Annual Report 2021 Summary

Lifelong flexible career



Lifelong flexible career

Facilitating a lifelong flexible career, that is the role we see for ourselves towards 2025 - for professionals working for our clients as well as for our own employees. In 2021, we took concrete steps to achieve this, and there is more to come. We rolled out two online learning environments, one for our employees (HeadFirst Group Academy), and one for our suppliers and professionals (Select Academy). Almost 2,000 professionals used the Select Academy platform last year. And our own employees collectively attended 367 training courses at the HeadFirst Group Academy. Using both standard and self-designed learning paths, we give professionals and employees all the tools they need to learn efficiently and to keep learning new skills throughout their working lives. In this way, we actively contribute to the sustainable employability of our own great staff – whom we rely on – and that of the professionals on whom our clients depend.

Will you grow with us?

Revenue rankings 2021

(Source: Flexmarkt Top-100 Revenue ranking list 2022)

Position in 2021 Revenue **2022** (2021) Focus x € million (2020)

1 (1)	0	Randstad Groep NL 3,413.0 (2,813.0)
2 (2)	0	HeadFirst Group 1,547.0 (1,520.0)
3 (3)	0	RGF Staffing NL 990.0 (839.0)
4 (4)	0	PRO Unlimited / Brainnet 882.0 (833.0)
5 (5)	0	House of HR NL 878.0 (607.5)
6 (11)	0	Otto Work Force NL 630.2 (451.6)
7 (8)	0	YoungCapital 302.0 (505.0)
8 (6)	0	Timing 600.9 (545.3)

O Organisations with (main) focus on temporary work Organisations with (main) focus on MSP and intermediary services



Luxembourg Germany France Denmark Sweden

Poland Switzerland Italv United Kingdom Ireland

Countries with a HeadFirst Group office

• Countries without a HeadFirst Group office

HeadFirst Group is a leading international HR services provider and the largest platform for professionals in the Netherlands.







501 >51,000 Clients Independent served in 2021 professionals in our network

>11,000 Suppliers of professionals in our network





1,547 Gross invoice value x € million

x € million

41 **Gross profit** (underlying)

24 EBITDA



Number

of employees







26,938 Professionals working for our clients (at some point in 2021)

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Foreword by the Board of Directors

2021 was a year of *connecting people*. Above all, this was because our core business, connecting professionals to great clients, was running at full speed. But the year was also marked by the integration of Between Staffing Group – acquired at the end of 2020 – and HeadFirst Group. In addition, we started our collaboration with recruitment specialist Sterksen. This was challenging at times, as we were still dealing with contact restrictions due to Covid-19 for a large part of the year. Now that the centre of gravity of the pandemic seems to be behind us, we can finally do what we love to do: to really connect.

2021: a record number of professionals working

Led by an improving economy, the need for digitalisation and further flexibilisation of the labour market, the demand for professionals rose to great heights in 2021: we received a record number of assignments (23,263) to match candidates. And we were successful. A record number of 26,938 professionals worked through our organisation at some point in 2021. And while we were doing all this, we also successfully brought together the Between Staffing Group and HeadFirst Group organisation and systems into our central platform Select.

With Sterksen, we acquired a recruitment specialist with a strong focus on mediation for permanent jobs. This step has made us a unique one-stop shop for Total Talent Management (TTM) solutions, offering a solution for every staffing need. We saw the benefits of this very quickly, and we are now able to offer even more services to make our customers happy. Speaking of customers, in 2022, we welcomed the largest new client in our history: Alliander. It makes us enormously proud that we can achieve such great successes together. Financially, we also performed well. Gross margin rose by 4% to \in 41 million (2020: \in 39.9 million). Annual turnover (gross invoice value) rose by 2% to \in 1,547 million (2020: \in 1,520 million). And operational EBITDA increased by 7% to \in 24 million. This means we are in an excellent position to continue to pursue our ambitions for the future.

2022: creativity needed

We started the year with a new, ultramodern and energyneutral head office in Hoofddorp, which has 3,700 m² of surface area. After almost two years of restrictions, it is great to see the tangible benefits of face-to-face cooperation. And we have to pull out all the stops, because we are dealing with a challenging market with huge staff shortages, both perm and flex. That's why we need to be more creative than ever, and find talent in new places. For example, we now specifically recruit people from traditionally underrepresented talent pools, or people from abroad. We even let professionals work completely remotely for our clients from another country. We also train professionals



for jobs that are and remain scarce. In this way, lifelong flexible careers are born. We are doing everything we can to make the best use of all labour potential available.

Meanwhile, we continue to focus on strengthening the base of our organisation. To boost the user experience of our online platform, we are developing a new front-end. We are also adopting the Lean philosophy to streamline and simplify our processes, making them more attractive for our customers and employees. We have set up a Growth Board to work on product innovation, with the primary focus on a new smart matching solution for the mid-market. All these steps will help us to achieve our main objective: to become the leading international platform on the labour market by 2025.

Will you grow with us?

Hoofddorp, 24 June 2022 Marion van Happen & Jan-Pieter van Vreeswijk HeadFirst Group Hans Biesheuvel, founder of ONL voor Ondernemers, has been an entrepreneur in the Netherlands and beyond for 35 years. With all the knowledge and experience he has gained over the years, he is committed to one goal: to make the voices of many entrepreneurs heard in politics.

With ONL, Hans Biesheuvel closes the gap between businesses (both SME organisations and the self-employed) and the Dutch government in The Hague by collecting information and translating it in such a way that it ends up on the political agenda. "We spend a lot of time lobbying, addressing problems and establishing connections," he explains. "But we also contribute by offering solutions and taking on a cooperative attitude in realising these solutions."

ONL has enough influence to bring about real change. For instance, after the Covid-19 outbreak, they immediately drew up a plan with recovery measures, which was adopted almost entirely by politicians. ONL's substantive contribution to views on the future of the Dutch labour market was also included in the Borstlap Committee report on the topic published in 2020. ONL's input was established in cooperation with HeadFirst Group, comparable to reports such as 'De zzp'er bestaat wel' and 'Een kijkje over de grens', and plays an important role in influencing the political agenda.

Over the past two years, politics has been preoccupied by the pandemic, and many important topics have ended up on the back burner. The energy transition, the housing market and certainly also the labour market now require urgent attention. "It's time to make decisions," says Hans Biesheuvel. "Even if we continue to be overwhelmed by a tsunami of problems, it is important to look ahead. At ONL, we provide the right tools to do so."

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It is better to talk with than about each other. Our office in The Hague is the ideal place for this. We are working together to achieve change.

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Hans Biesheuvel ONL voor Ondernemers

About us

Profile

HeadFirst Group is a technology-enabled sourcing platform offering a portfolio of HR services and solutions for employing highly educated flex and permanent professionals. Our services include managed service providing (MSP), recruitment process outsourcing (RPO), intermediary services (matchmaking, contracting), and HR consultancy. We primarily place business-critical white-collar professionals in IT, finance, business and other roles at our wide network of clients across a variety of sectors, including energy, technology, chemicals, banking, system integrators, government and semi-government.

"We see ourselves as an ecosystem of solutions for labour market issues."

HeadFirst Group has always aimed to connect the best professionals with the most attractive jobs at our clients, in a labour market that has become increasingly flexible, a trend that is set to continue. Our guiding principle is that we can always provide for the right person at the right time for the right position. We enable professionals to scale and capitalise on their excellence and skills, and provide clients with access to these highly skilled professionals.

Vision

We strongly believe that the global trend towards a more flexible and entrepreneurial labour market will continue in the coming decades. The content and knowledge of work is changing rapidly; required skill sets are changing fast, and many jobs now come and go in a matter of years. As a result, investing in training and education to increase the mobility of professionals and develop their skill set is becoming increasingly important. In addition, the current structured and regulated environment requires highly competent and compliant HR service providers.

Mission

We connect the demand for and supply of flexible expertise in such a way that the sum equals more than the parts.



Our services and brands

HeadFirst Group's main brands are intermediaries HeadFirst and Between, Managed Service Provider (MSP) Staffing Management Services, recruitment specialist Sterksen and online platform Select. We offer the following services to our customers, who include clients, suppliers, and independent professionals.

Customers	Clients		Professionals & Partners
Туре	MSP & RPO	hehusen	Professionals & Select Partners services
	• We support organisations in identifying labou needs (both temporary and permanent) and holistically help them to find, select, hire and manage the required staff.	 We fill vacancies with suitable candidates by (1) recruiting or sourcing (international) talent based on hiring needs, or (2) matching demands from our own intermediary network. We take over practicalities (e.g. contracting, invoicing, payrolling, tax compliance), mitigating risks for both employers and professionals regarding aspects of (external) employment. 	 Premium: Professionals and partners receive personalised matching and tailored offers of assignments, coverage under liability insurance, guaranteed payment within 14 days and opportunities for training and development. Excellent: On top of the Premium level service, professionals and partners receive guaranteed payment within 10 days, a relationship manager to discuss future job opportunities and a job coach.
	Pi	oprietary, multi-lingual platform 🛛 🛞 s	elect
	AI-powered fully automated matchmaking	Independent VMS with relevant APIs, real-time deep analytical insights	Customer reporting (PowerBI Integration)

* The Jenrick, Myler, Source and Fast Flex brands, which became part of HeadFirst Group in recent years through acquisitions, are also active in this area; however, the HeadFirst and Between brands are the main suppliers of this service.

