

Annual Report **2023**





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Board report



Foreword

We look back on an intensive year, with internal and external challenges. Developments like the launch of Vebego as a new brand in the market, explicating a new overarching culture and the merger of companies required time, energy and – again – money; over four years we are investing 30 million euros in redesigning our company. Externally, we had to contend with high inflation rates and labour market shortages last year. But the efforts paid off. We have made great strides in making Vebego future-proof. The net result for 2023 is again positive and in line with a multi-year trend: since 2021, our turnover has grown by 40%. This healthy financial result helps us to achieve our goals: creating meaningful jobs based on the conviction that everyone has the right to a good job and income to go with it.

Meaningful jobs. Great work. Better world.



Special anniversary year for our family business



The artwork 'Growing Together' which was created to celebrate Vebego's 80th anniversary.

In 2023, we celebrated our 80th anniversary. The unveiling of the Tonny Goedmakers path was the icing on the cake. The municipality of Voerendaal decided to rename the cycling and hiking path 'Fietspad in de Koning' between Voerendaal and Heerlen as the 'Tonny Goedmakers pad', in honour of the role Vebego plays for the region.

To celebrate the anniversary, we had our own symbolic artwork made and placed in the garden of Kasteel Cortenbach in Voerendaal. The artwork - titled 'Growing Together' - connects old and new and represents employees, customers and society. These are the stakeholders we do it for. These are the stakeholders who, in our eyes, have to do it together to strengthen each other optimally.



Nice steps in our interplay with employees, customers and society



2023 showed that we are making great strides in our interplay with employees, customers and society. The Net Promotor Score (NPS) showed that 50% of our customers answered positively when asked whether they would recommend us to others. Already six of our companies are certified as 'Great Place To Work'.

EcoVadis, which measures our performance in the area of sustainability, confirms that we are on the right track. For example, Vebego Facility Services in Germany was rated 'silver' at the end of 2023 and Vebego AG in Switzerland was rated 'gold'. The further professionalisation of the Vebego Foundation, with an international board from 2024, also fits into that picture. Just like Queen Máxima's visit to our joint venture IBN in June 2023. At our invitation and from her role as honorary chairman of SchuldenlabNL, Queen Máxima attended a meeting of the Dutch Coalition for Financial Health (NCFG) that day. This coalition of companies is committed to the financial health of their employees. Vebego has been actively involved in this from the start.

Sponsoring curling: a sport much like Vebego

In the anniversary year 2023, we also decided to sponsor the Dutch curling team. Partly as a tribute to founding father Tonny Goedmakers who, as a swimmer, was on course for the Tokyo Olympics until World War II threw a spanner in the works. More importantly, the sport resembles Vebego in many aspects. It is all about teamwork and developing potential. And just like Vebego itself, this sport wants to become more visible and grow, read: make it to the Winter Olympics for the first time, in 2026.

New brand: working on visibility and recognisability

An important milestone in 2023 was the successful launch of the Vebego brand. The new logo, the new company names and the updated visual identity exude simplicity, accessibility and people-orientation. Vebego has an annual turnover of almost 1.5 billion euros in cleaning, care, facilities management and landscaping, but until recently it was neither really visible nor recognisable enough for (potential) employees and customers. Partly due to the rebranding, that visibility has been increased. Customers also speak to us about this. They increasingly see the breadth of our services and the strength of our collective. We have also become more visible in the media. That is great in itself, but what is even more valuable is that we are increasingly being found on the themes that matter to us. Such as meaningful work and inclusiveness. We are also strengthening visibility in other ways. For example, with a new office cum meeting place on Amsterdam's Zuidas. We also want to be visible in this Dutch financial district and underline that our work and the inclusiveness we stand for can also be seen.



Organisation in transformation

Vebego is transforming from a company with many entities to a new, powerful collective that operates under one name: Vebego. In 2023, we took another big step in this regard. At the beginning of 2023, Vebego Cleaning Services was launched in the Netherlands. Several companies with a lot of history and different backgrounds – national players, local players, more specialised companies – merged into one new large company. This transition is progressing well. Employees start to feel connected to the new company. We also got a clearer idea for ourselves and others of what we stand for in the market. Vebego Groen, which also started in 2023, profiles itself as the 'nicest, smartest and greenest company'. Vebego Cleaning Services has chosen the summary phrase 'Maak meedoen mogelijk' (Enable participation). In Germany, hectas and Servico continued together as Vebego Facility Services. Here too we picked up steam during 2023. Our people-oriented story is landing better and better, internally and externally. In Belgium, the process of bringing the cleaning companies under one company under the Vebego flag started in 2023.

Beliefs & Behaviours: culture made explicit

Another achievement: in 2023, we made our implicit culture explicit. In several sessions, we identified our Beliefs & Behaviours. Keywords in that context include: Positively surprised. Keep growing every day. Help each other succeed. Appreciate your people. We all try to apply those shared Beliefs and Behaviours in our daily work. I myself do that by putting colleagues on the podium whenever possible. Like my colleague Sharif Moud who got the stage at the Inclusivity Event in Amsterdam. Sharif works at Schiphol via Vebego Participation and does wonderful meaningful work there that deserves to be seen.



Photographer Jimmy Nelson at the Vebego Leadership Conference in 2023, expressing the great value of truly seeing one another

Value creation: from CFO to CVO

As Vebego, we want to create value for clients, employees and society. A big step we have taken in this regard is that in 2023 we have replaced the position of CFO with that of Chief Value Officer, in the person of Sirka Hintze. We are preparing the implementation of the CSRD reporting standards and have developed a 'Value Creation Dashboard'. This dashboard will help us on our way to 2025 when, according to the CSRD, Vebego will be required to report on social and environmental impact.



About 2024

The outlook for 2024 is good. We count on healthy growth, despite the continued shortages in the labour market. We expect further improvement in value creation by our core businesses and see opportunities to further increase our brand awareness. The Strategic Leadership Team is solid. My uncle Ronald Goedmakers has left the Board of Directors with effect from 1 February 2024. But, as is befitting of our family business, he remains involved. He will take my father's place on the supervisory board at the end of 2024.

I hope you will enjoy reading our annual report!

Ton Goedmakers, CEO



About Vebego



We want to help build a society where everyone can participate and make a difference to the world around them. We do this by empowering our employees, developing their talents and encouraging their resourcefulness, so they are able to do every job to the best of their abilities and with a smile on their face. We want to deliver real value to our customers through work that truly matters. An approach we call GREAT WORK.

With nearly 40,000 employees, Vebego provides cleaning and healthcare services, facility management and landscaping services to customers in our core markets Belgium, Germany, the Netherlands and Switzerland, and in Liechtenstein and Austria. We employ around 31,000 people, as well as over 800 independent healthcare professionals working for us and nearly 7,000 more employees within our joint ventures.

We aspire to show that truly caring for people – employees, customers and society – is the greatest foundation for delivering meaningful impact with business success.

Vebego's home base is in Voerendaal, the Netherlands, near to where the international family business that we are today was first founded in 1943. And though much has changed since then, our focus on people is still the same. It is what we do. What we have always done. And what we remain committed to.

Meaningful jobs. Great work. Better world.



Strategy and performance

The power of One for a future-proof VebeGO

Our purpose

From our very first days, our focus has always been the same: people, meaning, employees, customers and the wider society we are proud to serve. We appreciate every employee for who they are and what they can bring. Together we deliver meaningful impact to help build a better world.

To a stronger future

In a changing world, fulfilling our purpose requires clarity, focus and great execution. Since we launched our Strategy 2025 in 2017 (now known as 'One Family. One Culture. One language.'), and specifically our restructuring programme, Designing our Future, we have been transforming from over 100 mid-sized companies to a powerful core of 8 strategic core companies, complemented by several specialist activities in four core markets, with one brand. As we near the end of this process, we must focus again on exactly what we want to achieve and how.



A clear vision, mission, and ambition

We have therefore formulated a new vision, mission and ambition to unite us as we move forward.

Our vision is that we want to help build a society where everyone can participate and make a difference to the world around them. A vision we support by creating meaningful jobs that embrace and develop our employees, and deliver real value to our customers.

Our mission - and daily goal - is to enhance people's surroundings, so they can live well and perform better. We do this by empowering our employees, developing their talents and encouraging their resourcefulness, so they are able to do every job to the best of their abilities and with a smile on their face. An approach we call GREAT WORK.



And finally, **our ambition** by 2030, is that VebeGO will be an inspiring example of how truly caring for people – employees, customers and society – is the greatest foundation for delivering meaningful impact with business success.

Building a future-proof VebeGO

We have transformed to position ourselves as a thought leader in our markets. As a collective, we can communicate our story more consistently and raise awareness of VebeGO as an impactful company: one people think of when it comes to great work and meaningful jobs. This will differentiate us from being a price fighter in a commodity market. Even beyond this, the transformation will allow us to learn from each other across our companies, deliver higher-quality service, make us less complex and more efficient, and create more career and development opportunities for our people.



The power of One

This transformation also brings a different role for VebeGO Group as a holding company. From now on, the Group will operate as a Strategic Architect that motivates and enables our companies to give meaning to VebeGO's purpose locally. In doing so, the Group will focus on three key areas:

1. Setting out the VebeGO strategy and steering unambiguously, by having a long-term and outside-in focus and defining clear Key Performance Indicators.
2. Strengthening the VebeGO culture and brand by leading by example, telling our story to the outside world and inspiring our companies to grow our culture and brand further.



3. Encouraging and maintaining entrepreneurship within the companies, by truly interacting with the companies and asking the right questions, not just the easy ones.

What gets measured gets done

To provide clear direction, the Strategic Leadership Team has set four categories of KPIs: Employees, Customers, Society and Finance. For some of these KPIs, we have defined Vebego-wide objectives, particularly in the areas of diversity, sustainability and finance. For others, each company sets their own targets and reports on these.

The Value Creation Dashboard

By 2030, Vebego wants to be an inspiring example of how truly caring for people – employees, customers and society – is the greatest foundation for delivering meaningful impact with business success. A '[Value Creation Dashboard](#)' was initiated in 2023 for the SLT to efficiently track company performances. This dashboard, focusing on the Six Capitals of Value Creation, will guide decision-making and support transparent reporting, aligning with the forthcoming CSRD legislation. It marks a shift from purely financial data to a broader, sustainable and resilient business approach.





Corporate Sustainability Reporting Directive (CSRD)

Vebego's core strategy is to have a positive impact on people, the environment and society through sustainable business practices. This commitment to sustainability is woven into our overall strategy, which ensures we provide valuable employment, enhance quality of life and protect our planet's future. Our sustainability strategy not only helps us achieve these objectives and foster a supportive workplace. It also prepares us for future regulations, such as the CSRD, which requires large companies to disclose their societal and environmental impact starting in 2025. During 2023 we have been preparing for the implementation of the [CSRD](#).

Branding and culture are key

Becoming a thought leader in our markets requires a long-term approach, where our master brand and shared culture play a vital role. That's why our focus is shifting increasingly from restructuring to building our brand and defining our culture. In our Beliefs & Behaviours, we have identified what unites us more explicitly. We will work with all our companies to further reap the fruits of our shared culture.

Vebego brand

In 2022, we chose to adopt one brand for our strategic core companies: Vebego. The reason behind this is to be more recognisable for (potential) employees and customers and to emphasise that our ambition is to be a powerful collective. The new logo, the new name and the renewed visual identity exude simplicity, accessibility and people focus. This fits seamlessly with today's Vebego. In 2023, we launched Vebego Facility Services in Germany, Vebego Cleaning Services and Vebego Groen in the Netherlands. In 2024, we will prepare the rebranding of our Swiss companies, our Belgian cleaning company and our healthcare activities in the Netherlands.





Beliefs & Behaviours

It's our Beliefs and Behaviours that give meaning to our purpose, brand, and strategy. We started by defining the desired customer experience and linked these back to the required leadership behaviours. This is because it's leadership behaviour that creates the right working environment for our people to grow and become the best version of themselves. Read more about our Beliefs & Behaviours [here](#).

The change has just begun

In 2023, local management launched high-level plans to integrate and restructure the Belgian cleaning companies Care, Vebego Airport Services and Cleaning Professionals. Based on the Designing our Future principles, a new design is to be created followed by a gradual and careful transition. This process will take one to two years, however, management plans to launch the first phase of this transition in October 2024.

