning of the period	1.008.191	732.632
Amount of revenue recognised throughout the period		
<b>Revenue recognised that is included in the contract liability balance at the end of the period</b>	<b>1.008.191</b>	<b>732.632</b>

## 23 OTHER GAINS/(LOSSES) – NET

The Group has recognized the following gains and losses in the income statement as per year-end:

	31 December 2021	31 December 2020
<b>Other gains/losses</b>		
<b>Other gains</b>		
Earn-out	3.549.893	4.455.620
Other gains	409.750	2.410.775
<b>Total other gains</b>	<b>3.959.643</b>	<b>6.866.395</b>
<b>Other losses</b>		
Earn-out	-1.185.000	-50.652
Less value on the sale of shares	-120.780	
Adjustment of purchase price of business combinations	-660.964	
Other losses	-54.671	
<b>Total other losses</b>	<b>-2.021.415</b>	<b>-50.652</b>
<b>Total other gains/(loss) – net</b>	<b>1.938.228</b>	<b>6.815.743</b>

The final earn-outs paid are based on final calculations of the purchase price which might deviate from expected results as these are based on management best estimate of certain key metrics (such as for example EBITDA or % of sales growth). These relate to business combinations done during the previous years. Refer to note 3.1 for more information.

The other gains contain, among others, indemnification for car damage, compensation of the credit insurance company and gain on the sale of tangible and intangible assets.

## 24 GRANTS

Covebo and Continu Professionals receive the LIV ("lage-inkomensvoordeel") grant every year from the Dutch government, which is intended to encourage employers to hire employees with a low wage. The amount received is a fixed fee for every hour worked by employees with a wage within a certain range, that is defined by the government and indexed yearly. For 2021 the grant amounts to EUR 2,53 million.

An income of EUR 3,49 million has been recorded in Accent for wages and training expenses of people at work that can be reclaimed. The amount that can be reclaimed depends on the amount of training given to the people at work and the number of people hired from risk groups.

TIMEPARTNER receives the KUG ("Kurzarbeit"; translated to compensation for reduced hours) grants from the German government only in case the sales drop with >10% on branch level. The amount received is depending on the total reduced number of hours of the employee. Further, a refund for quarantine is granted. Due to Covid19, TIMEPARTNER has requested these grants, for 2021 the grant amounts to EUR 8,89 million.

Considering the nature of the grants, all these grants are recorded as a deduction of payroll expenses.

## 25 COST OF SERVICES

Cost of services comprises expenses directly attributable to revenue. These costs mainly include expenses related to candidates, such as wages, salaries, and social charges. The 'services' relate, among others, to the freelancers and the housing expenses for the foreign employees.

The % of cost of services compared to sales amounts to 73,38% compared to 74,43% in 2020.

Depreciations relate mainly to the housing facilities that are accounted for as financial leases and depreciated over their contractual lifetime.

	31 December 2021	31 December 2020
Personnel expenses	1.055.917.859	846.764.909
Wage taxes	224.948.333	187.573.765
Grants related to personnel	-11.906.253	-17.111.860
Subcontractors and freelancers	150.973.894	95.188.385
Services	63.883.596	59.519.233
Depreciations	20.407.770	16.365.960
Other	853.167	114.894
Other income	-753.822	-204.280
<b>Total costs of services</b>	<b>1.504.324.545</b>	<b>1.188.211.005</b>

\* Work accident insurance has been presented under insurances (services) in both 2021 and 2020 overview. In 2020 financial statements, this was considered as part of the personnel expenses.

## 26 SELLING EXPENSES

Selling expenses comprise personnel and accommodation expenses in relation to operational activities at the branches, advertising and marketing, and other selling expenses, as well as the amortization and impairment of acquisition-related intangible assets.

The % of selling expenses compared to sales amounts to 13,89% for 2021 compared to 13,85% for 2020.

	31 December 2021	31 December 2020
Personnel expenses	147.112.701	105.564.237
Wage taxes	27.698.657	21.872.040
Grants related to personnel	-215.732	-34.351
Subcontractors and freelancers	3.387.118	1.375.570
Services	50.028.113	37.281.045
Depreciations	58.121.379	52.918.348
Other	1.195.825	2.051.607
Other income	-2.470.608	0
<b>Total Selling expenses</b>	<b>284.857.453</b>	<b>221.028.497</b>

\* Work accident insurance has been presented under insurances (services) in both 2021 and 2020 overview. In 2020 financial statements, this was considered as part of the personnel expenses.

## 27 OTHER GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses comprise personnel and accommodation expenses of head offices, IT expenses, other general and administrative expenses.

The % of other general and administrative expenses compared to sales amount to 5,51% for 2021 and 7,29% for 2020.

	31 December 2021	31 December 2020
Personnel expenses	48.601.296	48.079.927
Wage taxes	7.090.192	8.459.067
Grants related to personnel	-3.015.604	-1.620.724
Subcontractors and freelancers	5.654.253	4.816.505
Services	43.469.787	39.282.614
Share-based payment	1.532.764	3.933.777
Depreciations	13.338.598	14.209.721
Other	404.182	771.881
Other income	-4.163.563	-1.531.871
<b>Total other general and administrative expenses</b>	<b>112.911.905</b>	<b>116.400.897</b>

\* Work accident insurance has been presented under insurances (services) in both 2021 and 2020 overview. In 2020 financial statements, this was considered as part of the personnel expenses.



## 28 EXPENSES BY NATURE

The following table provides an overview of the expenses incurred by nature:

