tempton

Group management report for the financial year 2023

Tempton Group GmbH
Essen

tempton

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FINANCIAL STATEMENTS

Consolidated statement of financial position of Tempton Group GmbH, Essen

		IFRS 31.12.2023	IFRS 31.12.2022
ASSETS	Note	kEUR	kEUR
CURRENT ASSETS		**79,327**	**76,548**
Cash and cash equivalents	II.1	20,872	28,899
Trade receivables	II.2	48,626	39,088
Contract assets	II.3	1,496	1,508
Current income tax receivables	II.4	2,146	1,236
Other current financial assets	II.5	2,591	1,798
Inventories	II.6	626	650
Other current assets	II.7	2,970	3,369
NON-CURRENT ASSETS		**48,466**	**38,732**
Other intangible assets	II.8	4,515	4,394
Goodwill	II.9	10,646	10,646
Property, plant and equipment	II.10	11,083	9,599
Right-of-use assets	II.11	14,862	7,547
Other non-current financial assets	II.5	4,987	4,703
Deferred tax assets	II.12	2,373	1,843
TOTAL ASSETS		**127,793**	**115,280**

Consolidated statement of financial position of Tempton Group GmbH, Essen

		IFRS 31.12.2023	IFRS 31.12.2022
LIABILITIES	Note	kEUR	kEUR
CURRENT LIABILITIES		**56,693**	**50,503**
Current financial liabilities	II.13	175	175
Lease liabilities	II.14	6,264	3,412
Trade payables	II.15	3,203	3,100
Current income tax liablities	II.16	1,975	2,132
Current provisions	II.17	21,662	19,867
Other current financial liabilities	II.18	12,564	11,358
Other liabilites	II.19	10,461	10,012
Contract liabilities	II.3	389	447
NON-CURRENT LIABILITIES		**37,246**	**31,897**
Non-current liabilities	II.13	24,836	24,779
Lease liabilities	II.14	8,679	4,033
Provisions for pensions	II.20	2,597	2,300
Non-current provisions	II.17	370	224
Deferred tax liabilites	II.12	764	561
TOTAL LIABILITIES		**93,939**	**82,400**
SHAREHOLDERS` EQUITY	**II.21**	**33,854**	**32,880**
Share Capital		25	25
Capital Reserves		2,809	2,809
Retained Earnings		31,020	30,046
TOTAL LIABILITIES AND SHAREHOLDERS` EQUITY		**127,793**	**115,280**

Consolidated Statement of profit or loss of Tempton Group GmbH, Essen

	Note	2023 kEUR	2022 kEUR
Revenue	**III.1**	**390,970**	**352,480**
Other operating income	III.3	840	563
Cost of raw materials an supplies		-1,230	-1,274
Cost of purchased services		-8,510	-9,147
Personnel costs	III.4	-331,645	-290,752
Other operating expenses	III.5	-36,235	-30,867
EBITDA		**14,190**	**21,003**
Depreciation and amortization	II.8/10/11	-11,034	-9,238
Operating profit (EBIT)		**3,156**	**11,766**
Interest income and similar income	III.6	488	198
Interest expense and similiar expense	III.7	-1,742	-1,541
Income taxes	III.8	-777	-4,018
Profit of the Year		**1,125**	**6,405**

Consolidated Statement of comprehensive income of Tempton Group GmbH, Essen

	Note	2023 kEUR	2022 kEUR
Profit of the Year		**1,125**	**6,405**
Items not subsequently reclassified to profit or loss (not recycled)	II.21.5		
Gain (Losses) from the remeasurement of defined benefit plans		-222	850
Income taxes relating for the remeasurement of defined benefit plans		71	-273
Other comprehensive income		-151	577

Total comprehensive i [illegible]

Consolidated Statement of changes in equity of Tempton Group GmbH, Essen

Note: II.21	Share Capital	Treasury Shares	Capital Reserves	Retained Earnings	Total shareholders equity
	kEUR	kEUR	kEUR	kEUR	kEUR
Balance at 1. January 2022	**25**	**-9**	**676**	**28,063**	**28,755**
Profit of the year				6,405	6,405
Distibution				-5,000	-5,000
Contribution		9	2,133	0	2,142
Other comprehensive income				578	578
Balance at 31. December 2022	**25**	**0**	**2,809**	**30,046**	**32,880**
Balance at 1. January 2023	**25**	**0**	**2,809**	**30,046**	**32,880**
Profit of the year				1,125	1,125
Other comprehensive income				-151	-151
Balance at 31. December 2023	**25**	**0**	**2,809**	**31,020**	**33,854**

Consolidated Statement of cash flows of Tempton Group GmbH, Essen

Note: IV.1	**2023**	**2022**
	kEUR	kEUR
Profit of the year	1,125	6,405
Depreciations and amortization	11,034	9,238
Change in provisions	2,162	1,927
Other non-cash (income) expenses	-358	-106
Changes in trade and other receivables, inventories, contract assets and other assets	-9,360	-6,907
Changes in trade payables, contract liablities and other liabilities	1,492	1,482
(Gains) losses from the disposal of intangible assets and property, plant and equipment	0	7
Interest (income) expenses, net	1,254	1,342
Income tax expenses	777	4,018
Income taxes paid	-2,100	-2,365
Cash flows from operating activities	**6,026**	**15,041**
Disposal of equipment	0	1
Additions to property, plant and equipment	-3,461	-2,198
Additions to intangible assets	-2,137	-1,707
Additions to assets leased	0	0
Cash payments to acquire debt instruments	-746	-2,406
Interest received	462	42
Cash flows from investing activities	**-5,882**	**-6,268**
Principal portion of repayment of lease liabilities	-6,735	-5,411
Dividends paid	0	-5,000
Interest paid	-1,436	-1,299
Cash flows from financing activities	**-8,171**	**-11,710**
Change in cash and cash equivalents	-8,027	-2,937
Cash and cash equivalents at beginning of period	28,899	31,836
Cash and cash equivalents at end of period	**20,872**	**28,899**

Notes to the Consolidated Financial Statements
for the 2023 Financial Year

Contents

I. Accounting policies and measurement methods

I.1. Basic accounting information

I.1.1 Information about the company

Tempton Group GmbH and its subsidiaries (hereafter "Tempton", "Tempton Group" or "Group") is one of the largest personnel service providers in Germany. In addition to personnel leasing, Tempton offers its customers solutions for nearly all tasks involving personnel. This includes recruiting personnel (including recruiting processing outsourcing (RPO) services), direct placement, master vendor and on-site management solutions, taking personnel over, providing temporary experts or freelancers as well as outsourcing solutions, technical services and Executive-level services.

Tempton Group GmbH is headquartered at Schürmannstraße 24, 45136 Essen, Germany. It is registered in the Commercial Register of the District Court of Essen under the registration number HRB 28871. It is the parent company of Tempton Group. The group parent company of Tempton Group GmbH is Dres. Tischendorf Tempton GmbH, Frankfurt am Main.

The consolidated financial statements of Tempton Group for the 2023 financial year were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and were authorized for issue by the Managing Board on 25. April 2024. Tempton Group prepares and reports its consolidated financial statements in Euro (€). Due to rounding, numbers presented may not add up precisely to totals reported.

I.1.2 Accounting policies

IFRS are the standards adopted, issued and published by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Standards Interpretations Committee (IFRS IC) both as adopted in the EU.

Application of new and amended standards

The following newly issued standards, standards endorsed during the reporting year or amended standards or interpretations not yet effective were not applied at the start of the preparation of this set of consolidated financial statements. The future impacts of amendments affecting Tempton Group on the consolidated financial statements are either still being examined or are not material.

Initial application of standards, interpretations, and amendments in the financial year reported

Regulation	Title	Application	Effect
IAS 1	Amendment: Disclosure of Accounting Policies	01/01/2023	No impact
IAS 8	Amendment: Definition of Accounting Estimates Concessions	01/01/2023	No impact
IAS 12	Amendment: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	01/01/2023	No material impact
IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	New standard: Supersedes IFRS 4 Insurance Contracts: Measurement and presentation of insurance liabilities (including Amendments to address implementation challenges of IFRS 17)	01/01/2023	No impact
IAS 12	Amendment: International Tax Reform - Pillar Two Model Rules	01/01/2023	No impact

As of 1 January 2023, the Tempton Group adopted deferred taxes relating to assets and liabilities arising from a single transaction (amendments to IAS 12) for the first time. The amendments introduce a further exception from the initial recognition exemption by excluding transactions that lead to offsetting, i.e. equal temporary differences in the same amount - such as leases in the consolidated statement of financial position of Tempton Group GmbH. For leases, the related deferred tax assets and liabilities must be recognised from the beginning of the earliest comparative period presented, with all cumulative effects of changes recognised as an adjustment to the opening balance of retained earnings (or - where appropriate - another component of equity) at that date.

The Group did not previously recognise deferred taxes on leases. As a result of the amendments to IAS 12, the Group recognised a separate deferred tax asset in relation to the lease liabilities and a deferred tax liability in relation to the right-of-use assets. However, there was no material impact on the consolidated balance sheet as the recognised deferred tax assets and liabilities were netted in accordance with IAS 12.74 and therefore had no material impact on the consolidated income statement. Due to the immateriality described above, no adjustment was made to retained earnings as of 1 January 2022 or to the other comparative amounts for each earlier period presented in accordance with IAS 8.22. The application of the amendments to IAS 12 resulted in deferred tax assets of EUR 4,014 thousand and deferred tax liabilities of EUR 3,990 thousand with a net effect on earnings of EUR 24 thousand, which was recognised in the 2023 financial year. The main effect relates to the disclosures in the notes on recognised deferred tax assets and liabilities (see note II.12).

Standards, interpretations, and amendments issued, but not yet to be applied

Regulation	Title	Application	Effect
IAS 1	Amendments: Classification of Liabilities as Current or Non-current	01/01/2024	No material effect expected
IAS 1	Amendments: Non-current Liabilities with Covenants	01/01/2024	No material effect expected
IAS 7	Amendment Supplier Financing	01/01/2024	No impact expeted
IFRS 16	Amendments: Lease liabilities in a sale and leaseback transaction	01/01/2024	No material effect expected
IAS 21	Amendment: Lack of Exchangeability	01/01/2024	No material effect expected

I.2. Principles of consolidation

The consolidated financial statements comprise the financial statements of Tempton Group GmbH and its subsidiaries as of the 31 December of each financial year. The financial statements of the subsidiaries were prepared using uniform accounting policies and measurement methods for the same reporting period as the financial statements of the parent company.
The reporting date for all the subsidiaries included in the consolidated financial statements is December 31, of the financial year to be reported.

I.2.1 Subsidiaries

Subsidiaries are the companies controlled by Tempton Group GmbH. Control is defined as the company's ability to control the significant activities of the other entity. Significant activities are those activities affecting the earnings generated by an entity. Subsidiaries are consolidated from the date the parent company can control the subsidiary and ends when control is no longer possible.

Acquisition accounting is applied using the purchase method specified in IFRS 3, under which the acquisition cost of the acquired shares is offset against the proportion of the acquired subsidiary's equity attributable to the parent company at the acquisition date. All identifiable assets, liabilities and contingent liabilities are recognised at fair value and included in the consolidated statement of financial position. If the acquisition cost exceeds the fair value of the net assets attributable to the Group, the difference is capitalised as goodwill.

If the fair value of the net assets attributable to the Group is higher than the acquisition cost of the shares, this results in a bargain purchase. If the bargain purchase remains after another review of the purchase price allocation performed and after determining the fair value of the acquired assets, liabilities and contingent liabilities, it must be recognised in profit or loss.

Intercompany receivables and liabilities of entities consolidated are offset against each other. This also applies to intragroup transactions and to intragroup revenue, income, and expenses. Accordingly, the earnings of the subsidiaries acquired or disposed of during the financial year are included in the consolidated statement of comprehensive income from the date the acquisition becomes effective or until the disposal date.

I.2.2 Scope of consolidation

Tempton Group GmbH as the parent company and 12 subsidiaries were included in the consolidated financial statements of Tempton Group as of 31 December 2023 and 2022. The company directly or indirectly holds 100 % of the shares in each of these subsidiaries. The scope of consolidation has remained unchanged compared to the previous year.

The group companies included in the consolidation are the following domestic companies:

Companies included	registrated office	in capital %	
Tempton Personaldienstleistungen GmbH	Essen	100.00	
Tempton Next Level Experts GmbH	Nuremberg	100.00	1)
Tempton Outsourcing GmbH	Essen	100.00	2)
Tempton Outsourcing ES-DOR Betriebsgesellschaft mbH	Essen	100.00	2)
Tempton Outsourcing LG-BOR Betriebsgesellschaft mbH (formely Tempton Outsourcing TG-Ulm Betriebsgesellschaft mbH)	Essen	100.00	2)
Tempton Outsourcing CN-BUT Betriebsgesellschaft mbH	Essen	100.00	2)
Tempton Outsourcing TW-KAL Betriebsgesellschaft mbH	Essen	100.00	2)
Tempton Outsourcing OT-GRE Betriebsgesellschaft mbH	Essen	100.00	2)
Tempton Technik GmbH	Nuremberg	100.00	
Tempton Verwaltungs GmbH	Essen	100.00	
Tempton Managed Services GmbH	Essen	100.00	
Tempton Personalservice GmbH	Essen	100.00	

1) indirect ownership (The shares are held by Tempton Personaldienstleistungen GmbH, Essen)

2) indirect ownership (The shares are held by Tempton Next Level Experts GmbH, Nuremberg).

I.3. Presentation of accounting policies

I.3.1 General information

The consolidated financial statements were basically prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration paid in exchange for the asset.

The statement of financial position is presented in accordance with company’s current and non-current assets and liabilities. The statement of comprehensive income is prepared by applying the nature of expense method for calculating the consolidated net profit for the period.

I.3.2 Reporting currency

The consolidated financial statements are prepared in Euro as the Group's transactions are conducted in this currency. Unless stated otherwise, all figures are rounded up or down to thousands of euros in accordance with standard commercial practice. The amounts are stated in Euro (€), in thousands of Euro (€ thousand) or in millions of Euro (€ million).

I.3.3 Intangible assets

Intangible assets not acquired as part of a business combination are initially carried at cost. The cost of an intangible asset acquired in a business acquisition corresponds to its fair value at the acquisition date.

Intangible assets are recognised when it is probable that the future economic benefits attributable to the asset will be received by the entity and the cost of the asset can be reliably measured.

For the purposes of subsequent measurement, intangible assets are recognised at cost less cumulative amortisation and cumulative impairment losses (reported under amortisation). Intangible assets (excluding goodwill) are amortised on a straight-line basis over their estimated useful lives. Scheduled amortisation begins as soon as the intangible asset is brought into operation. The amortisation period and method are reviewed at the end of each financial year. An intangible asset is impaired if the recoverable amount – the higher of fair value less costs to sell and value in use – is lower than the carrying amount.

The Group does not have any intangible assets with indefinite useful lives.

The cost of acquiring new software is capitalised and treated as an intangible asset unless it is an integral part of the associated hardware. Software is amortised on a straight-line basis over a period of three to seven years.

Costs incurred to restore or maintain the future economic benefits that the company had originally expected are recognised as an expense.

Gains and losses from disposing intangible assets are determined as the difference between the net disposal proceeds and the carrying amount of the asset, and they are recognised in profit or loss in the period in which the asset is disposed.

I.3.4 Goodwill

Goodwill from business combinations is the excess of the cost of the business combination over the Group's equity interest at the fair value of the identifiable assets, liabilities, and contingent liabilities of the acquiree.

Goodwill is not amortised but is tested for impairment. In general, an impairment test is performed once a year after the planning has been finalised. Goodwill is then remeasured when an indication exists that the value of a cash-generating unit has decreased. For impairment testing, the goodwill acquired in a business combination is allocated to the cash-generating units (CGUs) of the Group benefiting from the combination starting at the acquisition date. Goodwill is then written down if the recoverable amount of a cash-generating unit is lower than its carrying value. Once recognised, impairment losses are not reversed in future periods.

