



ABO-Group Environment NV

**Non-audited interim consolidated financial
statements for the period of 6 months ending 30
June 2022**

Consolidated interim income statement (non-audited)

In € 000	Notes	For the six months ending 30 June	
		2022	2021*
Revenue		36,354	31,131
Other operating income		404	620
Total operating income		36,758	31,751
Purchases		-4,704	-3,653
Services and miscellaneous goods		-11,066	-9,942
Employee remunerations		-15,035	-13,798
Depreciation	6	-2,789	-2,430
Other operating expenses		-1,044	-565
Operating profit		2,120	1,363
Financial charges		-349	-294
Financial income		2	3
Profit before tax		1,773	1,072
Taxes		-531	-554
Net profit		1,242	518
Net profit (loss) attributable to the			
Shareholders of the parent company		1,252	494
Minority interests		-10	24
Earnings per share for the shareholders			
Basic and diluted		0.118	0.049
Weighted number of shares (basic earnings per share)		10,569	10,569
Weighted number of shares with impact of dilution		10,569	10,569

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

* The year 2021 has been adjusted to represent the final accounting process of the business combinations Geoplus and Geosonic. This is explained in Note 5.

Consolidated interim total result (non-audited)

In € 000	For the six months ending 30 June	
	2022	2021*
Net profit	1,242	518
Unrealised profit - transferable to the income statement		
Change in the fair value of financial assets available for sale	-5	-7
Unrealised results, after tax	-5	-7
Total result after taxes	1,237	511
Total result, attributable to the		
shareholders of the parent company	1,247	511
minority interests	-10	-

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* The year 2021 has been adjusted to represent the final accounting process of the business combinations Geoplus and Geosonic. This is explained in Note 5.

Consolidated interim balance sheet (non-audited)

in € 000	Notes	30 June	31 December
		2022	2021
Fixed assets			
Goodwill		982	914
Intangible fixed assets	6	2,466	2,311
Tangible fixed assets	6	23,407	22,342
Deferred tax assets		825	868
Financial assets with fair value changes via the non-realised results		32	38
Other financial assets		574	613
Total fixed assets		28,286	27,086
Short-term assets			
Stocks		1,269	1275
Trade receivables		15,582	12,805
Contract assets	7	12,516	7,756
Other short-term assets		1,608	1,132
Cash and cash equivalents	8	10,514	16,172
Total short-term assets		41,489	39,140
Total assets		69,775	66,226

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

Non-audited interim consolidated financial statements - 30 June 2022

in € 000	Notes	30 June	31 December
		2022	2021
Total equity			
Capital		4,857	4,857
Consolidated reserves		13,246	12,563
Non-realised results		2,094	2,196
Equity attributable to the shareholders of the group		20,197	19,616
Minority interest		97	880
Total equity	9	20,294	20,496
Long-term debts			
Financial debts	10	10,993	11,592
Deferred tax liabilities		1,402	1,383
Provisions		1,633	1,211
Other long-term liabilities		486	-
Total long-term liabilities		14,514	14,186
Short-term debts			
Financial debts		13,698	13,835
Trade payables		9,395	7,527
Tax liabilities		1,247	972
Other short-term debts		10,627	9,210
Total short-term debts		34,967	31,544
Total shareholders' equity and debts		69,775	66,226

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

Consolidated statement of changes in equity (non-audited)

In € 000	Attributable to the shareholders of the group				Minority interest	Total equity
	Capital	Consolidated reserves	Non-realised results	Total		
On 1 January 2021	4,857	10,540	2,265	17,662	1,317	18,979
Net profit as reported		335		335	24	359
Restatement 2021 - Geoplus & Geosonic		159		159		159
Net profit		494		494	24	518
Non-realised results			-7	-7	-	-7
Total result		494	-7	487	24	511
Purchase of minority interest	-	-169	-	-169	-498	-667
Transfer depreciation tangible fixed assets	-	95	-95	-	-	-
On 30 June 2021*	4,857	10,960	2,163	17,980	843	18,823
On 1 January 2022	4,857	12,563	2,196	19,616	880	20,496
Net profit		1,252		1,252	-10	1,242
Non-realised results			-5	-5	-	-5
Total result		1,252	-5	1,247	-10	1,237
Acquisition minority interest Geosonda	-	-302	-	-302	-258	-560
Put option minority interest Geosonda	-	-363	-	-363	-515	-878
Transfer depreciation tangible fixed assets	-	96	-96	-	-	-
On 30 June 2022	4,857	13,246	2,094	20,197	97	20,294

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

* The year 2021 has been adjusted to represent the final accounting process of the business combinations Geoplus and Geosonic. This is explained in Note 5.