31 December 2021	Costs of services	Selling expenses	Other G&A expenses	Total
Personnel expenses	1.055.917.859	147.112.701	48.601.296	<b>1.251.631.856</b>
Wage taxes	224.948.333	27.698.657	7.090.192	<b>259.737.182</b>
Grants related to personnel	-11.906.253	-215.732	-3.015.604	<b>-15.137.589</b>
Subcontractors and freelancers	150.973.894	3.387.118	5.654.253	<b>160.015.265</b>
Other services	5.527.604	994.184	1.316.087	<b>7.837.874</b>
Housing costs	12.482.308	0	0	<b>12.482.308</b>
Travel expenses	20.088.175	0	-11.014	<b>20.077.161</b>
Car leases	9.683.366	8.463.135	2.150.855	<b>20.297.356</b>
Rent	0	4.320.238	417.124	<b>4.737.362</b>
Maintenance		3.731.422	3.159.531	<b>6.890.953</b>
Energy		1.849.429	151.728	<b>2.001.157</b>
External fees		5.830.063	17.797.343	<b>23.627.406</b>
Training	5.110.481	1.993.533	1.033.817	<b>8.137.830</b>
Publicity & Marketing		15.164.338	8.859.762	<b>24.024.100</b>
Insurances	11.077.304	823.110	1.159.259	<b>13.059.672</b>
Administrative and office related expenses		4.955.036	3.593.011	<b>8.548.046</b>
Share-based payment		0	1.532.764	<b>1.532.764</b>
Depreciations	20.407.770	58.121.379	13.338.598	<b>91.867.746</b>
Bad debt provision		-119.279	-47.961	<b>-167.240</b>
Provision for risks and charges	673.554	-337.670	-641.845	<b>-305.962</b>
Losses on disposal of fixed assets			179.233	<b>179.233</b>
Other	93.973	3.556.400	4.757.042	<b>8.407.415</b>
Other income	-753.822	-2.470.608	-2.008.137	<b>-5.232.566</b>
Capitalization of internally generated intangibles		0	-2.155.426	<b>-2.155.426</b>
<b>Total</b>	<b>1.504.324.545</b>	<b>284.857.453</b>	<b>112.911.905</b>	<b>1.902.093.903</b>

31 December 2020	Costs of services	Selling expenses	Other G&A expenses	Total
Personnel expenses	846.764.909	105.564.237	48.079.927	1.000.409.073
Wage taxes	187.573.765	21.872.040	8.459.067	217.904.872
Grants related to personnel	-17.111.860	-34.351	-1.620.724	-18.766.934
Subcontractors and freelancers	95.188.385	1.375.570	4.816.505	101.380.459
Other services	9.358.987	0	0	9.358.987
Housing costs	14.464.751	0	0	14.464.751
Travel expenses	9.822.965	0	1.003	9.823.967
Car leases	8.406.433	7.663.933	1.895.457	17.965.822
Rent	0	3.870.650	1.136.874	5.007.525
Maintenance	0	3.637.818	1.670.782	5.308.599
Energy	0	1.305.544	109.235	1.414.779
External fees	121.747	5.604.660	13.808.558	19.534.965
Training	3.607.387	704.032	1.258.528	5.569.947
Publicity & Marketing	0	7.569.595	8.209.604	15.779.199
Insurances	12.990.102	772.427	1.303.130	15.065.658
Administrative and office related expenses	0	3.787.336	3.068.186	6.855.522
Share-based payment	0	0	3.933.777	3.933.777
Depreciations	16.365.960	51.877.298	14.139.145	82.382.403
Bad debt provision	0	2.286.873	138.523	2.425.396
Provision for risks and charges	0	-103.412	-176.884	-280.296
Losses on disposal of fixed assets	0	0	162.940	162.940
Other	861.756	3.274.244	7.539.136	11.675.137
Other income	-204.280	0	0	-204.280
Capitalization of internally generated intangibles	0	0	-1.531.871	-1.531.871
<b>Total</b>	<b>1.188.211.005</b>	<b>221.028.497</b>	<b>116.400.897</b>	<b>1.525.640.399</b>

\* Work accident insurance has been presented under insurances in both 2021 and 2020 overview. In 2020 financial statements, this was considered as part of the personnel expenses.

## 29 DEPRECIATION, AMORTIZATION AND IMPAIRMENT OF PP&E AND INTANGIBLE ASSETS

	31 December 2021	31 December 2020
Depreciation & impairment of buildings		2.651
Depreciation & impairment plant, machinery and equipment	194.287	479.466
Depreciation & impairment of furniture & vehicles	5.546.680	4.761.748
Depreciation & impairment of Other PP&E	2.652.001	2.627.993
Depreciation & impairment of leased PP&E	44.934.121	38.632.733
<b>Depreciation of tangible assets</b>	<b>53.327.089</b>	<b>46.504.591</b>
Amortization & impairment of customer relationships	23.589.205	17.848.436
Amortization & impairment of brand names	4.424.253	11.595.932
Amortization & impairment of software	8.946.184	6.428.090
Amortization & impairment of licenses	329.858	5.354
Amortization & impairment of other intangibles	39.534	
<b>Amortization and impairment of intangible assets</b>	<b>37.329.033</b>	<b>35.877.812</b>
Included:		
<b>Cost of services</b>	<b>20.407.770</b>	<b>16.365.960</b>
Tangibles	20.407.770	16.365.960
Intangibles		
<b>Selling expenses</b>	<b>56.906.974</b>	<b>51.877.298</b>
Tangibles	26.369.906	22.113.376
Intangibles	30.537.069	29.763.923
<b>General and administrative expenses</b>	<b>13.341.378</b>	<b>14.139.145</b>
Tangibles	6.549.414	8.025.256
Intangibles	6.791.965	6.113.890
<b>Total depreciation and amortization on (in)tangibles</b>	<b>90.656.122</b>	<b>82.382.403</b>

The depreciation & impairment of leased PP&E of EUR 44,93 million is composed of:

	31 December 2021	31 December 2020
<b>Lease expenses</b>		
Depreciation charge of right-of-use assets		
Buildings	24.551.619	20.633.880
Cars	20.307.622	17.893.777
Office equipment	74.880	105.076
<b>Total depreciations</b>	<b>44.934.121</b>	<b>38.632.733</b>

## 30 FINANCE INCOME AND COSTS

	31 December 2021	31 December 2020
<b>Finance Income</b>		
Interest income on short-term bank deposits	1.649	259
Interest income on loans to related parties	90.588	211.691
Foreign exchange losses	12.404	
Other	55.900	70.967
Fair value adjustment derivatives	2.727.720	1.420.000
Interest income on loans	186.105	239.440
Interest income on subleasing	99.047	16.408
<b>Total finance income</b>	<b>3.173.413</b>	<b>1.958.764</b>
<b>Finance Expenses</b>		
Interest expense on loans from related parties	176.369	270.133
Interest expense on bank borrowings	59.328.529	40.721.935
Fair value adjustment derivatives	1.449.574	7.570.000
Refinancing costs/bank fees	3.320.287	7.666.051
Foreign exchange losses, net	4.674	46.547
Other	1.348.443	651.050
Interest expense on finance lease liabilities	1.824.402	1.626.045
Costs related to commercial finance	1.643.380	948.101
Costs related to credit insurance	1.679.676	1.278.961
<b>Total finance expenses</b>	<b>70.775.333</b>	<b>60.778.823</b>
<b>Net finance costs</b>	<b>-67.601.920</b>	<b>-58.820.059</b>

Finance expenses include the interest on borrowings from related parties, banks and bonds.