I.3.5 Property, plant and equipment

Property, plant and equipment is recognised at cost less cumulative depreciation and cumulative impairment losses. The cost of an individual asset of property, plant and equipment consists of the purchase price and other non-refundable purchase taxes incurred in connection with the purchase as well as all direct costs incurred to bring the asset to its location and to put it into operation for its intended use. Subsequent costs, such as servicing and maintenance costs incurred after the non-current asset has been put into operation, are expensed in the period incurred. If it is likely that an expenditure will lead to additional future economic benefits to the company in excess of the originally assessed standard of performance of the existing asset, the expenditure is capitalised and depreciated.

Additions are measured at their fair value calculated at the acquisition date, which is then depreciated over the subsequent periods of the asset's useful life.

Depreciation is calculated on a straight-line basis over the expected useful economic life, assuming a residual value of € 0.00. The following estimated useful lives are applied for individual asset groups:

- Buildings and exterior installations: 5 to 50 years
- Technical equipment and machinery: 3 to 21 years
- Other office equipment: 2 to 23 years

Land is not depreciated.

The useful economic lives, the depreciation method applied in depreciating property, plant and equipment and the residual values are periodically reviewed.

If items of property, plant and equipment are disposed or scrapped, the corresponding costs and the cumulative depreciation are derecognised. The profit or loss resulting from the sale of an asset of property, plant and equipment is determined as the difference between the proceeds from the sale and the carrying amount of the asset and is recognised in profit or loss.

I.3.6 Leasing

All contracts transferring the right to use a specific asset for a period of time in return for consideration are defined as leases. This also applies to contracts that do not expressly describe the transfer of such a right. The Group is a lessee of properties and vehicles.
The Group recognises right-of-use assets for leased assets, and liabilities for the payment obligations entered into for all leases at present value in its consolidated statement of financial position. Lease liabilities include the following lease payments:

- fixed payments, including in-substance fixed payments, less lease incentives to be paid by the lessor;
- variable payments that depend on an index or another specified rate;
- amounts expected to be payable on the basis of residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease if the lessee expects to exercise the option to terminate the lease prior to the end of the lease term.

Lease payments are discounted at the implicit borrowing rate in the lease if this can be readily determined. Otherwise, they are discounted at Group’s incremental borrowing rate. Tempton Group uses the incremental borrowing rate. The incremental borrowing rate is a risk-adjusted interest rate derived for the specific lease term and currency. The credit ratings of the individual member entities of the Group have been considered.
A right-of-use asset is initially measured at cost as of the commencement date of the lease. The right-of-use asset is calculated using the initial measurement of the lease liability plus the lease payments made on or before the commencement date of the lease less any incentives received, initial direct costs incurred by the lessee and an estimate of costs to be incurred by the Group to dismantle and remove the underlying asset, to restore the location site or the underlying asset to the condition required by the terms of the lease agreement. A right-of-use asset is subsequently measured at cost less cumulative depreciation and adjustments required to remeasure the lease liability upon the occurrence of certain events. A right-of-use asset is depreciated on a straight-line basis over the term of the lease.
For contracts that contain lease and non-lease components, these components are separately evaluated.
Many leases, primarily for property, include extension options. These contractual terms offer the Group flexibility and benefits at inception. When determining the lease term, all

facts and circumstances that create an economic incentive to exercise extension options are considered. When determining the term of the lease, such options are only considered if they are reasonably certain to be exercised. The assessment of whether options are reasonably certain to be exercised affects the term of the lease and can therefore have a significant influence on the measurement of lease liabilities and right-of-use assets.

Tempton Group exercised the option under IFRS 16 not to recognise right-of-use assets and lease liabilities for low-value leases (i.e., the value of an underlying asset of € 5 thousand or less at acquisition) and short-term leases (remaining term of twelve months or less). The lease payments associated with these leases are recognised as an expense on a straight-line basis over the term of the lease.

Tempton Group has no investment property.

I.3.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are recognised as part of acquisition or production costs. Tempton Group defines qualified assets as construction projects or assets requiring at least twelve months to bring into an operable or sellable condition. Borrowing costs are not recognised in inventories.

I.3.8 Impairment of non-financial assets (including goodwill)

Non-financial assets are tested for impairment when facts or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. For impairment testing, the recoverable amount of the asset or the cash-generating unit (CGU) must be determined. The recoverable amount is the higher of the fair value less costs to sell and the value in use. The fair value less costs to sell is defined as the price obtainable from the sale of an asset or CGU between knowledgeable, willing, and independent parties less costs of disposal. The value in use of an asset or CGU is determined by the present value of an estimated anticipated cash flow on the basis of its current use. Tempton generally calculates the value in use.

The recoverable amount is determined by applying the discounted-cashflow (DCF) model to the extent a fair value measurement is not possible. DCF calculations are used internally and are the basis for deriving 5-year forecasts used in financial planning approved by management. The planning horizon selected reflects the assumptions made about how the market will develop in the short and medium terms. Cash flows exceeding this 5-year

period are calculated by applying the appropriate growth rates. The significant assumptions management made in calculating the recoverable amount are explained in Section 4 Material judgements, estimates and assumptions of this chapter.
An adjustment of an impairment recognised in profit or loss in previous years is reversed for an asset (except for goodwill) if there are any indications that the impairment no longer exists or has decreased. The reversal is recognised in other operating income in the consolidated statement of profit or loss. However, the increase in value (or reversal of an impairment) of an asset is only recognised to the extent that it does not exceed the carrying amount that would have resulted if no impairment loss had been recognised in the previous years (taking depreciation into account).

I.3.9 Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

On initial recognition, financial assets are classified as subsequently measured at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss.
The classification of financial assets on initial recognition is dependent on the characteristics of the contractual cash flows of the financial assets and the Group's business model for managing its financial assets. Except for trade receivables and contract assets which do not contain a significant financing component, the Group initially recognises a financial asset at its fair value plus transaction costs. Trade receivables that do not contain a significant financing component are initially recognised at the transaction price calculated in accordance with IFRS 15.
To ensure that a financial asset can be classified and measured at amortised cost or fair value through other comprehensive income, cash flows must consist solely of payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at the level of the individual financial instrument.
The Group's business model for managing financial assets reflects how an entity manages its financial assets to generate cash flows. Depending on the business model, cash flows are generated from collecting contractual cash flows, from the sale of financial assets or from a combination of both.

Purchases or sales of financial assets requiring a delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised at the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified into four categories:

- financial assets at amortised cost (debt instruments);
- financial assets at fair value through profit or loss or through other comprehensive income with the reclassification of cumulative gains and losses (debt instruments);
- financial assets at fair value through profit or loss or through other comprehensive income without the reclassification of cumulative gains and losses on derecognition (equity instruments);
- financial assets at fair value through profit or loss;

Financial assets at amortised cost (debt instruments);

Financial assets recognised in Tempton Group's consolidated financial statements are classified as financial assets at amortised cost except trade receivables within a factoring arrangement that have not been sold at the balance sheet date. The Group measures financial assets at amortised cost when both of the following conditions have been met:

- the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding at specified dates.

Financial assets measured at amortised cost are subsequently measured using the effective interest rate method and tested for impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

The Group's financial assets measured at amortised cost comprise of trade receivables, contract assets and other financial assets.

Financial assets at fair value through other comprehensive income

Trade receivables under a factoring arrangement that have not been sold at the balance sheet date are classified at fair value through other comprehensive income. The Group measures financial assets at fair value through other comprehensive income when both of the following conditions have been met:

- The financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows but also to sell the asset; and
- The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding at specified dates.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the right to receive cash flows from the asset has expired;
- the Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass – through" arrangement; and either (a) the Group has substantially transferred all the risks and rewards of the asset or (b) the Group has substantially neither transferred nor retained all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset or has entered into a pass- through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has substantially neither transferred nor retained all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In such a case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises impairment for expected credit losses on all debt instruments not measured at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows payable and the total cash flows the Group expects to receive. The cash flows forecast include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognised in two stages. For financial instruments for which the risk of default has not significantly increased since the initial recognition, a loss allowance is recognised in the amount of the expected cash shortfalls in the event of default within the next twelve months [12-month expected credit loss (ECL)]. For financial assets for which the risk of default has significantly increased since the initial recognition, an entity must recognise the lifetime expected credit losses regardless of when a default event may occur (lifetime ECL).

The Group uses a simplified method for calculating the expected credit losses on trade receivables and contract assets. It does not track changes in credit risks; instead it recognises a loss allowance at the end of each reporting period based on the lifetime ECL. On the basis of its past experience of credit losses, the Group has prepared a matrix that is adjusted for future factors if specific future factors for the borrower and for the economic environment can be determined at reasonable expense.

The Group considers a financial asset to be in default if contractual payments are 120 days past due and if a subsequent detailed review of the debtor does not reveal any other information. Moreover, the Group assumes in certain cases that a financial asset is in default if internal or external information indicates that it is unlikely that the Group will receive the outstanding contractual amounts in full before all credit enhancements held are considered. A financial asset is written down when there is no valid expectation that the contractual cash flows will be collected.

Financial liabilities

Initial recognition and measurement

At initial recognition, financial liabilities are classified either as financial liabilities at fair value through profit or loss, as loans and borrowings, as payables, or as derivatives designated as hedging instruments in an effective hedge.

All financial liabilities are initially recognised at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, contract liabilities, other liabilities, and loans, including overdrafts.

Subsequent measurement

The measurement of financial liabilities is dependent on their classification. However, the Group has no financial liabilities classified at fair value through profit or loss.

Loans and liabilities

After initial recognition, these financial liabilities are remeasured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised using the effective interest rate (EIR) amortisation method.
Amortised cost is calculated by considering any discount or premium at acquisition and fees or costs that are an integral part of the effective interest rate. The EIR amortisation amount is included as finance costs in the consolidated statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation underlying the liability is either discharged or terminated or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and is deemed to be a recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

I.3.10 Derivative financial instruments

The Group does not have derivative financial instruments.

I.3.11 Inventories

Inventories are reported at the lower of cost or net realisable value (less costs necessary to make the sale) by taking their planned use into account. Raw materials, supplies and purchased goods are measured at cost using the average price method or, if lower, at their market prices at the end of the reporting period. The costs of unfinished work in progress, in addition to the costs of materials used in construction, labour and pro rata material and production overheads, are considered when assuming normal capacity utilisation. Appropriate write-downs were recognised for inventory risks evidenced by obsolescence and reduced usability.

I.3.12 Contract assets and contract liabilities

Refer to the revenue section of this chapter for accounting treatment of contract assets and contract liabilities.

I.3.13 Cash and cash equivalents

Cash and cash equivalents shown in the consolidated statement of financial position comprise of cash on hand and bank balances; they have maturities of up to three months at initial recognition. Cash and cash equivalents are measured at cost.

I.3.14 Provisions

Provisions are reported when the Group has a current (legal or constructive) obligation due to a past event, when it is probable that fulfilment of the obligation will lead to an outflow of resources embodying economic benefits and when the amount of the obligation can be reliably estimated. If the Group expects at least a partial refund of a provision recognised as a liability, the refund is recognised as a separate asset provided receipt of the refund is virtually certain. The expense from recognising the provision is reported in the consolidated statement of profit or loss less the refund.
Provisions are reviewed at the end of each reporting period and adjusted to the current best estimate. The amount of a provision corresponds to the present value of the expenses expected to be incurred to fulfil the obligation. The effect of unwinding of provisions over time is recognised as an interest expense.

I.3.15 Pensions and other post-employment benefits

Defined benefit pension plans are measured in accordance with IAS 19. For defined benefit pension plans, the obligation is recognised in the consolidated statement of financial position as a pension provision. These pension commitments are defined benefit plan commitments and are therefore measured in accordance with actuarial principles using the projected unit credit method. This provision is calculated based on assumptions, such as an expected discount rate, life expectancy, future salary and pension increases. Changes in these assumptions can significantly influence the amount of future pension costs. Pension obligations are calculated based on the biometric accounting principles of the Heubeck 2018G mortality tables.
The defined benefit obligations are partially offset by plan assets.

Pension provisions are valued using the actuarial projected unit credit method as required for defined benefit plans. Such calculations consider both the pensions and the vested benefits known at the reporting date and expected future increases in salaries and pensions. The interest rate used for determining the present value of the obligations is based on the yields on high quality fixed-interest bearing corporate bonds in the relevant currency zone. The income from plan assets and expenses is derived from the accrued interest on the obligations recognised in the financial result. Service costs are classified as personnel costs. Past service costs resulting from a change in the pension plan are recognised in the consolidated statement of comprehensive income in the period of the change. Gains and losses resulting from adjustments and changes in actuarial assumptions are recognised in other comprehensive income and cumulated in equity in the period in which they arise.

Actuarial gains and losses are reported in the consolidated statement of other comprehensive income. The interest expense from discounting pensions is reported in net finance costs.

Defined contribution plans exist in the form of retirement, disability and survivors' benefits, which is based on length of service and salary. The employer's contributions to the statutory pension insurance to be paid in Germany are defined as defined contribution plans. Payments to defined contribution plans in the Group relate to contributions to statutory pension insurance in Germany. Payments for defined contribution pension plans are expensed as incurred.

I.3.16 Revenue recognition

Revenue is recognised based on the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. Revenue is recognised when the customer acquires control of the goods or services. The customer obtains control when the goods and products are delivered or accepted. Revenue from service transactions is only recognised when it is sufficiently probable that the economic benefits associated with the transaction will be remitted to the Group. Service revenue is recognised in the accounting period in which the services in question are rendered, thereby giving the customer the benefit from the completion of the service. An additional requirement to recognise revenue is that a contract with enforceable rights and obligations exists and that, among others, the receipt of consideration is probable – depending on the creditworthiness of the customers. The revenue corresponds to the transaction price that Tempton Group is presumably entitled to receive. If a contract includes several separable goods or services, the transaction price is allocated to the performance obligations of each separate goods or services based on its selling price. Revenue for each service obligation is realised at a point in time or over time.

Revenue generated by the Personnel Services unit

In accordance with IFRS 15, revenue from the Tempton Personnel Services business unit is recognised over time corresponding to the amount of time services are rendered. The basis for services revenue is the hourly rate agreed upon with the customer and the time worked (e.g. hours worked) disclosed on the activity report. Services rendered are invoiced to the customer on a daily or monthly basis. In general, the Personnel Services business unit does not have any contract assets or contract liabilities.

Revenue generated by the Outsourcing unit

In accordance with IFRS 15, revenue from the Tempton Outsourcing business unit is recognised over time corresponding to time worked, which is calculated with the agreed amount per deliverables engagement. The basis for the agreed services regulations is the customer’s assignment and performance journal. In general, Tempton will invoice for services generated by the Outsourcing unit on a weekly or monthly basis. As a result, the Outsourcing business unit does not generate any contract assets or contract liabilities.

Revenue generated by the Next Level unit

The Next Level business unit offers human resources consulting, temporary experts / freelancers, engineering and planning services and Executive-level services. In accordance with IFRS 15, revenue from the Next Level business unit is recognised – except for human resources consulting – over time corresponding to time spent. The basis for determining services rendered is the hourly rate agreed to with the customer and time spent (e.g. hours worked) disclosed in the activity report. Services and other performance obligations rendered are invoiced to the customer on a weekly or monthly basis. Human resources consulting includes recruitment services. The basis for recognising revenue from the human resources consulting business unit are the service contracts executed with the customer. The contracts stipulate that Next Level is entitled to a one time-fee once there is an executed employment contract between the candidate presented and the customer. The agreed fee is recognised as revenue at this point in time. Based on these revenue models, the Next Level business unit does not have any contract assets or liabilities. Contract assets represent Tempton Next Level's claim to consideration from customer contracts. If a contract asset for a project exceeds the customer advances received, it is recognised as a contract asset. Vice versa, amounts are reported under the item contract liabilities.