In the Netherlands, Hago Zorg (our healthcare services company) started its transition based on the same principles:



More clout as
Thought Leader



Learning more
from each other



Quality of service
provision



More growth and
development opportunities;
greater attractiveness to
labour market



More efficient, simpler
and uniform organisation

Designing our Future principles

We foresee that the new Vebego branded healthcare company will be launched by the end of 2024.

While we are nearing the end of the biggest organisational change in Vebego's history, the execution of our Vebego Strategy 2025 is still in full swing. In practice, the change has just begun. We expect it to deliver leading companies throughout the segments in which Vebego is active, supported by several, specialised companies. In 2024, we expect to look beyond 2025 to see if our strategy requires finetuning, bigger changes or more focus.



Strategic progress in 2023

Key figures

	2020	2021	2022	2023
<i>in millions of euros</i>				
Turnover	996	1,052	1,371	1,480
Net result	16.7	28.3	10.6	4.3
Number of employees as at 31 December	25,624	25,395	31,886	30,881
CO _{2e} emissions in tonnes ¹	17,920	15,205	16,387	23,579

¹ CO_{2e} stands for CO₂ Equivalent, meaning that other greenhouse gas emissions next to CO₂ are translated to its CO₂ equivalents and therefore also taken into account.

In 2023, turnover has increased to a record high €1,480 million (2022: €1,371 million). An increase of 7.9%, mainly driven by the activities in Switzerland, and landscaping and cleaning services in the Netherlands. Vebego's turnover has increased by more than 40% since 2021.

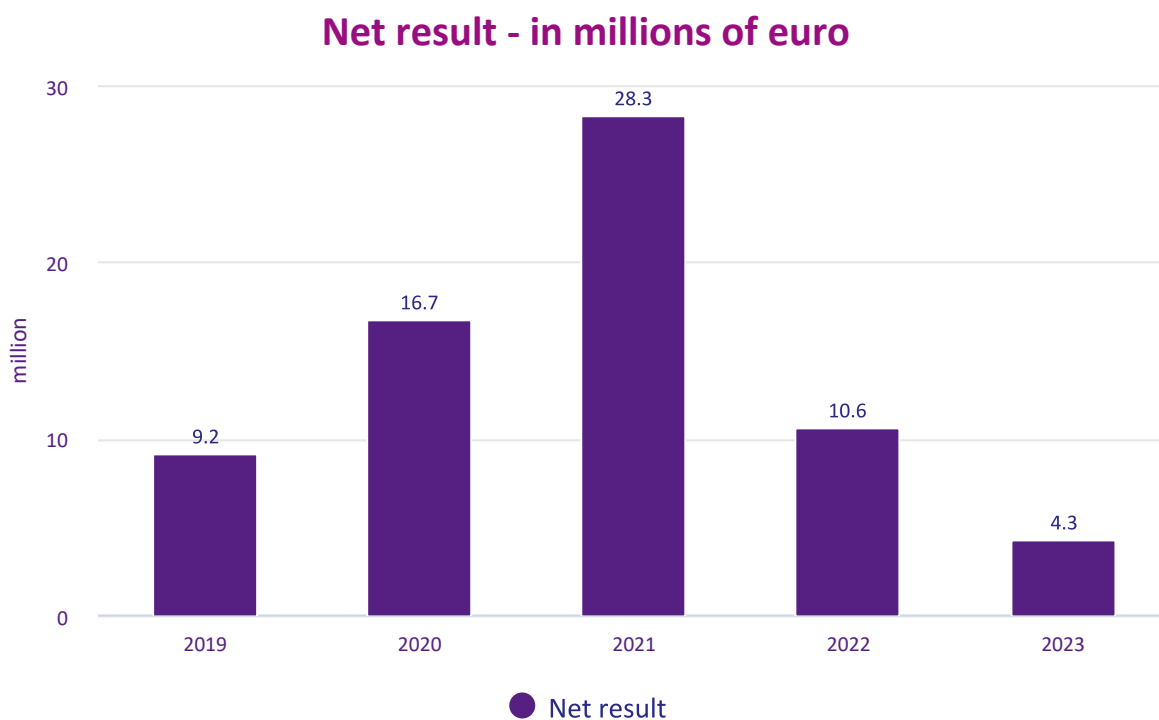
The past three years, Vebego has made significant investments to future-proof our organisation. Including 2024, these investments in the DoF restructuring programme, the rebranding and the strengthening of our culture will amount to €30 million. This is the main -and planned- driver for a lower net result in 2023: €4.3 million (2022: €10.6 million). Net result was also affected by higher indirect costs due to wage increases and inflation.

At the end of 2023, we employed nearly 39,000 people: 30,881 permanent employees, as well as over 800 independent healthcare professionals working for us and nearly 7,000 more employees within our joint ventures. The decline compared to 2022 is due to the tight labour market and the ageing population (higher proportion of retiring colleagues).

The CO_{2e} footprint of our strategic core companies has significantly increased compared to 2022. However, more than 75% of this increase is caused by the first time full inclusion of Germany in reporting. Another 20% is caused by improvement of data quality, both in accuracy and completeness (inclusion of some additional activities).



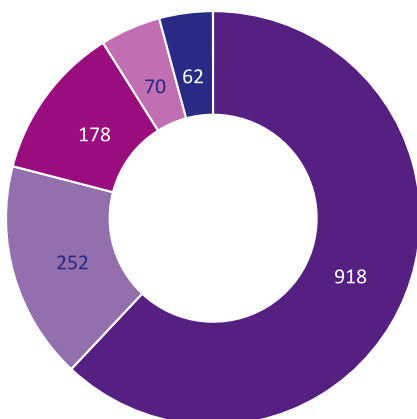
Turnover-net result





Turnover per segment 2023

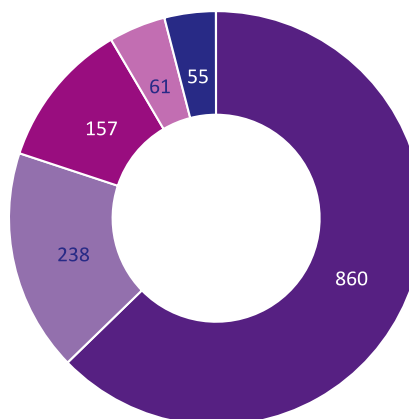
in millions of euro



- Cleaning services
- Healthcare services
- Facility management
- Landscaping services
- Other

Turnover per segment 2022

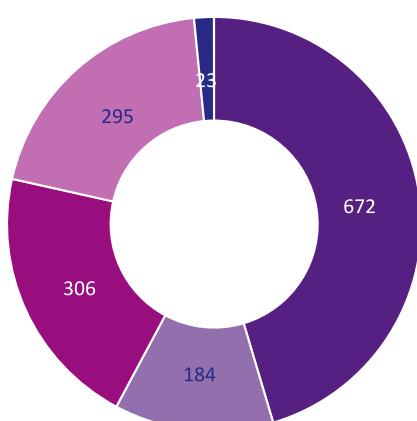
in millions of euro



- Cleaning services
- Healthcare services
- Facility management
- Landscaping services
- Other

Turnover per country 2023

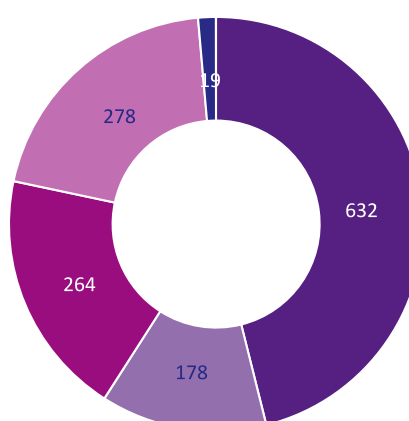
in millions of euro



- The Netherlands
- Belgium
- Switzerland
- Germany
- Other

Turnover per country 2022

in millions of euro



- The Netherlands
- Belgium
- Switzerland
- Germany
- Other



Employees

Our role as a Strategic Architect

As a result of Designing our Future, the role of Vebego Group is being shifted towards that of a Strategic Architect. As a Strategic Architect, it is our job to cheerlead strategic objectives, decide on group-wide strategy, target groups, KPIs and timelines. Central to this role, we are taking on the brokerage role and are emphasising the collective responsibility of the companies towards our strategic objectives. The scope of Vebego Group (our holding organisation) has therefore been changed to the leaders of the Vebego companies; our Vebego Leadership Community. This impacts the role towards the companies and of the companies themselves: we foster an environment that encourages entrepreneurship, so that each company can leverage its unique strengths in the market and steer on key people. And by doing so, we strengthen the power of the collective and build synergy across all our companies.

Our Beliefs & Behaviours

Together with the entire Vebego Leadership Community, we started a journey to build a culture of recognition, one that would explicitly define the implicit essence of our Vebego culture. Our quest was an ambitious one: to define an overarching culture that would resonate with the very core of our identity. We did not tread the conventional path; we used a reversed method and started with our desired experience that we want to create, then moved to our customers and the wider society we are proud to serve.



Defining an overarching culture at the Vebego Leadership Conference 2023



During various sessions we worked towards unique 'Purple Prints'. Each print embodied what makes Vebego exceptional and what has been established in our DNA for more than 80 years. We decoded all words, phrases, and sentiments into a final statement: our Beliefs & Behaviours. We aligned this with our vision, mission, purpose and ambition. By doing so, we succeeded making our implicit culture explicit. The first steps in implementing our Beliefs & Behaviours are set, e.g. all our leaders are being trained in storytelling so we can get our Great stories out there and lead by example.

Number of employees

The number of permanent employees was 30,881 at the end of 2023, a decrease compared to 2022 (31,886). This decline is due to several factors. Firstly, the tight labour market, which is attractive for employees and allows them to change jobs more quickly. Secondly, the loss of employees to a customer who decided to insource their cleaning activities. Thirdly, the ageing population has led to a higher proportion of employees leaving due to retirement. And lastly, we have seen a decrease in the number of temporary workers in our German staffing business.



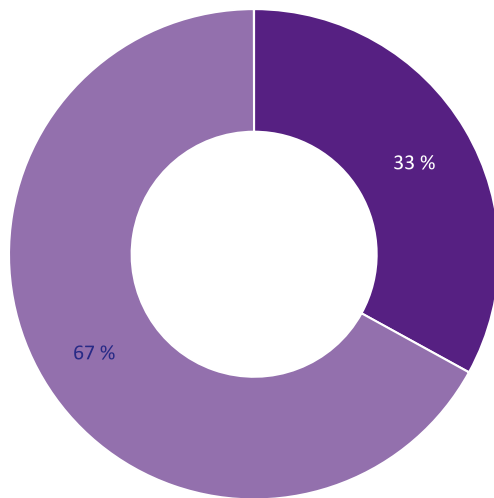
Of our workforce, 77% are employed part-time, with women comprising 67%. Furthermore, we engage over 800 independent healthcare professionals and nearly 7,000 employees through our joint ventures.

Number of employees per country	2023	2022
The Netherlands	12,706	13,304
Germany	8,756	9,164
Switzerland	6,780	6,754
Belgium	2,639	2,664
	30,881	31,886



Male-female distribution

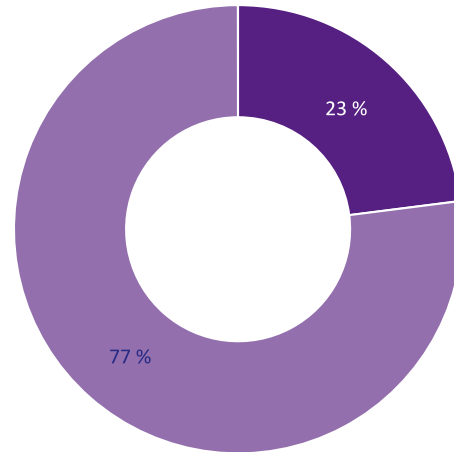
Total: 30,881 employees



● Male ● Female

Working time

30,881 employees (19,247 FTE)



● Full-time ● Part-time

Employee Engagement

One of our strategic objectives is enhancing employee engagement. It is our purpose to deliver meaningful impact to help build a better world. We do this by empowering our employees, developing their talents and encouraging their resourcefulness, so they are able to do every job to the best of their abilities and with a smile on their face. Appreciating every employee for who they are and what they can bring is crucial for increasing engagement.