Consolidated cash flow statement (non-audited)

In € 000	Notes	For the six months ending 30 June	
		2022	2021*
Operating activities			
Net profit		1,242	518
Non-cash costs and operating adjustments			
Depreciation of tangible fixed assets	6	2,579	2,261
Depreciation of intangible fixed assets	6	210	168
Loss (profit) on sale of tangible fixed assets		-33	17
Movements in provisions		435	47
Movements in impairments on customers		239	182
Financial income		-2	-3
Financial charges		349	294
Badwill arising from business combinations	5	-	-185
Deferred tax expenses (income)		4	26
Tax expenses		527	528
Fair value adjustment of the amount to be recovered on acquisition	5	-107	-
Others		-	1
Changes to the working capital			
Decrease (increase) in other financial fixed assets, trade receivables and other short-term assets		-7,980	-4,205
Decrease (increase) in stocks		6	65
Increase (decrease) in trade payables and other debts		2,823	1,948
		292	1,662
Interest received		2	2
Tax paid		-378	-281
Net cash flow from operating activities		-84	1,383

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* The year 2021 has been adjusted to represent the final accounting process of the business combinations Geoplus and Geosonic. These are described in Note 5.

In € 000	Notes	For the six months ending 30 June	
		2022	2021*
Investment activities			
Investments in tangible fixed assets	6	-2,212	-2,508
Investments in intangible fixed assets	6	-	-31
Sales of tangible fixed assets	6	66	485
Acquisition of subsidiaries	5	-641	-172
Acquisition of minority interest	5	-560	-667
Net cash flow used in investment activities		-3,347	-2,893
Financing activities			
Income from loans	9	1,291	4,846
Repayment of loans	9	-1,948	-3,108
Repayment of leasing debts	9	-1,222	-1,080
Interest paid		-224	-207
Other financial costs		-124	-87
Net cash flow from financing activities		-2,227	364
Net (decrease) increase in cash and cash equivalents		-5,658	-1,146
Cash and cash equivalents at the beginning of the year		16,172	15,021
Cash and cash equivalents at the end of the period		10,514	13,875

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

* The year 2021 has been adjusted to represent the final accounting process of the business combinations Geoplus and Geosonic. This is explained in Note 5.

Note to the non-audited interim consolidated financial statements

1. Company information

ABO-Group Environment NV (the Company) and its subsidiaries are operating in consultancy, testing and monitoring services within the following areas: soil, environment, geotechnology, energy and waste. The operations are mainly situated in Belgium, France and the Netherlands. The company is a public limited company (NV/plc) under Belgian law, with registered office at Derbystraat 255, 9051 Ghent.

The majority of the shares are in the hands of the natural person Mr. Frank De Palmenaer.

The consolidated interim financial statements of the Company for the period of 6 months ended on 30 June 2022 incorporates ABO-Group Environment NV and the associated subsidiaries (referred to together as 'ABO' or the 'Group').

The interim consolidated financial statements were approved for release by the Board of Directors on 14 September 2022.

2. Presentation basis

The interim consolidated financial statements of the Group for the period of 6 months ending 30 June 2022 and 2021 were prepared in accordance with IAS 34 "Interim financial reporting". The interim consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS), as published by the "International Accounting Standards Board (IASB).

These interim consolidated financial statements do not contain all information and explanations that are required for the annual financial statements, and must be read together with the consolidated annual financial statements of the Group for the year ending 31 December 2021.

The interim consolidated financial statements are presented in euro, and all values are rounded to the nearest thousand (€ 000), unless stated otherwise.

The interim consolidated financial statements have not been audited by the Group's statutory auditor.

New applicable standards and changes to the valuation rules

The following changes will apply for the first time in 2022, but will not have an impact on the condensed consolidated interim financial statements of the Group:

- Amendments in IAS 16, IAS 37, IFRS 3 and the annual corrections 2018-2022

The application of the above-mentioned amended standards and interpretations to be applied to the financial years as of 1 January 2022 or later does not have a significant impact on the consolidated interim financial figures of the Group.