Our digital HR services platform is at the centre of our end-to-end solutions.



Professionals pool

HeadFirst Group is becoming the ideal partner for highly skilled professionals who aim for a lifelong flexible career by focusing on unburdening and supporting flex workers in the most personalised way.

HeadFirst Group is continuously developing its value-add services to be a true career partner (e.g. personalised matching, career coaching, training and development, advance payment and insurance). This premium service is generating loyalty and recurring revenue.

Demand side Platform

Last-mile human touch in combination

with digital automation to increase matching efficiency

Supply side



Partners ecosystem

HeadFirst Group provides its network of partners with access to the largest pool of professionals and assignments in the Benelux.

HeadFirst Group supports its partners' professionals in moving from assignment to assignment and also offers them access to the premium services freelancers can receive directly.

Our extensive partner network, which consists of small and large secondment companies, IT system integrators, and recruitment agencies, has recently been extended to staffing agencies to enable a one-stop shop for our customers, mainly when MSP services are being delivered.

Contingent workforce

To give clients access to high-quality talent and help them manage their contingent workforce, HeadFirst Group delivers a suite of HR services tailored to the needs of large and mid-size enterprises.

To reduce costs and unburden HR departments, HeadFirst Group provides integrated temp staffing solutions that enable benchmarking and tailored MSP services to improve client performance.

To increase efficiency, HeadFirst Group has developed digital tools that enable clients to outsource their contingent workforce administration tasks – from contract compliance to payroll.

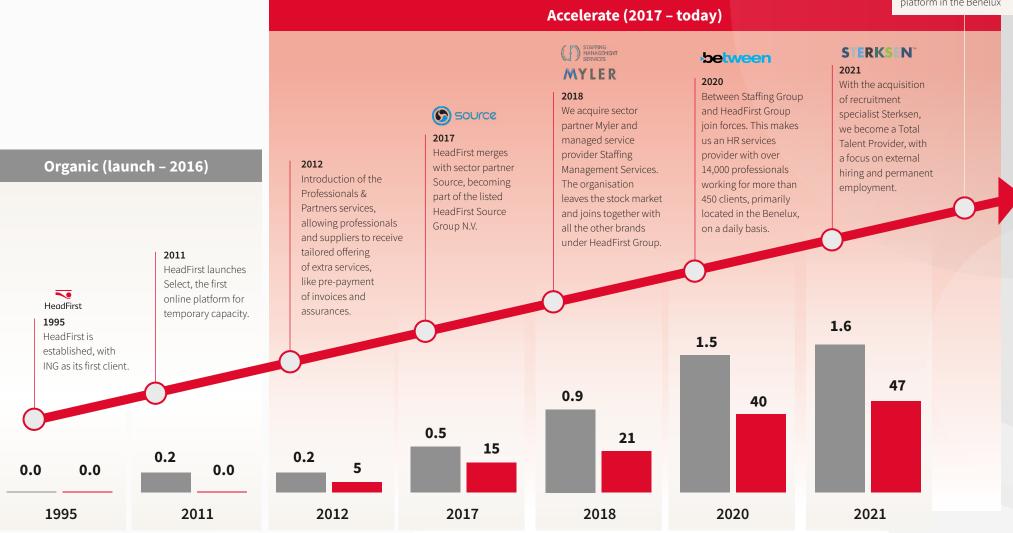
Permanent workforce

To give clients access to better talent, HeadFirst Group delivers RPO and IT search services, providing end-to-end support in hiring permanent employees.

By also providing perm solutions, HeadFirst Group delivers a one-stop shop for total talent management to its customers, ensuring access to professionals independent of contract form.

Our journey of continued growth

TodayHeadFirstLeading digital HR servicesplatform in the Benelux



Gross invoice value (x € billion) Gross profit (x € million) 11 / HeadFirst Group Annual report 2021 Summary

Management report

Market developments and trends

Shortage of professionals is here to stay

"For a while, organisations could afford the luxury of filling the shortage of permanent employees with temporary, external professionals. That time is over: even in the flexible labour market, scarcity prevails on all fronts." These were the first two sentences in the October 2021 Talent Monitor, launched last year by HeadFirst Group and labour market data specialist Intelligence Group. The number of applications for assignments involving highly educated work has plummeted. Secondment firms have run out of talent and are trying to supplement their pool by recruiting new staff. But they are running up against a brick wall. The sourcing pressure on highly educated self-employed workers has reached a new record: almost 7 out of 10 are approached for an assignment at least once a quarter.

"We will be faced with a period of scarcity on the labour market for many years to come. Creativity will be required."

Is the scarcity peak behind us? Specialists predict not. This is largely due to the rapid ageing of populations around the world, which will soon get worse¹. In 2021, the 'grey pressure' was 34 percent: for every person over 65, there were three people of working age (20 to 65). In the coming years, this pressure will increase to almost 50 percent. We will therefore be faced with a period of scarcity on the labour market for many years to come. This is a new situation, which offers threats, but also opportunities. Creativity will be required.

Increasing flexibility and globalisation

The labour market is becoming more flexible, in line with the needs of both organisations (demand side) and professionals (supply side). People increasingly want to decide for themselves where, when, and how they work. Recent figures from Statistics Netherlands show that there are now around 1.5 million independent professionals in our country². They have steadily risen in numbers over recent years, in almost all branches of industry. Currently, around 17% of all workers in the Netherlands are freelance³. The majority of these independent professionals have consciously chosen this type of work in search of freedom and autonomy⁴. Historically, a crisis tends to bring with it a greater desire for stability among workers. The Covid-19 crisis did not: before the pandemic, just 16% of all workers in the Netherlands were freelance. This is clearly a sign that this trend is continuing, no matter what

For large organisations, the temporary hiring of expertise, innovative capacity, and brainpower is an integral part of their strategic HR policy. They need to be flexible in terms of costs of staff and activity level in order to move with the market and the economy. The Covid-19 crisis has further accentuated this need. Based on the above facts and findings, we predict that increasing flexibility on both the demand and supply side of the labour market will continue to reinforce each other in the near future.

Flexibility has also increased in terms of where work is carried out. Remote working has become more normal than ever. Covid-19 has revived an old trend: the globalisation of work.



- ² opendata.cbs.nl/statline/#/CBS/nl/dataset/82309NED/table?ts=1618502655979
- ^{3.} data.oecd.org/emp/self-employment-rate.htm
- 4. Statistics Netherlands, Dynamiek op de Nederlandse arbeidsmarkt [Dynamics in the Dutch Labor Market], February 2020.

^{1.} www.cbs.nl/nl-nl/visualisaties/dashboard-bevolking/leeftijd/ouderen

To enable people on the autism spectrum to successfully build a career, increase their self-confidence, and develop themselves further as professionals. This is the mission of Managing Director Sjoerd van der Maaden, who has been wholeheartedly involved with Specialisterren since its foundation.

Specialisterren is a registered social enterprise that employs people with a form of autism. These people are generally very thorough and have a great eye for detail, which makes them excellent testers and RPA developers. "Our test leads and coaches (not on the spectrum) take these special professionals under their wing so that they can get started without any difficulties," says Sjoerd van der Maaden. "The test leads maintain the relationship with clients and engage in the planning and direction of the project, while the coaches stay in close touch with the professionals."

The foundation's prospects are promising, as demand continues to grow significantly. In part, this is due to the scarce labour market, but the proven success of social return also plays a role. "In the past, clients were often unaware of our work methods," says Van der Maaden. "They simply needed a professional for an assignment. Now, professionals from underrepresented talent pools are selected deliberately. This requires an innovative mindset. For example, you may want to assign three professionals where you would normally assign two."

Currently, many SME organisations find their way to Specialisterren, and assignments are being fulfilled – via HeadFirst Group – at organisations such as the Custodial Institutions Agency (DJI) and the Ministry of Health, Welfare and Sport. "These strategic partnerships are of great value to our services," emphasises Van der Maaden. "If an intermediary embraces our work methods as well as our mission and is able to communicate this well to a client, we can be sure that professionals on the autism spectrum end up in the right positions."

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Despite our unique business operations, we are also just an 'ordinary' IT organisation – serious, result-oriented, and financially independent. In addition, we do something extra: we make the world a little more beautiful.

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Sjoerd van der Maaden Specialisterren



Sustainability

Just like flexibilisation and globalisation, the desire for sustainability is another trend that has been prevalent for many years. However, this trend is currently being accelerated by a number of developments. First of all, the war in Ukraine makes the world want to get rid of its dependence on Russian gas, with green solutions being the obvious way to kill two birds with one stone. Second, young people are taking an emphatic and publicly visible stand on this issue, which pushes companies into action, even if only to remain an attractive employer for this target group. And third, from 2024/2025 onwards, a large group of companies will be obliged to report on their sustainability policy and performance due to the introduction of the Corporate Sustainability Reporting Directive (CSRD). Although it may be disappointing that we need such drivers to take action, it is good that we are now being forced to take sustainable care of our planet, so that future generations will be able to enjoy it for a long time to come.