By implementing measurements as Great Place To Work and Assist Analytics, we ensure ongoing engagement within the organisation. Through the collection of data and the identification of trends, we pinpoint areas for improvement to optimise engagement. This approach focuses on what has happened (descriptive), but also what is likely to happen (predictive) and how we can influence it (prescriptive). By proactively addressing issues and setting targeted goals, we can effectively steer engagement.

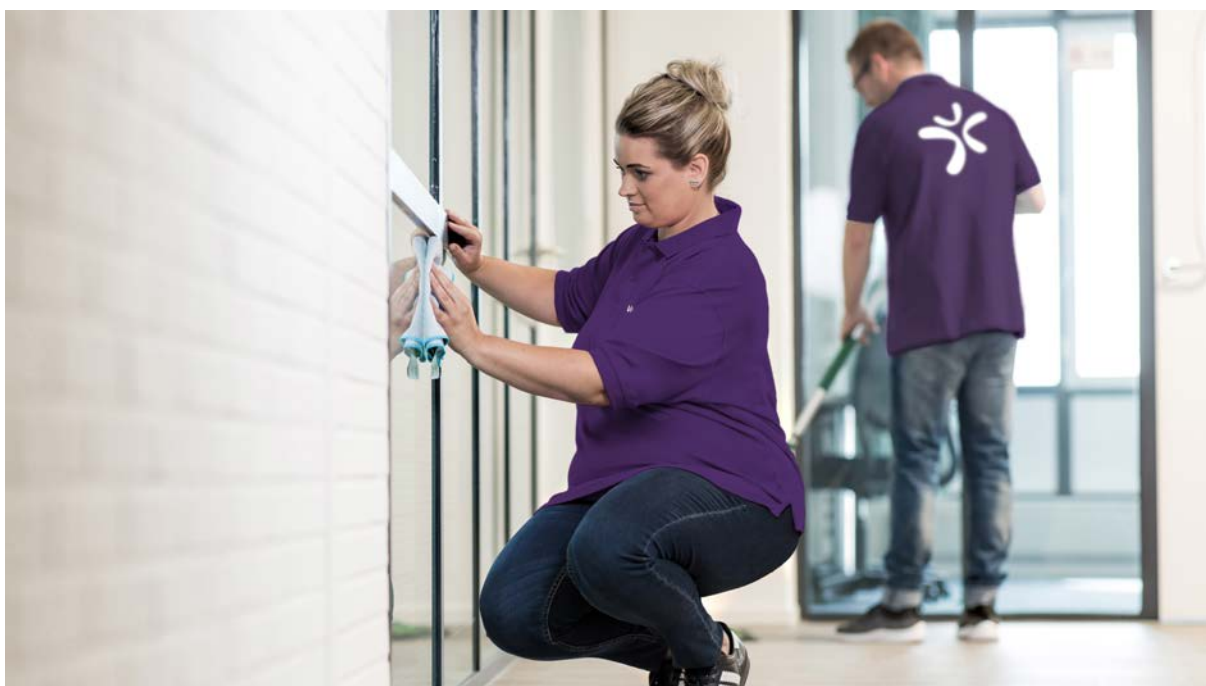
GPTW-certified companies: Alpheios (BE | NL), Care (BE), Hago Airport Services, Vebego AG (CH), Vebego Group, Vebego Facility Services (D). Companies who worked with Assist Analytics: Vebego Cleaning Services (NL), Hago Zorg (NL).



View on Talent

To build the most fitting workforce for the future and leverage the capabilities of our employees, we need to show them that they are valued by recognising their contributions and create a culture of recognition. With View on Talent, we focus on the retaining and developing part of Talent Management. It also provides data and insights towards development, current ambitions, diversity of talents and succession planning needs. Moreover, with View on Talent we provide the processes and structure for identifying and understanding the leadership pipeline in the organisation and emphasise and facilitate ongoing learning and development.

One of the elements we evaluate is the talent of the employee; their most intrinsic contribution to the development of any service, process or product based on the position on the Growth Curve of the AEM-Cube*. During Ambition Interviews the supervisor and the employee talk about this specific talent, current ambitions and development needs. In 2023, we implemented the View on Talent programme for the entire VebeGo Leadership Community.



** We have been using the AEM-Cube as a development tool, creating understanding and a common language for people to unleash their potential and work together on effective and inclusive leadership since 2005. The AEM-Cube is developed by Human Insights.*

Diversity

At VebeGo, we believe in Connect & Embrace as a core value, which means that all are welcome and are given the opportunity to thrive within our organisation. This is why we see diversity as being essential in building the strength of our organisation. Furthermore, diversity is needed for developing and maintaining our talent for the future.



The diversity policy of VebeGO currently focuses on gender balance within top management. Our strategic target is to have 33% female co-workers in our top 3 management layers and key positions, and 40% of our Supervisory Board members to be female.



In 2023, the Supervisory Board had a ratio of 40%; two female and three male members. At the moment of publication of this annual report, the ratio is 33% as there are now six members in the Board instead of five: two female and four male members. This is a temporary situation; Jan van Hoek will leave the Board on 1 July 2024, while his successor Leo Brand joined the Board on 1 February 2024, to ensure a proper handover. After that date, the Board will consist of two female and three male members again. The ratio for the Executive Board was 29% in 2023, the new Board of Directors consists of four members: two female and two male members; the ratio is 50%.

From the end of 2023 onwards, for total VebeGO the ratio was around 25%. In The Netherlands the overall target of 33% is met, partly due to the DoF restructuring. This involved significant changes in management positions, where we have had the opportunity to improve the gender balance. In Belgium, Germany and Switzerland we have not had this type of change and the management teams are still predominantly male. Improving the gender balance in these teams takes time, as it depends on natural outflow, gradual changes and finding the right candidates. We are currently investigating how to improve the ratio in these countries. For example, in current vacancies in these countries, we explicitly search for females as preferred candidates.



Inclusivity

Since Vebego was founded, we have had a strong belief in inclusivity and making sure all employees feel that they are part of our organisation. In 2022, an employee scan was conducted. This scan showed us from an overall perspective that employees who feel different from other employees (visible or non-visible), are being included and feel accepted for who they are in our organisation. Where needed, we have adjusted our policies on inclusion. A measurement will be performed among top management again in 2024.

Distance from the labour market

Providing meaningful jobs and making a positive difference in the quality of people's lives is at the heart of Vebego. Part of the quality of life is being a productive member of society; having a job is essential in this. Vebego therefore has a strategic objective to provide jobs to people with a distance from the labour market. The target connected to this objective is that, by 2030, 30% of our total workforce will consist of co-workers with a distance to the labour market.

Having a distance from the labour market can have many causes: physical, mental, medical and social. The way in which people with a distance could still have a meaningful job within our organisation can vary widely from country to country and company to company. This is why in 2023 the Vebego companies were asked to decide themselves on their target groups and what they can contribute to the overall target.

Financial health of employees

Within Vebego, many of our employees live on an income around the social minimum. This can lead to potential debt issues. Financial difficulties can cause stress, absence and risk of work-related incidents. Financial difficulties should not be part of someone's (working) life and should not have a place in Meaningful Jobs. This is why, together with 14 other Dutch companies, Vebego has formed the National Coalition for Financial Health. The Coalition was founded on 29 November 2022 in Amsterdam. Through this partnership, companies and organisations work together to have a positive impact on the financial health of their employees. The coalition actively works on topics like improving financial knowledge and developing a methodology to anonymously measure the financial well-being of employees.



Queen Maxima joined the Dutch National Coalition for Financial Health at a site visit at IBN.

Vebego has committed to the leadership of the Coalition and contributes financially and with knowledge and cooperation, to enable the activities of the Coalition. The overall goal is therefore to have 50% fewer employees in financially unhealthy or vulnerable situations by 2030.

In 2023, Vebego implemented a set of possible interventions. An example of this is Geldfit, a digital survey designed for employees to anonymously share their financial situation. Depending on their responses, they are directed to relevant public institutions that can offer assistance. Part of Geldfit is Budget Coach, where employees can ask questions about their financial situation and advice is given.

Labour Market development & trends

Belgium

The developments in the Belgium labour market were similar to those in 2022. The biggest challenge is still the tight labour market. We had difficulties finding employees for specific vacancies that are known to be difficult to fill and, in some regions, for operational vacancies. We had to work more with employment agencies compared to previous years. We managed to work around employer branding so that we could create more brand awareness. But also, from a People & Culture perspective we wanted to shift the focus from attracting new employees, to make sure we retain and develop our current employees. Even though the retention rate is good, we still want to focus on this rate due to the ongoing fight for talent on the labour market.



Another development we are facing, is preparing our company for the next generation and the new mindset on the labour market. As a company it is important to know what the 'must haves / nice to haves' are in attracting new employees, but also in retaining our current staff. We are in a situation in which we cannot only look from the perspective of an employer ('what do you bring to the table?'). We are forced to look from the perspective 'what do we, as a company/employer, offer or bring to the table?'.



Germany

In Germany the trend of an increasing labour shortage has continued in 2023. For our industry and specifically for Vebego Facility Services this means that – unlike in the past – before submitting an offer, it is necessary to intensively assess whether it will be possible to provide the required number of employees. In some cases, this leads to tenders not being submitted at all. As an organisation, we have responded to this by trying to position ourselves as a particularly attractive employer. To this end, we have successfully completed the Great Place To Work certification and can now use this logo in our recruitment activities. On the other hand, we are striving, more than ever, for cultural diversity within Vebego Facility Services. To make work more attractive, we are exploring, together with our customers, whether cleaning can also take place during the day, among other things. This could make working hours more appealing. We are also looking into whether heavy work can be supported by using robotics/cobotics.



The Netherlands

For all our branches in the Netherlands, our focus in 2023 was not only attracting new employees, but particularly investing in employee retention and development. There was also a focus on organising work differently. Due to an ageing workforce, it is more difficult to attract employees; many of our own employees will also leave the organisation due to retirement in the coming years, resulting in a growing number of vacancies. On the other hand, we see an increasing part of the labour market who is attracted by our purpose and are who actively seeking an employer aiming for a better world. We respond to these developments in various ways:

- We are making choices that better fit our 'Meaningful Jobs. Great Work. Better World.' philosophy.
- We are aiming to be an attractive and visible employer by focusing on employer branding and targeted campaigns.
- Together with our customers, we are discussing absorbing the higher salaries and flexibility in our services, e.g. making new agreements with customers about the services to compensate for the lack of employees.
- We are focusing on a state-of-the-art working environment: employees need more autonomy and flexibility in their work. They want to be able to decide where, when and how much they work.





Switzerland

In Switzerland, we are experiencing a shortage of resources on the labour market. It is becoming increasingly difficult to fill positions across all organisational layers, even the more common positions. Employees can often pick and choose, and working conditions are becoming increasingly important. Due to the scarcity in the labour market, the workload of existing employees has increased substantially. We are constantly expanding our employer branding, improving our conditions, increasing our share of apprentices and focusing on retaining and developing our employees in the organisation. We are also exploring other employment models, e.g. day cleaning. But most importantly, we strive to create a culture where people enjoy working.

- We are making choices that better fit our 'Meaningful jobs. Great Work. Better World.' philosophy.
- We are aiming to be an attractive and visible employer by focusing on employer branding and targeted campaigns.
- Together with our customers, we are discussing absorbing the higher salaries and flexibility in our services, e.g. making new agreements with customers about the services to compensate for the lack of employees.
- We are focusing on a state-of-the-art working environment: employees need more autonomy and flexibility in their work. They want to be able to decide where, when and how much they work.

Customers

Customer feedback through Net Promoter Score

Vebego aims for long-term relationships with its customers, partners and suppliers. To continuously receive customer feedback, we introduced the Net Promoter Score (NPS) as a measurement method among our 100% companies in 2020. All these companies have been using the method for several years.



Follow-up measurements were carried out in the companies in 2023. The questionnaires and invitation emails were adapted to the new organisational structure and visual identity. There was also a first measurement in 2023. This was carried out by SpringX and provided with feedback by various contact persons at the various VebeGO companies. The methods vary from relational ('what do you think of company x?') to transactional at Alpheios ('what did you think of experience x?'), depending on specific needs and the specific business.

The weighted average of all NPS scores at almost all companies – excluding VebeGO Service & Expertise – within the group is +35. This includes the relational measurement of Alpheios Netherlands and Belgium, despite the significant difference in service type. The transactional measurement is excluded here. The results ranged from an NPS of +17 to +65. The response rate averaged 25.8% (excluding VebeGO Service & Expertise and including Alpheios).