In addition, the Group applied the following new accounting policy:

A financial liability is recognised for the fair value of the put option on a non-controlling interest by partially offsetting the non-controlling interest. The difference between the value of the minority interest and the fair value of the liability is added to the consolidated reserves, which are included in equity attributable to the shareholders. The fair value of the financial liability is the present value of the estimated redemption amount and depends on a management estimate of a number of assumptions (i.e., valuation of the shares, the estimated probability of exercising the put option in the various years and the expected WACC). The financial liability is shown in the consolidated balance sheet under 'Other long-term and short-term debts'. The liability will be adjusted in the profit and loss account with regard to changes in value at the end of each reporting period, including the effect of processing the discounting, and other changes to the estimated redemption amount as a result of changes in assumptions of the management. If the option expires without being exercised, the liability is cancelled against the minority interests and consolidated reserves.

Call options on non-controlling interests are presented as financial assets valued at fair value with changes in value recorded in the profit and loss account.

New standards that are not applicable as yet

A number of new standards, amendments to existing standards and annual improvement cycles have been published, and will be mandatory for the first time for accounting periods beginning on or after 1 January 2022, and these have not previously been adopted:

- IFRS 17 Insurance contracts (applicable for financial years from 1 January 2023¹)
- Amendments to IAS 1 Presentation of Financial Statements: classification of liabilities as short-term or long-term (applicable for financial years starting on or after 1 January 2023¹)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Explanation of the fundamental principles of financial reporting (applicable for financial years starting on or after 1 January 2023¹)
- Amendments to IAS 8, fundamental principles of financial reporting, changes in estimates and errors: Definition of estimates (applicable for financial years from 1 January 2023)
- Amendments to IAS 12 Taxes on profit: Deferred tax relating to assets and liabilities arising from a single transaction (applicable for financial years starting on or after 1 January 2023¹)

The Group is not expecting a significant impact following the application of these standards.

Accounting assessments, estimates and assumptions

The preparation of the interim consolidated financial statements in accordance with IAS 34 requires the use of certain significant estimates and assumptions.

It also requires the Group's management to make certain judgements with regard to the application of the Group's valuation rules. There are no material changes in the nature and amendments of estimates relating to the amounts that were reported in the financial statements of the financial year ended on 31 December 2021.

¹ not yet approved within the European Union

Put-options on a minority interest

On 24 March 2022, the Group wrote a put option on the non-controlling interest of Geosonda BV for which a financial liability of k€ 878 was recognised as at 30 June 2022. As described in the accounting policy, the liability arising from these put options is measured at fair value where the fair value is the present value of the estimated redemption amount. In doing so, management makes certain estimates of the following assumptions: valuation of the underlying shares of Geosonda BV, probability of the time of exercise of the put option by the put option holder, the number of put options that will be exercised and the discount rate (WACC based). These assumptions are reassessed at each reporting period.

COVID-19

In 2021, the Group experienced only limited impairment from COVID-19, and there was no material impact in the first six months of 2022 either. There are no indicators for specific impairments on goodwill.

War in Ukraine

As the Group itself does not operate in Ukraine or Russia, and has no Russian or Ukrainian customers or suppliers, it is not currently experiencing any direct impact of the war. Indirect effects are also being monitored, including the negative impact of increased energy prices on the company's operating costs, both directly and through the indexation of wages and other products. For the time being, the Group manages to pass on some of the cost increases and counter high inflation through increased internal efficiency. However, if the Group is no longer able to absorb these cost increases, this may have a negative impact on the Company's profits and financial situation over time.

Adjustments to the half-year figures of 2021

The Group has adjusted the figures of the half-year report for 2021 for the following events:

The consolidated financial statements for the half year ending 30 June 2021 contained the interim accounting of the business combinations of Geoplus and Geosonic. The analysis of the fair value with regard to the acquired assets and liabilities had not been finalised on the date of the report.

This analysis was completed as of December 2021, with corresponding adjustments to goodwill, intangible fixed assets, deferred tax assets and trade receivables on the asset side. In terms of liabilities, the consolidated reserves, deferred tax liabilities and the provisions were adjusted. In the profit and loss account, the restatements had an impact on the other operating income, depreciations and taxes. The impact has been recognised as retrospective adjustments to our consolidated balance sheet as at 30 June 2021, and to our consolidated profit and loss account for the half year ended on 30 June 2021. Furthermore, it includes an additional depreciation charge and additional operating income for the badwill on the acquisition of Geosonic.

We refer to Note 5 for a detailed discussion of the business combinations of Geoplus and Geosonic.