Labour market legislation

Unfortunately, the current legal system in the Netherlands is not encouraging a modern, flexible labour market in which entrepreneurship and hybrid forms of working are becoming the norm. Employment relationships are still based on legal frameworks from a century ago. The new Dutch cabinet formed in December 2021 is therefore faced with the challenge of modernising employment law. Previously, legislation was introduced to combat the negative effects of flexible labour, such as exploitation by labour intermediaries in the Placement of Personnel by Intermediaries Act (WAADI), unfair competition on employment terms in the Balanced Labour Market Act (Wet Arbeidsmarkt in Balans, WAB) and pseudo self-employment in the Assessment of Employment Relationships (Deregulation) Act (Wet deregulering beoordeling arbeidsrelaties, Wet DBA). There has been much discussion about such topics for many years now, particularly in relation to the Assessment of Employment Relationships (Deregulation) Act.

As a result, in the flexible labour market, 'modern workers' come up against a brick wall of legal frameworks. The latest framework, an online module that clients and contractors can use to assess their employment relationship, does not seem to be the solution either. With a new cabinet in place, with fresh energy, we may expect to see a new chapter in labour market legislation. Hopefully, in the next three years, a good solution will be found that combats fake self-employment at the bottom of the labour market, while allowing conscious self-employed workers at the top of the market to conduct their business without restrictions.

Technological developments

Technological developments have a major impact on our society, including on the labour market. Developments such as robotics and artificial intelligence cause significant job losses, but they also create new jobs.

We distinguish three movements:

1. Repetitive tasks are disappearing

Robotisation and machine learning are on the rise. Digital systems will soon be able to process much larger amounts of data, recognise patterns, and learn from data. Work that is repetitive by nature is expected to be taken over by artificial intelligence within five to ten years.

2. Complementary jobs are changing

The amount of work in which people and technology work together is growing. There are currently almost no jobs that are not technically supported, and that development promises to take a big flight with the arrival of digital assistants, chat bots and the like.

3. New jobs are emerging

It is difficult to predict exactly what kinds of new jobs will arise, but trend watchers and futurologists agree that we are already seeing the first signs. Without a doubt, digital skills and learning agility will become indispensable in the labour market of the future.

Life after Covid-19

After the Covid-19 pandemic took everyone by surprise in 2020 and caused a major impact on the world, two years later we can tentatively say that the centre of gravity of the pandemic is behind us. However, caution is required due to the unpredictability of the virus.

What will be the lasting impact of the coronavirus? Some industries are still recovering, but most of the economy is back to normal. The labour market, which is the domain in which HeadFirst Group operates, only experienced a dip in the early months after March 2020 under the pressure of uncertainty. After that, demand picked up, with an unprecedented peak in scarcity in 2021, which shows no signs of easing. In America, we saw the 'great resignation', a period in which a relatively large number of people changed jobs who had not dared to do that during the peak of the pandemic. The question is whether this movement will also be as intense in Europe. So far, there are no such signs.

"Covid-19 has revived an old trend: the globalisation of work."

One thing we have gained from Covid-19 is a hybrid work system that is here to stay. People have found a new balance between working from home and connecting at office locations. Before the pandemic, everybody had been talking about 'the new way of working' for years, but it was only under the pressure of the pandemic that employers really started to move forward on this subject. From now on, it is the new standard.



Developments in our organisation

Power up, connecting people. With this thought, we entered the year 2021 after the cooperation with Between Staffing Group was finalised at the end of 2020.

We structured our annual plans along three lines:

- 1. Strengthen the base
- 2. Drive performance
- 3. Build the future

We included initiatives to serve our customers even more successfully, now and in the future, as well as actions to improve our internal organisation.

Strengthen the base

To strengthen our base, we largely focused on three things in 2021: our contracting process, our finance process (supported by our IT systems), and our Select platform.

A major project last year was the migration of all Between Staffing Group agreements (including Between, Fast Flex, Yellow Friday and EXPR) to our core platform Select. Although this was challenging at times for our colleagues, the successful migration resulted in unambiguous processes in one system for both contracting and finance. We were also able to unify billing procedures. In addition, we made large steps in accelerating Robotic Process Automation (RPA) to robotise labour-intensive processes with many repetitive tasks. Chinese wall functionalities were successfully built in to make it possible for colleagues of Between and HeadFirst (with partly the same customers) to use Select as a central platform. A significant improvement we made to our core process is 'pay when complete'. We process invoices from suppliers and professionals as soon as they are received, but only pay them when the hire file is complete. By communicating well and in time about any missing documents, we prevent payments from being put on hold. This benefits customer satisfaction.

To manage the communication that is received by our organisation every day, we installed a central service desk, using Zendesk as a tool to register inbound contact.

We also heavily invested in the development of our platform, technology, security, and user experience to optimise our core processes. For example, we implemented multifactor authentication for employees, we fixed log4J issues and had a white box pen test performed. And finally, we made preparations for building an improved user experience frontend in 2022.

Drive performance

Customer satisfaction relies on the constant improvement of our performance and the services we offer to our customers. As a true intermediary, we have customers on both the supply side (professionals and suppliers) and the demand side (clients).

The most important development for our clients last year was our step to become a Total Talent Service Provider. With the acquisition of Sterksen in February 2021, we added a recruitment specialist with a focus on permanent employment to our group. That makes us a unique one-stop shop for Total Talent Management (TTM) solutions, offering a solution for every staffing need, regardless of contract form. We quickly made the connection between flex and perm: using Select as our central hub, we started serving the first official TTM client with Sterksen client Viterra.



In July 2021, Jesley Ronkes joined Between Staffing, one of the labels of HeadFirst Group, as a recruitment consultant. Enthusiastic and eager to learn, he now feels completely at home in the position. In his role, Ronkes focuses on making the perfect match between a professional and an assignment. Every day, he is driven to achieve success.

"If I start something, I want to do it well," says Ronkes. This attitude has worked out very good, because he quickly became independently responsible for the recruitment of professionals at client DICTU. In early 2022, he achieved a major victory for this client, when he successfully selected two entire teams. "It was quite a puzzle, but when it works out, it makes me feel really proud."

What Jesley Ronkes enjoys most about his work is personal contact. "I find it very valuable to help people with a piece of their future," he explains. An easy talker, Ronkes also gets energy from networking. "The moment a request comes in, I immediately get on the phone to talk to the right parties. Short deadlines motivate me to act quickly, and it keeps me on my toes."

Although Ronkes began his adventure in Amsterdam, he now enjoys working at the new head office in Hoofddorp. "It's a beautiful building and it's easy to find a quiet place to work," he says. "But I also truly experience the connection with my colleagues. I feel appreciated and the atmosphere is very friendly, except when we're playing table football, when it gets extremely competitive!"

Jesley Ronkes also likes to spend time with colleagues after work. For instance, he organised a wine tasting, resulting from his years of experience in the hospitality industry. Within HeadFirst Group, he sees many opportunities to take up new challenges and grow. He still has plenty of plans: "I know I'm not finished here yet!"

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I think it is important to stay in touch with the professionals I have recruited to check whether they are still in the right place and their assignment is challenging enough. This aftercare should not be forgotten.

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Jesley Ronkes HeadFirst Group To make this possible, we built interactive recruitment into Select. This allows clients and our Recruiters/MSP Consultant to work together to configure the recruitment process step by step. It can be determined in detail who carries out which step in the process, the client or HeadFirst Group. Another interesting innovation in our platform is the link with Microsoft PowerBI to make reports visible in real time in Select 24/7. We also further developed the reports in terms of data insights.

We are very proud of the various forms of cooperation we have seen between the different brands in our group. Besides our progress in TTM as outlined above, we also saw Staffing MS conducting hiring scans for potential intermediary clients. And Sterksen successfully carried out various placements as part of a HR master agreement of Between with the Tax Authorities. And there are many more examples. That is what we call the HeadFirst Group ecosystem.

We were also very pleased to welcome several new clients in 2021, such as Action, Airbus, Alliander, the Authority for the Financial Markets (AFM) and the Central Agency for the Reception of Asylum Seekers (COA). We are proud of every client we serve, but Alliander is the largest client we have welcomed in our history so far, so we can be a little extra proud of that. Besides these new framework agreements, existing major contracts were also renewed, such as with NS (Dutch Railways), CAK (Central Administration Office), the Ministry of the Interior and Kingdom Relations, the Ministry of Social Affairs and Employment and the Ministry of Health, Welfare and Sport.

The new clients we welcomed are a great addition for the independent professionals and suppliers in our network. Like all our other clients' assignments, the assignments of these new clients appear on our Select platform and/or inhuurdesk.nl. An important step we recently took is that all assignments posted on Select can also be found and viewed publicly outside of Select using a technical link to our websites. That enhances the customer experience, but also attracts more professionals and suppliers.

Since 2012, HeadFirst Group has provided an extensive range of services for the supply side of the market: our Professionals & Partners services. This includes rapid payment of invoices, knowledge sessions, insurance, and tools for development and training.