NPS +35

Response: 26%

Throughout the surveys, it is clear that 50% of customers are promoters [rating 8, 9 or 10 on a 10-point scale]. Most customers give us an 8 when asked if they would recommend us to others. VebeGO companies score well on the relationship with the contact person and the behaviour of employees on-site.



Looking at the feedback we receive – 15% of respondents give a negative score [rating 0 - 5] on average – there is still room for improvement across the board on issues such as proactivity and complaints handling. Specifically, this includes communication: addressing off-list issues and structural resolution of problems and complaints.

Biggest risers response:

- Vebego Facility Services DE from 24.3% to 33.1%
- Vebego Facility Solutions from 33.3% to 40.3%

Biggest riser NPS:

- NPS Vebego Facility Solutions from +27 to +44

Meanwhile, the focus is increasingly on following up on feedback; in other words, translating the insights into concrete action to improve the customer experience. After all, asking for feedback creates an opportunity to do something with it. In that context, operations has been given a major role in processing individual feedback: we engage with the feedback-giving persons and ask how we can improve things for them. We have also launched several projects to improve certain prioritised points organisation-wide. Finally, within the various Vebego companies there is also an increasing focus on providing feedback to customers. We do this with short films, infographics, and newsletters, among other things.

Thought leadership and innovation

Vebego is constantly thinking about developments that make our employees' work easier. We want to play a guiding role in this. This fits in with our commitment to sustainability, being a good employer and making meaningful work possible for everyone. In 2023, Vebego companies will also have some great innovations to their name.

Assist Analytics

With the online tool Assist Analytics, healthcare providers can ensure that employees show greater commitment to their work. The Engagement Monitor is the beating heart of the data-driven HR approach. It structurally measures employees' perceptions in the workplace, for example when it comes to autonomy, work-life balance, communication and pride.



Cleaning robot SAM

Hago Zorg developed a special cleaning robot called SAM, which uses UV radiation to optimally clean rooms. Rode Kruis Ziekenhuis Beverwijk, which specialises in burn treatment and where sterile rooms are vital for patients, works with it.

Cradle-to-cradle

For all maintenance cleaning, Vebego in Switzerland switched from tens of suppliers to a single one: sister company Alpheios. By selecting a cradle-to-cradle product called 'Vive', they managed to limit the number of products used from fifty to four.

New 500ml vial design

Alpheios started to make its 500ml cleaning vials more sustainable in 2023 and the new vials went into production in March 2024. The environmental impact is much lower in all areas, including 19.5% fewer CO_{2e} emissions during production, 46.7% fewer pallets needed for transport and 46.7% fewer transport movements for transportation.



Product passports

Together with an IT and consultancy partner, Alpheios is working on product passports for its cleaning products. Product passports provide factual information on the environmental impact of products across the entire life cycle. Alpheios now has more than 100 passports for various products.



Digital Product Passport

Wastemover

Together with design agency Fluctus, Vebego Cleaning Service designed the Wastemover: an ergonomic trolley for moving heavy paper containers. With the Vebego Impact Award in its pocket, this super-smart invention has everything it needs to conquer the world.



Aimy

Finally, some fun news for the coming year. Alpheios is coming up with Aimy in 2024: a solution for staff in terms of vitality, sustainability, efficiency, hygiene and experience. More info on this cleaner buddy will follow as soon as possible!

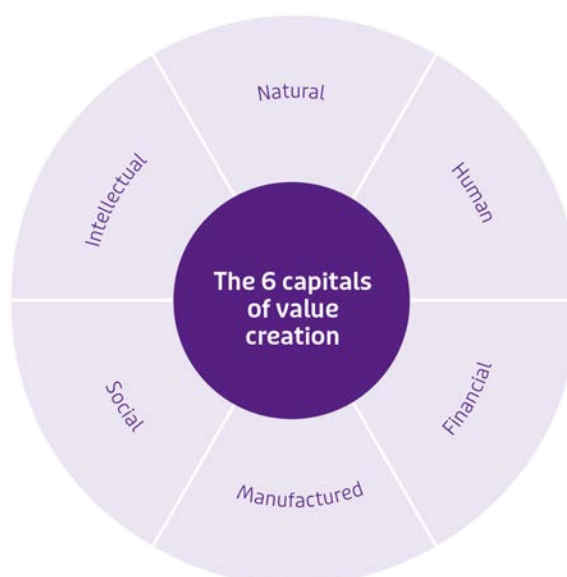


Society

Value Creation Dashboard

In 2023 a project was initiated to develop a 'Value Creation Dashboard' that is tailored to the information needs of the SLT to track the performance of all VebeGo companies in an efficient and effective way.


Currently, management information provided to the SLT is mostly financially oriented; in some cases very detailed and lacking comparability between companies. With the Value Creation Dashboard, we structurally steer our business based on the Six Capitals of Value Creation; information needs therefore extend beyond only financial indicators. The dashboard will play a crucial role in discussions and decision-making by the SLT.





Moreover, we enable our companies to transform their business to not only be more sustainable, but also to become more resilient and adaptive to climate and social changes. In addition, the dashboard supports development of transparent external reporting towards our stakeholders, which is key under the upcoming CSRD legislation.

All the important elements of value creation need to be included: Employees, Customers, Society and Finance. The defined KPI's in the Value Creation Dashboard are therefore based on the Six Capitals of Value Creation:

 EMPLOYEES	 CUSTOMERS	 SOCIETY	 FINANCE
RETENTION RATE	NPS	CO ₂ FOOTPRINT	GP MARGIN IN %
ABSENTEEISM RATE	SALES PIPELINE	DIVERSITY & INCLUSION	EBT IN €
GREAT PLACE TO WORK	CUSTOMER LIFETIME VALUE	CIRCULARITY	EQUITY RATIO IN %
DEVELOPMENT RATE	ONLINE APPEARANCE	EMPLOYEES WITH A DISTANCE TO THE LABOUR MARKET	NETWORKING CAPITAL IN €
			FREE CASH FLOW IN €
			NET DEBT TO EBITDA

Value creation KPIs

Initially, all companies will have to report on the finance KPIs and our strategic core companies will also have to report on the non-financial KPIs.

The first (test) reporting of the Value Creation Dashboard will be done in April 2024 covering the 1st quarter of 2024. In preparation for this, during the 1st quarter of 2024, in-depth discussion will take place with the employees responsible for reporting the data over the 1st quarter, to make sure we cover all issues around the definition of KPI's, data availability and efforts in the collection of data.

Sustainability

Key to the strategy of Vebego is that, through our activities, we have a positive impact on people, planet and society. Our business needs to be sustainable in order to create meaningful jobs and to contribute positively to quality of life as well as the state and future of our planet.

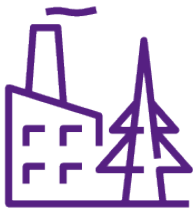


Corporate Sustainability Reporting Directive (CSRD)

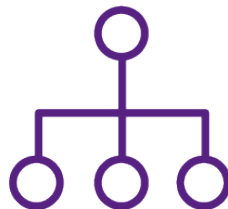
What it means for VebeGo to be sustainable and have an impact is covered by our sustainability strategy and is an integral part of our overall strategy. The sustainability strategy supports us not only in achieving our goals of creating meaningful jobs and delivering positive impact to customers and society, but also in communication with our clients and in preparation for upcoming legislation. In particular, the Corporate Sustainability Reporting Directive (CSRD) which, as of 2025, obligates large companies like VebeGo to report on their impact on people, planet and society.

In 2022, we centred our strategy around these three important elements of the performance: Employees, Customers and Society. We see the 4th element, Finance, more as a prerequisite for continuity. During 2023 we continued our project in preparing for the implementation of the CSRD. The essence of the CSRD is transparent reporting on topics that are key to our sustainability strategy. This implies documenting our sustainability governance, policies, how we arrived at topics we consider key to our strategy, setting targets on what we want to achieve and showing the progress we are making towards these targets. The CSRD requires us to not only assess the impact of our own organisation on people and the planet, but also the impact of our activities across the 'value chain', along with our own operations. This chain consists of (sub)suppliers (upstream value chain) and clients (downstream value chain):

Suppliers



Own operations



Clients



In this way, the ongoing preparation for the CSRD has presented us with the opportunity to further strengthen our sustainability strategy and execution, especially by:

- performing an assessment of potential impacts, risks and opportunities across a range of environmental and social topics; with the assessment, we determine whether the potential impacts, risks, et cetera should be reflected in our sustainability strategy and thus included in the project for preparation for the CSRD;
- implementing 'performance management' for all topics we determine as being essential to our strategy. Performance management implies that for each essential topic we have a baseline on performance, set targets, create action plans to reach those targets, collect data and report on progress made.



Although the CSRD is in essence about transparency on governance, policies, assessment, targets and progress, it describes numerous disclosure requirements that need to be fulfilled to be compliant to the CSRD. In 2024, a gap assessment will be made between what is available and what is required. We are preparing for the CSRD based on our current understanding and knowledge. We will reassess our efforts during 2024/2025 based on available guidance and best practices.

Double materiality assessment

We need to perform a double materiality assessment of our potential sustainability impact, risks and opportunities on a range of topics and across the full value chain. This requires different approaches, depending on the combination of sustainability topic and its stage in the value chain. This is visualised in the overview below:

Topic	Impact by	Impact on	Value Chain		
			Upstream ((Sub-) Suppliers)	Own operations	Downstream (Clients)
Environmental	General	CO ₂ e Scope 1/2			
		CO ₂ e Scope 3			
	Products	Resources and Circularity			
		Water			
		Pollution			
		Biodiversity and ecosystems			
	Services	CO ₂ e Scope 3			
		Resources and Circularity			
		Water			
		Pollution			
		Biodiversity and ecosystems			
Social	General	Own workforce			
		Consumers and end-users			
	Products	Workers in the value chain			
		Affected communities			
	Services	Workers in the value chain			
		Affected communities			



Until mid-2023, we focused our assessment mainly on our own operations. During the 2nd half of 2023, we also directed our attention to the assessment of potential environmental and social topics in the upstream value chain. Environmental impacts related to purchased products can be captured through preparation of Digital Product Passports (DPP). A DPP gives information on the impact that the products we buy have had on Green House Gas (GHG) emissions and resource and water usage. The DPP can also be used to assess the impact of materials used for our products on Pollution and Biodiversity.

We are also in the process of assessing which of the services we buy has the most significant impact in terms of CO_{2e} footprint. An approach to assessing the impact of purchased products and services on social aspects (workers in the value chain and affected communities) is under development and by nature the most difficult to establish (considering the extent of our value chain).

On the environmental side, GHG emissions, Circularity and Resource have been prioritised from our assessment. On the Social side, People & Culture are currently defining the exact strategic topics to focus on.

Performance management

As mentioned, once we take a topic into our sustainability strategy, we need to make sure we implement adequate performance management. Below we will highlight the status in this regard for our current main topics.

Greenhouse Gas emissions (CO₂ equivalents)

Scope 1, scope 2 and categories 6/7 of scope 3

A reporting manual has been established and was used for reporting our footprint over 2023. This manual has led to increased data quality, more consistency between companies and increased efficiency.

The CO_{2e} footprint of the strategic core companies over the full year 2023 was as follows:



CO ₂ e emissions per category (in tonnes)	2020	2021	2022	2023
Electricity	705	580	651	815
Heating	1,302	887	824	1,656
Cars	12,687	9,785	8,145	12,235
Vans	40	1,121	2,708	3,748
Equipment	350	347	1,763	1,858
Commuting	2,548	2,172	2,059	2,878
Business travel	283	304	206	367
Flights	5	9	31	22
Total	17,920	15,205	16,387	23,579

The footprint of our strategic core companies has significantly increased compared to 2022. However, more than 75% of this increase is caused by the first time full inclusion of Germany in reporting. Another 20% is caused by improvement of data quality, both in accuracy and completeness (inclusion of some additional activities).