Refinancing costs and bank fees relate to costs to refinance the bank loans, refer to note 16 Borrowings in respect to this matter, and recurring bank fees.

Fair value adjustment derivatives relate to the movement in the fair value of the early payment option, refer to note 11 Derivative financial instruments.

The other finance expenses (EUR 1,35 million) mainly relate to the impairment of the loan receivable towards Happy Recruiter.

## 31 EMPLOYEE BENEFIT EXPENSE

Wages, salaries, social security charges and pension charges are included in cost of services for candidates and in personnel expenses for corporate employees.

	31 December 2021	31 December 2020
Wages and salaries (incl. insurances and pensions)	1.080.877.538	876.634.580
Wage taxes	240.918.831	203.271.793
Holiday pay	117.323.833	93.546.773
Bonuses	45.513.730	29.797.441
Severance pay	3.022.812	1.474.774
Disability/sickness contributions	9.109.845	6.274.329
Recuperation of costs from employees	-3.368.004	-7.463.327
Share based payment	1.532.764	3.933.777
Social fund	17.970.452	14.633.079
Retention costs		144.504
<b>Total employee benefit expenses</b>	<b>1.512.901.801</b>	<b>1.222.247.722</b>

\* Work accident insurance is considered as part of the insurances (services) and is not considered as part of the personnel expenses. In the 2020 financial statements, this was included as an employee benefit expense.

## 32 CONTINGENCIES

### 32.1 Contingent liabilities

The Group did not recognize any contingent liabilities.

### 32.2 Contingent assets

The Group did not recognize any contingent assets.

## 33 COMMITMENTS

### 33.1 Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognized as liabilities is as follows:

Capital commitments	31 December 2021	31 December 2020
Property, plant and equipment	403.291	725.587
Intangible assets		
Other		
<b>Total</b>	<b>403.291</b>	<b>725.587</b>

### 33.2 Non-cancellable operating lease commitments

The Group leases land and various buildings under non-cancellable operating lease agreements, including lease agreements entered into under concession agreements. The typical lease terms vary depending upon which country the lease agreement is entered into. The Group uses the exemption for low value items and short-term contracts for which non-cancellable operating lease commitments exist at year-end 31 December 2021. No material commitments exist at 31 December 2021.

### 33.3. Other commitments

The Group has no other commitments per 31 December 2021.

## 34 RELATED-PARTY TRANSACTIONS

For all periods presented, the Group is controlled by Naxicap Partners (incorporated in France). The remaining shares of the Group are owned by Conny Vandendriessche and current management of the Group.

Local management teams are present at the different groups for which there have been some changes during 2021, mainly relating to transfers within key management team, resulting in the appointment of a new local CFO or CEO at some groups.

As a result of the merger of TIMEPARTNER and ZAKUENSIS, the roles and responsibilities of the two groups have also been reallocated. Roger Lothmann, former CEO of ZAKUENSIS, is appointed as CEO of the new group. Thomas Schenk, former CEO of TIMEPARTNER and Integration Officer during the merge of both groups, has left the Group in April 2021. Co-CFOs of TIMEPARTNER, Hendrik Boa-Adam and Frank Schulz, remain at their position, while ZAKUENSIS CFO, Lars Ackmann, has been appointed as CDO/CIO of the new group.

On 30 September 2021 the shares of Vialegis NV have been sold to Redmore Holding for an amount of EUR 22,03 million, which implies that Vialegis is now part of the Redmore Group and is no longer a separate operational company. Of the total purchase price, EUR 18,40 million has been paid on 30 September 2021.

On 1 October 2021 the shares of ETA are sold from GRITT to Newco Abylsen for an amount of EUR 22,12 million, including a negative earn-out clause (repayment) up to EUR 6,33 million based on the difference between the FY 2020 EBITDA and FY 2022 EBITDA. This also results in a conversion of GRITT tracking shares to Abylsen tracking shares.

The following transactions were carried out with related parties:

### (i) Sales and purchase of services

The following sales and purchases of services occurred during the period:

Sales of Services	31 December 2021	31 December 2020
Sales of management services		
Sales of services towards joint ventures	129.008	
Sales of services to entities controlled by key management	1.576.477	
Sales of services towards the ultimate parent		
<b>Total</b>	<b>1.705.484</b>	<b>0</b>

Purchases of services	31 December 2021	31 December 2020
Purchases of services from joint ventures	244.392	
Purchase of management services from joint ventures		
Purchases from entities controlled by key management and the ultimate parent	2.250.379	2.003.581
<b>Total</b>	<b>2.494.771</b>	<b>2.003.581</b>

Purchases from entities controlled by key management are mainly related to rent of branches and/or headquarters.

All services are billed based upon normal commercial terms and conditions as these that are available to third parties.

The following balances remains outstanding at year-end for the sale and purchase of services:

Year-end balances	31 December 2021	31 December 2020
Receivables from related parties for services		
– Joint ventures	104.330	
– Ultimate parent		
– Key management personnel		6.948
Payables from related parties for services		
– Joint ventures	31.895	-37
– Ultimate parent	150.000	150.000
– Key management personnel	2.796.400	351.731
<b>Total</b>	<b>3.082.624</b>	<b>508.642</b>

## (ii) Key management compensation

Key management includes executive management and members of the Board of Directors of the Group and its subsidiaries. The compensation paid or payable to key management for employee services is shown below.

The following amounts for key management compensations have been accounted for throughout the period:

Key management compensation	31 December 2021	31 December 2020
Salaries and other short-term employee benefits	24.027.090	15.951.657
Termination benefits	169.203	1.988.408
Post-employment benefits	142.596	85.367
Share-based payment	1.532.764	3.933.777
<b>Total</b>	<b>25.871.653</b>	<b>21.959.210</b>

The following liabilities for key management compensations are outstanding at the end of the period:

Year-end balances with key management personnel	31 December 2021	31 December 2020
Outstanding amounts towards key management personnel	8.590.199	4.473.610
<b>Total</b>	<b>8.590.199</b>	<b>4.473.610</b>

Besides above liability, the Group has EUR 4,30 million debt to shareholders of which EUR 1,19 million relate to dividends on preferred shares and EUR 3,07 million to a debt to the ordinary shareholders relating to the capital decrease that has occurred in 2019.