Revenue in the Technology business unit

In accordance with IFRS 15, revenue from the Tempton Technology business unit is recognised over time since the customers always have control of the assets created or improved. Realisation occurs on the basis of master agreements. The transaction price is allocated to separate performance obligations on the basis of cost estimates. Tempton Technology uses the value of a contract agreed upon with the principal for determining the transaction project price.

Revenue from these projects is recognised over time using the input-oriented method on the basis of work performed to date. The work performed and the corresponding revenues are calculated at the contract level. The time incurred as a percentage of the total project is the best indicator of budget overruns or deviations due to unforeseen circumstances. Work performed will be determined by the system permanently.

Contract assets represent Tempton Technology's claim to consideration from customer contracts. If a contract asset for a project exceeds the customer advances received, it is recognised as a contract asset. Vice versa, amounts are reported under the item contract liabilities.

Payments for Tempton Technology projects are made in accordance with completed performance obligations based on invoices issued.

If it is likely that the cost will exceed the recoverable amount, a provision for onerous contracts is recognised in accordance with IAS 37. This is analysed on a case-by-case basis to recognise the amount required for settling the present obligation under contract. In such cases, impairment is recognised up to the amount of the contract asset or – if the contract asset is exceeded – a provision for onerous contracts is recognised in short-term provisions.

Inventories not yet used in the project but already available are reported separately under inventories. Work completed and invoiced is recognised under trade receivables.

Incremental work in connection with such projects is work that cannot be charged under existing contractual agreements and whose chargeability or acknowledgement has yet to be agreed upon with the principal. While the costs are recognised in profit or loss when incurred, the revenue from incremental work is recognised after the principal's written acknowledgement or if payment for incremental work has been received.

I.3.17 Government grants

Government grants related to assets are deducted from the carrying amount when there is reasonable assurance that

- Tempton will comply with the conditions attaching to them and
- the grants will be received.

They are recognized in profit or loss over the life of the depreciable asset as a reduced depreciation expense. If the Group becomes entitled to a grant subsequently, the amount of the grant attributable to prior periods is recognized in profit of loss.

Government grants related to income, i.e. that compensate the Group for expenses incurred, are recognised in profit or loss for the period in which the expenses to be compensated by the grants are also recognized.

I.3.18 Taxes

Current income taxes
Current tax assets and liabilities for the current and prior periods are measured at the amount of the tax refund expected to be received from the tax authorities or from the tax payment expected to be made to the tax authorities. The calculation is based on tax rates and tax laws applicable for the entities at the end of the reporting period.

Deferred taxes
In accordance with IAS 12, deferred taxes are recognised for tax loss carryforwards and for temporary differences using the liability method as of the reporting date between the carrying amount of an asset or liability in the consolidated statement of financial position and its tax base.
Deferred tax liabilities are recognised for all taxable temporary differences with the exception of deferred tax liabilities from the initial recognition of goodwill or of an asset or liability from a transaction that does not constitute a business combination and does not affect the accounting profit before taxes or the taxable profit as of the transaction date.
Deferred tax assets are recognised for all deductible temporary differences, unused tax loss carryforwards and unused tax credits to the extent that it is probable that taxable income will be available against which deductible temporary differences and unused tax

loss carryforwards and tax credits can be utilised. Deferred tax assets are not recognised from deductible temporary differences due to the initial recognition of an asset or liability from a transaction that does not constitute a business combination and does not influence the accounting profit before taxes or the taxable profit as at the transaction date.

The carrying amount of deferred tax assets is tested at the end of each reporting period and reduced to the extent that it is no longer probable that a sufficient taxable result will be available against which the deferred tax asset can be partially utilised. Unrecognised deferred tax assets are tested at the end of each reporting period and recognised to the extent that it is probable that a taxable result in the future will allow deferred tax assets to be realised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the periods in which an asset is realised or a liability is settled. This is based on the tax rates and tax laws for the entities applicable at the end of the reporting period. Future changes in the tax rates must be considered at the end of the reporting period if the material conditions for validity in a legislative process have been fulfilled.

Deferred taxes are reported as tax income or expense in the consolidated statement of comprehensive income unless they relate to items reported directly in equity, in which case such deferred taxes are reported in other comprehensive income and cumulated in equity. Deferred taxes and tax liabilities are offset against each other if the Group has a legally enforceable right to set off tax assets against tax liabilities and if they relate to income taxes of the same taxable entity levied by the same tax authorities.

I.3.19 Contingent liabilities and contingent assets

Contingent liabilities are either potential obligations that could lead to an outflow of resources but whose existence will be determined by the occurrence or non-occurrence of one or more future events, or current obligations that do not fulfil the criteria for being recognised as a liability. They are disclosed separately in the notes unless the probability of an outflow of resources embodying economic benefits is low. In the current year, contingent liabilities comprise of guarantees and other commitments.

In the context of business combinations, contingent liabilities are recognised in accordance with IFRS 3.23 if their fair value can be reliably determined. Contingent assets are not reported in the consolidated financial statements and are disclosed in the notes when receipt of economic benefits is probable.

I.4. Material judgements, estimates and assumptions

During the preparation of the consolidated financial statements in accordance with IFRS, estimates and assumptions are established. These influence the amounts recognised in assets, liabilities, and financial obligations as of the reporting date and the amounts reported in expenses and income. The actual amounts can differ from such estimates.
Below we explain future assumptions and other key sources of estimation uncertainty at the end of the reporting period resulting in a considerable risk that a major adjustment to the carrying amounts of assets and liabilities may be required during a subsequent financial year.

<u>Impairment of non-financial assets</u>
The Group determines whether there are any indications of non-financial assets that require impairment at the end of each reporting period. Goodwill is tested for impairment at least once a year. Other non-financial assets are tested for impairment when indications exist that the carrying amount is higher than the recoverable amount. To calculate the value in use, management estimates the expected future cash flows of the asset or of the cash-generating unit and selects an appropriate discount rate for determining the present value of such cash flows.

<u>Pension obligations</u>
Obligations from defined benefit plans post-employment are determined using actuarial calculations. The actuarial calculation is based on assumptions regarding discount rates, mortality, and future salary and pension increases. Due to the long-term nature of these assumptions such estimates are subject to significant uncertainty.

<u>Provisions</u>
Provisions are recognised and measured based on an assessment of the probability of future outflow of benefits using data from past experience and circumstances known at the end of the reporting period. The actual obligation can differ from the amounts recognised as provisions.

<u>Deferred tax assets</u>
Deferred tax assets are recognised for all unused tax loss carryforwards and for temporary differences to the extent that it is probable that taxable income will be realised, i.e., the loss carryforwards can actually be used. To calculate deferred tax assets, management makes judgements regarding expected timing and amount of future taxable income and

future tax planning strategies. The planning period considered for the probability assessment is determined by the circumstances at the respective member entity of the Group and is generally between one and five years.

Revenue from contracts with customers

The personnel services business unit is the core segment of Tempton Group and accounts for approximately 90 % of Tempton’s sales. Revenue generated by personnel services is recognised over time. Significant judgements and allocations are limited due to minimum monthly invoicing of services rendered.

Tempton Technology recognises transaction in accordance with construction contracts over time, for which revenue is recognised on the percentage of completion method requiring estimations for percentages of specific stages of completion. Depending on the assumption applied in determining the percentage of completion, the material estimates comprise the total contract costs, the costs to be incurred until completion, the total contract revenue, the contract risks, and other judgements. The estimates are continuously reviewed by the company's management and adjusted as necessary.

Leasing

Lease accounting involves significant judgements in accordance with IFRS 16 related to real estate leasing agreements, extension options at the end of a base term (including subsequent automatically extending rental periods), which were not included in measuring the leasing liability. Judgement is required as exercising of these options is not reasonably certain. Tempton Group could replace these assets without any significant costs or disruption in operations. After utilisation begins, the probability of exercising such an option would only then be reassessed if a significant event or a significant change in the circumstances occurs that would have an effect on the original assumptions and if such events or changes occurred under the control of the lessee. The Group reassesses the term of the leasing relationship when an option is to be exercised or if the Group had the obligation to evaluate an option to exercise.

For further explanations concerning leasing, refer to the explanations in Note I.3.6 and Note II.14.

II. Notes to the consolidated statement of financial position

II.1. Cash and cash equivalents

Cash and cash equivalents amounted to € 28,072 thousand as of 31 December 2023 (previous year: € 28,899 thousand) and is comprised of cash in banks and cash on hand for both years. Cash and cash equivalents were classified to the item amortised cost.

II.2. Trade receivables

The carrying amounts of trade and other receivables as of 31 December were determined as follows:

thousands of €	2023	2022
Trade receivables	48,786	39,209
Less specific valuation allowances	-34	-61
Less expected credit losses	-126	-61
Total	**48,626**	**39,087**

II.2.1 Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recorded at amortised cost except those under a factoring arrangement that have not been sold at the balance sheet date. They are generally due in the short term and are classified as current assets. Trade receivables are initially recognised at the amount of unconditional consideration, as they do not contain significant financing components. The Group holds trade receivables to collect contractual cash flows, and subsequently remeasures amounts to amortised cost using the effective interest method. Trade receivables under a factoring arrangement that have not been sold at the balance sheet date are measured at fair value through other comprehensive income. Details about the Group's impairment policies and the calculation of the loss allowance are disclosed in Note I.3.8.

II.2.2 Income from incoming payments received

In 2023, Tempton received payments for receivables previously written off in an amount of € 30 thousand (previous year: € 27 thousand).

II.2.3 Factoring

For selected customers a portion of the trade receivables were sold as part of a revolving factoring agreement. Tempton Group is solely liable for the legal existence of the receivables sold. The factor bears the risk of the debtor defaulting on the receivables purchased and the line of factoring is limited to a revolving amount of € 7,500 thousand (previous year: € 7,500 thousand). Over the entire year 2023, the volume of pre-financing amounted to € 38,234 thousand (previous year: € 35,063 thousand). As of 31 December 2023, € 4,095 thousand (previous year: € 3,389 thousand) were sold to the factoring company and derecognised. The remaining purchase price was recognised in other financial assets and was due upon receipt of payment, or at the latest upon occurrence of a case of del credere. Trade receivables in an amount of € 2,664 thousand (previous year: € 2,448 thousand) were under a factoring arrangement but not sold at balance sheet date. Those receivables have been valued at fair value.

II.2.4 Fair value of trade receivables

Current receivables are short term in nature and the carrying amounts are considered to be materially consistent with their fair value.

II.3. Contract assets and contract liabilities

The Tempton Group recognised the following assets and liabilities as of 31 December related to contracts with customers:

thousands of €	**2023**	**2022**
Current contract assets	1,497	1,509
Loss allowance	-1	-1
Total contract assets	**1,496**	**1,508**
Total contract liabilities	**389**	**447**

No costs for initiating or fulfilling contracts were recognised as separate assets in the current year (previous year: none). The Group also recognised a loss allowance for contract assets in accordance with IFRS 9. Refer to Note I.3.12 for further information.
increased due to. Contract liabilities for contracts settled increased due to higher prepayments.

II.4. Current income tax receivables

Current income tax receivables as of 31 December are presented as follows:

thousands of €	2023	2022
Corporate income tax	1,226	625
Trade tax	920	611
Total	**2,146**	**1,236**

II.5. Other financial assets

Other financial assets as of 31 December are presented as follows:

thousands of €	2023		2022	
	Total	Of which current	Total	Of which current
Fixed-income securities	3,152	0	2,406	0
Rent security deposits	1,836	917	1,561	290
Claims arising from re-insurance poilicies	913	0	1,023	0
Security retention in the course of factoring	568	568	494	494
Claims arising from working time accounts	234	234	160	160
Receivables against Federal Employment Agencies due to short-time work	6	6	7	7
Suppliers with debit balances	69	69	131	131
Insurance reimbursements	11	11	27	27
Call option additional bond	557	557	557	557
Others	232	229	136	132
Total	**7,578**	**2,591**	**6,502**	**1,798**

In line with the previous year, the Group has not impaired any receivables in the current year.

As of the reporting date, there were no indications that the debtor of the other assets would not be able to meet their payment obligations.

II.6. Inventories

thousands of €	2023	2022
Raw materials and supplies	626	650
Total	**626**	**650**

In 2023, impairments for inventories amounted to € 79 thousand (previous year: € 54 thousand).

II.6.1 Allocating costs to inventories

Raw materials and supplies are valued using the weighted average cost method.

II.6.2 Amounts recognised in profit or loss

Inventories expensed during the 2023 reporting year amounted to € 1,203 thousand (previous year: € 1,274 thousand). These were included in the cost of raw materials and supplies.
Inventories written down to the net realizable value amounting to € 2 thousand (previous year: € 10 thousand).

II.7. Other current assets

Other current assets maturing within one year are presented as follows:

thousands of €	2023	2022
Claims for compensation for loss of earnings due to quarantine	1,649	2,009
Partial purchase price restitution	67	305
VAT receivables	609	404
Claims arising from short-time working allowance	240	241
Prepaid expenses	405	410
Total	**2,970**	**3,369**

II.8. Other intangible assets

Refer to the statement of changes in non-current assets for information on the development of other intangible assets.

thousands of €	Concessions, industrial property rights and similar rights	Tempton App	Tempton Connect	Customer base	Customer contracts	Total
Cost						
At 1 January 2022	469	3,690	0	4,145	671	8,975
Additions	230	1,478	0	0	0	1,708
Disposals	-23	0	0	0	0	-23
Reclassifications	0	0	0	0	0	0
At 31 December 2022	676	5,168	0	4,145	671	10,660
Additions	525	810	800	0	0	2,135
Disposals	-40	0	0	0	0	-40
Reclassifications	0	-1,398	1,398	0	0	0
At 31 December 2023	1,161	4,580	2,198	4,145	671	12,755
Accumulated amortization and impairment losses						
At 1 January 2022	-409	-1,945	0	-1,462	-671	-4,487
Additions (amortization)	-93	-879	0	-829	0	-1,801
Disposals	23	0	0	0	0	23
Reclassifications	0	0	0	0	0	0
At 31 December 2022	-479	-2,824	0	-2,291	-671	-6,265
Additions (amortization)	-176	-827	-392	-877	0	-2,273
write-up	40	0	259	0	0	298
Reclassifications	0	593	-593	0	0	0
At 31 December 2023	-616	-3,058	-727	-3,168	-671	-8,240
Net carrying amounts						
At 31 December 2022	197	2,344	0	1,854	0	4,395
At 31 December 2023	545	1,522	1,471	977	0	4,515

As of 31 December 2023, no material commitments existed for acquiring any intangible assets (previous year: € 0 thousand).
In 2023 and 2022, there were no impairment losses recognised or reversed in profit or loss.

The usability of intangible assets was reassessed in the reporting year. For this reason, the assets for my Tempton APP and Tempton Connect were presented separately for the first time in 2023.

II.8.1 Amortisation methods and useful lives

The Group amortises intangible assets with limited useful lives over the straight-line method over the following periods:

- Patents, trademarks, and licences 3 to 7 years
- IT development and software 3 to 7 years
- Customer contracts and relationships 1 to 5 years

For the Group’s impairment policy, refer to Note I.3.3 Intangible assets for the other accounting policies related to intangible assets and to Note I.3.8 Impairment of non-financial assets (including goodwill). Amortisation is included in the statement of profit or loss in "Depreciation and amortisation".