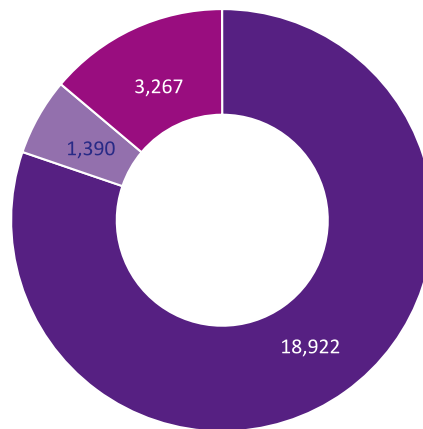
Eliminating these effects, we realise that we are not making enough progress in reducing our emissions, remaining stable at around 2022 levels. We have the ambition that our strategic core companies need to achieve a reduction of their CO₂e footprint of 90% over 2029, compared to the baseline of 2023. Continuous focus on our roadmaps towards achieving this reduction and securing resources to execute this is essential in achieving our goal. That is why during 2024, our ambition will be validated, roadmaps will be updated and their quality improved where needed.

The footprint divided across the different scopes is as follows (in tonnes of CO₂e):



Scope 1-2-3

Total: 23,579 tonnes



- scope 1: gas and fuel consumption (company owned vehicles & equipment)
- scope 2: electricity consumption
- scope 3: business travel & commuting (private cars & public transport)*

1 Only includes the footprint of employees travelling from home to work- or business location when receiving travel allowances (this is not the complete scope of category 6 and category 7).

In 2024, we will broaden the scope of CO₂e reporting to all the companies within the Vebego Group. This means additional companies will be introduced to Vebego's policies for sustainability reporting, which will require them to report on CO₂e and prepare roadmaps. This will increase our footprint, but we are still committed to our ambition of 90% CO₂e reduction by 2029.

Scope 3 (purchased products and services)

The products and services that we purchase as Vebego also come with a CO₂e footprint. This is the footprint from 'cradle-to-grave', meaning all emissions during the upstream value chain from extraction of raw material, production and transport down to treatment at end-of-life. Although no baseline has been established yet, the footprint will be much larger than we currently report on in scope 1 and 2.

During 2024, we expect to capture the biggest part of the footprint of purchased products through Digital Product Passports, which will also support measures in actually reducing the footprint. A pilot is ongoing within Alpheios, which will be followed by a roll-out in 2024 to other companies.

For purchased services, we are in the process of developing an approach to capture the footprint. A pilot is being conducted within the Dutch Vebego Central Purchase. This will also be followed by a subsequent roll-out in 2024 to other Vebego companies.



At this point, we are not able to state how much we can reduce our footprint on purchased products and services by 2030. We first need to establish a reliable baseline and then set our goals. We hope to do so in 2024. Meanwhile, we are of course maximising our efforts to reduce this footprint.



Circularity

As VebeGO we strive towards maximising the use of renewable and recycled materials in our products, maximising the re-use and recycling of our products at end-of-life and thus minimising waste. This can be done, amongst other things, through design, materials used and recycling.

Circularity can be split into ‘circular inflow’ (the materials used in the products that we buy) and ‘circular outflow’ (the products that we use in our business or sell outside VebeGO). Our ambition is that, by 2030, 50% of the materials used in the products procured by Alpheios will be circular. Increasing our circular inflow (using different materials and products) implies constantly finding new balances between increasing circularity, affordability and quality. Progress is also heavily dependent on innovation and developments in the market. Although it is difficult to predict developments, we are still positive that we will meet our ambition of 50% circular inflow by 2030. Alpheios handles the biggest percentage of the products we sell and use through our services. But naturally, other VebeGO companies who do not buy their products through Alpheios will need to realise this target too. They will be involved during 2024. The year 2024 will also be used to set an ambition on circular outflow.



Digital Products Passports will, like for CO_{2e} in scope 3 purchased products, also play an essential role in getting a clear view of our circularity performance. During 2024 we will try to have them available for the majority (in terms of impact) of products bought throughout Vebego.

Calculating circular inflow percentages and outflow percentages is complex and depends on many assumptions and sources of input. We are developing a tool that will support a common understanding and can also be used for reporting.

EcoVadis

Vebego uses EcoVadis as a tool to measure our internal sustainability performance. Many companies use the tool and platform to show how they rank on a wide range of sustainability topics, both socially and environmentally. At the end of 2023, Vebego Facility Services in Germany scored the rating of 'silver' and Vebego AG in Switzerland the rating of 'gold'.

EcoVadis

Vebego Facility Services:
silver rating

Vebego AG:
gold rating

Vebego Foundation: international direction, local impact

On 1 January 2024, a new board for the Vebego Foundation was appointed. Not only has the board been expanded to include members from all the countries where Vebego is active, we are also working to raise awareness and rethink our construction trips abroad. This has set a new course.

Before starting in January 2024, the new international board spent six months with the old board. With the new board, the Vebego Foundation focusses its attention internationally, but also locally. The two go hand in hand. On the one hand, we want more publicity for the Vebego Foundation abroad. We were already active in the Netherlands and Flanders, but not in Germany, Switzerland, and Wallonia. We are still looking for the best way, but in any case, we want to initiate projects primarily at a local level.

Booster function international board members

Expanding the Vebego Foundation abroad is a nice challenge. Volunteer work in an organised form is a typically Dutch phenomenon; it is less familiar abroad. That is why we must look carefully at how we approach these projects because every country is different. Our international board members will play a driving role in this and fulfil a bridging function so that employees abroad also know where to find the Vebego Foundation and how to use it for social initiatives. The board has set itself the target of entering into three social partnerships per country and committing to them for three years. We are already at three in the Netherlands, two in Belgium and the collaborations have yet to start in Germany and Switzerland.



Financial and physical support

In the Netherlands, awareness of the Vebego Foundation among employees slumped a bit after the COVID-19 pandemic. But the new direction will hopefully change this. In addition to larger projects, we also want to raise awareness of the Vebego Foundation's contribution to supporting local and small initiatives. For example, with 'My Effort, My Project', employees can apply for financial support for an association, foundation, or other organisation to which they are selflessly committed. Last year we did great things with this, such as offering financial support to employee initiatives for the earthquake victims in Morocco. Our contribution to the Jarige Job foundation was also a success in 2023. Through this, we provided support both financially and physically to allow underprivileged children to still celebrate their birthday. In 2023, for instance, there were several 'wrapping marathons' with colleagues and customers. This was a wonderful way to reach families living in poverty through children. Moreover, it fits in seamlessly with the inclusiveness Vebego strives for. Everyone belongs!

Environmentally-friendly alternative to construction missions

Our construction projects abroad are also great examples of this. In 2023, we were again able to support our Community College projects in Sri Lanka and the S.O.S. children's villages in Morocco. Our construction missions hold great value for us, as they seamlessly merge our financial support with the provision of skilled labour. However, as important and as beautiful as construction missions always are, we feel the urgency to find a more environmentally friendly alternative. Air travel, no matter how you look at it, is environmentally damaging and increasingly difficult to justify. In 2024, therefore, together with a working group from Young Vebego, we are looking at what environmentally friendly alternatives there are for construction trips abroad.

Keep rolling up our sleeves

In any case, the Vebego Foundation wants to extend its physical presence in projects again to expand initiatives such as NL Doet, where we have accomplished great work in the past. This is another great opportunity to roll up our sleeves together and connect with colleagues and clients. We will definitely follow up on this in 2024. In addition, the Vebego Foundation will of course continue the work we did in 2023.



Financial performance

Turnover

Vebego

In 2023, Vebego's turnover has increased to a record high €1,480 million. In 2022, this was €1,371 million. An increase of 7.9%, mainly driven by Switzerland, and landscaping and cleaning services in the Netherlands.

Turnover

€ 1,480

million

2022: € 1,371 million

Belgium

Turnover in Belgium increased to €185 million (2022: €178 million). The cleaning and facility management activities continued to grow in turnover, mainly thanks to additional work for existing customers. Indirect costs were lower, due to a focus on efficiency and a substantial number of unfilled vacancies. Altogether, this resulted in an increase in margin and operational result. The end of 2023 marked the start of the Designing our Future programme in Belgium, the journey to build one large cleaning company from several mid-sized companies (Care, Vebego Airport Services Belgium and Cleaning Professionals). We will use the experience gained during the restructuring of the Dutch cleaning companies.

The healthcare activities in Belgium (especially Altrio Group) continued to grow, driven by the price increase at Altrio although we had anticipated larger growth by increasing the number of self-employed home care workers that work for Altrio. The growth in margin and operating result at Altrio was offset by the lower achievement at Reflex, resulting in margin and result in line with 2022.

The turnover in Belgium accounts for 12% (2022: 13%) of Vebego's turnover.

Germany

Driven by positive developments in staffing and price increases in facility services, turnover increased to €317 million (2022: €297 million) in Germany. That is 21% (2022: 22%) of Vebego's total turnover. Germany (which also includes activities in Austria with €22 million) is the third country in terms of turnover where Vebego carries out its activities. The project of creating one large facility services company (integration, optimisation, restructuring) in Germany is on track, although this required quite some attention from staff and management. In the second quarter of 2023, a culture integration programme started, to align cultures and foster a Vebego culture within the new company. Sales picked up slowly, as the market still needs to get used to the new name, resulting in lower new sales than last year in facility services.

Our staffing business (M2 Personal) in Germany significantly increased their turnover in 2023. The company continued to benefit from the huge demand for staff across all sectors.



The Netherlands

In the Netherlands, the turnover of all activities amounted to €673 million (2022: €632 million). The Dutch activities account for approximately 46% (2022: 46%) of VebeGO's total turnover.

Several overarching developments in the Netherlands affected our performance in 2023. The positive achievements of negotiating price increases were offset by low availability rates due to illness (flu and COVID-19). The Dutch labour market is characterised by scarcity of labour and new improved collective labour agreements. Most of the costs of these improved agreements were not compensated for by higher tariffs during 2023. We expect this to improve in 2024.

Turnover in our Dutch cleaning company developed well, despite having to manage the biggest merger in VebeGO's history as a large part of the transformation was still ongoing. They delivered a solid performance, in tough market environments with tremendous cost increases. For example, the company managed a flawless implementation of a new HR system for 8,000 staff and a new invoicing system amidst tough market conditions.



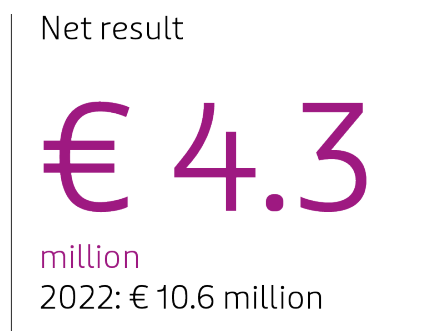
In the healthcare activities, management and staff managed to positively turn around a situation of low margins, high sickness leave and insufficient growth. The products & systems company strongly contributed to the positive result. In 2024, they will expand their services to Germany and Switzerland which provides additional potential for revenue growth. The Dutch facility management company is facing operational challenges, low margins and higher organisational costs based on an expected future growth.



Switzerland

In Switzerland, the turnover increased to €305 million (2022: €264 million), despite the loss of two large contracts. Price competition is fierce and the labour market is challenging, also in Switzerland. The higher turnover was a result of additional work for existing clients. Switzerland has a share of 21% (2022: 19%) in VebeGO's turnover.

Trend in results



The net result was €4.3 million (2022: €10.6 million), a return of 0.3% (2022: 0.8%). The lower result was driven by lower margins overall and higher indirect costs in the Netherlands and Germany due to wage increases, inflation and planned investments in the DoF restructuring programme to build a future-proof VebeGO, the rebranding and the strengthening of the VebeGO culture.

The sickness rates in the Netherlands continue to be high. In Switzerland, net result improved in 2023 despite the pressure on margin and higher costs. In Belgium, we recorded a stable and positive performance.

Taxes

On 21 July 2022, CEO Ton Goedmakers signed the revised Horizontal Supervision Covenant on behalf of VebeGO. The covenant has a term of three years. The signing was the result of a multi-year VebeGO process in the area of Tax Control. In the years prior to 2022, VebeGO set up and implemented a Tax Control Framework in the Netherlands. We have also started to develop a similar control system for the VebeGO entities in Belgium, Germany and Switzerland.

Transparency about our fiscal policy to all relevant stakeholders is an important basic principle. We do not only want to be compliant with the applicable tax laws and regulations, but we also want to handle our tax obligations ethically. Our activities and the countries where we conduct them determine where we pay our taxes. We expressly do not see taxes as a profit centre.