In 2021, we took three very firm steps forward to make these services even more attractive:

- 1. We further reduced our invoice payment terms for our Premium and Excellent members to 14 and 10 days respectively.
- 2. We introduced Select Academy, where professionals (working with us) can learn online 24/7 at no cost. They will find 9,000+ specialist training courses from more than 120 worldleading providers in the fields of IT, management and finance, amongst other things.
- 3. We partnered with Alicia Insurance, an innovative insurtech company, to renew our insurance proposition. In addition to professional and corporate liability and cyber secure insurance, accident insurance and business travel insurance are now also part of our standard services.

From 2021 onwards, we also started offering Professionals & Partners services to customers of Between and Staffing MS, which was immediately taken up.



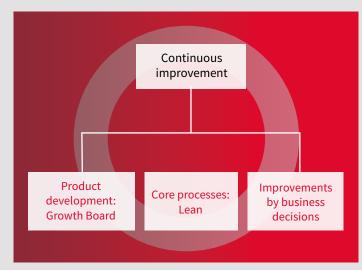
Build the future

In addition to strengthening our base and driving performance, which relate to the day-to-day running of our organisation, we have taken further steps in our innovation agenda.

In the area of business intelligence, a future-oriented data warehouse (DWH) was set up. Dashboards and reports were built in PowerBI, providing our organisation from top to bottom with unique insights based on our rich data. As mentioned previously, we make PowerBI reports also available for our clients in Select. More visible externally, we kicked off our collaboration with labour market data specialist Intelligence Group. Together, through our quarterly Talent Monitor reports, we can offer interesting insights to the market and politicians. At the same time, the collaboration enables us to become more data-driven ourselves. In 2021, we published two Talent Monitor reports, including the innovative 'rate forecast model', in which we forecast the development of rates in 114 professions based on past data. This is very useful for our professionals and suppliers, who gain insight into their value, as well as for clients, who can use the data to forecast their hiring costs. From now on, we will repeat the publication of this model annually.

One of the five bold steps in our strategy is to develop nextlevel services. In this regard, we have already mentioned the expansion of our Professionals & Partners services. On the client side, we have been preparing to roll out a new smart matching solution. In combination with this new service for mid-market clients, we will bring a new name and completely renewed user interface to our platform in 2022 and early 2023.

To take consistent steps towards our goal of becoming an international platform organisation, we are focusing on international expansion. Last year, we were successful in expanding internationally with existing clients. To continue our innovation efforts successfully at all levels, we have introduced a process of 'continuous improvement' (see figure below). At the smallest level, we encourage our employees to act when they see where improvements can be made, enabling them to take their own business decisions. More structurally, we are enhancing our core processes according to the Lean methodology. The largest innovations will be brought to a newly formed Growth Board, which will pay ongoing attention to product development.





For independent professionals with scarce knowledge and skills, the tight labour market offers many opportunities. This is also the case for Vernon Martina, appointed to an assignment as IT architect at the Dutch Tax and Customs Administration. Martina has been self-employed since 2016, and is chasing his ambitions without fearing any uncertainties.

In the current labour market, companies are increasingly hiring external professionals alongside permanent employees. "As an independent professional with a broad profile, you can determine your own route," says Vernon Martina. "Specialized independent professionals possess qualities that are indispensable for organisations. Companies these days are looking for professionals who are willing to grow. If you have that mindset, opportunities are up for grabs."

Strictly speaking, Martina's assignments fall under the Dutch Deregulation Assessment Working Relations Act (DBA), which is currently not actively enforced in the Netherlands. However, perhaps not surprisingly, at his current client, the Dutch Tax and Customs Administration, he is confronted with it. This means extending an assignment can be quite a performance, with the description of the assignment and the hiring period being examined scrutinously. "The Ministry of Finance is also involved in the approval process," explains Martina. "They looked very critically at whether I was still the most suitable candidate for the assignment."

Martina has worked at three different clients through various brands of HeadFirst Group and is now on his fourth assignment. When searching for interesting new assignments, he is in charge. Besides considering the tasks and desired profile, he includes the service of an intermediary in his decision making. "HeadFirst Group has many advantages," he says. "For example, they offer a shorter payment period and, as part of their Professionals services, they provide access to interesting webinars and information sessions."

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The scarcity in the labour market is a great opportunity for people who like to do business.

Vernon Martina Independent professional

0

Opportunities for HeadFirst Group

Organisations are accelerating automation

The Covid-19 crisis has clearly, albeit painfully, illustrated the need for organisations to automate. Location-specific work has been shown to be a risk factor. This realisation is expected to boost digitalisation within organisations, leading to a greater demand for online and IT specialists. HeadFirst Group has been strong in this area since its inception.



Complexity of hiring calls for outside assistance

As described earlier, there is a great lack of clarity around labour market legislation in the Netherlands. Acts such as the Assessment of Employment Relationships (Deregulation) Act (2016), the GDPR (2018), the Balanced Labour Market Act (2020), and the Posted Workers in the European Union (Working Conditions) Act (*Wet arbeidsvoorwaarden gedetacheerde werknemers* *in de Europese Unie, WagwEU*) (2020) have made the hiring of external staff increasingly complex over the past few years. The wide array of regulations has prompted organisations to seek outside assistance in this area. This trend is likely to continue in the coming years. HeadFirst Group meets this need with its contracting service.

*

Scarcity drives demand for our services

The trend of an ongoing shortage of knowledge workers means that organisations have a continuing need for help in recruiting external personnel. HeadFirst Group can offer a solution to this problem through its triple sourcing model of (1) an open market approach, (2) close ties with a closed community, and (3) global sourcing.



Need for control over hiring exposed

Organisations that have control over their external hiring know exactly who is hired where in the organisation and why. It has been proven that organisations without this insight have been less able to respond to market developments. This situation has exposed the need for control over hiring. As a result, we have seen a growing demand for our business consultancy services since the first half of 2020. This has led to some excellent new additions to our client list.



Client challenges to which HeadFirst Group offers solutions

Strategy

Market vision & strategy HeadFirst Group 2020 - 2025

Structural growth drivers	Strategic building blocks	Purpose & positioning	Operational & financial targets
Flexibility	1. Clear tech roadmap		#1 Partner of choice for our professionals, suppliers & clients
	2. Data-driven organisation	Supply	
Scarcity	3. Next-level services	Partner in lifelong flexible career	We service 100k professionals
Regulation	4. The leading platform in NL	Platform The fast lane to cool jobs	
Platformisation	5. Expand to European markets	Demand	We partner with > 1,000 clients
Tech & data	People & partners	The flexible partner for clients Employees	We partner with > 20k suppliers
	Business performance	A great place to work	
Supply & demand request for full service	M&A and integration		We reach EBITDA of 50 m

The leading platform in 2025

At the end of 2020, we started the collaboration and integration of HeadFirst and Between. Through a carefully designed plan, we are capitalising on the best of both organisations, solidifying a market leadership position in the professionals segment of the market. To go full speed ahead with a clear goal, we together formulated three visions for innovation: a vision for the supply side, one for the demand side, and an overarching vision to become a leading platform company. By adding a concrete '5 Bold Steps' plan, we are mapping out the strategic steps towards realising these visions, starting in 2021.

The core of our vision is as follows: By 2025, HeadFirst Group will be leading the way and offer a fast lane for matching supply and demand of work through our platform. On the supply side, we aim to be the preferred partner for professionals who strive for a lifelong flexible career by focusing on unburdening and supporting them in the most personalised way. On the demand side, the way we support our clients will be driven by an optimal balance between technology and human touch. Digitalising the process where this is possible will allow for more time for personal contact when it matters.

Our '5 Bold Steps' plan:

- 1. Clear tech roadmap: We will innovate our platform for seamless matchmaking and execution.
- 2. Data-driven organisation: We will focus on fully data-driven continuous improvement.
- Next-level services: We will be a trusted advisor to clients and offer value-added services to professionals and suppliers.
- **4. Leading platform in the Netherlands:** We will scale up as a data-driven, automated, open platform, while targeting new segments.
- **5. Expansion into European markets:** We will offer specific services tailored to local conditions.

Our vision on the supply side Lifelong flexible career

What the world will look like in 2025

It is 2025, and the majority of the North West European labour market is now flexible. As a result, the economy is very much driven by independent professionals. These professionals, young and old, expect a career that is always in development and that gives them room to be entrepreneurial. However, this flexibility often leads to a lack of personal development and interaction with peers, which used to be available to employees in large companies. For this reason, there has been a shift towards communities of independent professionals and suppliers. As part of these communities and networks, people with decades of experience openly share their knowledge with the group of younger professionals.

"By 2025, HeadFirst Group will have become the standard partner for professionals and suppliers who focus on a lifelong flexible career."

What value HeadFirst Group will bring to its customers

HeadFirst Group with its Select platform has become the standard partner for professionals and suppliers who focus on a lifelong flexible career. We unburden and support workers in the most personalised way. HeadFirst Group has managed to claim this spot by offering 'career partner' solutions to flex workers. These solutions include income stability, upskilling and training, personal mentoring and career planning, cross-company traineeships, and permanent advice; all designed to propel people forward to their next dream role. In this way, HeadFirst Group provides the support environment that corporates used to provide before.