II.8.2 Significant estimates: useful lives of Tempton APP and Tempton Connect intangible assets

Tempton has been continuously developing the Tempton APP application under a work contract framework. As of 31 December 2023, the carrying amount of this software was € 1,379 thousand (previous year: € 2,344 thousand). The Group estimates the useful life of the APP software to be at least seven years in line with expected technical obsolescence of such assets. In 2023, due to the review of the useful life of the Tempton APP the expected useful life of the Tempton APP was increased to seven years from five years, because the pattern of the future economic benefits shows a longer flow to Tempton. If the useful life had remained at 5 years, the amortization would have been € 1,218 thousand instead of € 827 thousand. However, the actual useful life may be shorter or longer than seven years, depending on technical innovations and competitor actions. If the useful life were five years, the carrying amount would be € 0 thousand as of

31 December 2023. If the useful life were nine years, the carrying amount would be € 2,377 thousand.

Tempton reassessed the usability of Tempton Connect during the financial year. As of 31 December 2023, the carrying amount of this software was € 1,471 thousand (previous year: € 1,063 thousand). The Group estimates the useful life of the APP software to be at least seven years in line with expected technical obsolescence of such assets. In 2023, due to the review of the useful life of the Tempton Connect the expected useful life of the Tempton Connect was increased to seven years from five years, because the pattern of the future economic benefits shows a longer flow to Tempton. If the useful life had remained at 5 years, the amortization would have been € 647 thousand instead of € 727 thousand. However, the actual useful life may be shorter or longer than seven years, depending on technical innovations and competitor actions. If the useful life were five years, the carrying amount would be € 1,133 thousand as of 31 December 2023. If the useful life were nine years, the carrying amount would be € 1,655 thousand.

II.9. Goodwill

Goodwill amounts to € 10,646 thousand (previous year: € 10,646 thousand) and is fully attributable to personnel services business unit as of 31 December 2023.

II.9.1 Impairment test for goodwill

Goodwill is monitored by management at the operating segment personnel services level. In accordance with IAS 36, goodwill must be tested for impairment on an annual basis. The value of a cash-generating unit is compared to its carrying amount. For the cash-generating unit personnel services, the recoverable amounts determined as of 31 December 2023 and 2022 were estimated to be higher than their carrying values. Thus, no impairment losses have been recognised.

The table below provides an overview of the key factors to determine the recoverable amount of the cash-generating personnel services using the discounted cash flow model. The assumptions presented below were completed for the purpose of the annual impairment test and are very conservative compared with the company's business plan. Impairment risks for goodwill did not arise due to the significant excess of recoverable amount over carrying amount. The forecasts for the annual impairment test were based on past experience, current operating results, external market assumptions and management's assessment of future developments. The development of revenue and the

EBIT-margin were based on planning employee capacities calculated in hours and related hourly rates. The long-term growth rate is the average growth rate used to estimate cash flows beyond the budget period. The rates are consistent with long-term inflation expectations. The pre-tax discount rate reflects specific risks relating to the relevant segment.

	2023	2022
Carrying amount Goodwill (thousands of €)	10,646	10,646
Impairment (thousands of €)	0.0	0.0
Detailed planning period years	5.0	5.0
Annual revenue growth rate (in %)	7.5	3.5
Long term growth rate (in %)	2.0	1.5
EBITDA-Margin (in %)	5.6	5.6
Pre-tax discount rate (in %)	16.15	17.05
Level allocation of input parameters	Level 3	Level 3

Changes in the calculation parameters used for impairment testing may influence the fair values of cash-generating units. A sensitivity analysis was performed for the various cash-generating units with allocated goodwill by applying a x percentage points higher discount rate, a decrease in the growth rate of 2 percentage points and a decrease in EBITDA-Margin of 2 percentage points. The result of the sensitivity analysis has not indicated any required impairment losses for 2023 and 2022. The 2023 and 2022 impairment analysis have shown a significant excess of recoverable amount over carrying amount of goodwill.

II.10. Property, plant and equipment

The statement of changes in property, plant and equipment is presented as follows:

thousands of €	Land and buildings	Technical equipment and machinery	Other equipment, operationg and office equipment	Total
Cost				
At 1 January 2022	4,855	250	10,064	15,169
Additions	306	0	1,892	2,198
Disposals	-13	0	-759	-772
Reclassifications	5	0	50	55
At 31 December 2022	5,154	250	11,246	16,650
Additions	236	0	3,239	3,475
Disposals	-3	0	-377	-380
Reclassifications	0	0	0	0
At 31 December 2023	5,387	250	14,108	19,745
Accumulated amortization and impairment losses				
At 1 January 2022	-727	-204	-5,105	-6,036
Additions (amortization)	-179	-5	-1,540	-1,725
Disposals	7	0	757	765
Reclassifications	-5	0	-50	-55
At 31 December 2022	-904	-209	-5,938	-7,051
Additions (amortization)	-183	-5	-1,798	-1,986
Disposals	3	0	372	375
Reclassifications	0	0	0	0
At 31 December 2023	-1,084	-214	-7,364	-8,662
Net carrying amounts				
At 31 December 2022	4,250	41	5,308	9,599
At 31 December 2023	4,303	36	6,744	11,083

As of 31 December 2023, no material commitments exist for acquiring intangible assets (previous year: € 0 thousand). In 2023 and 2022, there were no impairment losses recognised or reversed in profit or loss.

II.10.1 Non-current assets pledged recognition

Information on non-current assets pledged as collateral by the Group are disclosed in Note II.13.1.

II.10.2 Depreciation methods and useful lives

Property, plant and equipment is recognised at historical cost less cumulated depreciation. Depreciation was calculated using the straight-line depreciation method to allocate the acquisition cost or remeasured values of the assets, net of their residual values, over their estimated useful lives as follows:

- Buildings: 50 years
- Technical equipment, machinery and other equipment: 1 to 21 years

II.11. Right-of-use assets

II.11.1 Amounts recognised in the statement of financial position

Right-of-use assets capitalised in each asset class as of 31 December 2023 and 2022 is presented as follows:

thousands of €	2023	2022
Branch office buildings	9,788	3,886
Vehicles	5,074	3,661
Total	**14,862**	**7,547**

Additions to the right-of-use assets amounted to € 14,090 thousand in the 2023 financial year (previous year: € 6,140 thousand).

II.11.2 Amounts recognised in the statement of profit or loss

Depreciation on right-of- use assets in the 2023 and 2022 financial years are presented as follows:

thousands of €	2023	2022
Branch office buildings	3,959	3,501
Vehicles	2,816	2,211
Total	**6,775**	**5,712**

In 2023 and 2022, there were no impairment losses or reversals recognised in profit or loss.

Furthermore, the statement of profit or loss includes the following amounts related to leases:

thousands of €	2023	2022
Interest expense (included in finance cost)	142	68
Expense relating to short-term leases liabilities (included in other operating expenses)	1,603	453
Expense relating to leases of low-value assets that are not shown above as short-term leases liabilities (included in other operating expenses)	318	70
Expenses relating to variable lease payments not included in lease liabilities (included in other operating expenses)	180	120

II.12. Deferred taxes

Deferred tax assets and liabilities from temporary differences as of 31 December 2023 and 2022 are presented as follows:

thousands of €	2023	2022
Deferred tax assets	2,373	1,843
Deferred tax liabilities	764	561

II.12.1 Deferred tax assets

The statement of financial position is comprised of temporary differences attributable to:

thousands of €	2023	2022
Lease Liabilities	4,483	0
Pension provisions	592	305
Other intangible assets	821	648
Provisions	25	24
Loss allowance for trade receivables and contract assets	12	0
Tax losses	899	866
Total deferred tax assets	**6,832**	**1,843**
Offset of deferred tax liabilities due to offset provisions (relating to IFRS 16)	4,459	0
Net deferred tax assets	**2,373**	**1,843**

As of 31 December 2023, deferred tax assets include € 899 thousand (previous year: € 866 thousand) related to corporate income tax loss carryforwards of € 4,612 thousand (previous year: € 4,612 thousand) and a trade tax loss carryforwards of € 1,111 thousand (previous year: € 891 thousand). These tax loss carryforwards result from several restructuring measures in 2017. The losses may be carried forward indefinitely and do not have an expiration date.

No deferred tax claim were made for trade tax loss carryforwards (previous year: € 1,303 thousand). Deferred tax asset are not recognised for tax loss carryforwards if the planning calculation does not indicate that the tax loss carryforwards can be offset against taxable profits in the foreseeable future or if there is no operating business.

Refer to Note I.3.17 and Note I.4 for information on recognising tax losses and related significant judgements.

II.12.2 Movements of deferred tax assets

The movements of the deferred tax assets in 2023 and 2022 were as follows:

thousands of €	Provisions for pensions	Other	Total
At 1 January 2022	**578**	**3,541**	**4,119**
Charged to profit or loss	0	-2,003	-2,003
Charged to other comprehensive income	-273	0	-273

At 31 December 2022	**305**	**1,538**	**1,843**
Charged to profit or loss	216	-2,003	-1,787
Charged to other comprehensive income	71	0	71
At 31 December 2023	**592**	**-465**	**127**

II.12.3 Deferred tax liabilities

The statement of financial position showed temporary differences attributable to:

thousands of €	**2023**	**2022**
Temporary differences from:		
Lease Liabilities	4,459	0
Long-term borrowings	224	242
Property, plant and equipment	49	50
Loss allowance for trade receivables and contract assets	0	7
Plan Assets	21	44
Contract Assets	470	218
Total deferred tax liabilities	**5,223**	**561**
Offset of deferred tax liabilities due to offset provisions	-4,459	0
Net deferred tax liabilities	**764**	**561**

II.12.4 Movements of deferred tax liabilities

The movements of the deferred tax liabilities were recognised in profit and loss in 2023 and 2022.

II.13. Financial Liabilities

As of 31 December 2023, financial liabilities are as follows:

thousands of €	**Current**	**Non-current**	**Total**
Secured			
Nordic bond	175	24,836	25,011
Total secured borrowings	**175**	**24,836**	**25,011**

As of 31 December 2022, financial liabilities are as follows:

thousands of €	Current	Non-current	Total
Secured			
Nordic bond	175	24,779	24,954
Total secured borrowings	**175**	**24,779**	**24,954**

II.13.1 Collateralised liabilities and assets pledged as security

On 9 November 2021, Tempton Personaldienstleistungen GmbH issued EUR 25,000,000 senior secured bond which bears interest at a fixed rate of 4.75 % p.a. and matures on 9 November 2026. The obligations of Tempton Personaldienstleistungen GmbH under the bond are guaranteed on a senior basis by the Company, Tempton Next Level Experts GmbH and Tempton Technik GmbH.

In addition, in accordance with the terms of the bond, the obligations under the bond are secured by a first-priority security assignment by each of the Companies: Tempton Personaldienstleistungen GmbH, Tempton Next Level Experts GmbH and Tempton Technik GmbH of (i) all its account receivables (other than any receivables being subject to non-recourse factoring), (ii) any claims for re-assignment of account receivables against any factoring company and/or any other claims or receivable against a factoring company which have been assigned to the relevant factoring company for security purposes, and (iii) up until in connection with an initial public offering, claims under current and future intercompany loans granted by it.

II.13.2 Compliance with loan covenants

In year 2023 and 2022, Tempton Group was not subject to financial covenants compliance requirements.

II.13.3 Fair value

For the majority of the financial liabilities, the fair values were not materially different from their carrying amounts since the interest payables on those borrowings were either close to current market rates or the borrowings were short-term in nature. Material differences were only identified for the following borrowings:

thousands of €	2023		2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Nordic bond	25,011	22,875	24,954	23,175

The Nordic Bond quoted prices in a liquid market are available at the reporting date (Level 1 measurement).

II.13.4 Risk exposures

Details of the Group's objectives and methods of financial risk management and capital management are explained in Note IV.4.

II.13.5 Maturities

As of 31 December 2023, lliabilities based on carrying amounts mature as follows:

thousands of €	Up to 1 year	More than 1 year and up to 5 years	Over 5 years	Total
2023				
Trade payables	3,203	0	0	3,203
Current income tax liabilities	1,975	0	0	1,975
Provisions	21,662	370	0	22,032
Other financial liabilities	12,564	0	0	12,564
Other liabilities	10,461	0	0	10,461
Contract liabilities	389	0	0	389
Lease liabilities	6,264	8,679	0	14,943
Nordic bond	175	24,836	0	25,011
As of 31 December 2023	**56,692**	**33,885**	**0**	**90,577**

As of 31 December 2022, lliabilities based on carrying amounts mature as follows:

thousands of € 2022	Up to 1 year	More than 1 year and up to 5 years	Over 5 years	Total
Trade payables	3,100	0	0	3,100
Current income tax liabilities	2,132	0	0	2,132
Provisions	19,867	225	0	20,092
Other financial liabilities	11,358	0	0	11,358
Other liabilities	10,012	0	0	10,012
Contract liabilities	447	0	0	447
Lease liabilities	3,412	4,034	0	7,446
Nordic bond	175	24,779	0	24,954
As of 31 December 2022	**50,503**	**29,037**	**0**	**79,540**

In 2023, interest bearing-liabilities were the Nordic Bond with fixed interest rate 4.75 % p.a. (previous year ranging from 4.75 % p.a.).

II.14. Lease liabilities

As of December 31, 2023 and 2022, total finance lease liabilities are presented as follows:

thousands of €	2023	2022
Branch office buildings	9,886	3,933
Vehicles	5,057	3,513
Total	**14,943**	**7,446**

As of December 31, 2023 and 2022, maturities of the total lease liabilities are presented as follows:

thousands of €	2023	2022
Short term	6,264	3,412
Long term	8,679	4,034
Total	**14,943**	**7,446**

Total cash disbursements for leases (including payments for short-term and low-value leases) amounted to € 8,656 thousand in the 2023 financial year (previous year: € 5,864 thousand).

II.15. Trade payables

Trade payables amount to € 3,203 thousand (previous year: € 3,100 thousand) and are usually paid within 30 days of recognition. The carrying amounts of trade payables were the same as their fair values due to their short-term nature. Customary reservations of ownership exist.

II.16. Current income tax liabilities

The breakdown for current income tax liabilities is as follows:

thousands of €	**2023**	**2022**
Corporate income tax	1,311	1,105
Trade tax	664	1,027
Total	**1,975**	**2,132**

II.17. Current and non-current provisions

Provisions were composed of the following changes:

thousands of €	Provisions for personnel costs	Provision for sale and procurement support	Mis-cellaneous other provisions	Total
As at 1 January 2022	**13,073**	**2,359**	**2,511**	**17,942**
Of which: current	13,073	2,359	2,319	17,751
Addition	14,330	2,689	1,596	18,615
Use	-12,958	-2,359	-1,084	-16,401
Reversal	0	0	-64	-64
Reclassifikation	0	0	0	0
As at 31 December 2022	**14,445**	**2,689**	**2,959**	**20,092**
Of which: current	14,445	2,689	2,734	19,868
Addition	15,195	3,170	1,781	20,146
Use	-14,286	-2,689	-1,162	-18,137
Reversal	0	0	-69	-69
Reclassifikation	0	0	0	0
As at 31 December 2023	**15,354**	**3,170**	**3,509**	**22,032**
Of which: current	15,354	3,170	3,138	21,662

An outflow of economic resources for current provisions is expected in the subsequent year.

The provisions for personal costs, which include working-time account and vacation accrual, amounts to € 10,947 thousand (previous year: € 10,515 thousand), provisions for workers´ compensation of € 974 thousand (previous year: € 626 thousand) and other staff-related provisions of € 3,432 thousand (previous year: € 3,302 thousand).