Balance sheet

VebeGO's capital position remains strong. Solvency is 26.4% (2022: 25.7%). The slight increase in the solvency percentage is due to a different ratio of the Equity to the Total Assets. The increase in the Equity stems from the positive result for 2023, after deduction of the dividend paid. The balance sheet total increased mainly in line with the growth of the turnover, offset by the sale of the shares in the Belgian company PMC, which can be seen in the decrease in the provisions and long-term debts. The cash position increased due to the development of the group as a whole and the sale of the shares of PMC and, after deducting short-term debts to credit institutions, stood at €80 million on the balance sheet date.



VebeGO's liquidity position increased in 2023 compared to 2022. Despite the decreased result, the adjustment for depreciation, changes in provisions and changes in working capital ensure an increase in liquidity. Substantial investments, offset by disinvestments of consolidated companies, dividends paid, decreased profit tax paid and repayments of short-term bank overdrafts and long-term loans resulted in a decrease. More interest and dividends received resulted in only a limited improvement. Cash flow from investment activities was at a higher level as in the previous year 2022. We have plenty of our own resources to finance VebeGO's strategic vision and the subsidiaries' underlying plans.



Risks and opportunities

In recent years, we have faced a number of crises that were still a factor in 2023. For example, in 2023 the war in Ukraine was still a determining factor, as was the skyrocketing inflation. These crises have had and will continue to have an influence on Vebego. How great this influence will be in the short and longer term is hard to estimate at this time. This particularly applies to the war in Ukraine. No prediction can be made about the duration and effect on the (world) economies.



Inflation

The macroeconomic consequences of skyrocketing inflation have been clearly visible. The sharply rising prices of raw materials and energy have directly affected Vebego, and Vebego employees have also felt the effects of inflation. The drastic increase in food and energy prices are a heavy burden for many of our employees. Pressure on the purchasing power of our employees can lead to increased stress and therefore a higher risk of absenteeism and long-term absence. For example, in the Netherlands the compensation of high energy costs which the government provided to households is now a thing of the past. This further increases the pressure on our employees' financial households, possibly leading to more absenteeism.



High inflation also played a role in the collective labour agreements. In the Netherlands, interim adjustments were made to the collective labour agreement in cleaning due to the aforementioned high inflation. This created a significant price increase in cleaning, which put a great deal of pressure on price negotiations with customers. In many cases, passing on the increased labour costs in full proves unfeasible, putting pressure on our profit margin. In order to maintain earning power, other solutions are needed, such as reducing working hours or making greater use of innovations. Another directly noticeable effect is the increase in the purchasing costs for cleaning agents and materials. This has a direct impact on the pricing development of our services.

In all of these areas, the companies' management teams are working hard to take mitigating measures. At the moment, Vebego can exert the most influence by supporting its own employees as much as possible and helping them wherever possible. Attention to the causes of absenteeism and guidance for employees is high on the agenda. Being and remaining in constant dialogue with customers has naturally always been part of Vebego's service provision.

Other risks

Vebego remains alert to other developments that could affect the company. Currently there is no known potential risk of a new pandemic outbreak. Nevertheless, events involving a large number of people, such as Christmas markets, the Dutch, Belgian and German carnival and winter sports, can still lead to a peak in the number of sick days. At such times, absenteeism increases structurally, according to our data. In addition, the development of the office market combined with the promotion of working from home remains an important issue for all facilities management companies. Less and less square footage is needed in offices, which is a risk for cleaning companies and facility management. At the same time, office spaces are expected to be used differently, which in turn creates opportunities for our companies in the aforementioned industries.

Continuity

Vebego has existed for over eighty years. In future, we see no risk to its continued existence; the 2024 budget year is also expected to end with a positive result, likely higher than the results for 2023. The third generation of Goedmakers is associated with Vebego with a board member and as employees. In addition, the entire third generation acts as depositary receipt holders. Our order books are well filled and the retention rate is high: we are able to hold on to most customers for a longer period of time.

The liquidity position was under pressure for some time due to the acquisition of hectas but has now returned to a stable level. Customers normally pay outstanding invoices on time and in full, and we are able to meet our obligations to employees, suppliers and governments on time. Our expectation is that personnel costs, by far the largest cost item, will continue to increase in the coming years. Wages are rising more than average due to collective labour agreements, see also 'Inflation'. This will lead to wage cost increases resulting in pressure on our margins. So far, we still manage to pass on the aforementioned wage increases - for the most part - in the rates to our customers. However,



negotiations with customers on rates are intensifying. In line with the aforementioned positive price negotiations, the liquidity position for the longer term is therefore showing a positive development. In addition, Vebego has an ample credit facility. If necessary, we can use this. Our solvency – the ratio of shareholders' equity to total assets – is 26.4% in 2023. This ratio shows that Vebego is in a good position to meet its long-term debts.

Being an attractive employer: the ongoing challenge

Vebego wants to be a meaningful employer. The crises mentioned earlier have a major influence, but in an indirect way. Our vision and what we stand for as an organisation will not change as a result. The crises also offer new opportunities in this regard and have accelerated a number of things, such as the switch to electric driving of our fleet of vehicles. In addition, our employees are indicating a desire to work more hours, whereas in the past there was a greater need for part-time employment. This is due in part to living expenses becoming increasingly expensive.

What does pose an immediate risk for Vebego and its services: the continuing shortage on the labour market. At all levels, finding and retaining well-qualified personnel is a challenge. Individual subsidiaries sometimes have hundreds of vacancies open. Job seekers have plenty of choice in the current market and plenty of room to be critical during their job search. Remuneration and work-life balance play a decisive role here. It is obvious that this affects us and may eventually have direct consequences for our services. The question that then arises is: are we still able to keep our promises to customers?

As in previous years, the most important mitigating measures are increasing retention and reducing absenteeism. If a colleague does not leave, there is also no need for a replacement. Furthermore, for potential colleagues who support the primary process, hybrid working remains an important desire/requirement. We offer this to our employees, including through our job postings.

We believe in the power of differences. In our family business there must be a place for everyone to work, regardless of ethnicity, origin, age, gender or ability to work. A place without a glass ceiling. We are convinced that our organisation will become stronger if we embrace diversity. It will also help us to (partially) compensate for the shortage in the labour market. We have the View on Talent programme. This gives us a picture of what talents someone has, what role fits them and what development is needed. In this way, we can make optimal use of people's talents and respond to the market in a timely manner.



Increasingly complex legislation and regulations

Vebego's decision to work towards eight strategic core companies was a good one, also in view of the increasingly complex legislation and regulations in the countries where we operate. Governments, external financiers, auditors, supervisory authorities and the tax authorities are making increasing demands. To stay 'in control' we work from the holding company with an internal audit process. Every six months this provides a comprehensive, country-focused checklist and a balance sheet data book. The checklist is monitored annually and adapted to current, relevant legislation, regulations and any incidents. The strategic core companies within Vebego carry out a quarterly self-assessment of their level of compliance with laws and regulations. The internal audit team of the holding company reviews these balance sheet movements every quarter. Furthermore, this team conducts internal audits at all Belgian and Dutch companies using a sampling methodology grafted onto the way the Dutch tax authorities conduct audits. During these audits, the team verifies whether the rules are correctly complied with and whether any deficiencies have been resolved. Within our Swiss companies, there are monthly audits based on a data book. The results always show that we are in control. At our German companies, the first audit according to Vebego standards will take place in mid-2024. This will enable us to show that these companies, too, are demonstrably in control.



Working towards strategic core companies gives an extra impetus for improving the quality of the administrative organisation. Vebego is actively steering for a joint organisation of the back offices of the companies in each country. In Switzerland, the largest operating company ensures that almost all administrative tasks are carried out centrally. As a result, the work processes are unambiguous and there are fewer risks. In the Netherlands, the service and expertise centre is in full swing after the transition in 2022. Whereas in that year the holding departments HR Administration, Sustainable Employability, IT, Procurement and Legal Affairs were added to our shared services, in 2023 the Project Management Office was established. In the future, this department will support Dutch Vebego companies in large projects.

IT security

IT security is a high priority at Vebego. The risks associated with IT are growing daily. This therefore demands a great deal of awareness on the part of our employees. Almost every day we intercept malware, phishing emails and hostage software. But cybercriminals remain active and innovative, so we must remain vigilant. The results of the annual security audits show that information security at Vebego is constantly improving. The data classification that we have implemented in the central IT environment works effectively and provides better security for our documents. The connection of more Vebego companies to the central IT infrastructure is also progressing steadily. The advantage of this is that it facilitates mutual cooperation between the Vebego companies and ensures better IT security. We will continue with this implementation in the coming years.

Financial impact of risks

Vebego's risk profile is determined on the one hand by the geographic spread of its services over the core countries Belgium, Germany, the Netherlands, Switzerland, Liechtenstein and Austria and on the other hand by the diversity of its services such as facility services, care, landscaping, facility management and products & systems. Because of this double spread, there is a resilient risk appetite. Thanks to the business model, market focus, processes and continuous KPI monitoring, the individual companies can very quickly anticipate any growth or decline in the market. Both centrally and locally, we assess risks and opportunities and deal with them.

The risk appetite follows from the strategy and objectives and can be categorised as follows:

Strategic: Vebego takes risks in order to grow organically. With the commitment, drive and innovative capacity of its employees, Vebego is able to convert risks into opportunities.

Operational: Years of experience in the companies enable us to take well-considered risks. We implement proven concepts and working methods both centrally and de-centrally. Vebego also takes well considered large corporate (IT) project risks, if there is a need to do so and if this supports the long-term strategy.



Financial: The financial policy is restrained, with a focus on (organic) growth and financing without dependence on credit institutions. We minimise liquidity and credit risks (see also below).

Financial reporting: There is limited estimation uncertainty in the financial accounts.

Compliance: Vebego aims to be 100% compliant with legislation and regulations and its own internal procedures and rules of conduct. A Risk & Compliance department set up specifically for this purpose monitors compliance. Compliance with agreements with customers and suppliers and being a good employer are high priorities for Vebego.

Currency risk

Vebego operates in stable economies limited to the EU and Switzerland. The currency risk is minimal because the Vebego companies invoice customers in local currency and also pay employees and suppliers in local currency.

Price, cash flow, liquidity or credit risk

Liquidity risk is the risk that Vebego is unable to meet its financial obligations. Vebego takes the approach that it always has sufficient liquid assets available to meet such obligations when they come due, both under normal circumstances and under stressful conditions. This risk is controlled by sufficient availability of cash and credit lines.

Credit risk at Vebego relates to the possibility that customers and other counterparties may not be able to settle their obligations towards Vebego. The debtor management departments of the Vebego companies monitor this credit risk on a weekly basis. Vebego's credit risk is limited given its spread across many customers in a large number of sectors and countries.

Resilience

The impact of high inflation, the continuing movement in the labour market (particularly tightness) and the duration of the war in Ukraine are the main factors affecting our strategic and operational risks. The impact on Vebego depends on the one hand, on isolated factors and on the other, on factors that are interrelated and mutually reinforcing. For now, we see no reasons to adjust our system of internal risk management in 2024. We will, however, be forming an audit committee, consisting of two members of the Supervisory Board, our Chief Value Officer and our Director Risk & Compliance. This committee will help Vebego to identify group risks. It is impractical to determine now the consequences of risks that may occur in the future but which are not or insufficiently covered in our current risk management. Vebego has shown in the past that it is resilient in this regard and able to adapt the organisation where necessary to rapidly changing circumstances. The companies are able to anticipate changes quickly. Vebego is and remains a strong and solid family company that is conservatively financed and can take a bump or two.

Our external audit of the financial statements is carried out by Deloitte.



Outlook 2024

2023 has been a challenging year due to the economic and market conditions as well as the ongoing transformation of our organisation. In 2024, we will continue to work on the future proofing of our company. On the one hand, the focus will be on the further roll-out of the Vebego brand and the finalisation of the project activities of Designing our Future. We plan to rebrand Hago Zorg and Vebego Facility Services CH. Post-merger projects will also still be ongoing in Germany and the Netherlands. In Belgium, the facility companies will be merged and rebranded. We expect this to be quite a challenge, because of the heterogeneity of the businesses of the current companies: Care, Airport Services and NG2. However, we trust that the teams involved will be able to successfully prepare and manage the merger and integration of processes and procedures. Fortunately, they will be able to build on and use the experience we have gained in other business lines and countries over the past two years.