## (iii) Loans to related parties and other receivables

The other receivables from related parties of EUR 1,22 million relate mainly to loans to related parties:

Loans to related parties	31 December 2021
<b>At 1 January</b>	<b>825.638</b>
Acquisition of subsidiaries	
Loans advanced during year	950.000
Loan repayments received	-79.784
Impairment of loans	-744.006
Interest received	-1.848
Acquiring control over joint ventures	
<b>At 31 December</b>	<b>950.000</b>

**(iv) Borrowings from related parties**

	31 December 2021
<b>Borrowings from related parties</b>	
<b>Balance at January 1</b>	<b>3.717.000</b>
Acquisition of subsidiaries	2.000.000
Loans advanced during year	
Repayments	
Interest charged	
Interest paid	
Contribution in kind	
Conversion to equity	
<b>At 31 December</b>	<b>5.717.000</b>

Refer to note 16 on borrowings for details on related party borrowings. All terms and conditions are disclosed there.

**(vi) Distributions**

	31 December 2021	31 December 2020
<b>Dividends to related parties</b>		
Dividend declared to minority shareholders	436.710	340.653
	<b>436.710</b>	<b>340.653</b>

**35 AUDIT FEES**

In EUR	31 December 2021
Audit fee	1.084.148
Other assignments auditor – within its capacity as auditor	262.008
Special assignments auditor – within its capacity as auditor	49.630
Other non-audit services performed by non-audit associates	69.008

**36 COVID19**

The great success in Covid19 vaccination rates along 2021 in Belgium, France, Germany, and The Netherlands has completely changed life compared to 2020. This great success allowed the economic activity in our key markets to normalize.

The new favorable scenario is reflected in the evolution of the sales of the Group, as sales were accelerating along the year. In the last weeks of 2021 and the beginning of 2022 the new strain of Covid19, Omicron, has spread enormously in the population, but with limited impact in hospitalizations. The positive sales evolution along 2021 was not impacted, and the start of 2022 has shown an even better evolution. Finally, all economic sectors are open and we expect to totally leave behind the impact of Covid19 in the upcoming months.



## **37 EVENTS AFTER THE REPORTING DATE**

### **Borrowings**

Thanks to the deleveraging achieved along 2021, an additional Term Loan B add-on facility of EUR 190,00 million was successfully completed in the market as per 3 February 2022. House of HR's strong results, sound communication and transparency on it resulted in a high demand and oversubscription of three times on the initial launch of EUR 150,00 million. The funds will be used to support M&A activities of House of HR.

At the same time, House of HR also successfully increased its Revolving Credit Facility from EUR 100,00 million to EUR 125,00 million.

### **Acquisitions**

On 1 January 2022 Cohedron signed an asset deal with Sociaal.nl Schuldsanering BV to acquire its activities i.e. the workforce, files, assets and liabilities related to administration, debt counseling and budget management for an amount of EUR 0,50 million.

House of HR is taking the next step in its growth process with the acquisitions of SOLCOM on 28 January 2022 and TMI on 10 February 2022.

SOLCOM is a leading IT service provider headquartered in Reutlingen (Germany). They recruit experts in IT and Engineering to accompany clients through projects. House of HR has acquired 100% of SOLCOM, and SOLCOM's management in turn will also invest in House of HR by acquiring shares. With the acquisition of SOLCOM, House of HR is taking over one of the most dynamic companies in their field. The company made an estimated turnover of EUR 172 million in 2021 and continues to grow rapidly. House of HR acquired 100% of the shares for a price of EUR 175,00 million.

TMI is one of the largest HR service providers for the healthcare sector in the Netherlands. Both at home and abroad, TMI is responsible for the recruitment of profiles for hospitals, public care institutions, ambulance staff, nursing homes, and so on. Moreover, they also supply temporary staff (secondment), intermediate for freelancers, and offer flex jobs. The profiles they work with include doctors, nursing staff, psychologists, and pharmacists. TMI's 2020 gross turnover was EUR 71 million. Its 2021 gross turnover is expected to be close to EUR 100 million. House of HR acquired 100% of the shares for a price of EUR 92,88 million.

On 24 February 2022 Accent Group acquired 100% of the shares of Atrium for a fixed price of EUR 1,75 million and an maximum earn-out of EUR 0,45 million based on the EBITDA for 2022 and 2023. Atrium is a training center that provides training to increase safety at work.

### **Capital increase**

In March 2022 House of HR will proceed with two capital increases in order to allow the existing shareholders to invest in House of HR pro-rata their existing shareholding, and to allow the managers of the recently acquired entities SOLCOM and TMI and other managers to become a shareholder. In total the capital will increase with EUR 37,9 million. As per 9 March 2022, a capital increase of EUR 32,1 million was completed.

### **Other topics**

House of HR follows with great concern the impact on the Ukrainian people following the invasion of Ukraine by the Russian Federation.

We are committed to support the population with actions directed to facilitate the integration of the refugees upon arrival to the countries where we operate. We are today in talks with governmental agencies to speed up and facilitate the working permits required so that they can become active and productive citizens in the countries they arrive in. Also our chatbot technology Dora is reaching out to refugees in border areas to assist where possible.

House of HR has no economic activities in Russia and Ukraine. House of HR does source citizens from Poland and Romania to be employed in the Netherlands, Belgium, and Germany. Next to our sourcing channels in Poland and Romania, we also have a commercial company ITDS, and Triple A in Poland but they have no material impact on the overall group sales and EBITDA. Should of course supply issues arise (gas supply/supply of parts/goods) impacting European industries (such as e.g. automotive, online logistics, ...), this could have some impact on our operations. Today, we do not see any material impact on overall group sales and EBITDA, but it is difficult to predict what future impacts may be.



# CONSOLIDATED REPORT OF THE BOARD OF DIRECTORS

## **THE HOUSE OF HIS ROYAL MAJESTY THE CUSTOMER II NV**

Beversesteenweg 576, 8800 ROESELARE

Enterprise number 0643.887.978

### **CONSOLIDATED REPORT OF THE BOARD OF DIRECTORS (ANNUAL REPORT) TO THE GENERAL MEETING OF SHAREHOLDERS OF MARCH 31, 2022**

---

Dear shareholders,

In execution of the article 119 of the Company Code, we are honoured to present to you our report with respect to our management and the business of the group during the accounting year ended December 31, 2021.

The consolidated financial statements of the Group, that we present to you, have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted within the European Union.