II.18. Other current financial liabilities

Other current financial liabilities are presented as follows:

thousands of €	2023	2022
Short term		
Wages and salaries	12,156	10,667
Trade accounts receivable and receivables from suppliers with debit balances	397	677
Others	11	14
Total	**12,564**	**11,358**

II.19. Other liabilities

Other liabilities are presented as follows:

thousands of €	2023	2022
Short term		
VAT liabilities	5,185	5,305
Liabilities from wage and church taxes	4,140	3,779
Liabilities relating to social security	975	695
Others	161	232
Total	**10,461**	**10,011**

II.20. Provisions for pensions

II.20.1 Defined benefit plans

Tempton does not operate a defined benefit plan. However, resulting from the past, there are occasional defined benefit pension obligations. These occasional defined benefit pension obligations are subject to the same regulatory framework. All of the obligations are final salary pension plans, which provide benefits in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary. Pension payments are generally updated to account for inflation. A number of defined benefit pension obligations are partially funded by plan assets. There are also some unfunded obligations.

Provisions for pension obligations amounted to € 2,597 thousand (previous year: € 2,300 thousand). Tempton has plan assets for reinsurance policies that serve as the pension entitlements of a small number of former employees.

Pension obligations have changed as follows:

thousands of €	2023	2022
Benefit obligation (DBO) at the beginning of the year	**2,801**	**3,728**
Service costs	14	20
Interest costs	108	49
Benefits paid (act.)	-104	-146
Total	**2,819**	**3,652**
Actuarial gain/(loss)	222	-850
Benefit obligation (DBO) disclosed at the end of the year	**3,041**	**2,801**

The fair value of plan assets underlying the pension obligations changed as follows:

thousands of €	2023	2022
Fair value of plan assets as of 1 January	**501**	**355**
Interest income	-51	145
Employer contributions	3	3
Employee contributions	0	0
Benefits paid from plan assets in connection with settlements	-9	-9
Other benefits paid from plan assets	0	0
Actuarial gain/(loss)	-1	7
Fair value of plan assets as of 31 December	**444**	**501**

The amount of the pension provisions recognised as of the reporting date were as follows:

thousands of €	2023	2022
Benefit obligation (DBO)	3,041	2,801
Fair value of plan assets	444	501
Net obligation	**2,597**	**2,300**

The following actuarial assumptions were applied:

	2023	2022
Actuarial interest rate	3.3 % - 4.14 %	3.7 % - 4.25 %
Salary trend	0 %	0 %
Pension trend	2.40 %	2.50 %

The expenses and income recognised in profit and loss were as follows:

thousands of €	2023	2022
Addition to provisions (service costs)	14	20
Addition to provisions (interest costs)	108	49
Total	**122**	**69**

The following benefits are expected to be paid in subsequent years based on existing pension obligations:

thousands of €	2023	2022
In the next 12 months	203	109
Between 2 and 5 years	626	614
Between 6 and 10 years	837	802
After 10 years	2,783	2,798
Total expected payments	**4,450**	**4,322**

The expected pension payments from the occasional pension obligations for 2023 amounts to € 203 thousand (previous year: € 109 thousand). The expected contributions to plan assets for 2023 amounts to € 3 thousand (previous year: € 3 thousand).
A sensitivity analysis was performed to evaluate the impact on total pension obligation based on the following assumption changes:

Parameter	Parameter change	Impact on the pension obligation (thousands of €)
Rate of interest	increase by 50 basis points	-176
Rate of interest	decrease by 50 basis points	194
Pension trend	increase by 50 basis points	173
Pension trend	decrease by 50 basis points	-159

The impact of the sensitivity analysis were calculated using the same method for measuring the pension provision on the statement of financial position. The sensitivity analysis was based on the change in the assumptions noted above while all other assumptions remained constant. There could be a correlation between changes in some assumptions.

II.20.2 Defined contribution plans

Amounts recognised as expenses for defined contribution plans are € 24,290 thousand and € 21,411 thousand in fiscal 2023 and 2022, respectively. Payments to defined contribution plans in the Group relate to contributions to statutory pension insurance in Germany.

II.21. Shareholders' Equity

Refer to the statement of changes in consolidated equity for information on the development of equity.

II.21.1 Share capital

In 2023 and 2022, Tempton Group’s fully paid-in share capital of € 25 thousand comprised of 25,000 shares.

II.21.2 Capital reserves

The capital reserve includes adjustments from premiums, in the amount of kEUR 2,809.

II.21.3 Retained Earnings

Retained earnings contain the net profit for the year and accumulated retained earnings from previous years and unappropriated earnings.

II.21.4 Accumulated other comprehensive income

Actuarial gains and losses from defined benefit pension plans are recognised in retained earnings. These changes are presented as follows:

thousands of €	
Status as of 1 January 2022	**-150**
Remeasurements of defined benefit obligations	850
Tax effects	-274
Status as of 31 December 2022	**426**
Remeasurements of defined benefit obligations	-222
Tax effects	71
Status as of 31 December 2023	**275**

III. Notes to the statement of profit and loss

III.1. Revenue

Revenue amounts to € 390,970 thousand in the 2023 financial year (previous year: € 352,480 thousand).

III.1.1 Disaggregation of revenue from contracts with customers

The Group generated revenue from the transfer of services over time. The following table shows the revenue of the service lines including intercompany revenue:

thousands of €	2023	2022
Personnel Services	354,620	317,618
Next Level	14,882	15,154
Technology	14,106	15,023
Outsourcing	7,284	5,226
Total	**390,892**	**353,021**

Further information on the segment's revenues and the reconciliation to the revenue of the group can be found in Note IV.2. There are no revenues from transactions with a single external customer amounting to 10 percent or more of the Group's revenues.
The Group is domiciled in Germany. Revenue with external customers are almost completely generated in Germany in the 2023 reporting period as well as in the 2022 reporting period.

III.1.2 Revenue recognised in relation to contract liabilities

Contract liabilities result from the "Technology" segment. The following table illustrates the revenue recognised in the current reporting period related to contract liabilities carried forward and related performance obligations that had been realised in a previous year:

thousands of €	2023	2022
Revenue recognised that was included in the contract liability balance at the beginning of the period	344	250
Revenue recognised from performance obligations satisfied in previous periods	0	0
Total	**344**	**250**

III.1.3 Unrealised total transaction price

The total transaction price attributable to performance obligations that have not been fulfilled at the end of the reporting year amounts to € 10,544 thousand (previous year: € 14,693 thousand).

Management expects that 90 % (previous year: 85 %) of the transaction price allocated to unrealised performance obligations as of 31 December 2023 will be recognised as revenue during the subsequent reporting period (€ 9,489 thousand); (previous year: € 12,489 thousand). The remaining 10 % and € 1,055 thousand (previous year: 15 % and € 2,204 thousand) will be recognised in the 2025 financial year. The amounts disclosed above do not include variable consideration.

In general, all contracts are fulfilled in one year or less or are invoiced on a time-incurred basis. As permitted under IFRS 15, the transaction price allocated to these unrealised contracts was not disclosed.

III.2. Material profit or loss items

In 2022, the Group has identified expenses for the IPO planned for 2022 (€ 1,233 thousand) as material profit or loss items in other operating expenses material based on their nature and/or amounts.

III.3. Other operating income

thousands of €	2023	2022
Reassessment of the usability of intangible assets	259	0
Income from reversal of provisions	75	64
reversal of impairment	57	27
Income from insurance compensation	169	35
Income from other items	280	437
Total	**840**	**563**

III.4. Personnel costs

The following table shows the breakdown of personnel costs between internal and external employees:

thousands of €	2023	2022
Internal employees	52,966	42,876
External employees	278,679	247,877
Total	**331,645**	**290,753**

Personnel costs include expenses for social security contributions and expenses for social pensions in the amount of € 62,472 thousand (previous year: € 54,726 thousand).

Government grants related to income amounted to € 0 thousand (previous year: € 21 thousand) and were allocated to personnel costs.

III.5. Other operating expenses

thousands of €	2023	2022
Advertising expenses	8,633	7,019
Reimbursement of travel expenses (subsidies for accomodation, travel and meals) for external employees	6,010	5,481
Other vehicle expenses	4,998	3,532
Office supplies, IT and telecommunication expenses	3,372	3,207
Legal and consulting expenses	1,910	3,316
Energy expenses	1,672	1,164
Other personnel-related expenses	1,640	974
Short term and low value leasing agreements	1,603	523
Miscellaneous operating expenses	1,163	928
Insurance expenses	1,088	902
Employers´ contribution	744	712
Reimbursement of travel expenses for internal employees	655	455
Fees and contributions expenses	507	520
Cleaning expenses	502	413
Postage expenses	414	494
Health services expenses	407	424
Bad debt and impairment expenses	365	151
Advisory expenses	360	384
Incidental bank charges	192	268
Total	**36,235**	**30,867**

III.6. Interest and similar income

thousands of €	2023	2022
Return on plan assets	20	139
Other interest and similar income	468	60
Total	**488**	**199**

Interest income on financial assets are recognized at amortised cost and recorded as other income.

III.7. Interest expenses and similar expense

thousands of €	2023	2022
Nordic Bond	1,245	1,245
Convertible notes	0	67
Pension	108	49
Other interest and similar expenses	390	180
Total	**1,743**	**1,541**

Interest expenses for the Nordic Bond and Convertible notes include interest expenses calculated in accordance with the effective interest method.

III.8. Income taxes

Details on deferred tax assets and liabilities are disclosed in Note II.12. Deferred taxes. Income tax rate attributed to the parent company was 32.63 % (previous year: 32.63 %).

III.8.1 Income tax expense

The composition of the income tax expense for the financial years 2023 and 2022 is as follows:

thousands of €	2023	2022
Corporate income tax	411	959
Trade tax	621	974
Deferred taxes	-256	2,085
Total	**777**	**4,018**

III.8.2 Reconciliation of income tax expenses to tax payables

The reconciliation of income tax expense and the accounting net profit before taxes multiplied by the Group's applicable tax rates for 2023 and 2022 financial years were as follows:

thousands of €	**2023**	**2022**
Consolidated net profit before income tax	1,903	10,423
Income tax expense	777	4,018
Resulting tax rate	**40.85 %**	**38.55 %**

thousands of €	**2023**	**2022**
Earnings before taxes (EBT)	1,903	10,423
Applicable (statutory) tax rate oft he parent company	32.63 %	32.63 %
Expected tax expense	**621**	**3,401**
Effects of non-deductible expenses and tax-free income	239	365
Taxes relating to other periods	-17	24
Effects due to the use or addition of losses carryforward	0	-125
Tax effect due to deviations to the expected income tax rate	-47	-71
Utilization of loss carryforwards for which no deferred tax assets were recognized in previous years	-3	-4
Losses incurred for which no deferred tax assets were recognized	0	422
Other tax effects	-17	5
Resulting tax rate	**777**	**4,018**

III.8.3 Amounts recognised directly in equity

As a result of remeasurements of defined benefit obligations and plan assets, the Group derecognised € 71 thousand directly out of retained earnings in 2023; thereof: deferred tax assets amounted € 71 thousand and current taxes amounted € 0 thousand (previous year derecognition out of equity: € 273 thousand; thereof: deferred tax assets amounted € 222 thousand and current taxes amounted € 0 thousand).

IV. Other disclosures

IV.1. Notes to the consolidated statement of cash flows

The consolidated statement of cash flows is presented separately. It illustrates the changes in cash and cash equivalents of Tempton Group. The reported cash funds are not subject to any third-party restrictions. The Group made no payments for any extraordinary expenses. Payments for income taxes and interest are reported separately. The consolidated statement of cash flows was prepared in accordance with IAS 7 and breaks down the changes in cash and cash equivalents into cash flows from operating, investing, and financing activities. Cash flows from operating activities are presented using the indirect method.

Cash flows from operating activities – Cash flows from operating activities decreased from kEUR 15,041 to kEUR 6,026 by kEUR 9,015 (previous year: Cash flows from operating activities increased from kEUR 26,051 to kEUR 15,041 by kEUR 11,460).

Cash flows from investing activities – Cash outflows from investing activities for the 2023 financial year amounted to kEUR -5,882 compared to a cash outflow in previous year that amounted to kEUR -6,268 (previous year: Cash outflows from investing activities for the 2022 financial year amounted to kEUR -6,268 compared to a cash outflow in previous year that amounted to kEUR -4,761).

Cash flows from financing activities – Cash outflows from financing activities for the 2023 financial year amounted to kEUR -8,171 compared to a cash outflow in previous year that amounted to kEUR -11,710 (previous year: Cash outflows from financing activities for the 2022 financial year amounted to kEUR-11,710 compared to a cash outflow in previous year that amounted to kEUR -13,226).

The following table shows the changes in liabilities from financing activities:

in thousands €	Non-current financial liabilities	Current financial liabilities	Current lease liabilities	Total
Balance sheet as of 1 January 2022	**26,796**	**175**	**3,178**	**30,149**
Payment of accrued interests	0	-175	0	-175
Repayment of lease liabilities	0	0	-3,178	-3,178
Cash effective changes	**0**	**-175**	**-3,178**	**-3,353**
Accrued interests	116	175	0	291
New current lease liability	0	0	3,412	3,412
Contribution to capital reserves	-2,133	0	0	-2,133
Non-cash changes	**-2,017**	**175**	**3,412**	**1,570**
Balance sheet as of 31 December 2022	**24,779**	**175**	**3,412**	**28,366**
Payment of accrued interests		-175		-175
Repayment of lease liabilities			-6,004	-6,004
Cash effective changes	**0**	**-175**	**-6,004**	**-6,179**
Accrued interests	57	175	0	232
New current lease liability	0	0	8,856	8,856
Non-cash changes	**57**	**175**	**8,856**	**9,088**
Balance sheet as of 31 December 2023	**24,836**	**175**	**6,264**	**31,275**

IV.2. Segment Reporting

Tempton's Board of Management, consisting of the chief executive officer / chief financial officer (in personal union) and the chief operating officer, examines the group's performance from a service line perspective and identified four operating segments of its business, which are distinguished by customers and services:

1. Personnel Services

The personnel services business unit is the core business of Tempton Group and accounts for around 90 % of Tempton's consolidated revenues. It is concentrated within Tempton Personaldienstleistungen GmbH and Tempton Personalservice GmbH, Essen. Personnel services include the following services:

- Personnel leasing
- Direct placement
- Personnel recruitment (including RPO services)

- Managed services, especially master-vendor and on-site management solutions
- Personnel takeover

2. Next Level

The Next Level business unit bundles the premium services of Tempton Group. It is concentrated in Tempton Next Level Experts GmbH and offers the following services:

- Personnel leasing
- Direct placement
- Human resources consulting
- Temporary experts / freelancers
- Engineering and planning services
- Executive-Level services

3. Outsourcing

The Outsourcing business unit is bundled in Tempton Outsourcing GmbH and various project enterprises. Tempton supports its customers throughout Germany as a comprehensive, certified outsourcing partner and takes over contracts for an entire work process, individual service areas or defined work cycles – temporarily or permanently. Tempton Outsourcing specializes in quality assurance and control, logistics services such as commissioning and merchandise management as well as facility and machine operation.

4. Technology

The technology business unit is concentrated in Tempton Technik GmbH. Tempton Technik GmbH is a professional partner for information and communication technology for almost all renowned manufacturers, service providers and system houses.

All four business segments shown above are reviewed by the Board of Management at regular intervals to monitor allocation of resources and earnings performance. The accounting policies of the segments are basically the same as those applied for external accounting; for details, please refer to note "I. Accounting policies and measurements methods". Tempton measures the performance of its segments using a segment result measure, which is referred to as "adjusted Contribution Margin" in internal management reporting. The segment result measure "adjusted Contribution Margin" is composed of the profit or loss from operations before interests, taxes and amortisation and depreciation adjusted for non-operating effects. These non-operating effects mainly include effects from factoring fees in profit or loss, expenses in connection with M&A activities (realised and unrealised) and normalisation of one-off effects. In accordance with the segments' control logic, leases are not capitalised, but instead recognised as periodic expenses and no measurement of pension obligations is carried out in accordance with IAS 19. In addition, in the "Technology" segment, revenue is not recognized for uncompleted projects. Tempton's management does not receive any further information, such as the segments' assets on a monthly basis.

