

DRIVEN BY

investment





MENTS

CFO'S REVIEW

In the evolution of any business, growth and performance is driven by the strength of past investments.

So, to explain the great achievements of House of HR in 2021, we need to look at the investment decisions taken in H2 2020 that led to them. And through 2021 we kept investing, so additional growth can be expected in 2022 and beyond.

Out of many decisions taken in H2 2020, I'd like to highlight three that help to explain the solid performance achieved in 2021:

- 1 Integration of TIMEPARTNER and ZAQUENSIS in a unique company under the TIMEPARTNER brand
- 2 New financing launched in December 2020
- 3 M&A activity extending the sectors where we generate our income

After covering each of these achievements in turn, I will move to a fourth all-important area – House of HR's key performance and the evolution in the most recent past, to validate if the evolution supports our growth and expansion strategy.

Andres Cano
Group CFO

CFO'S REVIEW continued

1

INTEGRATION OF TIMEPARTNER AND ZAQUENSIS

Integrating two companies like TIMEPARTNER and ZAQUENSIS was a first for us at House of HR. As we strongly believe in the autonomy of each PowerHouse and its management team, this decision could seem contradictory.

But we had very strong reasons to believe this was the best route to achieve growth and restore profitability. The integration has enabled us to:

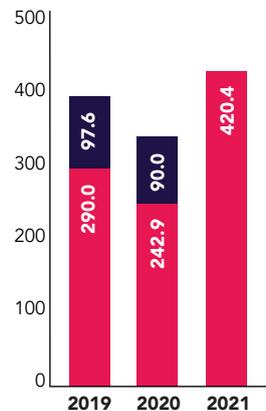
- Finally completely leave behind the recent years of stress created with the new legal regulations (AUG) that eliminated around 20% of the total German staffing market
- Streamline the geographical coverage by coordinating the two branch networks
- Align our two German management teams towards the same goal
- Increase the likelihood of additional growth for the combined company, and make new opportunities possible for our colleagues there

In December 2021, we analyzed the performance of the integrated company since it began on 1 May 2021, under the sole name of TIMEPARTNER. Happily, we found that our expectations have been exceeded:

- Sales of €420.4 million in 2021, a growth of €32.8 million over the combined sales of TIMEPARTNER and ZAQUENSIS in 2019.
- EBITDA of 8.7% in 2021, compared to 7.4% combined EBITDA of TIMEPARTNER and ZAQUENSIS in 2019.

With the integration of both companies we were ready to start our expansion and increase our specialization process in Germany. The completion of the acquisition of avanti was our first move in that direction. At the end of 2021, we have an integrated network in specialized staffing, and a specialization in healthcare – a long-term growth market at above average market margins.

Sales evolution (€m)*



● TIMEPARTNER
● ZAQUENSIS

* Based on 2020 perimeter, i.e. excluding avanti acquisition

“Integrating two companies like TIMEPARTNER and ZAQUENSIS was a first for us at House of HR.”



2

NEW FINANCING IN DECEMBER 2020

The successful completion of the new program of Senior Unsecured Notes (SUN) for €200.0 million gave House of HR the position to take advantage of the opportunities that always come after a market shock. With this increased liquidity, we could be very competitive in our external growth through the recovery. By being able to include certainty of funds in the offer for any target, we believe we had a decisive advantage. In the competitive sale process of Cohedron for example, we obtained the right to preempt, and this was an opportunity we didn't let go away. In July, Cohedron became a new PowerHouse, and the first one in public administration services.

We followed this same strategy at the end of 2021 with the process to acquire SOLCOM and TMI. Our capacity to attract investors to fund our growth has given us an advantage, and we capitalized on it to become the winners of the SOLCOM and TMI sale process.

This advantage in the financing relies on our superior performance through 2020, with improvements of sales and EBITDA quarter-on-quarter that continued in 2021. Together with our capacity to explain our strategy and execute well, this has proven to be a winning formula.