The impact of the adjustments on the consolidated balance sheet as at 30 June 2021 is as follows:

in € 000	As at 30 June 2021		
	As reported	IFRS3	Adjusted
Fixed assets			
Goodwill	1,457	-543	914
Intangible fixed assets	1,433	705	2,138
Tangible fixed assets	21,785	-	21,785
Deferred tax assets	899	109	1,008
Financial assets with fair value changes via the non-realised results	35	-	35
Other financial assets	667	-	667
Total fixed assets	26,276	271	26,547
Short-term assets			
Stocks	1,181	-	1,181
Trade receivables	19,930	195	20,125
Contract assets			
Other short-term assets	1,456	-	1,456
Cash and cash equivalents	13,875	-	13,875
Total short-term assets	36,442	195	36,637
Total assets	62,718	466	63,184

in € 000	As at 30 June 2021		
	As reported	IFRS3	Adjusted
Total equity			
Capital	4,857	-	4,857
Consolidated reserves	10,801	159	10,960
Non-realised results	2,163	-	2,163
Equity attributable to the shareholders of the group	17,821	159	17,980
Minority interest	844	-	844
Total equity	18,665	159	18,824
Long-term debts			
Financial debts	11,627	-	11,627
Deferred tax liabilities	1,235	189	1,424
Provisions	1,356	118	1,474
Total long-term liabilities	14,218	307	14,525
Short-term debts			
Financial debts	13,385	-	13,385
Trade payables	7,272	-	7,272
Tax liabilities	1,139	-	1,139
Other short-term debts	8,041	-	8,041
Total short-term debts	29,835	-	29,835
Total equity and debts	62,718	466	63,184

The impact of the adjustments on the consolidated profit and loss account as at 30 June 2021 is as follows:

in € 000	As at 30 June 2021		
	As reported	IFRS3	Adjusted
Revenue	31,131	-	31,131
Other operating income	435	185	620
Total operating income	31,566	185	31,751
Purchases	-3,653	-	-3,653
Services and miscellaneous goods	-9,942	-	-9,942
Employee remunerations	-13,798	-	-13,798
Depreciation	-2,394	-36	-2,430
Other operating expenses	-565	-	-565
Operating profit	1,214	149	1,363
Financial expenses	-294	-	-294
Financial income	3	-	3
Profit before tax	923	149	1,072
Taxes	-564	10	-554
Net profit	359	159	518
Net profit	359	159	518
Net profit (loss) attributable to the			
shareholders of the parent company	335	159	494
minority interests	24	-	24
Earnings per share for the shareholders			
Basic and diluted	0.034	0	0.049
Weighted number of shares (basic earnings per share)	10,569	-	10,569
Weighted number of shares with impact of dilution	10,569	-	10,569

3. Seasonality

The consulting, testing and monitoring activities of the Group are subject to a certain seasonality, in which the revenue of the second semester is historically higher than that of the first semester. The Group management has concluded that this seasonality should not be considered as “highly seasonal” as defined in IAS 34.

4. Taxes

Provisions for taxes for the six-month period were booked on the basis of the average annual effective tax rate for each entity, ranging from 0% to 30% for the six months ending 30 June 2022 (30 June 2021: 0% to 30%).

Profit before tax for the period of 6 months ending 30 June 2022 included k€ 697 (30 June 2021: k€ 160) additional tax losses (net), for which k€ 0 additional deferred tax assets were booked (30 June 2021: k€ 6).

5. Business combinations

Business combinations from 2021:

GEO+ Environment

The Group acquired all the shares of GEO+ Environment on 4 January 2021. With this acquisition, the Group has acquired additional expertise and knowledge in the mining, quarrying and dyke construction sector, which can now also be provided in the other home countries of the Group. The fair values of the identified assets and the liabilities on the date of acquisition were as follows:

in € 000	Book value	Fair value adjustments	Fair value
Assets			
Intangible fixed assets	11	261	272
Tangible fixed assets	118	–	118
Active deferred taxes	108	–	108
Other fixed assets	2	–	2
Trade receivables	280	–	280
Cash and cash equivalents	468	–	468
Total assets	987	261	1,248
Debts			
Deferred tax liabilities	–	68	68
Financial long-term loans	310	–	310
Provisions	117	–	117
Trade payables	25	–	25
Tax liabilities	1	–	1
Other debts	259	–	259
Total debt	712	68	780
Total identified assets and debts	275	193	468
Goodwill			70
Share purchase price		193	538
Paid acquisition price in cash			590
Acquired cash and cash equivalents			-468
Cash outflow in the business combination			122

The net cash outflow from the business combination amounted to k€ 122.