HeadFirst Group is serving a growing base of younger workers. We have been able to onboard young talent by working with universities and offering flexible traineeships. The tailored career guidance program helps workers take the necessary steps to get the jobs they dream of; after all, a career is a series



of steppingstones. For people who want to be part of a community, there are guilds where specialists share their experiences. For people who want to focus on themselves, there are services for career security, such as insurance, pension and pre-emptive job searching. This move towards being a full HR service provider has propelled HeadFirst Group to servicing over fifty different communities covering a professional base of over 250,000 professionals in the Netherlands.

Our vision on the demand side The flexible partner

What the world will look like in 2025

It is 2025, and the HR/recruiting industry in North West Europe has become more and more digitalised. Dedicated HR platforms have automated most of the matchmaking process and are now advising companies on best practices. In this way, players like HeadFirst Group have transitioned from an administrative role to a full HR service provider, shaping the landscape further and further. Large technology-driven companies were early adopters of using players like HeadFirst Group for HR value added services and consulting such as RPO, strategic workforce planning, legal and compliance services, and data-driven process optimisation. Following in their footsteps, all companies that use flex workers are now making use of these services.

What value HeadFirst Group will bring to its customers

HeadFirst Group is leading in Europe when it comes to best practices. We proactively and strategically advise Europe's largest corporations in the field of work. HeadFirst Group supports companies with the management of their total workforce. Advisory services are driven by an optimal balance between technology (tech) and human touch (touch). Digitalising the process allows for more time for personal contact when it matters.

In the Netherlands and abroad, HeadFirst Group has developed a scalable way of using soft skills to find the best

talent. An example of this is a strong referral proposition, where the network of HeadFirst Group and the professionals within it refer the best talent based on personal experiences. The approach is twofold. Firstly, on the technology front, the company has designed best-in-class tech solutions for every step of strategic workforce planning. This has increased gross invoice value from 1.5 to 2.5 billion euros. Secondly, the company has manifested itself as the clear No. 1 thought leader in North West Europe for HR services. This knowledge has allowed HeadFirst Group to complement a standardised approach with company-tailored advisory services.

Our vision on becoming a platform company The fast lane to cool jobs

What the world will look like in 2025

It is 2025, and the North West European labour market has become increasingly flexible. On the one hand, a technology revolution with advancements in artificial intelligence and interconnectivity has led to a further push towards a European platform economy. Matchmaking has been completely automated, and by opening systems via APIs, network effects are created throughout the European labour market. This has enabled one main flexible employment platform to spread across North West Europe.

"HeadFirst Group is the leading player in the market and is a data-driven organisation focused on continuous improvement."

On the other hand, there is a continued scarcity of professionals. This is further driven by the autonomous behaviour of (young) professionals and their wish to have a very flexible career. Progressive large companies are trying to continuously tap into a fresh stream of talented knowledge professionals by using this new international flex platform. Professionals are finding their perfect jobs in both their own countries and abroad. Data-driven services increase the security and advancement of their careers.



What value HeadFirst Group will bring to its customers

HeadFirst Group is the leading player in the market and is a data-driven organisation focused on continuous improvement, with an optimal balance of technology and human touch. HeadFirst Group has created a fast lane for matching the supply and demand of flex work. We have achieved this by creating a platform that has become top of the market by interconnecting it with other relevant systems and by creating top notch features for professionals, suppliers, and companies. The platform is enriched by communities, partnerships with suppliers, and a strong referral machine. One million North West European freelance professionals and suppliers are using the platform. They love it because it provides quality, ease of use, and a trusted way of quickly finding the next cool job at a fair rate.

Companies, on the other hand, are given insight into the most qualified knowledge professionals in the market and are making use of flex work more than ever. Talent pool suppliers are placing professionals in exciting projects at an unprecedented rate, facilitated by HeadFirst Group. By continuously updating the market on the latest industry developments, the platform is busier than ever and HeadFirst Group is seen as the true thought leader in the field. The flex market is here to stay, and by providing a new way of working, HeadFirst Group has managed to create a winning proposition for supply and demand.

Outlook for 2022

For two years we have been wondering what life will be like after Covid-19. At the time of publication of this report, we have experienced a few months of what it is like. And it is remarkably the same as before the pandemic, except for the fact that hybrid work is here to stay. Given the very low financial impact of the pandemic on our organisation, we have been looking ahead since 2021. And we are more than ready for new, exciting challenges in 2022!

Permanent scarcity calls for creativity

As we outlined in the trends section, we are entering years of scarcity in the labour market, especially under the pressure of an ageing population. In the permanent labour market, the use of temporary external professionals used to be a common solution to deal with scarcity. But those days are over, as the flexible labour market is also experiencing scarcity on all fronts.

Talent acquisition will force organisations to be as creative as possible. This requires new alternatives, such as recruiting talent (both permanent and flex) from abroad or from underrepresented talent pools. Incidentally, let that be the positive aspect of the scarcity: the labour potential of our society will be used more optimally and inclusively in 2022 than ever before. And thanks to Covid-19, clients are now quite willing to welcome professionals who work completely remotely. This is another creative solution to scarcity. HeadFirst Group responds to these trends through global sourcing, remote hiring and social hiring solutions.

Legislation developments

Over the past years, the Dutch labour market has consistently shifted to a more flexible labour market. Covid-19 has reinforced this in three ways: **①** the disruptions caused by Covid-19 showed that organisations need room to adjust

their personnel costs so they can move with the market, that become clearer than ever that organisations need to have a good grip on their hiring, as organisations with a good overview at the start of the crisis were significantly better able to keep up with market developments, and S location-bound work has been identified as a risk factor.

"Let it be the positive aspect of the scarcity: the labour potential will be used more optimally and inclusively in 2022 than ever before."

The current legal system in the Netherlands is not set up for a modern, flexible labour market in which entrepreneurship and hybrid forms of working are becoming the norm. With the new cabinet in place, with fresh energy, we hope to see a new chapter in labour market legislation. We are actively contributing to finding the best solution by providing vision papers and data insights through our Talent Monitor and reports in cooperation with knowledge platform ZiPconomy.

Corporate social responsibility

As a leading HR services provider and growing platform, HeadFirst Group takes its role in the labour market and society seriously. In 2021, we took the initiative of bringing together the corporate social responsibility (CSR) initiatives within our various brands at group level. Just before the publication of this report, this resulted in an EcoVadis silver medal, which places us among the top 25% of companies in terms of CSR assessed by EcoVadis. This is a great result, which we aim to surpass with a gold medal in 2023. We are building towards this by finalising a complete CSR policy this year, drawn up along three axes: **O** decent work & lifelong learning, **2** diversity & inclusion, and **3** sustainability. In each of these areas, we are developing new initiatives and making choices about how we - with our employees, clients, suppliers and independent professionals - will contribute to a more beautiful world.



Next steps towards the leading platform in 2025

We described how our strategy is made up of five steps towards becoming the leading platform in 2025 in the Netherlands and abroad. In order to implement this strategy, we have identified the following key points for 2022, along the same three pillars as in 2021:

- 1. Strengthen the base: focus on core processes using the Lean methodology, improve the user experience of our online contracting process, guide clients from timesheet invoicing to self-billing, and further roll out (and integrate with) Zendesk.
- 2. Drive performance: guide professionals more proactively from assignment to assignment, improve the recruitment process with artificial intelligence, implement smart

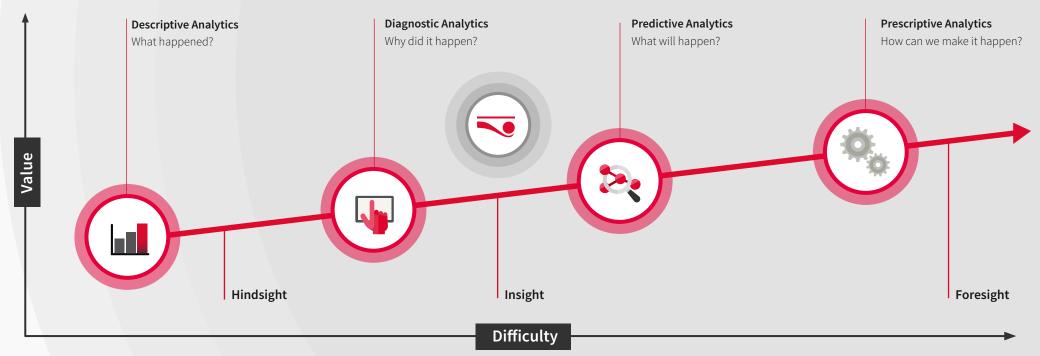
marketing automation to improve the funnel to matches, promote our interactive recruitment service, boost talent pools for clients and offer other services to deal with scarcity, such as global sourcing, remote hiring and social hiring (including underrepresented talent pools).

3. Build the future: roll out our new smart matching solution for mid-market clients, combined with renewing the user interface of our platform, focus M&A on tech and internationalisation, prepare Professionals & Partners services for professionals and suppliers who do not work via HeadFirst Group, enable same-day payment, investigate innovative disability insurance for independent professionals, renew our website landscape, and move from diagnostic to predictive data analytics (see figure below).