The M&A activities impact the comparability of the 2021 to 2020 figures. The activities impacting the 2020 and 2021 figures are:

#### **2020**

HOHR, via its subsidiary Continu Professionals has acquired 100% of the shares in TechMatch as per 23 January 2020. The results of this acquisition have been included in the consolidation as from 1 January 2020.

On 19 May 2020, HOHR acquired a majority stake in Book'U as a result of a capital increase in which House of Invest contributed. The results of the step-up acquisition have been included in the consolidation as from 1 June 2020.

As per June 23, 2020, a share and receivable transfer agreement has been signed resulting in the sale of GRITT Projects NV.

#### **2021**

HOHR, via its subsidiary Continu Professionals has acquired 100% of the shares in Solyne as per 15 January 2021. The results of this acquisition have been included in the consolidation as from 1 January 2021.

HOHR, via its subsidiary Abylsen has acquired 60% of the shares in Greenworking as per 26 January 2021. The results of this acquisition have been included in the consolidation as from 1 January 2021.

HOHR, via its subsidiary TIMEPARTNER has acquired 89% of the shares in avanti, as per 15 June 2021. The results of this acquisition have been included in the consolidation as from 1 June 2021.

HOHR has acquired 100% of the shares in Cohedron as per 20 July 2021. The results of this acquisition have been included in the consolidation as from 1 August 2021.

HOHR, via its subsidiary Cohedron has acquired 100% of the shares in Vanberkel Professionals as per 3 August 2021. The results of this acquisition have been included in the consolidation as from 1 August 2021.

HOHR, via its subsidiary Cohedron has acquired 100% of the shares in Bureau Brug as per 12 November 2021. The results of this acquisition have been included in the consolidation as from 1 November 2021.

## 1. Overview of the evolution of the consolidated results of the company

### General Business update 2021 vs 2020

During 2021, we continued on the growth path we had started before the pandemic. We have grown both organically and through acquisitions, fuelled by the entrepreneurial drive in all our PowerHouses and Boutiques.

With only one acquisition closed in 2020, we closed six in 2021 and already another two strategic acquisitions in 2022. Turnover grew 18,8% above 2020 and 7,8% above 2019 comparing the 2021 perimeter. Also, EBITDA grew by 24,1% and 5,1% above 2020 and 2019 respectively.

The great success in Covid19 vaccination rates along 2021 in Belgium, France, Germany, and The Netherlands has completely changed life compared to 2020. This great success allowed the economic activity in our key markets to normalize.

The new favourable scenario is reflected in the evolution of the sales of the Group, as sales were accelerating along the year. In the last weeks of 2021 and the beginning of 2022 the new strain of Covid19, Omicron, has spread enormously in the population, but with limited impact in hospitalizations. The positive sales evolution along 2021 was not impacted, and the start of 2022 has shown an even better evolution. Finally, all economic sectors are open and we expect to totally leave behind the impact of Covid19 in the incoming months.

The most important elements of the income statement can be summarized as follows::

In EUR	Note	31 December 2021	31 December 2020
Revenue	22	2,050,123,191	1,596,349,465
Cost of services	25	-1,504,324,545	-1,188,211,005
<b>Gross profit/(loss)</b>		<b>545,798,646</b>	408,138,460
Selling expenses	26	-284,857,453	-221,028,497
Impairment of goodwill	8	0	0
Other general and administrative expenses	27	-112,911,905	-116,400,897
<b>Total operating expenses</b>		<b>-397,769,359</b>	-337,429,394
Other gains/(losses) - net	23	1,938,228	6,815,743
<b>Operating profit/(loss)</b>		<b>149,967,515</b>	77,524,809
Finance income	30	3,173,413	1,958,764
Finance expenses	30	-70,775,333	-60,778,823
<b>Net finance income/(loss)</b>		<b>-67,601,920</b>	-58,820,059
Share in profit/loss of equity accounted investments	3.3	-650,781	8,999
<b>Profit/(loss) before taxes</b>		<b>81,714,814</b>	18,713,749
Income tax expense	13.1	-36,140,140	-13,241,341
<b>Net profit/(loss) of the period</b>		<b>45,574,674</b>	5,472,408
Profit/(loss) from discontinued operation (attributable to equity holders of the company)	3.6		-20,581,694
<b>Net profit/(loss) of the period</b>		<b>45,574,674</b>	-15,109,286
<b>Profit/(loss) attributable to:</b>			
Owners of the entity holding ordinary shares		42,973,519	-15,970,120
Non-controlling interests		2,601,155	860,834

Revenue, Cost of Services, Selling Expenses and Other General and Administrative expenses are heavily impacted by the Covid19 pandemic on the one hand, and the acquisitions done in the current year and the previous year on the other hand. Overall gross profit over revenue has increased from 25,6% last year to 26,6% in the current year, mainly resulting from the acquisitions done in 2021 that are situated in sectors with a high margin. Operating expenses over revenue have decreased from 21,1% to 19,4% and are back on the level of 2019. This is mainly impacted by Covid19 in 2020 as part of the operational expenses are fixed and could not be cut in line with the sales decrease.

Other gains and losses relate for the main part to earn-out adjustments.

During 2020 HOHR has issued EUR 200,00 million of Senior Unsecured Notes. Refinancing expenses have been capitalized and are being depreciated over the lifetime of the loan. As per 19 February 2021 HOHR has successfully repriced their Senior Facility Agreement, resulting in a 50 BPS reduction. The total impact of the repricing amounts to EUR 13,07 million saving for the group. Total financing expenses for this repricing of EUR 2,75 million are capitalized as part of the bank borrowings and are being depreciated over the remaining lifetime of the loan. Further, as per 3 February 2022, House of HR was able to successfully lend an additional EUR 190 million Term Loan B facility, of which EUR 2,62 million financing expenses are capitalized per 31 December 2021.

The share in profit and loss of equity accounted investments contains the impairment of the participations in Happy Recruiter and the equity pick-up on the participation on Ariad.

Tax expenses amount to 44% of profit before tax, compared to 71% last year. The average tax rate is highly impacted by the losses of Corporate, being House of HR, House of Invest and House of Finance (EUR 26,85 million in 2021 compared to EUR 7,65 million in 2020) and elimination of intragroup transactions that are taxable in the statutory accounts. Excluding these items the average tax rate amounts to 30,6% and 28,6% respectively. The income taxes are impacted by the adjustment for current tax of prior periods of EUR 2,41 million.