3

ACCELERATION OF OUR M&A STRATEGY IN 2021

As the graph on the right shows, our recovery in sales and EBITDA in H2 2020 and our solid liquidity position, allowed us to invest heavily in six new PowerHouses and Boutiques:

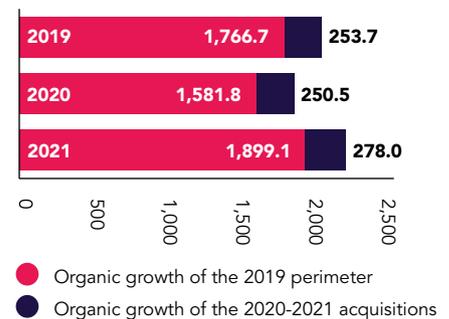
- Solyne
- Greenworking
- avanti
- Cohedron
- Vanberkel Professionals
- Bureau Brug

The combination of these six transactions gave House of HR additional sales of €278.0 million, as well as more diversification in terms of sectors, and more skills in existing sectors:

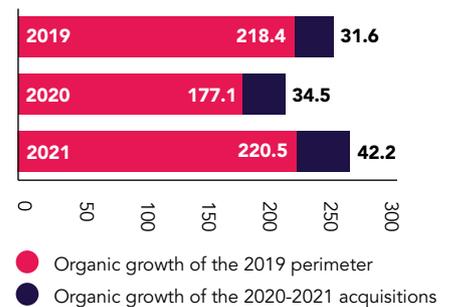
- New Sectors: Healthcare (avanti), Public Services (Cohedron)
- New Skills: Consulting in digital transformation (Greenworking), professionals in public infrastructures maintenance (water, electricity) (Solyne).

These acquisitions align perfectly with our growth plans, and will increase our resilience in future uncertain environments, as well as reinforce our superior profitability as a Group. The impact of this expansion is a key element in our profitability. **The Gross Margin % impact is as follows:**

Sales growth (€m)



EBITDA growth (€m)



Gross margin evolution (%)



CFO'S REVIEW continued

OUR KEY PERFORMANCE INDICATORS FOR 2021

This is the evolution and key highlights over the past three years:

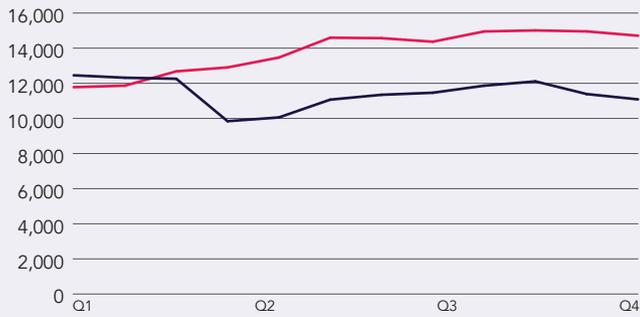
(€m)	2019	2020	2021	acquisitions 2021	Total 2021
	Based on 2020 perimeter; excluding 2021 acquisitions				
Sales	1,777,276	1,592,730	1,899,442	277,708	2,177,151
Gross Margin	480,490	425,435	509,283	90,622	599,905
Gross Margin (%)	27.0%	26.7%	26.8%	32.6%	27.6%
Total Expenses	(260,826)	(246,836)	(289,123)	(48,129)	(337,252)
Expenses over sales (%)	14.7%	15.5%	15.2%	17.3%	15.5%
EBITDA	219,663	178,600	220,160	42,493	262,653
EBITDA over Sales (%)	12.4%	11.2%	11.6%	15.3%	12.1%
Bad debt as % of sales	(0.14%)	(0.10%)	(0.05%)	N/A	(0.06%)
DSO (at year-end)	45.50	47.45	46.63	N/A	47.73
Leverage (at year-end)	3.95x	3.61x	2.60x	N/A	3.16x
Client base	12,188	10,320	12,730	1,900	14,630
People at Work	45,704	43,376	52,808	4,508	57,316
Care Ratio	7.22	7.91	7.95	3.62	7.45

The management strategy of House of HR is very unique. A great degree of freedom and entrepreneurship exists in our organization, and is at the core of our superior performance. And it has some implications in the way each company performance is measured. Local key performance indicators (KPIs) exist in each PowerHouse and will continue to exist. This is an intrinsic part of how each management team sees and manages their company.