Financial objectives

HeadFirst Group is an ambitious company with great potential. The outlook for 2022 is positive, but also depends on our ability to attract candidates in a scarce labour market. We have set ambitious targets for 2022, expecting an increase in our business results in terms of revenue, gross profit, and EBITDA.

In line with the digitalisation targets for 2021 and our ambition to develop our organisation from HR service provider to a platform company, we are investing substantially in IT. In addition, we expect costs related to the further optimisation of our internal organisation, as well as costs related to our M&A strategy.



Road to prescriptive analytics

2021 results

HeadFirst Group is proud to present its gross invoice value of \in 1.547 billion (2020: \in 1.520 billion), a particularly impressive achievement given that the year was still impacted by lockdowns due to the pandemic. We would not have been able to achieve this great result without our amazing and passionate employees, loyal clients, committed partners, suppliers and professionals.

We saw a strong start to 2021, with continued growth in demand for our services, following a strong fourth quarter in 2020. Consequently, growth rates slowed down slightly in the last quarter due to tougher comparisons. There were some clear differences between the various industries we serve. While some industries stabilised after the initial drop in demand, others showed an increased demand for our services, even beyond the pre-pandemic level. This was especially the case for our public sector customers. The resilience of our business model, thanks to our portfolio mix and our strong presence in the niche of highly skilled professionals, including many IT professionals, led to a limited impact of the pandemic on our growth. Over the year, revenue growth was in line with 2020 at 3%. Gross profit increased by 7%, following significant growth in the uptake of our matchmaking proposition, which has a high added value. We managed to realise a strong underlying EBITDA performance, with EBITDA increasing 11% following the realisation of efficiency gains.

We continued to invest in our organisation in order to further improve our service levels to customers, to further optimise our processes, and to implement innovative solutions such as Robotic Process Automation, which will enable more efficient ways of working and result in an increased performance in 2022. In 2021, we also completed the migration of the Between systems to our platform Select in order to further capitalise on our strategy of becoming the leading platform in the Netherlands. We are proud to have a solid financial position, with a strong equity of \in 140 million and a solvency of 29%. This qualifies as solid for our type of business, which has a large amount of current assets and liabilities going through the books.

We continued to retain business by contract renewals and by winning further tenders in 2021, demonstrating our clients' appreciation of our services and providing us with a solid outlook at the start of 2022.

	2021	2020	Change
Gross invoice value	1,547	1,520	3%
Gross profit	41	40	7%
EBITDA	24	22	11%
Equity	140	139	1%
Solvency	29%	29%	-



Consolidated pro forma financial statements

as at 31 December 2021

General information

HFBG Holding B.V. ('HFBG') was incorporated on 17 September 2020 with its first financial year ending at 31 December 2021.

In order to provide a view on the annual results of the Group, we have prepared a pro forma set of the HFBG 2021 and 2020 consolidated results as would have been presented under IFRS as if Between and HeadFirst had merged as of 1 January 2020. This set of financials is based on the audited consolidated annual accounts of the underlying entities Between Staffing Group B.V. and HeadFirst Source Holding B.V. for 2020 and the audited consolidated financial statements for HFBG Holding BV for its first financial year.

Statement of comprehensive income Amounts x 1.000 €	2021	2020
Gross invoice value	1,546,859	1,520,358
Gross margin	41,423	39,901
Employee benefits Other operation costs	15,316 2,572	14,119 3,881
Total operating expenses	17,888	18,000
Normalized EBITDA	23,535	21,901
Depreciation and amortisation Normalisations	10,182 2,056	5,375 ¹⁾ 1,558
Operating result	11,297	14,968
Financial income and (expenses) Result before income tax	(7,259) 4,038	(8,427) 6,541
Result before income tax	4,038	0,541
Income tax	752	2,678
Result after income tax	3,286	3,863
Total comprehensive income	3,286	3,863

1) Adjusted compared to the proforma results as presented last year, as at that time the purchase price allocation had not yet been completed.

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Balance sheet		
Amounts x 1.000 €	31/12/2021	31/12/2020
Intangible assets	209,431	221,435
Property, plant and equipment	10,966	3,301
Financial assets	682	13,557
Deferred tax assets	486	955
Non-current assets	221,565	239,248
	10.000	
Current part of financial assets	40,626	-
Trade receivables	22,077	14,995
Receivables from participations	45,300	63,543
Other receivables	100,185	100,462
Cash and cash equivalents	60,979	65,857
Current assets	269,167	244,856
Total assets	490,732	484,105
	,	,
Share capital	2	2
Loans qualified as equity	36,283	36,997
Reserves	102,542	101,752
Result for the year	1,519	
Equity	140,346	138,751
	0.100	1 002
Lease liabilities Deferred tax liabilities	8,108	1,903
Private loans	16,495	10,753
Other liabilities	- 14.996	34,199
Non-current liabilities	39,599	46,855
	,	,
Current part of long-term loans	9,823	632
Liabilities to finance institutions	25,112	
Trade payables	136,033	117,542
Taxes and social securities	9,043	24,568
Other current liabilities	130,776	155,757
Current liablities	310,787	298,499
Total equity and liabilities	490,732	484,105



HR dashboard



Key figures

Number of employees (at year end)

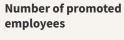
301 + 50%



116

Organic • Through the acquisition of Sterksen

50%



14

Number of internships and student work places

22

Age



Learning & development

Investments in personal development



Training courses attended bij our employees

367



3.26

in %

Well-being

Illness rate

within the job

Hybrid working

8.4*

8.4*

Independence

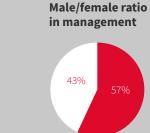
Collaboration & atmosphere

8*

* Employee rating on this theme in the last







Diversity & inclusion

in management 57%

Female Male

• under-40 • 40-and-over

Geert-Jan Waasdorp, entrepreneur at heart, is founder and owner of labour market data specialist Intelligence Group (IG). IG and HeadFirst Group work together in the field of data exchange, offering unique data insights to the market. IG also guides us on the road to an optimally data-driven organisation.

In addition to his role at IG, Geert-Jan Waasdorp is co-responsible for a wide range of other companies and brands, including Werf&, Academie voor Arbeidsmarktcommunicatie and SkillsCV. "The common thread is always labour market and data," he says. "Anyone with a professional recruitment team will come to a point where they need our data. Our ambition is to make data really indispensable for organisations. In addition, we want to further expand and stimulate data exchange in Europe." This makes Intelligence Group a perfect growth partner for HeadFirst Group in its journey towards becoming an international and optimally data-driven organisation.

For Geert-Jan Waasdorp, trust is the most important foundation to build on. "With HeadFirst Group, we have built a level of trust that allows us to jointly develop the important role of data, both within the organisation and beyond," he says. In 2021, when the partnership started, the foundation was built, and the first successes were achieved quickly. We started exchanging data on the permanent and flexible labour market, and we presented the first editions of the Talent Monitor, which will be published on a quarterly basis. In addition, we presented a rate forecast for 2022, a long-cherished wish. In 2022, we will continue along these lines. We will take a step towards further data maturity, which we will see reflected in, for example, next-level client reports, and more predictive ability based on data.

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We started building a house, the foundation is there, and now we are building the floors.

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Geert-Jan Waasdorp Intelligence Group (IG)

Organisation

HeadFirst Group as an employer

As an employer, HeadFirst Group has undergone rapid development in recent years. Involvement, fun and ownership are central to our organisation. We encourage our employees to be enterprising through personal development and by giving them responsibility. This is

appreciated: in the last Employee Satisfaction Survey (ESS), independence within the job was rated an average of 8.4. A strong belief in autonomy is also behind our organisation's choice to make hybrid working the standard post-Covid, so that our employees can maintain a good work-life balance. This is also rated 8.4 by our employees. We have a naturally informal culture with short communication lines.

At the same time, professionalism resonates in everything we do. It makes us proud that this balance is appreciated by our employees: on the subject of 'Collaboration & atmosphere' we were given an 8.

What we stand and aim for



Customer first

Customer first may sound obvious. For us, however, it means so much more. First of all, we strive for the perfect balance between tech and touch, aiming for the ultimate experience for our external customers (clients, suppliers and also our customers. In fact, we want colleagues to treat each other the way they would like to be treated as customers themselves – by listening, keeping appointments, and giving honest feedback.

We are progressive in terms of reliable solutions and are constantly setting the standard. How we do so, however, is continuously developing. To achieve this goal, we are constantly looking to create added value for our clients. We listen, develop, and create value.

We do not treat any client as a number, but rather as a partner to whom we give personal attention. Our professional maturity is evident in our perception of the market and proactive advice. Moreover, our relationship approaches that of business friends. This relationship allows us to be honest with each other, which is better for each party. If we develop, our customers develop with



Connecting people

We provide clients, independent professionals, and suppliers with both Connecting is our core business. We connect people success. We connect clients with the best talent, helping them to move their organisation forward. We are always looking for unique new connections that will take us further in these times where good entrepreneurship is rewarded. The thought of 'joining forces' is always top of our mind.