### Comparison balance sheet

The most relevant components of the balance sheet can be summarized as follows:

#### Assets

In EUR Assets	Note	31 December 2021	31 December 2020
<b>Non-current assets</b>			
Property, plant and equipment	9	125,060,499	107,701,297
Intangible assets	7	326,096,921	174,993,517
Goodwill	8	1,024,026,150	861,984,334
Deferred tax assets	13.3	5,758,696	3,087,128
Investments accounted for using the equity method	3.3	912,692	1,521,059
Other non-current assets	12.2	13,233,234	14,732,472
Derivative financial assets	11	3,027,960	1,750,000
Loans to related parties		140,000	0
<b>Total non-current assets</b>		<b>1,498,256,152</b>	<b>1,165,769,806</b>
<b>Current assets</b>			
Trade receivables	12.1	230,579,860	178,378,401
Income tax receivables	13.1	861,381	4,990,906
Other receivables	12.2	57,987,446	39,816,504
Cash and cash equivalents	14	208,134,200	378,395,645
<b>Total current assets</b>		<b>497,562,887</b>	<b>601,581,456</b>
<b>Total assets</b>		<b>1,995,819,039</b>	<b>1,767,351,262</b>

Property, plant and equipment have increased mainly as a result of lease contracts in the newly acquired entities. Other changes in PP&E mainly relate to replacement of office furniture and company cars.

Intangible assets and goodwill are heavily impacted by the acquisitions done. Customer relationships, trade names and software are valued at the moment of acquisition and depreciated over their expected lifetime.

The increase in goodwill is fully related to the acquisitions done in 2021.

The derivative financial asset relates to the refinancing done in 2020 and 2019, cf. supra.

Fluctuations in trade receivables are in line with revenue generation, impacted also by the new commercial finance contract in Continu Professionals and Covebo and the acquisitions done during the year.

The other receivables are also impacted by the new commercial finance contract in Continu Professionals and Covebo, as the difference between the gross trade receivable sold and the amount received from the factoring company is recorded as on other receivable.

The significant decrease in cash and cash equivalents is attributable to the cash paid for the acquisitions done in 2021.

## Equity and Liabilities

In EUR Equity and liabilities	Note	31 December 2021	31 December 2020
<b>Equity</b>			
Share capital and share premium	15.1	266,711,384	238,597,269
Other reserves	15.2	-134,368,171	-129,926,163
Retained earnings	15.3	175,592,115	132,413,401
<b>Capital and reserves attributable to owners of the company</b>		<b>307,935,328</b>	<b>241,084,507</b>
Non-controlling interests	3.4	11,767,299	3,515,398
<b>Total equity</b>		<b>319,702,627</b>	<b>244,599,905</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	16	1,046,121,387	1,041,849,283
Deferred income tax liabilities	13.3	79,412,461	44,421,003
Employee benefit obligations	18	3,229,647	3,116,375
Provisions for other liabilities and charges	17	881,778	895,149
Other non-current liabilities	21	70,224,204	65,323,241
<b>Total non-current liabilities</b>		<b>1,199,869,476</b>	<b>1,155,605,050</b>
<b>Current liabilities</b>			
Trade and other payables	20	61,413,931	37,847,824
Income tax liabilities	13.1	27,484,426	24,388,056
Borrowings	16	46,996,293	47,538,149
Employee benefit obligations	18	191,551,422	141,804,344
Provisions for other liabilities and charges	17	2,984,289	1,969,136
Other current liabilities	21	145,816,574	113,598,798
<b>Total current liabilities</b>		<b>476,246,935</b>	<b>367,146,306</b>
<b>Total liabilities</b>		<b>1,676,116,411</b>	<b>1,522,751,357</b>
<b>Total equity and liabilities</b>		<b>1,995,819,039</b>	<b>1,767,351,262</b>

During 2021, several transactions have occurred impacting equity:

- Capital increase of EUR 28,11 million due to the investment of new and existing managers;
- Buy out of the minorities (1% of the shares) in Newco Abylsen;
- Employee share schemes.

Non-controlling interests have increased mainly as a result of the acquisitions done in 2021:

- Acquisition of Greenworking, of which 40% of the shares relate to minority shareholders;
- Acquisition of avanti, of which 11% of the shares relate to minority shareholders.

The borrowings contain the Senior Facility Agreement, the Senior Secured Notes, the Senior Unsecured Notes and a limited amount of loans from related parties; including capitalized refinancing expenses.

Deferred income tax liabilities are mainly related to deferred taxes on the Purchase Price Allocations done and on the fair value adjustment of the borrowings. These are depreciated over the lifetime of the intangible assets and the lifetime of the loan, respectively.

Other liabilities are impacted by the lease contracts in the newly acquired entities in 2021 (cf. supra PPE) and a higher VAT payable balance, resulting from the acquisitions done and higher sales in 2021.

Trade payables increased resulting from the acquisitions done in 2021.

Next to the acquisitions done in 2021, the employee benefit obligations mainly increased due to the timing of wage payments.

## 2. Post balance sheet events

### Acquisitions

On 1 January 2022 Cohedron signed an asset deal with Sociaal.nl Schuldsanering BV to acquire its activities i.e. the workforce, files, assets and liabilities related to administration, debt counseling and budget management for an amount of EUR 0,50 million.

House of HR is taking the next step in its growth process with the acquisitions of SOLCOM on 28 January 2022 and TMI on 10 February 2022.

SOLCOM is a leading IT service provider headquartered in Reutlingen (Germany). They recruit experts in IT and Engineering to accompany clients through projects. House of HR has acquired 100% of SOLCOM, and SOLCOM's management in turn will also invest in House of HR by acquiring shares. With the acquisition of SOLCOM, House of HR is taking over one of the most dynamic companies in their field. The company made an estimated turnover of EUR 172 million in 2021 and continues to grow rapidly. House of HR acquired 100% of the shares for a price of EUR 175,00 million.

TMI is one of the largest HR service providers for the healthcare sector in the Netherlands. Both at home and abroad, TMI is responsible for the recruitment of profiles for hospitals, public care institutions, ambulance staff, nursing homes, and so on. Moreover, they also supply temporary staff (secondment), intermediate for freelancers, and offer flex jobs. The profiles they work with include doctors, nursing staff, psychologists, and pharmacists. TMI's 2020 gross turnover was EUR 71 million. Its 2021 gross turnover is expected to be close to EUR 100 million. House of HR acquired 100% of the shares for a price of EUR 92,88 million.