The transaction gave rise to the booking of a goodwill of k€ 70, which reflects the potential synergies between GEO+ Environment and the Group, as well as the acquisition of additional expertise and knowledge that can also be applied in the other home countries of the Group. For the fair value determination, the Group took into account an amount of k€ 52 to be recovered from the seller, and which is held in a blocked account.

Geosonic France

The Group acquired all the shares of Geosonic France as of 1 February 2021, for a monetary amount of k€ 350. Geosonic is a French sonic drilling company with headquarters in Jardin. This is an important step in its development, as Geosonic is known as the main player in the French market in the field of sonic drilling, as well as deep, complex drilling.

The fair values of the identified assets and the liabilities on the date of acquisition were as follows:

in € 000	Book value	Fair value adjustments	Fair value
Assets			
Intangible fixed assets	38	479	517
Tangible fixed assets	164	–	164
Deferred tax assets	2	–	2
Other fixed assets	38	–	38
Stocks	306	–	306
Trade receivables	768	–	768
Cash and cash equivalents	300	–	300
Other short-term assets	90	–	90
Total assets	1,706	479	2,185
Debts			
Deferred tax liabilities	–	130	130
Financial long-term loans	60	–	60
Provisions	144	–	144
Trade payables	895	–	895
Tax liabilities	2	–	2
Other debts	560	–	560
Total debt	1,661	130	1,791
Share purchase price in cash	45	349	394
Badwill			-185
Share purchase price			209
Paid acquisition price in cash			350
Acquired cash and cash equivalents			-300
Cash outflow in the business combination			50

The net cash outflow from the business combination amounted to k€ 50.

The transaction gave rise to the booking of a badwill of k€ 185, which was included in the consolidated income statement in the “Other operating income” item. This badwill reflects a higher fair value of the acquired assets, including customer relationships, compared to the price that was paid. The fair value determination by the Group took into account an amount of k€ 143 to be recovered from the seller, and which is held in a blocked account. The fair value of the amount to be recovered was adjusted to k€ 250 as per 30 June 2022. The fair value adjustment was included in the consolidated income statement under “Other operating income”.

Asper BV

On 1 July 2021, the Group acquired all the shares of the Belgian company Asper BV for a monetary amount of k€ 600. This acquisition provides additional in-house expertise in asbestos and soil studies for the Group, through which a good synergy can be achieved.

The net cash outflow from the business combination amounted to k€ 450.

The transaction gave rise to a badwill of k€ 4, which was included in the consolidated income statement in the “Other operating income” item.

Business combinations in 2022:

ABO-Colsen Soil

The Group acquired the activities of the Dutch engineering office Colsen, Consultancy firm for Environmental Technology in the field of soil investigation, on 21 February 2022. Through this acquisition, the Group is further developing its network in the Netherlands and is establishing firmer roots in Zeeland (the Netherlands).

The fair values of the identified assets and the liabilities on the date of acquisition were as follows:

in € 000	Book value	Fair value adjustments	Fair value
Assets			
Intangible fixed assets	–	171	171
Tangible fixed assets	27	16	43
Total assets	27	187	214
Debts			
Deferred tax liabilities	–	28	28
Financial long-term loans	27	–	27
Total debt	27	28	55
Share purchase price in cash	–	159	159
Goodwill			66
Share purchase price			225
Deferred payment			59
Paid acquisition price in cash			166
Cash outflow in the business combination			166

The net cash outflow from the business combination amounted to k€ 166.

The fair value adjustment of the intangible fixed assets refers to customer relationships that were valued on the basis of the “multi-period excess earnings” method, and amounts to k€ 171.

The transaction gave rise to the booking of a goodwill of k€ 66, which reflects the possible synergies between the soil division of Colsen and the Group. For the fair value determination, the Group has taken into account an amount of k€ 59, which is due to the seller for a period of 5 years.

From the time of the acquisition, ABO-Colsen Soil has contributed k€ 133 to the revenue and k€ 15 to the net profit of the Group. If the acquisition had taken place on 1 January, the contribution of ABO-Colsen Soil to the revenue and net profit would have been k€ 200 and k€ 21 respectively.

Geo-Supporting/GeoSensors

The Group acquired the activities of Geo-Supporting and GeoSensors in the area of geotechnical survey on 25 March 2022. The activities and staff have been integrated into Geosonda BV, the geotechnical probing division of the Group. With this acquisition, the Group obtains additional expertise, and strengthens the geotechnical consultancy in the Netherlands.