On the other hand, Vebego is working hard on improving the quality and professionalism of the organisation, using the power of the collective and building a healthy financial climate to allow for future growth. We do so by investing in opportunities to decrease our environmental impact and create a more sustainable and significant social impact. Another priority will be adjusting the size of our governance structures in the Vebego group to ensure a stable and safe working environment.

Based on the continuation of investing time, effort and money in a future-proof Vebego, we expect not to achieve our goal of 4% EBIT in 2024. In the coming year, margins will continue to be under pressure due to expected further collective wage increases, especially in the healthcare and cleaning segments. The overall shortage on the labour market combined with high sickness rates (mainly in the Netherlands) will remain, causing high costs for replacements and care taking. In Germany and Switzerland, tough market conditions within a stagnating economy are forecasted.

However, there are some factors which will lead to a better performance than in 2023. The activities in rebranding and the merger and transformation of companies will require lower investments, as we have reached the final stages of these programmes. We also foresee a significant performance improvement in several companies. This will lead to a higher turnover (due to price increases, new sales and an increase of Vebego's share in sales at several companies) and improvements in the net result. All in all, we expect an increase in turnover compared to 2023 and a higher overall net result than in 2023.

Leadership and governance

Strategic Leadership Team

Over the years, our leadership has been changed according to the phase our company is in. As an internationally operating family company, it is important to keep the governance of the company up-to-date and future-proof.



Markus Breithaupt, Sirka Hintze, Mark van Haasteren, Poléanne Vluggen, Ton Goedmakers

In recent years, Vebego's governance has been under development. This will continue to be the case in the future, given the fact that our company continues to develop. When Ton Goedmakers was appointed CEO in 2021, the Board of Directors consisted of Ton, along with his uncle, Ronald. As Ronald has left the Board as of the 1st of February 2024, preparing this next phase was an important topic in 2023. In this process especially, the Supervisory Board and the STAK fulfilled an intensive role. The outcome was to build a strong, broader, Board of Directors as of 2024. Besides the Board of Directors, a Strategic Leadership Team (SLT) was created as Vebego Group's top management structure. As of 2024, the SLT currently consists of the following positions and persons:

- Chief Executive Officer (CEO): Ton Goedmakers
- Chief Operations Officer (COO) BE | NL: Mark van Haasteren
- Chief Operations Officer (COO) DACH: Markus Breithaupt
- Chief People and Culture Officer (CPCO): Poléanne Vluggen
- Chief Value Officer (CVO): Sirka Hintze



This means that the role of Chief Strategy Officer, which was introduced in 2019, ceased to exist. Therefore, Niel Cortenraad has decided to leave the company after a long career at VebeGO. Giuseppe Santagada also decided to leave our company. We are very happy that Markus Breithaupt, formerly CEO of VebeGO Facility Services in Germany, has agreed to succeed Giuseppe as COO DACH from the 1st of January 2024.

From 2024, the BoD formally consists of the CEO, CPCO, CVO and COO NL|BE. They are statutory directors, which means they represent VebeGO Group as a legal entity and can formally make decisions on behalf of the company. In practice, however, little is decided by just the BoD, as most of the decision-making takes place within the broader setting of the SLT. As it fits our family company, this pragmatic approach prevails over the formal structure.

The BoD: responsible for the management

The BoD is responsible for the management of VebeGO. It is its task to come up with and implement VebeGO's long-term strategy and thus anticipate future developments. The BoD takes into account the effects on people and the environment from VebeGO's actions and weighs the relevant interests of several stakeholders: VebeGO behaves as a good corporate citizen.

Although the BoD is jointly responsible for the management of VebeGO, there is a clear portfolio distribution. A portfolio holder is the first point of contact for the companies' managing directors regarding topics from the portfolio in question. The portfolio holder can decide on most operational topics himself, but decisions with a significant impact must be made jointly. All directors in principle can represent VebeGO towards third parties unless the action falls under a so-called 'four-eyes principle'.

The SLT: our Strategic Architect

According to our pragmatic approach, topics are mostly discussed in the broader Strategic Leadership Team. In relation to the subsidiaries of VebeGO, the SLT positions itself as a Strategic Architect: it inspires and enables the companies to be a market leader. There is a focus on three key areas:

- providing a strategic and financial framework to ensure continuity;
- strengthen the culture, impact and the VebeGO brand;
- stimulate and maintain entrepreneurship in our companies.



Designing our Future

In 2023 we continued our path towards a future-proof collective of companies. Various Belgian companies were merged into one company. It will be named Vebego Cleaning & Services and launched under the new Vebego brand in January 2025. Furthermore, it was decided, after a thorough process, not to merge Assist and Hago Zorg. Although both companies are active in the Dutch health market, their activities are too different and come out better in separate companies. Early 2024, the family-owned landscaping company of Hoek Hoveniers was acquired; they will be integrated into Vebego Groen. This brings new opportunities, geographically and portfolio-wise, and is the next step for Vebego Groen in becoming a market leader.

Behind the scenes of our companies, there was a lot of improvement in processes, systems and structures. We further strengthened the management teams of our companies. Moreover, the world turned a little bit more purple, as in 2023 several companies started using the Vebego brand.

In becoming a future-proof collective of companies, further steps were taken in monitoring our strategic goals and objectives. Vebego Group, as a Strategic Architect, wants to steer unambiguously and safeguard the realisation of strategy. Therefore, we are creating insight into the performance of what matters most to us (see: the [Value Creation Dashboard](#)). So that we can focus and align our organisation accordingly. This will help us to do the right things together and strengthen the power of the collective.

Another important step is the creation of an IT Advisory Board on group-level. Led by the CVO, this board alignment takes place on IT infrastructure. Group-wide IT policies and decisions regarding IT facilities are prepared.

Beliefs & Behaviours

In 2023 workshops were held throughout the whole organisation, leading to a renewed, broadly supported Vebego story, in combination with the [Beliefs & Behaviours](#) of Vebego. This enables us to give words to the beautiful DNA of our organisation and to tell our stories to each other and the outside world. In 2024, the Story and the Behaviours will be translated into (P&C) instruments in the strategic core companies.



Governance

In 2023, we aligned our governance in the top structure of Vebego. This led to renewed documents such as the articles of association, regulations for the Supervisory Board and regulations for the Board of Directors. The Dutch Governance Code is not mandatory for Vebego. However, in writing our new governance documents in 2024, we were inspired by the Dutch Governance Code. Moreover, we also make active choices ourselves in what we as Vebego – and as the family of owners – consider important in terms of governance. We defined ‘best practices’ for each of our governance bodies and have created a pragmatic ‘Handbook Governance’. In 2024 there will be a next step: aligning the governance between the Vebego Group and the companies.

On 19 September 2023, the company made the declaration as described in Article 2:263 paragraph 1 of the Dutch Civil Code to the Trade Register. This concerns the declaration that Article 2:263(2) of the Dutch Civil Code (containing the size criteria of the structure regime) applies to the company. The company is already voluntarily applying the weakened structure regime as of 31 December 2021.



Supervisory Board

The Supervisory Board acts as a sounding board and advisor to the Board of Directors. In addition, the Supervisory Board supervises the policy of the Board of Directors and the general course of affairs within Vebego. The composition of the Supervisory Board changed in 2023. Pamela Boumeester (chair) left Vebego as of the 1st of July 2023, at the end of her term. Willem Cramer took over the role of interim-chair. Meanwhile, the search for a new chair started, leading us to Annette Ottolini. She joined the Board on the 1st of November 2023 and was the chair from the 1st of January 2024. Another member joined on the 1st of February 2024: Leo Brand. At the moment of publishing, the Supervisory Board consists of six members: Annette Ottolini (chair), Leo Brand, Willem Cramer, Ton Goedmakers Sr, Jan van Hoek and Loes van Rijsoort.

The composition of the Supervisory Board is based on individual experience and expertise, as well as on the competence of the Board as a whole. The aim is to create a heterogeneous, complementary team in which the Supervisory Board members complement and reinforce each other, but also offer each other sufficient counterweight and sharpness. In addition to individual requirements, Vebego will also take diversity within the Board into account for future vacancies. For the family commissioner, the maximum period of two times four years does not apply.

Voerendaal, 29 May 2024

Was signed

Board of Directors:

Ton Goedmakers, chair

Mark van Haasteren

Sirka Hintze

Poléanne Vluggen





Message from the Supervisory Board



Message from the Supervisory Board

2023 was another year in which a lot happened at Vebego. Both within the organisation and outside it. A positive result was clearly achieved, despite margins being under pressure and substantial investments having been made. Vebego is developing itself into a future-proof company. This was also demonstrated in 2023. The Supervisory Board is therefore satisfied with the result.

Increasingly purple

The 'One Family One Culture One Language.' strategy shows clear contours. The movement towards fewer, but larger, companies has continued. And Vebego's purple is increasingly visible, including in the streets of Belgium, Germany and Switzerland (Belgium is to follow by the end of 2024). By working with the entire Leadership Community on storytelling and the Beliefs & Behaviours, the unique Vebego culture is being firmly established.

As the Supervisory Board, we paid a lot of attention to the new composition of the Board of Directors as of January 2024. This has been an extensive and careful process, which has been carried out together with the STAK. Various possible compositions of the BoD were reviewed. Ultimately, a board of four members was chosen. On the basis of external advice, a balanced and market-compliant employment package was determined, with an eye for the long term that fits a family business. The board members were appointed with effect from January 2024.

Renewed governance

Another topic that received a lot of attention in 2023 was the renewed governance in the top structure. The relationships between the Board of Directors, the Supervisory Board and the STAK were discussed at length and renewed agreements were made on division of powers. The depositary receipt holders were also involved in this process. It was agreed with the STAK that we would set up a shared selection and remuneration committee as from 1 January 2024; this will include both members of the STAK and the Supervisory Board. The committee prepares decision-making by the STAK or the Supervisory Board and has an active role in the BoD members' performance cycle, for example. An Audit and Risk committee will also be set up as a sub-committee of the Supervisory Board in 2024.



Finger on the pulse regarding performance and strategy

As Supervisory Board, we were able to monitor Vebego's performance well this year. Each month we were kept informed of its financial performance. Every quarter we received a comprehensive update. We were informed about important matters such as management changes in the Vebego companies. The acquisition of Hoek Hoveniers which took place in early 2024, could count on our special attention and approval. The continuation of the current strategy, which runs until 2025, is on our agenda.

As a Supervisory Board, we keep our finger on the pulse when it comes to realising the current 'One family. One Culture. One language.' strategy, but also to the timely implementation of follow-up steps. Last year, concrete steps were taken, in the Vebego Group organisation additionally, to embody the role of Strategic Architect. For instance, the set-up of staff functions was optimised and adapted to the new role of the holding company, with a focus on roles in data and the CSRD. In the Beliefs & Behaviours, we clearly see that a common language for all companies expresses Vebego's DNA. Yet more companies have obtained the Great Place To Work certificate; EcoVadis and NPS are becoming more and more embedded. All in all, we see that Vebego is putting its strategy and meaningful jobs to work.





Meetings & company visits

The Supervisory Board had five regular meetings in 2023. In addition, there were several embedded meetings on the design of the new governance. As in previous years, there were two company visits. Together with the Executive Board, depositary receipt holders and the STAK, a visit was paid to IBN in Uden. In addition, the Supervisory Board spent two days in Germany. This was at the invitation of the new Vebego Facility Services, following the merger between hectas and Servico. The Supervisory Board finds these visits valuable: it gives us the chance to get to know the business and the people at Vebego in more detail.

ARC & Remco

As of 2024, the Board has two committees: the Audit and Risk Committee (ARC) and the (combined) Selection and Remuneration Committee (Remco). The committees prepare decision-making for the Supervisory Board on the relevant topics and advise the Board. Feedback from the committee meetings and any decision-making takes place at our next Board meeting.

Mutations

There were the following mutations in the Supervisory Board in 2023. The chairman's term ended, leaving a vacancy on the Board as of 1 July 2023. Willem Cramer assumed the role of (interim) chairman. The search for a new chair was done by an external agency, guided in this by members of the STAK and the Supervisory Board. This process resulted in the recruitment of Annette Ottolini as the new chair. Annette Ottolini has extensive knowledge and experience in complex environments and stakeholder management. She has relevant supervisory, managerial and foreign experience. In addition, she has the connecting qualities to promote mutual cooperation within the Board.