The measure of profit or loss for each reportable segment are as follows:

thousands of €		**Net revenue**	**Intersegment revenue**	**Total revenue**	**adjusted EBITDA**
Personnel Services	2023	354,463	157	354,620	2,390
	2022	317,317	301	317,618	13,488
Next Level	2023	14,342	540	14,882	771
	2022	14,524	630	15,154	687
Technology	2023	14,106	0	14,106	2,362
	2022	15,023	0	15,023	1,617
Outsourcing	2023	7,240	44	7,284	578
	2022	5,165	61	5,226	146
Central shared service center/	2023	6	12,771	12,777	1,024
consolidation/other	2022	26	10,545	10,571	104
Consolidated	2023	0	-13,512	-13,512	0
	2022	0	-11,537	-11,537	0
Total Tempton Group consolidated	2023	390,157	0	390,157	7,125
Total Tempton Group consolidated	2022	352,055	0	352,055	16,042

The item "Central shared service center/consolidation/other" primarily includes costs incurred in connection with central Group functions and immaterial transactions that are not allocated to reportable segments.

The adjusted Contribution Margin for segment reporting was reconciled to the operating profit before income tax as follows:

thousands of €	2023	2022
Total adjusted Contribution Margin according to segment reporting	**7,125**	**16,042**
Expenses in the context of the IPO planned for 2022	0	-1,200
Adjustments arising from different accounting policies in terms of leasing	6,857	5,734
Other adjustments arising from different accounting policies	15	567
Other adjustments	193	-140
Depreciation and amortization	-11,034	-9,238
Interest income and similar income	488	198
Interest expense and similar expence	-1,742	-1,541
Profit before income tax	**1,902**	**10,422**

There were no impairment charges or other significant non-cash items recognised in 2023 and 2022.

The reportable segment's revenues compared to entity's revenue were reconciled as follows:

thousands of €	2023	2022
Revenue according to segment reporting	**390,157**	**352,055**
Adjustments arising from different accounting policies	813	425
Total of Group's revenue	**390,970**	**352,480**

During the reporting period, the Group operated almost completely in the German market and served domestic customers. Revenue generated from customers outside of Germany remained unchanged at close to 0 %. The Group's non-current assets and net revenue are fully attributable to Germany. Non-current assets are allocated to the regions according to the location of the assets in question, which is Germany. Non-current assets encompass intangible assets, property, plant and equipment, right-of-use assets, capitalised contract costs as well as other non-current assets. Net revenue is allocated according to the location of the respective customers' operations, which is fully located in Germany as well. As segment reporting by geographical region would not provide any additional information beyond that already contained in these consolidated financial statements, segment reporting by geographical region was not reported.

There is no revenue generated from customers in 2023 or 2022 that would exceed the 10 % threshold stated in IFRS 8.34.

IV.3. Additional disclosures on financial instruments

Financial instruments as of the end of the 2023 reporting period is presented as follows:

thousands of €	Classification under IFRS 9	Carrying amount	Fair Value
Assets			
Trade receivables	AC	45,962	45,962
Trade receivables under a factoring arrangement	FVOCI	2,664	2,664
Other financial assets	AC	4,087	4,087
Cash and cash equivalents	AC	20,872	20,872
Liabilities			
Current financial liabilities - Nordic Bond	FLaC	175	175
Non Current financial liabilities - Nordic Bond	FLaC	24,836	22,700
Trade payables	FLaC	3,203	3,203
Other current financial liabilities	FLaC	12,564	12,564
Aggregated according to category			
Assets	AC	70,921	
	FVOCI	2,664	
Liabilities	FLaC	40,778	

Financial instruments as of the end of the 2022 reporting period is presented as follows:

thousands of €	Classification under IFRS 9*	Carrying amount	Fair Value
Assets			
Trade receivables	AC	36,640	36,640
Trade receivables under a factoring arrangement	FVOCI	2,448	2,448
Other financial assets	AC	3,306	3,306
Cash and cash equivalents	AC	28,899	28,899
Liabilities			
Current financial liabilities - Nordic Bond	FLaC	175	175
Non Current financial liabilities - Nordic Bond	FLaC	24,779	23,000
Trade payables	FLaC	3,100	3,100
Other current financial liabilities	FLaC	11,358	11,358
Aggregated according to category			
Assets	AC	68,845	
	FVOCI	2,448	
Liabilities	FLaC	39,412	

The fair value of financial instruments for which the carrying amount is a reasonable approximation of fair value is not separately disclosed.

Cash funds, trade receivables and other financial assets are short term in nature. Their carrying amounts at the end of the reporting period approximate their fair value.

Trade payables and other financial liabilities are short-term; the carrying amounts recognised approximate their fair values.

For the Nordic Bond, quoted prices in a liquid market are available. The quote price at the reporting date was used for measurement (Level 1 measurement).

IV.4. Objectives and methods of financial risk management and capital management

Tempton Group is exposed to various financial risks, such as credit risk and liquidity risk noted below. Tempton Group is operating solely in the sales and the procurement business areas in Germany. Thus, material foreign currency exchange risk does not exist. The risk of interest rate changes was not identified since financing is only provided at fixed interest rates. Risk management for credit risk and liquidity risk is performed by CEO and COO. They identify, assess and mitigate financial risks in close cooperation with the Group's operating units. Appropriate changes are made to processes in response to changes in the risk assessment. The overriding aim of Tempton's financial risk management and capital management is to reduce the financial risk through structured actions.

IV.4.1 Credit risk

Credit risk is managed at the Group level. Credit risks arise from cash and cash equivalents, current financial assets, trade receivables and other receivables. Customer risks are systematically recorded, analysed and managed in the respective subsidiary, whereby both internal and external information sources are used. The maximum credit risk was reflected by the carrying amounts of the financial assets recognised in the statement of financial position. For some trade receivables and contract assets, the group may obtain security in the form of collateral and guarantees which can be called upon if the counterparty is in default. No other collateral or other credit enhancements exist that would affect the credit risk from financial assets. However, the Group has a default insurance for substantially all of its trade receivables.
For banks and financial institutions, only a minimum rating of ‘A’ assessed by independent rated parties are accepted.

IV.4.1.1 Impairment of financial assets

The Group has two types of financial assets subject to the expected credit loss model:

- Trade receivables
- Contract assets with contracts relating to Tempton Technik GmbH

There is no material impairment risk for other financial assets. In 2023 and 2022, there were no material impairment losses related to trade receivables (2023: kEUR 300; 2022: kEUR 68) and no impairment losses related to contract assets.

IV.4.1.2 Trade receivables and contract assets

The Group applies the simplified approach, as specified in IFRS 9, for measuring expected credit losses using a lifetime expected loss allowance for all trade receivables and contract assets.
To measure the expected credit losses, trade receivables and contract assets were grouped according to shared credit risk characteristics and the number of days past due. The contract assets related to uninvoiced work in progress have substantially the same risk

characteristics as trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are also a reasonable approximation of the loss rates for contract assets.

The expected loss rates were based on the payment profiles of sales over a period of 12 months before 31 December 2023 or 1 January 2023, respectively, and on the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group identified the number of days of outstanding receivables and adjusted the historical loss rates based on the expected changes in these factors.

On that basis, the loss allowances as of 31 December 2023 and 2022 are presented as follows for both trade receivables and contract assets:

2023

thousands of €	Current	More than 1 day past due	More than 30 days past due	More than 91 days past due	More than 181 days past due	Total
Expected loss rate	0.04 %	0.57 %	1.75 %	4.47 %	4.47 %	
Gross carrying amount – trade	37,428	9,073	1,571	165	514	48,751
Gross carrying amount – contract	1,496	0	0	0	0	1,496
Loss allowance	**17.10**	**51.64**	**27.48**	**7.35**	**22.97**	**126.54**

2022

thousands of €	Current	More than 1 day past	More than 30 days past	More than 91 days past	More than 181 days	Total
Expected loss rate	0.02 %	0.45 %	1.50 %	2.66 %	2.67 %	
Gross carrying amount – trade	31,309	6,428	1,002	124	285	39,148
Gross carrying amount – contract	1,508	0	0	0	0	1,508
Loss allowance	**5.95**	**28.70**	**15.00**	**3.30**	**7.60**	**60.55**

The loss allowances for trade receivables and contract assets as of 31 December 2023 and 2022 were reconciled to the opening loss allowances as follows:

thousands of €	Contract assets		Trade receivables	
	2023	2022	2023	2022
Opening loss allowance at 1 January	0	0	61	20
Decrease (prior year: Increase) in loan loss allowance recognised in profit or loss during the year	0	0	-27	41
Receivables written off during the year as uncollectible	0	0	0	0
Closing loss allowance as of 31 December	**0**	**0**	**34**	**61**

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group and a failure to make contractual payments for a period of more than 120 days past due and if a subsequent detailed review of the debtor does not reveal any other information.

Impairment losses on trade receivables and contract assets were presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off were credited against the same line item.
As of the balance sheet date, there are no indications that the debtors of the trade receivables and contract assets presented will not meet their payment obligations.

IV.4.1.3 Derivative Financial instruments

Derivative financial instruments were not used for mitigating risk since Tempton Group is not exposed to any market risks such as changes in interest rates or foreign currency exchange risks.

IV.4.2. Capital risk management

The primary aim of the Group’s capital management is to ensure that the Group maintains its ability to repay its debts and the substance of its finances are preserved.

Key financial indicator for capital management is the debt-to-equity ratio. The net financial liabilities, comprising financial liabilities (see Note II.13) and cash and cash equivalents (see Note II.1) are considered in relation to the Group’s equity (see Note II.21).

The debt-to-equity ratio as of the reporting dates 31 December 2023 and 2022 are as follows:

thousands of €	2023	2022
Non-current financial liabilities	24,836	24,779
Current financial liabilities	175	175
Financial liabilities	**25,011**	**24,954**
Cash and cash equivalents	20,872	28,899
Net financial liabilities	**4,139**	**-3,945**
Equity	33,854	32,880
Debt-to-equity ratio	**12.23 %**	**n.a.**
Equity	33,854	32,880
Total assets	127,793	115,280
Equity-to-capital ratio	**26.49 %**	**28.52 %**
Total liabilities	93,939	82,400
Total assets	127,793	115,280
Debt-to-capital ratio	**73.51 %**	**71.48 %**

IV.4.3. Liquidity risk

Liquidity risk describes the risk that the Group may be unable to meet its payment obligations on maturity. The high level of cash and cash equivalents means there is a low liquidity risk from financial liabilities. In general, the Group and its subsidiaries manage liquidity risks by maintaining adequate reserves, continuously monitoring forecast and actual cash flows, and coordinating the maturity profiles of financial assets and liabilities. To ensure that Tempton Group can settle its debts at all times, a liquidity reserve in the form of cash was provided (free liquidity). Due to the strong cash flow position and comfortable liquidity situation of the Group, no liquidity risks were recognised. This even leads to the non-necessity to maintain overdraft facilities.

IFRS 7 also requires a maturity analysis for financial liabilities. The following maturity analysis shows how the undiscounted cash flows in connection with the liabilities as of 31 December 2023 affected the future liquidity situation of the Group.

thousands of €	Up to 1 year	More than 1 year and up to 5 years	Over 5 years	Total
Trade payables	3,203	0	0	3,203
Provisions	21,662	370	0	22,032
other financial liabilities	12,564	0	0	12,564
Other liabilities	10,461	0	0	10,461
Contract liabilities	389	0	0	389
Lease liabilities	6,264	8,679	0	14,943
Nordic bond	175	24,836	0	25,011
As of 31 December 2023	**54,717**	**33,885**	**0**	**88,602**

Maturity analysis for financial liabilities as of 31 December 2022 is presented as follows:

thousands of €	Up to 1 year	More than 1 year and up to 5 years	Over 5 years	Total
Trade payables	3,100	0	0	3,100
Provisions	19,867	225	0	20,092
other financial liabilities	11,358	0	0	11,358
Other liabilities	10,012	0	0	10,012
Contract liabilities	447	0	0	447
Lease liabilities	3,412	4,034	0	7,446
Nordic bond	175	24,779	0	24,954
As of 31 December 2022	**48,371**	**29,038**	**0**	**77,409**

If the contract partner can call a payment at different points in time, the liability relates to the earliest possible maturity date. The cash flows of financial and lease liabilities consist of their undiscounted interest and principal payments.

IV.5. Relationship with related parties

IV.5.1 Executive bodies

Mrs. Dr. Annett Tischendorf, registered managing director of Tempton Group GmbH.

IV.5.2 Executive body remuneration

By respective application of the provision of sect. 314 para. 3 HGB, the remuneration of Chief Executive Officer was not disclosed in accordance with sect. 286 para. 4 HGB in conjunction with sect. 314 para. 1 no. 6 HGB.

IV.5.3 Related party transactions

Parties are considered to be related if they have the ability to control Tempton Group or exercise significant influence over its financial and operating decisions.

IV.5.3.1 Related persons

The group parent company of Tempton Group GmbH is Dres. Tischendorf Tempton GmbH, Frankfurt am Main.
The Tempton Group also reports on transactions with related parties in accordance with IAS 24. Related parties are entities and natural persons as defined by IAS 24, Tempton identified the Chief Executive Officer of Tempton Group GmbH (management director), and the Chief Operating Officer, and their relatives, the group parent company and the subsidiaries of Tempton Group GmbH as related parties.

IV.5.3.2 Key management personnel compensation

Key management personnel compensation was as follows:

thousands of €	**2023**	**2022**
Short term employee benefit	941	907
Total	**941**	**907**

IV.5.3.3 Transaction with other related parties

Transactions with other related parties were as follows:

thousands of €	**2023**	**2022**
Compensation for other services	360	360
Total	**360**	**360**

Transactions between Tempton Group and the group parent company did not take place.

IV.5.3.4 Outstanding balances

Of the above-mentioned amounts, the following balances are outstanding at the end of the reporting period:

thousands of €	**2023**	**2022**
Current payabales		
Key management personnel	324	267
Other related parties	36	36
Total	**360**	**303**

Provisions for doubtful debts related to the amount of outstanding balances and expense recognised with respect to bad debts due from related parties were in 2023 and 2022.

The allowances for doubtful receivables in relation to the amount of outstanding balances and the impairments recognized in relation to uncollectible receivables from related parties were not recorded in 2023 and 2022.

IV.5.3.5 Subsidiaries

Interests in subsidiaries are set out in note I.2.2. Subsidiaries are considered to be related entities irrespective of whether they are included in the consolidated financial statements. Transactions between the parent company and its subsidiaries were eliminated in consolidation and are not shown in this note or were of subordinate significance and typical for the industry.

IV.6. Employees

The breakdowns of the number of employees in the 2023 and 2022 financial year are as follows:

	2023 Headcount	**2022 Headcount**
External employees	8,406	8,144
Internal employees	954	823
Total	**9,360**	**8,967**

IV.7. Auditor's fees

The breakdown of the auditor's fees recognised in the 2023 and 2022 financial years are as follows:

thousands of €	2023	2022
Audit services	277	375
Tax consulting services	0	145
other assurance services	0	16
Total	**277**	**536**

IV.8. Events after the end of the reporting period

No events of significance occurred after the close of the financial year as of 31 December 2023.

IV.9. Other financial liabilities and contingent liabilities

The maximum amount of other undiscounted financial liabilities and contingent liabilities is listed in the following table:

thousands of €	2023	2022
up to one year	2,572	2,479
more than one year and up to five years	5,196	2,281
Over five years	0	87
Total	**7,769**	**4,847**

The majority of operating leases were recognised as right-of-use assets and lease liabilities. Exceptions were made for vehicles that can be returned daily (short-term leases), leases for low-value assets and variable lease payments. Other leasing financial liabilities contain of ancillary rental expenses for leased office space leased as well as for IT-infrastructure. Immaterial purchase commitments primarily involved software and hardware.