The fair values of the identified assets and the liabilities on the date of acquisition were as follows:

in € 000	Book value	Fair value adjustments	Fair value
Assets			
Intangible fixed assets	–	194	194
Tangible fixed assets	218	100	318
Total assets	218	294	512
Debts			
Deferred tax liabilities	–	29	29
Financial long-term loans	10	–	10
Total debt	10	29	39
Share purchase price in cash	208	265	473
Goodwill			2
Share purchase price			475
Paid acquisition price in cash			475
Cash outflow in the business combination			475

The net cash outflow from the business combination amounted to k€ 475.

The fair value adjustment of the intangible fixed assets refers to customer relationships that were valued on the basis of the “multi-period excess earnings” method, and amounts to k€ 194. The fair value adjustment of the tangible fixed assets for an amount of k€ 100 mainly relates to probing crawlers.

The transaction gave rise to the booking of a goodwill of k€ 2, reflecting potential synergies for the Group's geotechnical CPT division.

The activities of Geo-Supporting and GeoSensors have contributed k€ 174 to the revenue and k€ 20 to the net profit of the Group from the time of the acquisition. If the acquisition had taken place on 1 January, the contribution to the revenue and net profit would have been k€ 349 and k€ 40 respectively.

Others

The Group increased its stake in Geosonda BV from 55% to 70% as at 1 January 2022, through the acquisition of additional shares at an acquisition price of k€ 560. The Group has also agreed to acquire the remaining minority interest in Geosonda BV by granting a put option to the minority shareholder, and a call-option to the Group. These options can first be exercised in 2023, and will expire in 2025.

The exercise price will be determined on the basis of the agreed formula, and depends on the future results of Geosonda BV. The current value of the estimated redemption amount of this put option initially amounts to k€ 878 and is reflected in the consolidated balance sheet under 'Other long-term and short-term debts'. This fair value of the put option is booked against non-controlling interests for k€ 515 and consolidated reserves for k€ 363. As at 30 June 2022, there is no significant change to the present value of the estimated redemption amount. The fair value of the call option at the reporting date is zero as the exercise price is equal to an approximation of the fair value of the non-controlling interest.

6. Intangible and tangible fixed assets

During the period of 6 months ending 30 June 2022, the investments in (in)tangible fixed assets amounted to k€ 2,212 (30 June 2021: k€ 2,539), mainly relating to Plant, Machinery and Equipment.

In addition, the Group has recognised new right-to-use assets amounting to k€ 1,106 (30 June 2021: k€ 1,531) for new leases.

Total depreciation for the period of 6 months ending 30 June 2022 amounted to k€ 2,789 (30 June 2021*: k€ 2,430).

Sales and decommissioning of the intangible and tangible fixed assets of the Group in the course of the first 6 months of the year ending 30 June 2022 resulted in a profit of k€ 33 (30 June 2021: a loss of k€ 17).

No specific impairments were booked on the intangible and tangible fixed assets.

** The year 2021 has been adjusted to represent the final accounting process of the Geoplus and Geosonic business combinations. This is explained in Note 5.*

7. Contract assets

Contract assets consist of work in progress that was carried out based on current contracts but for which no delivery and therefore no invoicing has yet taken place. These assets are part of the Group's working capital, and movements in this balance sheet item are included in the cash flow from operating activities. At 30 June 2022, contract assets amounted to k€ 12,516, compared to k€ 7,756 at 31 December 2021, due to a combination of the seasonal increase during the year with the start-up of a number of major projects at different entities.

8. Cash and cash equivalents

The cash and cash equivalents consist of:

	30 June	31 December
in € 000	2022	2021
Cash	8,765	14,117
Cash equivalents	1,749	2,055
Total	10,514	16,172

There were no limitations to the cash and cash equivalents as of 30 June 2022 and 31 December. 2021

9. Shareholder equity

The number of outstanding shares amounted to 10,568,735 on 30 June 2022 (31 December 2021: 10,568,735).

10. Loans

The Group has taken out new loans amounting to k€ 2,397 (of which k€ 1,106 leasing debts), and has repaid k€ 3,170 during the first 6 months ending 30 June 2022 (30 June 2021: k€ 6,376 new loans [of which k€ 1,531 leasing debts] and k€ 4,188 repayments).

The factoring debt amounted to k€ 1,052 on 30 June 2022 (30 June 2021: k€ 1,567).