On 24 February 2022 Accent Group acquired 100% of the shares of Atrium for a fixed price of EUR 1,75 million and an maximum earn-out of EUR 0,45 million based on the EBITDA for 2022 and 2023. Atrium is a training center that provides training to increase safety at work.

### Borrowings

Thanks to the deleveraging achieved along 2021, an additional Term Loan B add-on facility of EUR 190,00 million was successfully completed in the market as per 3 February 2022. House of HR's strong results, sound communication and transparency on it resulted in a high demand and oversubscription of three times on the initial launch of EUR 150,00 million. The funds will be used to support M&A activities of House of HR.

At the same time, House of HR also successfully increased its Revolving Credit Facility from EUR 100,00 million to EUR 125,00 million.

### Capital increase

In March 2022 House of HR will proceed with two capital increases in order to allow the existing shareholders to invest in House of HR pro-rata their existing shareholding, and to allow the managers of the recently acquired entities SOLCOM and TMI and other managers to become a shareholder. In total the capital will increase with EUR 37,9 million. As per 9 March 2022, a capital increase of EUR 32,1 million was completed.

## 3. Risk and uncertainties

The Group has a significant value of goodwill and intangible assets on the balance sheet. Significant judgement is made in respect of assumptions about future results of the business and discount rates applied to future cash flow forecasts.

The great success in Covid19 vaccination rates along 2021 in Belgium, France, Germany, and The Netherlands has completely changed life compared to 2020. This great success allowed the economic activity in our key markets to normalize. The new favorable scenario is reflected in the evolution of the sales of the Group, as sales were accelerating along the year. In the last weeks of 2021 and the beginning of 2022 the new strain of Covid19, Omicron, has spread enormously in the population, but with limited impact in hospitalizations. The positive sales evolution along 2021 was not impacted, and the start of 2022 has shown an even better evolution. Finally, all economic sectors are open and we expect to totally leave behind the impact of Covid19 in the upcoming months.

House of HR follows with great concern the impact on the Ukrainian people following the invasion of Ukraine by the Russian Federation. We are committed to support the population with actions directed to facilitate the integration of the refugees upon arrival to the countries where we operate. We are today in talks with governmental agencies to speed up and facilitate the working permits required so that they can become active and productive citizens in the countries they arrive in. Also our chatbot technology Dora is reaching out to refugees in border areas to assist where possible.



House of HR has no economic activities in Russia and Ukraine. House of HR does source citizens from Poland and Romania to be employed in the Netherlands, Belgium, and Germany. Next to our sourcing channels in Poland and Romania, we also have a commercial company ITDS, and Triple A in Poland but they have no material impact on the overall group sales and EBITDA. Should of course supply issues arise (gas supply/supply of parts/goods) impacting European industries (such as e.g. automotive, online logistics, ...), this could have some impact on our operations. Today, we do not see any material impact on overall group sales and EBITDA, but it is difficult to predict what future impacts may be..

#### **4. Information on the circumstances with a potential significant effect on the future evolution of the company**

We foresee no other elements with a potential significant effect on the future evolution of the company.

#### **5. Research and development**

During 2021, we concentrated the majority of our digital assets in House of Invest. This enables us to further invest in our digital roadmap and internationalize our digital initiatives. Furthermore, Cohedron, acquired in 2021, developed a new software, FLOW, that brings together budget counselling, guardianship and debt counselling.

#### **6. Information with respect to the use of financial instruments by the company, as far as considered meaningful**

Except for the derivative financial instrument (early payment option) mentioned above, there are no meaningful financial instruments held by the Company as per 31 December 2021.

Roeselare, March 17, 2022

**The Board of Directors; De Raad van Bestuur**

# STATUTORY AUDITOR'S REPORT



## **STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF HOUSE OF HR NV ON THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021**

We present to you our statutory auditor's report in the context of our statutory audit of the consolidated accounts of House of HR NV (the "Company") and its subsidiaries (jointly "the Group"). This report includes our report on the consolidated accounts, as well as the other legal and regulatory requirements. This forms part of an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting d.d. 20 June 2019, following the proposal formulated by the board of directors. Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended 31 December 2021. We have performed the statutory audit of the Company's consolidated accounts for 6 consecutive years.

### **Report on the consolidated accounts**

#### ***Unqualified opinion***

We have performed the statutory audit of the Group's consolidated accounts, which comprise the consolidated balance sheet as at 31 December 2021, the consolidated income statement for the period then ended and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and which is characterised by a consolidated balance sheet total of EUR 1.995.819.039 and a profit for the year of EUR 45.574.674.

In our opinion, the consolidated accounts give a true and fair view of the Group's net equity and consolidated financial position as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

#### ***Basis for unqualified opinion***

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Furthermore, we have applied the International Standards on Auditing as approved by the IAASB which are applicable to the year-end and which are not yet approved at the national level. Our responsibilities under those standards are further described in the "*Statutory auditor's responsibilities for the audit of the consolidated accounts*" section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the consolidated accounts in Belgium, including the requirements related to independence.

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

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



## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated accounts of the current period. These matters were addressed in the context of our audit of the consolidated accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **Impairment of goodwill – Note 8**

#### Description of the key audit matter

House of HR carries a significant value of goodwill on the balance sheet amounting to EUR 1.024 million as detailed in disclosure 8. Under the International Financial Reporting Standards as endorsed by the EU ("IFRS's"), the Company is required to test the amount of goodwill impairment at least annually. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

We consider this matter as a key audit matter because of the significance of the account and because of the complexity of the assessment process, the significant judgments in respect of assumptions about the future results of the business and the discount rates applied to future cash flow forecasts. The most important management assumptions relate to the discount rate, growth rates of revenue and EBITDA margin.

#### How our audit addressed the key audit matter

We challenged if the impairment test was performed at the level of the CGU (the smallest group of assets that generate cash inflows that are largely independent of each other). We challenged the cash flow projections used in the impairment tests and the process through which they were prepared. We found that the projected cash flow for 2022 was consistent with the Board approved budgets, which were subject to timely oversight and challenge by the Directors.

We have critically assessed the historical accuracy of management's estimates and evaluation of business plans by comparing the prior year's forecast with the Group's actual performance. For the cash flows after 2021, we critically assessed and challenged the assumptions related to the long-term growth rates, by comparing them to industry forecasts and historical growth rates.