Although we may be large within our market, we remain a flat organisation and do not place any one person above another. We have become large by staying small. We listen to our employees and think in terms of opportunities. We aim to offer these opportunities both to young talent and to experienced professionals with a young mindset That is how we keep on building connections, always.



Learn every day

We want to be a little bit better every day. We regard continuing

development as a necessity, not an option. We look for employees who match our sense of entrepreneurship. We expect ownership and give freedom and responsibility in return. Mistakes can happen, from which we learn. Success never goes unnoticed, and outstanding achievements are rewarded. We want our employees to be critical, but in a positive way. In this way, step by step, we can create an even more professional organisation every day – together.

We also encourage development among our customers. We help professionals to learn from one another through training, knowledge events, and communities. We take on tasks for entrepreneurs, including clients, suppliers, and independent professionals, leaving them free to concentrate on what they do best. We feel encouraged to develop with all our customers, day by day.

Diversity

The workforce of HeadFirst Group is diverse in terms of gender, age, origin, motivation and life experience. Every person is equal but also unique. We take these differences into account. You can see that in the data points on this page. The male/female balance is equal. It is not yet fully balanced in management, but we improved this situation in 2021, not in the least by appointing Marion van Happen as the Group's new CEO. We also became visibly more diverse in terms of age last year: the number of employees in the under-40 category is now almost equal to the 40-andover category, which was not the case in 2020.

" As an HR services provider, we realise that we can play a leading role in bringing about a fair and inspiring playing field of decent work and lifelong learning."



Corporate social responsibility

As a growing HR services provider, HeadFirst Group takes its role in the labour market and society seriously. We therefore support the UN Sustainable Development Goals, and in cooperation with our clients, suppliers, independent professionals, and employees, we actively contribute to these goals. Our impact mainly relates to six of the seventeen UN goals.

We have brought these together in three themes:

- 1. Decent work & lifelong learning
- 2. Diversity & inclusion
- 3. Sustainability

Just before the publication of this report, EcoVadis – the best-known universal scorecard for corporate social responsibility (CSR) – awarded us a silver medal for our CSR policy and actions. This places us among the top 25% of companies in terms of CSR, assessed by EcoVadis. This is a good result, but we are convinced we can improve on that and earn a gold medal in 2023.



Decent work & lifelong learning

Decent work and lifelong learning are themes that are very close to us. As an HR services provider, we realise that we can play a leading role in bringing about a fair and inspiring playing field.

- First of all, we encourage self-development and lifelong learning for our employees. Our performance management program gives our employees control over their own development. At HeadFirst Group Academy, they find a wide range of e-learning options, courses and trial exams in all kinds of fields. In addition, we offer internal peer-to-peer support and organise a wide range of live training sessions, courses, and webinars to keep our employees up to speed.
- Our core business leads to decent work: our platform offers a fast lane for matching supply and demand of flex work. By connecting clients, independent professionals, and suppliers, we create employment opportunities and give companies insight into the most qualified knowledge professionals. Furthermore, our platform contributes to market transparency and fair rates for specialised and skilled work.
- We contribute to developed and skilled flex workers by offering <u>Select Academy</u>, which we launched in 2021. Professionals working with us can learn online 24/7 at no cost. This is how we make lifelong learning easily accessible, also for flexible workers.
- In the role of supplier of IT professionals to the Custodial Institutions Agency (Dienst Justitiële Inrichtingen, DJI), we set up the 'digital empowerment for detainees' pilot project in collaboration with the Digisterker Foundation. Three pilot projects have since been set up to enable detainees to work on their digital skills so that they can return to society with more relevant skills for the labour market. We value making a social impact with our clients in this way.



Diversity & inclusion

We embrace differences in age, origin, life experience and religion. This is concretely reflected in the things we do:

- We have a D&I taskforce with delegates from various departments, who together set the D&I agenda for us as an employer and service provider. This ensures continued attention to the subject.
- Our workforce is diverse and inclusive, as you can see in the figures on page 31. Our staff rate us with a 7.5 on this subject.
- We also aim for diversity in our mediation of professionals. We therefore stand up against labour market discrimination and focus on our main priority: the right person in the right place. We also welcome the introduction of legislation (Equal Opportunities in Recruitment and Selection Control Act) to control discrimination in the recruitment and selection process as of 1 January 2023. We are currently implementing tools to comply with the legislation as of 1 January and will also inform our clients in a timely manner.
- We actively help benefit recipients find work or temporary assignments by cooperating with UWV (Employee Insurance Agency), also one of our clients.
- We offer professionals to our clients from suppliers who specialise in the secondment of professionals from underrepresented talent pools, such as older people who have difficulty finding work, people on the autism spectrum (see interview on page 13), and refugees.
- We have joined forces with several other organisations to support oPuce, a social enterprise that helps people who have recovered from cancer to get back to work.
 Together, we launched the 'Talent Connector', a platform where people recovered from cancer can look for paid work or assignments. The platform offers a first step towards a labour market with equal chances for everyone.

- Sterksen, one of our main brands, has a partnership with Everyday Heroes, an organisation that makes work possible for everyone who wants to and is able to work. They pay for the last step towards a job for people who cannot do this themselves, and are not entitled to support from social partners (such as the municipality or UWV). Everyday Heroes helps by financing counselling, a training course, a driving licence or something tangible like an electric bike or safety shoes.
- Sterksen also partners with JINC. They are fighting for a society in which a person's background no longer determines their future. With our partnership, we not only contribute in the form of donations, but our employees also regularly give job interview training at various schools in Breda and Utrecht. These projects help children throughout the country to become more confident and prepared for the job market.

" Identifying and eliminating risks is one of HeadFirst Group's key services to its clients. So we have a natural eye for it."



Sustainability

As a business service provider, we have a limited carbon footprint, but where we can make an impact, we will do so:

- We have deliberately selected a new head office in Hoofddorp in 2021 with an excellent degree of sustainability: it is a cradle-to-cradle company building with A-label and BREEAM-NL Excellent sustainability certificate.
- When choosing suppliers for our offices such as our caterer, coffee supplier, cleaning company and energy supplier – we let sustainability play a decisive role.
- We prioritise the use of company cars with low CO₂ emissions.
- We separate our waste wherever possible.



Our new headquarters

In January 2022, we moved into our new head offices in Hoofddorp. It is an inspiring place, where connecting people is key. The office does justice to our leading position as an HR services provider and it helps us to underline our sustainability ambitions.

Taurus building key figures

Situated in a premium location, at Park 20|20 in Hoofddorp.

3,700 m² surface area

1,000 metres from the A4 motorway

400 metres from Hoofddorp railway station

1,500 m² theatre, bar, restaurant and sports area (ground floor + 1st floor)

2,200 m² office space (2nd to 4th floors)

132 (flex) workstations with sit-stand desks



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Sustainability

Cradle-to-cradle company building with energy label A and BREEAM-NL Excellent sustainability certificate

Rainwater harvesting with smart blue-green roofs, which can be used to flush toilets, amongst other things

Recycling water with greywater system

Green electricity from Greenchoice

CO₂-neutral floor covering from Interface

100%

sustainable products from caterer NewFork; via the app Too Good To Go, leftover meals are offered for takeaway at a low price

Cleaning of the premises with cold water and ecological cleaning agents

Facilities

Theatre with space for two hundred guests

Bar for connecting and celebrating

Restaurant (including barista)

15 Technogym machines in sports area

624 hours of sport instructor guidance per year (for workouts and boot camps)

17 meeting rooms with modern facilities for hybrid conferencing

3 coffee corners



Risk management

Approach to risk management

Our approach to risk (and opportunity) management aims to mitigate the chance and impact of certain risks, while maximising opportunities. As part of our long-term value creation, this risk (and opportunity) management is embedded in our strategy and essential for achieving our goals. HeadFirst Group periodically reviews and re-evaluates its risk profile to manage the most important risks and create a healthy balance between risks and potential rewards. HeadFirst Group identifies four risk categories: strategic, operational, financial, and compliance. The consideration of a healthy balance differs for each risk category.

Risk profile

The next paragraph comprises a categorised overview of the risks that we believe are currently the most relevant to the achievement of our strategy. This risk overview should not be considered exhaustive. There may be risks not yet known to HeadFirst Group or risks that are currently not deemed to be material, but which could later turn out to have a material adverse effect on HeadFirst Group's business, operating results, and/or financial condition. The sequence of the risks does not reflect an order of importance, vulnerability, or materiality.

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Strategic risks

Sensitivity to cyclical movements

HeadFirst Group operates in a dynamic, highly competitive industry. Macroeconomic volatility has an almost immediate impact on the market in which we operate. By having a solid core and a flexible shell, HeadFirst Group is able to constantly adapt to an ever-changing environment. Cyclical movements also provide an opportunity, as our clients will require their workforce to be flexible. This will result in demand for our services.

Reputation

HeadFirst Group deals with confidential information of both customers and suppliers. In providing our services, trust and stability are of vital importance. Poor service or, even worse, a data breach could have a material impact on HeadFirst Group's reputation, business, and financial position. HeadFirst Group protects its strong reputation by ensuring all employees adhere to our core values and business principles, and comply with all internal policies. Periodic customer and supplier surveys help us to monitor the strength of our brand. Timely action is taken to investigate and address any negative trends.