Essen, April 25, 2024

Tempton Group GmbH

The Management Board

Dr. Annett Tischendorf

tempton

ANNUAL REPORT

Tempton Group GmbH, Essen
Registered with the local court of Essen, HRB 28871

Group Management Report for the financial year
From 1 January 2023 to 31 December 2023

Business activities and structure of Tempton Group

Tempton Group is one of the largest personnel service providers in Germany with consolidated sales of approx. 391 million euros in 2023 and occupies a leading role among them.

On the one hand, a very broad portfolio of services distinguishes us significantly from most other personnel service providers. Beyond personnel leasing, we offer our customers solutions for almost all personnel-driven tasks. This also includes personnel recruitment (including RPO services), direct placement, HR consulting, managed services, including master vendor and on-site management solutions, the takeover of personnel, the provision of temporary experts/freelancers, outsourcing solutions, technical works and services as well as Executive-level services. On the other hand, we are highly modern, funded in all areas and leading in digitalization, which means that our processes are efficient, cost-effective and offer a high level of service for customers and employees and applicants.

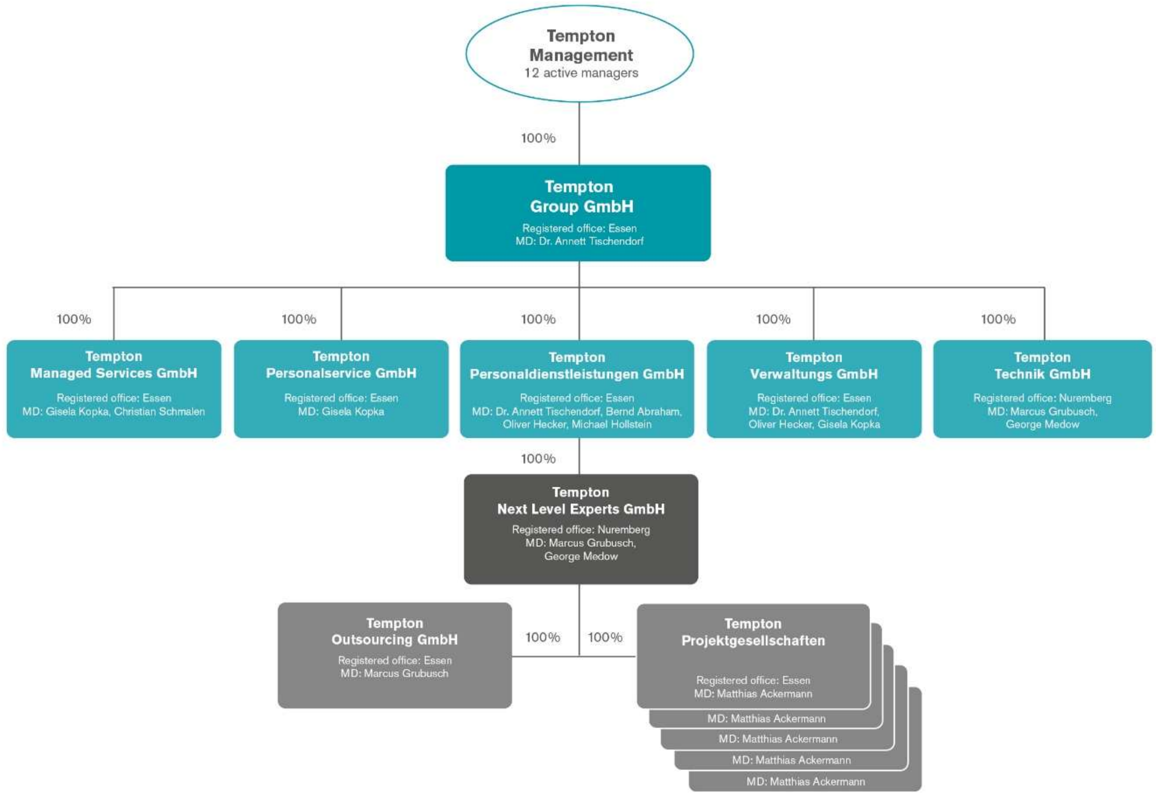
Tempton emerged in 2007 from the merger of medium-sized personnel service companies and thus combines the expertise of several decades. Today, Tempton employs more than 9,500 employees throughout Germany in peak times who work at over 200 branches for an active customer base of around 11,500 companies from almost all sectors - from small and medium-sized companies and businesses to well-known large companies and groups.

At the end of 2022 Tempton launched the largest growth initiative in the company's history. In particular, Tempton expanded its branch network from 150 to 200 branches by the end of 2023 as part of this growth initiative and consequently now has one of the leading service organizations in Germany.

Tempton is owner-managed and is owned by the operational management - all dedicated, modern and highly educated leadership personalities who together not only command more than 100 years of know-how in the personnel services industry, but also digitalization expertise and distinctive transaction and capital market experience.

Tempton Group is divided into four separate business units: Tempton personnel services, Tempton Next Level, Tempton outsourcing and Tempton technology. The Tempton Next Level business unit bundles the premium services of Tempton Group.

Tempton Group is structured as follows:



BUSINESS UNIT PERSONNEL SERVICES

The personnel services business unit is the core business area of Tempton Group and accounts for about 90 % of Tempton-sales. It is concentrated within Tempton Personaldienstleistungen GmbH, Tempton Personalservice GmbH, Essen, and for premium services Tempton Next Level Experts GmbH, Nuremberg.

Personnel leasing

Tempton promptly provides its customers with employees of almost all qualifications and for every field of activity within the scope of personnel leasing. Whether industrial-technical employees, commercial personnel, engineers and service-technicians, IT, ITC and digital marketing experts, employees in the health sector, in education or for airport operations – through common interest Tempton recruits only the best, so that our Tempton consultants can select the suitable candidate from a steadily growing pool of currently around 8,500 active employees hired for flexible customer assignments and annually around 250,000 applicants.

Direct placement

Tempton supports its customers as a direct recruitment agency in order to stay one step ahead in the "war for talents". To achieve this, Tempton not only has access to an extensive pool of around 60,000 current applicants and employees but is also extraordinarily successful with a direct approach due to state-of-the-art and sophisticated recruiting methods and presents customers with suitable candidates for their vacancies following a precise pre-selection. In doing so, Tempton acts as a link between its customers and applicants or employees through its skilled job placement service services.

Personnel recruitment (including RPO services)

If a customer wants to outsource its own personnel recruitment, Tempton operates the management of the job application process for the customer based on flat rates - from job advertisements to hiring. In addition to the pure service, Tempton customers also benefit from purchasing advantages for job advertisements.

Managed services -Modular-vendor management solutions

If a customer uses several personnel service providers, Tempton assumes the entire management of all personnel service providers for the customer as a “Master Services Provider” with IT-backup; from the integration into the customer's internal workflows, the qualification of new co-suppliers to the on- and offboarding of individual employees. This includes the selection of personnel service providers, the identification and recruitment of the required temporary staff, the initial training and smooth integration of the temporary staff as well as the complete administrative process up to the exit- or takeover management. Tempton customers thus enjoy the advantages of a direct contact for all temporary staffing matters, a standardization of contracts and pricing models, a uniform handling of all personnel leasing or placement processes, and relief from administratively burdensome activities. Tempton offers its managed services in customized software-supported modular packages; as a classic Master Vendor with a main supplier, in the proprietary partner management system for optimized supplier performance, or as a Neutral Vendor.

Personnel takeover

If a customer has permanent or temporary personnel overcapacity, but understandably either does not want to dismiss its employees at all or, if possible, does not want to pay them through the full notice period, Tempton offers a reliable, uncomplicated and socially acceptable solution with the "Personnel takeover": Tempton takes over employees of customers by mutual agreement if or as long as the customer cannot employ them. During this time, Tempton then assigns the transferred employees either permanently or, at the customer's request, only temporarily to other companies. In the case of a temporary assignment, the customer has the option of reverting to its experienced employees at short notice as soon as its personnel requirements change.

BUSINESS UNIT NEXT LEVEL

The NEXT LEVEL business unit bundles the premium services of Tempton Group. It is concentrated within Tempton Next Level Experts GmbH.

Human resources consulting

Tempton consults its clients by way of human resources consulting in their search and selection of experts and executives. Through intensive consulting and tailor-made active sourcing strategies, we find exactly the expert or executive that our client companies need. In addition to the pure search processes, this also includes the design and implementation of assessment and selection measures, advice and support for onboarding, advice on personnel marketing and other strategic and conceptual issues relating to personnel recruitment.

Temporary experts / Freelancer

If customers need professional support for process optimization or the implementation of special projects, Tempton helps them by deploying individual technical or commercial experts or entire teams of experts - on a temporary basis. Temporary work thus becomes either professional temporary work or professional work.

Engineering and planning services

In the field of engineering and information and telecommunications technology, Tempton provides its customers with technical planning, implementation, documentation and maintenance of technology infrastructures from a single source.

Executive-Level-services

Tempton offers its customers the staffing of the entire chain of Executive-level services from a single source: tailor-made interim solutions at top management and executive level, the deployment of temporary experts and the outsourcing of specialists in the process and production environment. The focus of Tempton rests on technically experienced managers, as they are sought in production, IT / ITC and cross-company for change management. In addition, we also provide our customers with CFOs for the commercial area.

BUSINESS UNIT OUTSOURCING

The Outsourcing business unit is bundled in Tempton Outsourcing GmbH and various operating companies.

Tempton supports its customers throughout Germany as a comprehensively certified outsourcing partner and takes over in contracts for work entire processes, individual service areas or defined work cycles - temporary or permanently. Tempton Outsourcing specializes in logistics services such as commissioning, packaging, value-added services, warehouse management, facility and machine operations as well as quality assurance and control.

Based on more than 20 years of experience, Tempton enables its customers to achieve significantly higher efficiency and higher productivity at predictable material costs.

BUSINESS UNIT TECHNOLOGY

The business unit technology is concentrated within Tempton Technik GmbH.

Tempton Technik GmbH is a professional partner for information and communication technology for almost all renowned manufacturers, service providers and system houses.

DIGITALIZATION TASK FORCE

With its own highly qualified in-house digital unit, Tempton retains a strong market position and a truly unique selling proposition. The Tempton Group has been investing in digital and efficient business processes for years. To this end, Tempton was the first personnel service provider in the German market to successfully introduce an employee app (my- Tempton App), which can be used to record hours, view pay slips and exchange assignment data live. At the same time, Tempton has succeeded in connecting a significant number of customers to its own customer portal, which is gradually undergoing an eCommerce upgrade in order to further scale the company's business. In addition, Tempton is deliberately digitizing all relevant core business processes in order to further increase the efficiency of the already lean administration and to focus internal personnel resources entirely on sales, recruiting and matching; and here, precisely on the tasks where people make the difference. In addition to its own developments my Tempton Skills and my Tempton Connect, which are already fully in use, Tempton introduced during the course of 2023 the high-powered and modern Microsoft Business Central as an ERP system and established Power-BI as a central controlling tool.

SHARED SERVICES CENTRE

Tempton Verwaltungs GmbH and Tempton Managed Services GmbH form the central shared services centre for all operating business divisions of Tempton Group.

Tempton Verwaltungs GmbH encompasses the central division functions: financial accounting, receivables management, marketing, quality management, controlling, IT, fleet and property management, HR and legal.

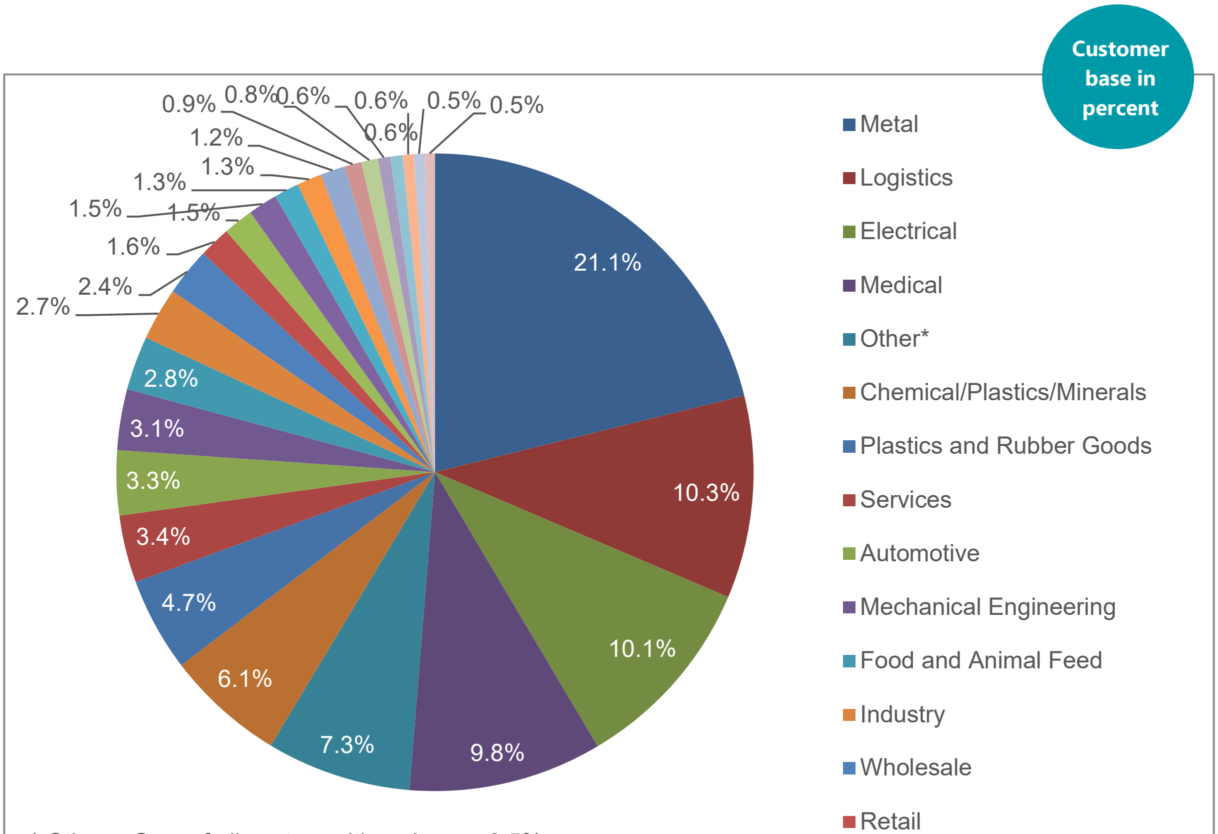
Tempton Managed Services GmbH acts as a shared service centre for all Tempton companies with regard to managed services. It thus supports the operating companies with the design, sales, implementation and execution of master vendor and on-site and near-site projects. Here, professional sales support is provided with customer-specific concepts, our modular system of managed services is tailored to the customer, service and consulting for the right vendor management software is provided, and co-supplier management is carried out. In addition, project managers at Tempton Managed Services implement customer-specific workflows and processes and provide customized support for customer projects. Fiduciary financial services are also provided as part of the above-mentioned projects, and billing is processed vis-à-vis co-suppliers and customers.

BUSINESS ACTIVITIES AND STRUCTURE OF TEMPTON GROUP

On one hand, Tempton Group offers the classic personnel services in form of personnel leasing, direct placement, personnel recruitment as well as managed services, including master-vendor and on-site management solutions.