11. Fair value

Financial fixed assets

in € 000	Book value		Fair value	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021
Financial fixed assets				
Financial assets at fair value through OCI (certification or inspection body)	32	38	32	38
Investment funds and others	32	38	32	38
Financial assets at amortised cost	39,701	37,528	39,701	37,528
Trade receivables and contract assets	28,098	20,561	28,098	20,561
Other financial assets (long-term)	574	613	574	613
Other short-term assets	515	182	515	182
Cash and cash equivalents	10,514	16,172	10,514	16,172
Total financial fixed assets	39,733	37,566	39,733	37,566

The fair value of the financial assets was determined on the basis of the following methods and assumptions:

- The book value of cash and cash equivalents and trade receivables approximates their fair value due to their short-term nature.
- Financial assets at fair value through OCI (non-realised results) consist almost exclusively of investments in investment funds. Investments in investment funds are valued on the basis of the annual report of the relevant fund or of an interim report, whereby the investments are valued in the annual report according to the rules defined by the IPEV (International Private Equity and Venture Capital valuation). These fair value calculations are generally classified as level 3. The fair value determination is carried out every six months.
- The fair value of the other financial assets is not significantly different from the book value on 30 June 2022 and 31 December 2021.

Financial obligations

in € 000	Book value		Fair value	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021
Financial obligations				
Financial obligations designated at amortised cost	34,417	33,052	34,599	33,071
Loans	24,691	25,427	24,921	25,446
Trade payables	9,395	7,527	9,395	7,527
Other debts	331	98	283	98
Put options written as debt on minority interests	878	–	878	–
Total financial obligations	35,295	33,052	35,477	33,071
Of which long-term	10,993	11,592	11,048	11,131
Of which short-term	24,302	21,460	24,429	21,940

The fair value of the financial debt is determined on the basis of the following methods and assumptions:

- The book value of the short-term debts approximates their fair value due to the short-term nature of these instruments.
- The financial debts were evaluated on the basis of the interest rate and the maturity date. Some financial debts have fixed interest rates, and the fair value is subject to changes in the interest rates and individual creditworthiness. Other financial debts have variable interest rates, and the book value approximates the fair value of these instruments. These fair value calculations are classified as level 2.

The put options written as debt on minority interests for a value of k€ 878 relate to the impact of the financial liability related to the put options granted to the minority shareholder of Geosonda BV in respect of the entire minority stake, whereby these put options grant the holder the right to sell a part or all of their investment in this subsidiary. These options can first be exercised in 2023, and will expire in 2025. The exercise price will be determined on the basis of the agreed formula and depends on the future results of Geosonda BV. These put options are level 3 instruments.

Fair value hierarchy

The Group uses the following hierarchy for the determination and explanation of the fair value of the financial instruments:

- Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities.
- Level 2: Valuation techniques in which the significant parameters are observable, either directly or indirectly.
- Level 3: Valuation techniques in which parameters are used that are not based on observable market data.

in € 000	For the six months ending 30 June 2022			
	Total	level 1	level 2	level 3
Financial fixed assets available for sale: investment funds	32	-	-	32
Financial debt: loans	24,921	-	24,921	-
Put option written as debt on minority interests	878	-	-	878

in € 000	For the year ending 31 December 2021			
	Total	level 1	level 2	level 3
Financial fixed assets available for sale: investment funds	38	-	-	38
Financial debt: loans	25,446	-	25,446	-

The fair value of investments in investment funds is determined by the investment funds themselves, according to rules defined by the IPEV. The investment fund mainly invests in growth companies in the environmental and green energy sector and in listed companies. The Group makes use of the valuations without any further adjustment. As these valuations are not observable by other parties for the non-listed companies (listed companies are valued at stock market prices), this valuation method is categorised as level 3.

The change in fair value of the financial assets through OCI can be explained by losses of k€ 5 due to non-realised results.

Non-recurring fair value calculations

The Group values the sites and buildings according to the revaluation model. This involves revaluing sites and buildings at fair value if the book value is significantly different from the fair value. The sites and buildings in Belgium were valued as at 31 December 2015, which resulted in a fair value of k€ 1,330. A new fair value determination was carried out for the sites and buildings in Belgium in March 2020, but the fair value did not differ materially from the book value at the end of 2019. The latest valuation of the sites and buildings in the Netherlands was carried out in September 2016 and February 2018; for France, this took place in December 2018. The valuation impact of the buildings in France in 2018 was a non-realised profit of k€ 1,253.