To demonstrate our integrity and solid trustworthy policies and procedures, we have obtained several renowned certifications. HeadFirst Group's certifications include the standards outlined below.

NEN 4400-1

NEN 4400-1 is the certification of the Labour Standards Foundation for organisations that act as an intermediary for temporary personnel. The quality mark imposes requirements on the payment of taxes and social security contributions. The NEN 4400-1 quality mark also offers peace of mind that an organisation only provides personnel who are allowed to work in the Netherlands.

ISO 9001

ISO 9001 is the international standard for quality management. This quality mark assesses whether we are able to meet the requirements that our clients impose, including in relation to laws and regulations. The requirements also provide a basis for our quality management system.

ISO 14001

ISO 14001 is a standard for environmental management. An environmental management system according to the ISO 14001 standard can be used to control and, where possible, reduce the environmental risks associated with a company's business operations. The ISO 14001 and ISO 9001 standards have an identical set-up thanks to a High Level Structure (HLS).

ISO 27001

ISO 27001 is a standard for information security. We live in a data-driven world, and as an intermediary, we need to make sure that our clients, professionals and suppliers can entrust us with their data in good faith. In addition, the importance of the availability, integrity and confidentiality of this data is becoming increasingly important. To demonstrate our organisation's professionalism in this regard, we believe it is of added value to be certified under ISO 27001.

Changing laws and regulations

One of the major strategic risks is politically and socially oriented. Changes in the political, legislative and/or regulatory framework governing the activities of HeadFirst Group could have a material impact on HeadFirst Group's business, the markets in which we operate, and our financial condition.

Our highly skilled in-house experts, who work closely with a range of reputable external experts, monitor the process of changes in legislation, anticipate the effects of potential changes, provide training to employees, clients as well as suppliers, and ensure proper processes and controls are embedded in our organisation. Furthermore, we anticipate on all potential outcomes by adjusting our service portfolio. Changes in legislation also provide opportunities. New legislation contributes to an administrative burden and risk to our clients, which requires extensive knowledge to stay compliant and efficient. We can share our knowledge of new legislation (especially on employment laws, data, and privacy protection regulation) with our clients, strengthening our relationship with them. Furthermore, the sheer multitude of regulations has prompted organisations to seek outside assistance in this area. This trend is likely to continue in the coming years. HeadFirst Group meets this need through its contracting service. In addition, continuously changing legislation makes it more difficult for new players to enter the market.

Operational risks

Information security

HeadFirst Group deals with confidential information of both customers and suppliers. In providing our services, trust and stability are of vital importance. A data breach could have a material impact on HeadFirst Group's reputation, business, and financial position. HeadFirst Group continuously strengthens its IT controls and compliance by improving IT security and IT controls. In addition, our employees are thoroughly screened before hiring, and awareness activities are rolled out to increase employees' awareness of IT security risks. Those parts of the IT environment, including software, that are outsourced are only outsourced with trustworthy parties who are ISO 27001 accredited. HeadFirst Group hires independent qualified agencies for periodic audits on our policies and procedures based on the latest rules and regulations, to ensure compliance. This has resulted in, amongst other things, our accreditation for quality control (ISO 9001). The ISO 9001 certificate enables us to demonstrate our trustworthiness, thus strengthening our brand image of a reliable and stable party.

Talent attraction and retention

People are our most important asset. The success of HeadFirst Group's business depends not only on attracting and

developing the best talent, but also on retaining our highly skilled employees. We aim to achieve this by creating a positive and open working atmosphere, where employees are encouraged to pitch initiatives and where development is stimulated. An annual employee survey helps HeadFirst Group to monitor the engagement of its employees and investigate employees' needs in a structured manner. This survey is anonymous, which increases the quality of the responses. Timely action is taken by the HR department to investigate and address any negative trends.

Just like our own organisation, our clients are seeking to attract and retain talent. The trend set out in the market developments section of an ongoing shortage of knowledge workers despite the Covid-19 crisis means that organisations have a continuing need for help in recruiting external personnel. HeadFirst Group can offer a solution to this problem through its triple sourcing model of **①** an open market approach, **②** close ties with a closed community, and **③** global sourcing.

Contract liability

Requirements from clients may result in unique contract clauses. Accepting inappropriately high contractual liabilities could result in a client making a claim that would materially affect the results of HeadFirst Group. Whenever possible, we work with standard contracts. In the event of non-standard terms, a cost-benefit analysis is carried out in advance to determine whether projected profit levels are high enough to absorb the costs associated with the additional risks. HeadFirst Group believes that the risk and liability associated with the service performed should lie with the party that can exert influence on that particular element of the service. If HeadFirst Group can exert no influence on a specific part, the liability is either kept with the customer or transferred to the supplier if it is under their influence. To ensure proper service delivery, HeadFirst Group focuses on further improvement of its contract delivery model and contract management. Our expertise in contract management improves our quality and the added value we deliver to our clients.

Financial risks

We maintain a prudent financing strategy. Only minimum risk is accepted in relation to errors in our reporting. For a description of the current financial risks, we refer to the financial instruments section.

Credit risk

HeadFirst Group's exposure to trade receivables is managed through continuous credit risk assessments of each individual customer. For the remainder of the credit risk, we have taken out an insurance policy for bad debt.

Interest rate risk and cash flow risk

In 2020, we entered into a financing arrangement with Coface. For the timing difference in receipt of the funds, a variable interest rate based on 3-month EURIBOR is charged to HeadFirst Group. HeadFirst Group policy prescribes that we should not use derivative financial instruments to mitigate (temporary) interest fluctuations. Movement of the 3-month EURIBOR is monitored monthly. If the 3-month EURIBOR rate exceeds certain thresholds, the financing and hedging strategy will be evaluated and adjusted when deemed necessary.

Cash flow risk

Cash flow analyses are performed by HeadFirst Group as a whole. HeadFirst Group monitors the liquidity need in order to hold sufficient liquidity for operational activities or to attract liquidity in time through financing without exceeding set limits (externally). HeadFirst Group conducts adequate liquidity risk management by maintaining sufficient cash and by ensuring sufficient availability of financing by means of committed credit facilities, the pledging of trade receivables, and the ability to close out market positions. Management controls the rolling forecast of the organisation's liquidity position on the basis of expected cash flows. In general, this is done at a central level, within the frameworks and limits set by management. When setting limits, we take into account the liquidity of the market in which the company concerned is active. Furthermore, HeadFirst Group's liquidity management includes forecasting of cash flows and the maintenance of

related sufficient liquidity. Importantly, this includes monitoring the development of the debtor position, the amount of the receivables purchase facility, and credit management.

Compliance risks

Compliance is at the core of the services provided by HeadFirst Group. HeadFirst Group applies a zero-tolerance policy to all compliance risks. Our business is subject to increasingly complex compliance requirements (see also the strategic risks section). Non-compliance could have a material adverse impact on HeadFirst Group's reputation, business, and financial position. HeadFirst Group therefore invests in the continuous development of its highly skilled and educated in-house specialists, who share their knowledge within the group and embed all new legislation in the core of our business. HeadFirst Group has close relationships with specialised reputable companies. These companies provide HeadFirst Group with professional advice on all topics relevant for HeadFirst Group.

Changes in legislation also provide opportunities. New legislation contributes to an administrative burden and risk to our clients, which requires extensive knowledge to stay compliant and efficient. We can share our knowledge of new legislation (especially with regard to employment law, data, and privacy protection regulation) with our clients, strengthening our relationship with them. In addition, changes in legislation make it more difficult for new players to enter the market. New regulations require an ongoing critical review of existing training, policies, and procedures to stay compliant. 41 / HeadFirst Group Annual report 2021 Summary /

Governance

HeadFirst Group is managed by the Board of Directors, consisting of Marion van Happen and Jan-Pieter van Vreeswijk. They form a full board with Chairman of the Board Han Kolff and the shareholders of the group.

About Marion van Happen

Marion has been CEO of HeadFirst Group since 1 February 2022. She has over twenty years' experience in HR services, recruitment and staffing in various commercial and senior management positions in the Netherlands and abroad. Before joining HeadFirst Group, Marion was Chief Operating Officer at RGF Staffing the Netherlands (formerly USG People) and Managing Director of Unique. In the role of CEO, she directs the strategic, operational and commercial activities of the organisation.

About Jan-Pieter van Vreeswijk

Jan-Pieter (JP) van Vreeswijk was appointed CFO of HeadFirst Group on 1 August 2021. He joined the group in July 2020 as Group Finance & Integration Director. JP has a long track record in HR services and previously held several senior finance roles at Randstad, where he was also involved in the digital transformation and the integration and professionalisation of operations. Within HeadFirst Group, his portfolio comprises contracting, finance & control, quality, and legal.



Registered offices

Registered office of the company

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Project management Report Company

Questions or comments If you have any questions about or comments on this annual report, please do not hesitate to contact us by email: <u>info@headfirst.nl</u>

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This annual report 2021 was written in the Dutch language and translated into English. In the event of any discrepancies between the English translation and the original Dutch version, the latter will prevail.