Annette Ottolini joined as a member of the Supervisory Board from 1 November and then assumed the role of chair from 1 January 2024.

In addition, the search for a new member with knowledge and experience in IT and digitalisation started in autumn 2023. Leo Brand took office on 1 February 2024. His knowledge and experience in the aforementioned areas provide a welcome addition to the other qualities present in the Supervisory Board and fit in well with the current phase Vebego is in and the challenges facing the organisation. With this new composition, the board has the relevant knowledge and experience to be a high-quality sparring partner and supervisor for the Board of Directors. As of the date of this report, the board consists of two women and four men.



The Supervisory Board expresses its thanks to the employees and the Board of Directors for their great involvement, professionalism and commitment. Special thanks and appreciation go to Ronald Goedmakers, for his years of commitment to Vebego. Under his leadership, the focus was placed on four core countries instead of the twelve where Vebego was active at the time; a transitional phase that ran from 2001 to 2014. It formed the starting point for further growth and our current strategic direction. Under Ronald's leadership, Vebego has become even more of a people-oriented company, dedicated to creating meaningful jobs. Ronald was CEO from 2006 to 2021 and stepped down as a member of the Board of Directors on 1 February 2024.

We hereby present to you the 2023 Annual Report prepared by the Board of Directors. The 2023 financial statements have been audited by Deloitte Accountants B.V. and are accompanied by an unqualified audit statement from an independent auditor. The financial statements have been approved by our Supervisory Board. We can endorse the result appropriation proposal included in the financial statements. We recommend that the General Meeting adopts the 2023 financial statements.

Voerendaal, 29 May 2024

Was signed

Supervisory Board:

Annette Ottolini, chair as of 1 January 2024

Leo Brand, appointed 1 February 2024

Willem Cramer

Ton Goedmakers sr.

Jan van Hoek

Loes van Rijsoort



Summarised Financial Statements VebeGo Group BV 2023



Summarised financial statements VebeGO Group 2023

1.1 Instructions for the reader

The summarised financial statements are a summarised version of the 2023 VebeGO Group B.V. consolidated financial statements. These summarised financial statements do not contain all the information that is provided in the complete financial statements and should be read in conjunction with the complete financial statements, including the accounting principles and disclosures therein. The 2023 VebeGO Group B.V. financial statements are available from the company.

1.2 Principles in the creation of the consolidated balance sheet, statement of profit or loss and other financial statements

The VebeGO Group B.V. consolidated financial statements, from which these summarised financial statements were derived, were prepared in accordance with Title 9, Book 2 of the Dutch Civil Code.

[Click here for the list of capital interests](#) that are important for the insight required by law.





Consolidated balance sheet as at 31 December 2023 (before profit appropriation)

(in thousands of euro)

Assets	31.12.2023	31.12.2022
Fixed assets		
Intangible fixed assets		
Goodwill	37,926	48,516
Other intangible fixed assets	20,682	21,207
	<u>58,608</u>	<u>69,723</u>
Tangible fixed assets		
Land and Buildings	6,326	16,956
Machinery and equipment	20,181	21,491
Other fixed operating assets	23,047	20,433
	<u>49,554</u>	<u>58,880</u>
Financial fixed assets		
Other associated companies	12,005	11,022
Deferred tax assets	4,004	1,715
Other receivables and loans	2,783	1,710
	<u>18,792</u>	<u>14,447</u>
Current assets		
Inventory	<u>6,431</u>	<u>7,454</u>
	6,431	7,454
Receivables		
Trade receivables	184,641	182,727
Other affiliated companies	941	106
Other receivables, prepayments and accrued income	39,105	29,378
	<u>224,687</u>	<u>212,211</u>
Cash and cash equivalents	<u>82,467</u>	<u>74,621</u>
	440,539	437,336



Liabilities	31.12.2023	31.12.2022
Group equity		
Share of Vebego Group B.V. in the group equity	115,487	112,436
Third-party share in the group equity	676	160
	<u>116,163</u>	<u>112,596</u>
Provisions		
Pensions	4,674	3,476
Taxes	9,655	11,533
Restructuring	2,348	6,601
Self-insured long-term sickness plans WGA	11,439	8,556
For anniversary bonuses	4,382	4,021
Other provisions	4,913	7,863
	<u>37,411</u>	<u>42,050</u>
Long-term liabilities		
Credit institutions	1,348	4,523
Mortgages borrowed funds	2,035	2,106
Subordinated loans	225	225
Investment commitments	4,156	4,591
Other liabilities	106	165
	<u>7,870</u>	<u>11,610</u>
Short-term liabilities		
Credit institutions	2,432	3,151
Supplier credits and trades payables	50,202	54,980
Taxes and social security contributions	62,910	58,206
Other liabilities, accruals and deferred income	163,551	154,743
	<u>279,095</u>	<u>271,080</u>
	440,539	437,336



Consolidated statement of profit or loss 2023

(in thousands of euro)

	2023	2022
Net turnover	1,479,552	1,370,766
Cost of sales	1,194,657	1,097,661
Profit before selling and administrative expenses	284,895	273,105
Selling and administrative expenses	280,508	260,592
Profit after selling and administrative expenses	4,387	12,513
Financial revenue and expenditure	-111	433
Result before taxation	4,276	12,946
Taxation on result	-1,674	-5,778
Share of result of (non-)consolidated companies	2,287	3,778
Result after taxation	4,889	10,946
Share third parties	-585	-330
Result attributable to the legal entity	4,304	10,616



Consolidated cash flow statement 2023

(In thousands of euro)

		2023	2022
Cash flow from operating activities:			
Operating result		4,387	12,513
Adjustments for:			
- Depreciation and other value adjustments		28,784	27,388
- Changes in provisions		-2,174	4,006
- Changes in working capital:			
. Changes in short-term receivables	-15,478		-41,726
. Changes in inventory	771		-957
. Changes short-term liabilities excluding credit institutions	14,067		6,371
		-640	-36,312
Cash flow from company operations		30,357	7,595
Received interest	1,131		427
Received dividends	3,805		3,838
Tax paid on profits	-5,849		-10,220
		-913	-5,955
Cash flow from operating activities		29,444	1,640
Cash flow from investment activities			
Investments in (in)tangible fixed assets	-26,068		-25,184
Disinvestments in (in)tangible fixed assets	3,044		8,644
Investments in consolidated companies	-5,140		-46,076
Disinvestments in consolidated companies	11,633		0
Investments/disinvestments in non-consolidated companies	-108		6
Long-term loans granted	-1,417		-2
Repayments received on long-term receivables	280		457
		-17,776	-62,155
Cash flow from investment activities		11,668	-60,515
Cash flow from financing activities			
Income from long-term debts	505		179
Repayments on long-term debts	-885		-30,273
Dividends paid	-2,700		-8,768
Paid interest	-2,217		-2,955
Credit institutions movements	-719		427
		-6,016	-41,390
Cash flow from financing activities		-6,016	-41,390
Net cash flow		5,652	-101,905
Exchange rate and conversion differences		2,194	1,709
Funds movements		7,846	-100,196
Balance of funds at the beginning of the year		74,621	174,817
Balance of funds at the end of the year		82,467	74,621

The cash and cash equivalents amount attributable to third-party interests at the end of the reporting year was €1.1 million (2022: €0.7 million).

Other information



Independent auditor's report

To: the shareholders and the Supervisory Board of Vebego Group B.V.

Our opinion

The summary financial statements 2023 (hereafter: 'the summary financial statements') of Vebego Group B.V. based in Voerendaal, is derived from the audited financial statements 2023 of Vebego Group B.V.

In our opinion the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements 2023 of Vebego Group B.V. on the basis described in note 1.2.

The summary financial statements comprise:

1. The consolidated balance sheet as at 31 December 2023.
2. The consolidated statement of profit or loss 2023.
3. The consolidated cash flow statement 2023.

Summary financial statements

The summary financial statements do not contain all the disclosures required by Book 2, Title 9 of the Dutch Civil Code. Reading the summary financial statements and our report thereon, therefore, is not a substitute for reading the audited financial statements of Vebego Group B.V. and our auditor's opinion thereon.

The audited financial statements and our auditor's report thereon

We expressed an unmodified audit opinion on the audited financial statements 2023 Vebego Group B.V. in our auditor's report of 29 May 2024.

Responsibilities of the Board of Directors and the Supervisory Board for summary financial statements

The Board of Directors is responsible for the preparation of the summary financial statements on the basis as described in note 1.2.

The Supervisory Board is responsible for overseeing the company's reporting process.



Our responsibilities

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which we conducted in accordance with Dutch law, including the Dutch Standard 810 'Opdrachten om te rapporteren betreffende samengevatte financiële overzichten' (Engagements to report on summary financial statements).

Eindhoven, 29 May 2024

Was signed

Deloitte Accountants B.V.

R.H.M. Hermans



Abbreviations and definitions

Abbreviations

BoD	Board of Directors
CO ₂	Carbon dioxide
CO _{2e}	Carbon dioxide equivalents
CEO	Chief Executive Officer
COO	Chief Operating Officer
CPCO	Chief People & Culture Officer
CSO	Chief Strategy Officer
CVO	Chief Value Officer
CSRD	Corporate Sustainability Report Directive
D&I	Diversity & Inclusion
DACH	Germany, Austria, Switzerland
DoF	Designing our Future
ESG	Environmental, Social, Governance
GPTW	Great Place To Work
GRI	Global Reporting Initiative
KPIs	Key Performance Indicators
NPS	Net Promotor Score
P&C	People & Culture
SDG	Sustainable Development Goals
SLT	Strategic Leadership Team
STAK	Vebego trust office foundation, set up to separate voting rights from economic rights of shareholders
TCF	Tax Control Framework

Corporate Sustainability Reporting Directive

The Corporate Sustainability Reporting Directive (CSRD) requires companies to report on the impact of corporate activities on the environment and society, and requires the audit (assurance) of reported information. The adoption of the CSRD by the European Commission is in line with the commitment made under the European Green Deal, aimed at making Europe the first climate-neutral continent by 2050.

Designing our Future

The name of the transition programme aimed towards keeping Vebego future-proof.

EcoVadis

Evidence-based online platform with supplier sustainability assessments. This allows companies to assess the ESG performance of their global suppliers. The platform's central objective is to make the quality of a company's CSR management system measurable through policies, actions and results. The assessment is modelled on twenty-one CSR criteria, based on international standards for sustainable development. The results are presented in a scorecard that provides a clear overview of a supplier's strengths and areas for improvement.



Great Place To Work®

An internationally known and recognised employee platform with more than 35 years of research and data. In addition to employee satisfaction and engagement, the methodology measures the level of diversity and inclusion.

Meaningful work

We strive for every employee to experience their work as meaningful. This means work that makes them feel appreciated, that they enjoy doing and that is meaningful to others. It also means work in which their talents are optimally utilised, because this ensures growth; both for our employees themselves and for our organisation. We also pay attention to the social, vital and financial welfare of our employees. Meaningful work is part of a group-wide programme for sustainable employability and is measured annually, with its own methodology up to and including 2021, and gradually with GPTW from 2022.

One family. One culture. One language.

Second phase (2021-2025) of the VebeGO 2025 strategy.

Strategic core companies

The core of large VebeGO companies (100% owned): Alpheios (BE | NL), Hago Zorg (NL), VebeGO AG (CH), VebeGO Cleaning Services (NL), VebeGO Cleaning & Services (BE) VebeGO Facility Services (DE), VebeGO Facility Solutions (NL) and VebeGO Groen (NL).

Sustainable Development Goals

Seventeen goals to make the world a better place by 2030. The SDGs were agreed upon by the member states of the United Nations. They are a global compass for challenges such as poverty, education and the climate crisis. In its contributions to these goals, VebeGO focuses on SDG 8: decent work and economic growth, and SDG 12 responsible consumption and production.

Value creation dashboard

With the internal Value Creation Dashboard, we structurally steer our business based on the Six Capitals of Value Creation. The dashboard contains all the important elements of value creation: information on Employees, Customers, Society and Finance.

VebeGO 2025 strategy

The name of VebeGO's 2017-2025 strategy.



About this report

This is the VebeGO Group B.V. annual report 2023. [This is an overview of the group companies](#) which are part of VebeGO.

Production

Composition, editing, photography:

VebeGO Corporate Communications

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Great work

Vebego Group

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