The fair value is calculated by a recognised property appraiser using unobservable inputs such as location, condition of the building, situation, recent transactions, etc. The fair value calculation is classified as level 3.

12. Segment information

The Group is organised according to geographic regions for management purposes, and has the following three segments:

- Belgium
- France
- The Netherlands

All activities have been allocated to one of the three segments.

The valuation principles that are used by the Group in the segment reporting are in accordance with the IFRS. The CEO of the Group is the “chief operating decision maker”. The CEO evaluates the performance of a segment on the basis of the revenue, operating profit and net income from ongoing activities.

The Group mainly realises its revenue through the provision of services (consultation, testing and monitoring).

The following table reflects the segment reporting for each operating segment for the six months ending 30 June 2022 and 30 June 2021:

in € 000	Belgium	France	The Netherlands	Total segments	Adjustments and eliminations	Total consolidated
For the six months ending 30 June 2022						
Revenues (third parties)	11,191	18,766	6,397	36,354	-	36,354
Revenue (intra-group)	456	123	190	769	-769	-
Operating Profit / Loss	376	1,385	359	2,120	-	2,120
Interest income	-	2	-	2	-	2
Interest charges	-174	-121	-54	-349	-	-349
Net result (profit and loss segment)	-26	995	273	1,242	-	1,242
Major non-cash costs:						
- depreciation	-826	-1,139	-824	-2,789	-	-2,789
Fixed assets on 30 June 2022	39,439	13,559	6,413	59,411	-31,125	28,286
Total assets on 30 June 2022	57,182	37,668	10,586	105,436	-35,661	69,775
Total debt on 30 June 2022	-20,447	-23,592	-9,978	-54,017	4,536	-49,481

in € 000	Belgium	France	The Netherlands	Total segments	Adjustments and eliminations	Total consolidated
For the six months ending 30 June 2021						
Revenues (third parties)	9,443	15,960	5,728	31,131	-	31,131
Revenue (intra-group)	407	62	143	612	-612	-
<i>Operating result, as reported *</i>	421	497	297	1,215	-	1,215
<i>Restatement 2021 - Geoplus & Geosonic</i>	-	149	-	149	-	149
Operating Profit / Loss	421	646	297	1,363	-	1,363
Interest income	1	2	-	3	-	3
Interest charges	-132	-86	-76	-294	-	-294
Net result (profit and loss segment)	61	284	173	518	-	518
Major non-cash costs:						
<i>- depreciation, as reported *</i>	-635	-984	-775	-2,394	-	-2,394
<i>Restatement 2021 - Geoplus & Geosonic</i>	-	-36	-	-36	-	-36
- depreciation	-635	-1,020	-775	-2,430	-	-2,430
Fixed assets on 31 December 2021	39,141	13,193	5,875	58,209	-31,123	27,086
Total assets on 31 December 2021	55,212	36,131	9,844	101,187	-34,961	66,226
Total debt on 31 December 2021	-18,796	-22,700	-8,072	-49,568	3,838	-45,730

* The year 2021 has been adjusted to represent the final accounting process of the Geoplus and Geosonic business combinations. This is explained in Note 5.

The segment net result for continuing operations can be reconciled with the consolidated income statement without further adjustments, taking into account that all the activities of the Group have been allocated to the segments. The adjustments and reconciliations mainly relate to elimination entries of trade receivables and other debts, and consolidation entries (de-recognition of the participations).

Other notes

The revenue realised per country can be derived from the above tables. Revenue is allocated to the countries on the basis of the location of the selling entity. The Group has no individual customers for whom the Group realises a revenue exceeding 10% of the consolidated revenue.

13. Relationships with affiliated parties

The remunerations for the management are as follows:

In € 000	For the six months ending 30 June	
	2022	2021
Short-term remunerations	227	260
Total	227	260

The compensation paid to the directors amounted to k€ 40 for the first 6 months ending 30 June 2022 (30 June 2021: k€ 33).

For the period ending 30 June 2022:

There are no new major transactions with affiliated companies.

For the period ending 30 June 2021:

There are no new major transactions with affiliated companies.

14. Events after the balance sheet date

Mid-July, the Group received the verdict in a legal dispute related to the now sold international operations of ABO Logistics, which ruled against the latter. There is currently no final determination of the total claim. Based on the available elements, a specific provision amounting to € 0.5 million has been recognised. The Company will monitor the further progress of this case.