In addition, we have some KPIs that are common to all and that can reflect the performance of each company, and also the total performance of House of HR:

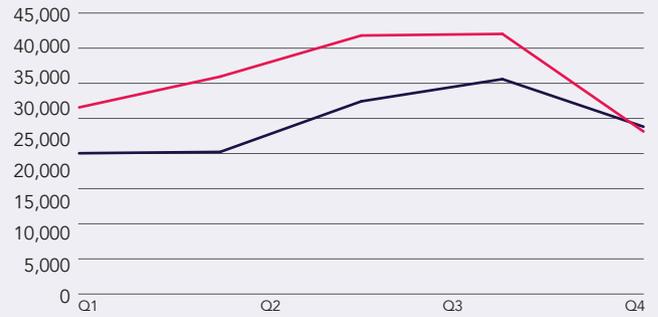
- Sales & EBITDA growth
- Gross Margin %
- Expenses (Direct Costs and Overheads) over sales
- Cash Flow, Bad Debt, DSO (Days Sales Outstanding), Leverage
- Client Base (number of total clients and new clients)
- People at Work (PaW)
- Care Ratio (Productive PaW / FTE internal)

Customer base



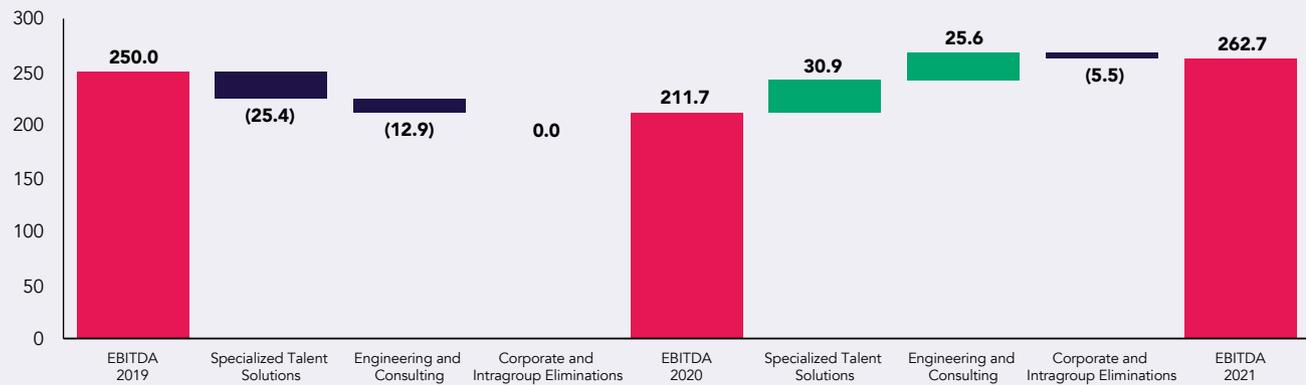
— 2021 actual
— 2020 actual

Weekly people at work



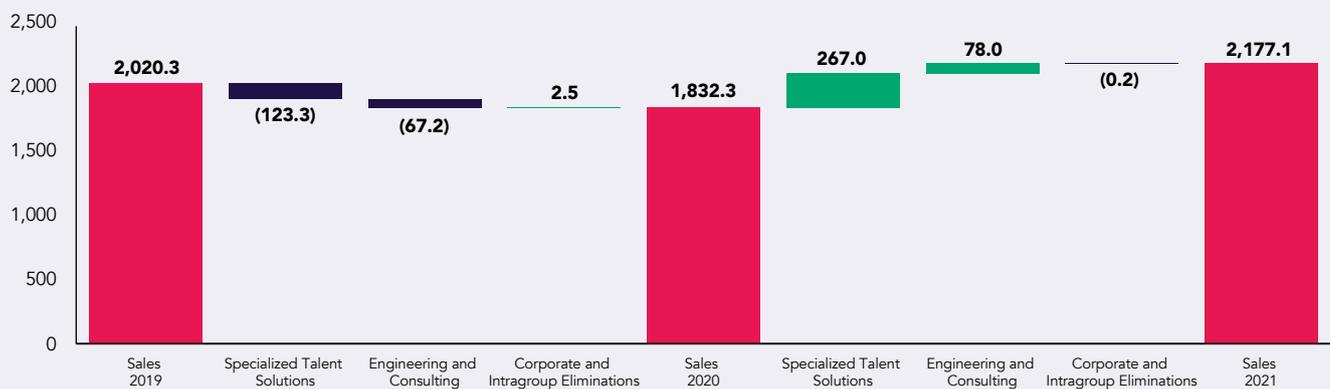
— 2021 actual
— 2020 actual

EBITDA waterfall: contribution per segment (€m)



● Total
● Decrease
● Increase

Sales waterfall: contribution per segment (€m)



● Total
● Decrease
● Increase