We compared the weighted average cost of capital ("WACC") to the cost of capital and debt of the Group and comparable organisations, as well as considering territory specific factors. We tested the calculation method used and the accuracy thereof. We compared EBITDA margin with past actuals. We challenged the adequacy of management's sensitivity analysis of the headroom. For all CGUs we calculated the degree to which these assumptions would need to move before an impairment conclusion was triggered and found the likelihood of such a movement to be unlikely.

Professionals with specialized skill and knowledge were used to assist in the evaluation of the Company's discounted cash flow model and certain significant assumptions. We also assessed the adequacy of the disclosures (Note 8) in the financial statements.



We found management's judgments in respect of the impairment test to be within an acceptable range of reasonable estimates.

### **Purchase Price Allocation of Cohedron (PPA) – Note 3.1**

#### **Description of the key audit matter**

House of HR NV performed a significant acquisition of Cohedron Group, as detailed in note 3.1 of the financial statements. The Group acquired 100% of the share capital in Cohedron for EUR 115,43 million during the financial year.

As set out in note 3.1, this is a significant acquisition since it represents an entire new 'powerhouse'.

Under the International Financial Reporting Standards as endorsed by the EU ("IFRS's") and more specifically in line with the requirements of IFRS 3 – Business Combinations the Directors performed a purchase price allocation (PPA). The PPA is subject to significant Directors' judgement and estimation in the following areas:

- Identification and valuation of potential provisions for risks;
- Identification and valuation of intangible assets (including goodwill); and
- Determination of the amortisation period for the identified intangible assets.

Based on thorough due diligence analysis and detailed calculations, the Directors performed the PPA and also determined the resulting goodwill.

We consider this matter to be a key audit matter because of the complexity of the assessment process, the significant judgments and the estimates involved in respect of determining the PPA as well as the value allocated to intangible assets and goodwill.

#### **How our audit addressed the key audit matter**

We started by engaging our internal valuation experts to perform an independent assessment of the fair values of the identifiable assets acquired and liabilities assumed on the respective acquisition dates specifically relating to the valuation and identification of intangible assets and the resultant goodwill which was recognised. This independent assessment was evaluated against the Directors' assessment by performing the following procedures:

- We verified that the valuation methods used are consistent with the ones generally accepted within the industry;
- We verified that identifiable assets acquired and liabilities assumed were appropriately valued, in all material respects;
- We scrutinized the SPAs and Due Diligence Reports relating to the acquisitions to identify potential additional items to be valued as part of the PPA;
- We assessed the reasonableness of the assumptions used in determining the useful lives of the definite life intangible assets acquired, against those determined by the Directors;



- We assessed disclosure 3.1 in the financial statements against the relevant IFRS disclosure requirements.

We found the assumptions and data used to be reasonable and in line with our expectations and management's methodology and estimates to be reasonable and the related company's disclosures appropriate .

### ***Responsibilities of the board of directors for the preparation of the consolidated accounts***

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

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

### ***Statutory auditor's responsibilities for the audit of the consolidated accounts***

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

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the consolidated accounts in Belgium. A statutory audit does not provide any assurance as to the Group's future viability nor as to the efficiency or effectiveness of the board of directors' current or future business management at Group level. Our responsibilities in respect of the use of the going concern basis of accounting by the board of directors' are described below.



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

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

We communicate with 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.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the consolidated accounts of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.





## **Other legal and regulatory requirements**

### ***Responsibilities of the board of directors***

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

### ***Statutory auditor's responsibilities***

In the context of our engagement and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors' report on the consolidated accounts and to report on these matters.

### ***Aspects related to the directors' report on the consolidated accounts***

In our opinion, after having performed specific procedures in relation to the directors' report on the consolidated accounts, this directors' report is consistent with the consolidated accounts for the year under audit and is prepared in accordance with article 3:32 of the Companies' and Associations' Code.

In the context of our audit of the consolidated accounts, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report on the consolidated accounts is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you.

### ***Statement related to independence***

- Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated accounts, and our registered audit firm remained independent of the Group in the course of our mandate.
- The fees for additional services which are compatible with the statutory audit of the consolidated accounts referred to in article 3:65 of the Companies' and Associations' Code are correctly disclosed and itemized in the notes to the consolidated accounts.

Gent, 30 March 2022

The statutory auditor  
PwC Reviseurs d'Entreprises SRL / PwC Bedrijfsrevisoren BV  
Represented by

Filip Lozie  
Réviseur d'Entreprises / Bedrijfsrevisor





## HOUSE OF HR

Beversesteenweg 576,  
8800 Roeselare  
Belgium  
T: +32 (0)51 460 500  
[www.houseofhr.com](http://www.houseofhr.com)

### ABYLSSEN

Avenue des  
Champs-Élysées 91,  
75008 Paris  
T: +33 (0)1 42 56 78 00  
[www.abylsen.com](http://www.abylsen.com)

### ACCENT

Beversesteenweg 576  
8800 Roeselare  
T: +32 (0)51 460 500  
[www.accentjobs.be](http://www.accentjobs.be)

### COHEDRON

Herculesplein 88  
3584 AA Utrecht  
T: +31 30 219 3900  
[www.cohedron.com](http://www.cohedron.com)

### CONTINU PROFESSIONALS

Flight Forum 40  
5657 DB Eindhoven  
T: +31(0)40 243 19 19  
[www.continu.nl](http://www.continu.nl)

### COVEBO

Ambachtsstraat 13,  
3861 RH Nijkerk  
T: +31(0)33 245 05 17  
[www.covebo.nl](http://www.covebo.nl)

### GRITT

Rijnkaai 100 C14  
2000 Antwerpen  
T: +32 (0)3 270 97 00  
[www.gritt.be](http://www.gritt.be)

### REDMORE

Euclideslaan 2  
3584 BN Utrecht  
T: +31(0)88 170 14 20  
[www.redmore.eu](http://www.redmore.eu)

### SOLCOM

Schuckertstr. 1  
D-72766 Reutlingen  
T: +49 (0)7121/1277-0  
[www.solcom.de](http://www.solcom.de)

### TIMEPARTNER

Amsinckstrasse 28  
20097 Hamburg  
  
Auf der Huls 160  
52068 Aachen  
T: +49 (0)40 253285-0  
[www.timepartner.com](http://www.timepartner.com)

### TMI

Sierplein 75  
1065 LN Amsterdam  
T: +31 (0)20 717 3527  
[www.tmi.nl](http://www.tmi.nl)