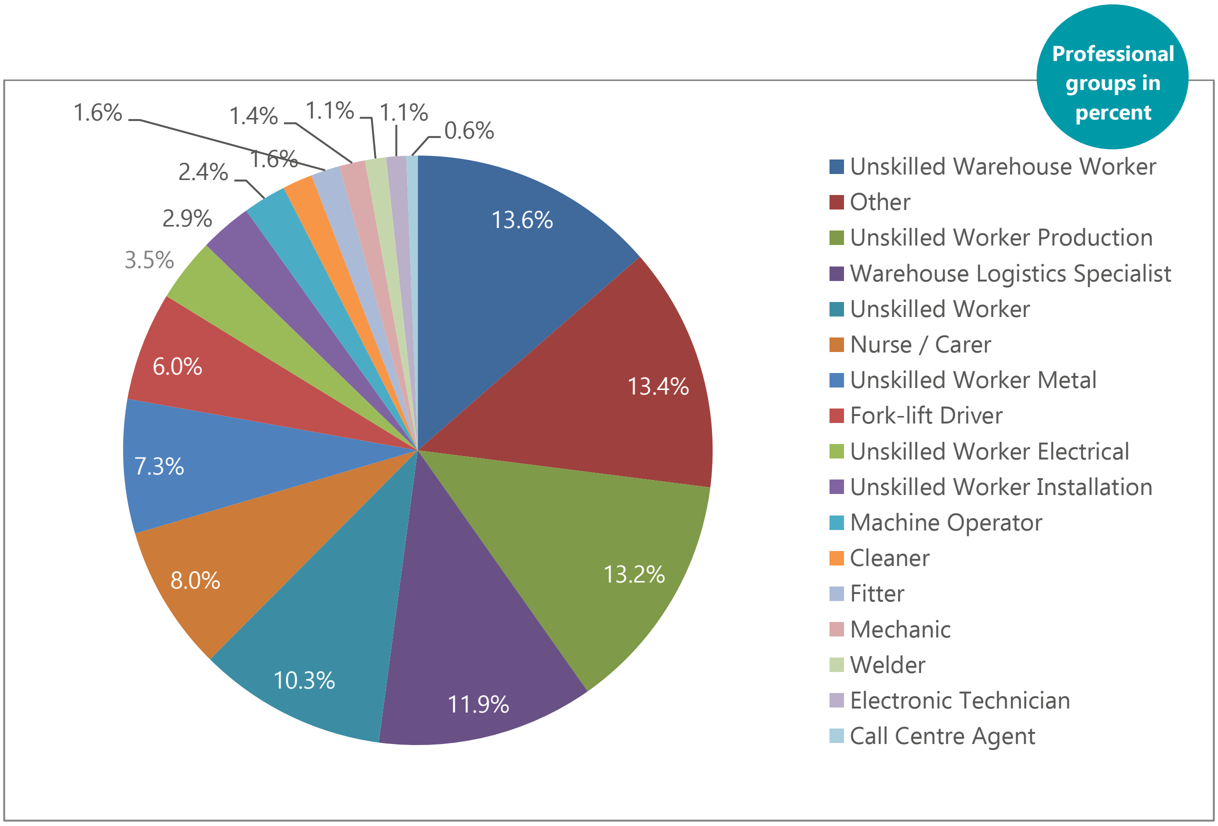
On the other hand, however, Tempton Group clearly differentiates itself from its competitors both through its special products personnel takeover, temporary experts and Executive-level services and through its attractive specialist areas medical, office, aviation as well as its strong business units technology, NEXT Level (engineering, ITC, IT, digital marketing) and outsourcing. There are also high market entry barriers for competitors.

Tempton Group is consciously not sector-focused but, as shown in the following overview, serves the widest possible customer spectrum with an attractive customer base of around 11,500 active customers, whose number increases annually (for the benefit of Tempton Group, the automotive customer spectrum does not include automobile manufacturers or 1st tier suppliers and, as far as can be seen, no suppliers of components for the powertrain).



* Other = Sum of all sectors with a share < 0.5%

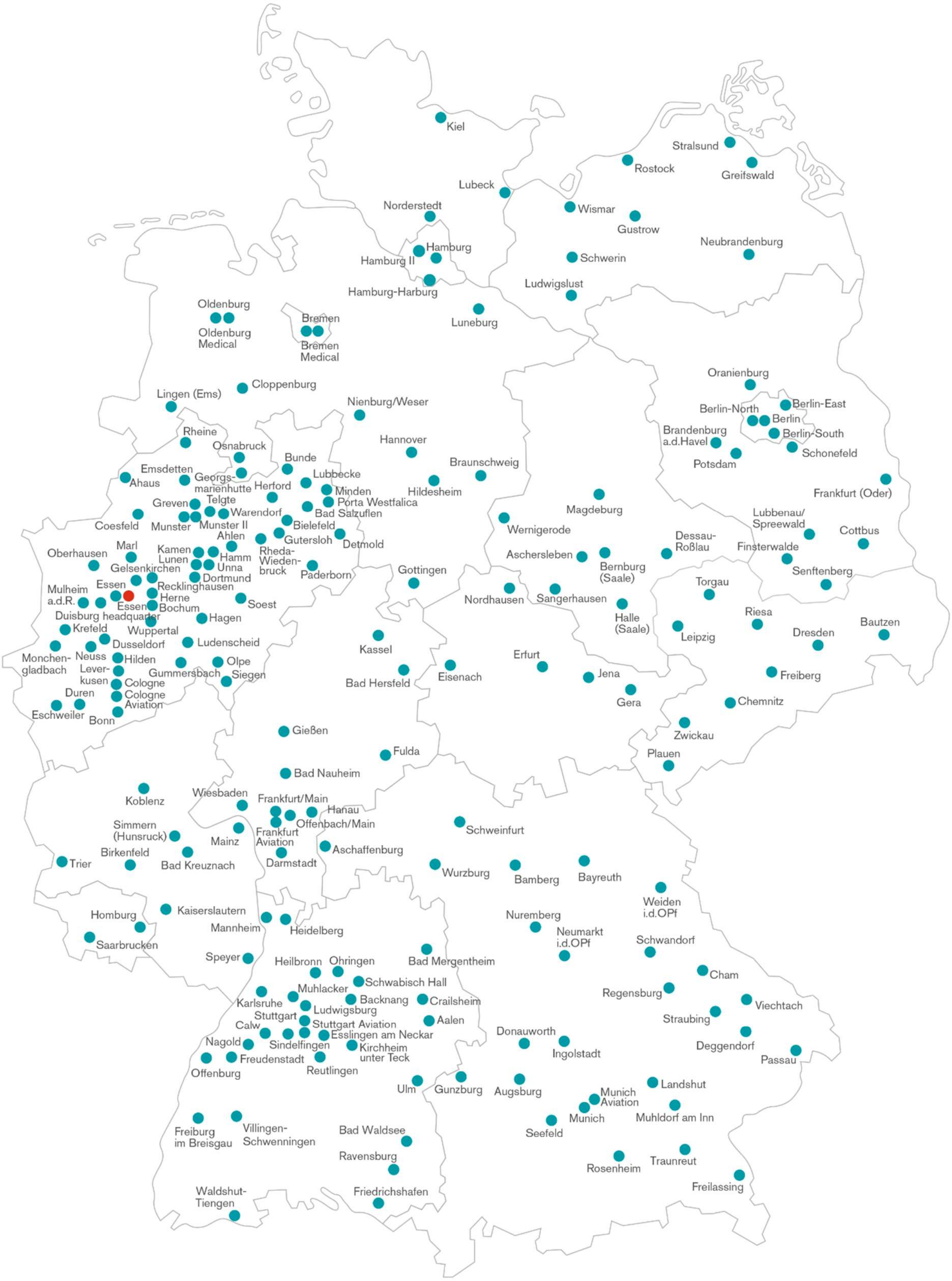
Tempton Group has also deliberately not specialised in specific occupational groups, but has a very wide split of employees of all conceivable qualification levels and qualifications:



This makes Tempton Group a full-service provider with maximum independence from economic cycles, offering its customers personnel-driven services and work services for any requirement.

In addition, Tempton has, as the following graphic shows, an outstanding, nationwide network of locations with currently over 200 branches, which has been growing steadily for years. Accordingly, Tempton takes a leading position in Germany and is thus available to its customers nationwide as a strong partner where Tempton's customers need it.

Tempton locations:



The advantages for a cooperation with Tempton Group are especially the following unique selling propositions:

- Tempton has one of the broadest product ranges among all personnel service providers. This means that Tempton is not only a powerful partner for its customers when good personnel is required, but also for personnel reductions and for almost all tasks of personnel administration with appropriately tailored products.

- The branch network of Tempton is among the densest of all personnel service providers in Germany. This offers three major advantages. For one, Tempton can provide its customers with staff mostly from several branches simultaneously, i.e. satisfy customer needs better and faster than most of its competitors. Furthermore, Tempton has nearly nationwide local recruiting coverage, which significantly improves Tempton 's recruiting options in the current labour shortage. Moreover, Tempton realizes significant synergies by enabling the exchange of internal personnel across branches.

- Tempton has, among personnel service provider in Germany, established a specific sourcing competence for the “rare commodity” of temporary workers as well as experienced so-called “internal personnel”, in which Tempton has these capacities brokered by the administrators of insolvent competitors.

- Tempton has a high and comprehensive level of digitization not only in the operational processes towards employees, but also in the operational processes towards customers and in its own internal administrative processes.

- Not without reason Tempton is a very popular employer and occupies second place among personnel service providers in Germany in the current evaluation "TOP Employer 2024" of Focus magazine. Among the TOP employers in Germany, Tempton ranks 4th. In addition, Tempton has a powerful recruiting machine in the German market due to its size alone, its more than 30 years of market experience, its state-of-the-art technical infrastructure as well as its strong social media presence and digitization level. Thus, Tempton still has first-class recruiting opportunities despite the generally difficult applicant market. From around 250,000 applicants per year, we recruit only the best, so that our Tempton consultants can consistently select the most suitable personnel from more than 10,000 employees and current applicants for our customers or for the personnel-driven services offered by Tempton.

- Tempton is economically extremely stable and successful. As a result of the issue of a listed, fixed-interest bond (Nordic bond), Tempton has a high level of free liquidity at its disposal, combined with sustainable financing, and a professional organization, also from an investor relations point of view. As a result, Tempton's customers and other contractual partners do not have any subsidiary liability or other risks arising from their cooperation with Tempton.

- Tempton very much appreciates its customers and all its other contractual partners. As a result, working with Tempton is pragmatic and uncomplicated in every aspect, even in situations where you may not have the same opinion.

- Tempton is very investive, i.e. funded in all areas and state-of-the-art. This can be seen in the equipment of all its branches and headquarters, in all IT systems and hardware in use as well as in the training of all its employees. Tempton's business processes are already digitized to a high degree. The cooperation with Tempton - both from the customer's viewpoint and from the viewpoint of other contractual partners and last but not least from the viewpoint of employees and applicants - is thus characterised by high efficiency performance and degree of service.

- Tempton has a powerful and professional central organisation, including a precise payroll accounting system, its own training academy, its own quality management and audit department, its own legal department and modern work safety. For our customers, this translates positively into the fact that Tempton always and in every respect complies with all regulatory requirements linked by the legislator to the personnel leasing permit, and that Tempton's customers can rely on this.

- Tempton technology is a highly professional one-stop solution as a technology partner with a nationwide service and material supply network of maximum importance for customers.

- Tempton is owner-managed, decisive, organized and sustainable in everything that Tempton does. Commitments by Tempton are therefore reliable and customers, other contractual partners, employees and applicants have constant points of contact with decision-making powers at Tempton.

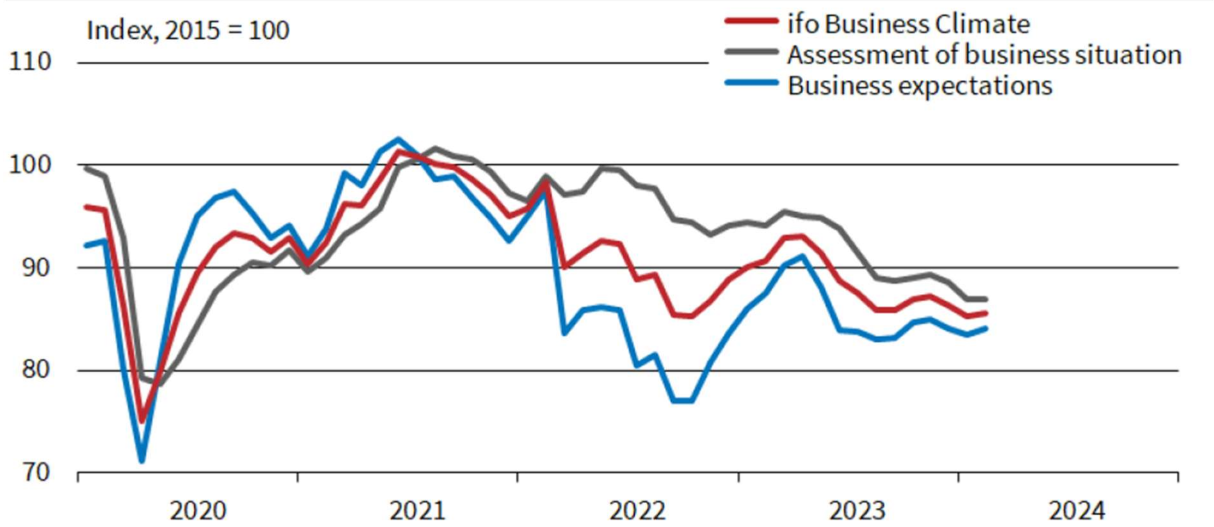
GENERAL ECONOMIC CONDITIONS

The energy crisis and geopolitical tensions unsettled manufacturers, investors and consumers. Global trade lost momentum, with negative consequences for the German export industry. Energy prices, which had risen sharply in 2022 as a result of the Russian attack on Ukraine, stabilized at a high level and burdened industrial production in particular. Rising interest rates worsened the financing conditions that had been favorable for years, which slowed down the construction industry in particular. Overall, despite the recent declines, prices remained high at all levels of the economy, dampening economic activity. As a result, the German economy declined in 2023. According to initial calculations by the Federal Statistical Office (Destatis), price-adjusted gross domestic product (GDP) fell by 0.3 % in 2023 compared to the previous year. Adjusted for calendar effects, GDP fell by 0.1 %. The recovery of the German economy from the severe downturn in the Covid year 2020 therefore did not continue. Although price-adjusted GDP in 2023 was 0.7 % higher than before the COVID-19 pandemic in 2019, overall economic development stalled in an environment still characterized by crises.[1]

The German economy appears paralyzed. The prevailing mood among companies and households is dismal and uncertainty is high. In the current quarter, economic output is likely to continue its decline and fall by 0.1 % compared to the previous quarter. A noticeable overall economic recovery is not expected until the second half of the year. Overall, price-adjusted gross domestic product will only increase by 0.2 % this year compared to the previous year. In the coming year, economic output will then increase by 1.5 %. This means that the growth forecast for the current year has been significantly reduced by 0.7 percentage points compared to the ifo Economic Forecast Winter 2023 and slightly increased by 0.2 percentage points for 2025. Contrary to expectations, the German economy is in recession during the winter half-year 2023/24. In particular, the recovery of the industrial economy will only set in later.[2]

[1] https://www.destatis.de/DE/Presse/Pressekonferenzen/2024/bip2023/statement-bip.pdf
[2] https://www.ifo.de/publikationen/2024/aufsatz-zeitschrift/ifo-konjunkturprognose-fruehjahr-2024

ifo Business Climate Germany[a]
Seasonally adjusted



[a] Manufacturing, service sector, trade, and construction.
Source: ifo Business Survey, February 2024.
© ifo Institute

In 2023, economic output was generated by an average of 45.9 million people based in Germany. This was 0.7 % or 333,000 more people than during the previous year and more than ever before in Germany. In 2020, the COVID-19 pandemic led to a decline in the number of people employed for the first time in 14 years. As part of the catch-up process after the pandemic, employment increased significantly in 2022. A look at the economic sectors shows that the increase in employment took place almost exclusively in the service sectors. As had been the case in the previous year, the largest percentage increases in employment in 2023 were in the information and communication sector (+2.6 %) and in the public service, education and health sector (+1.0 %), which employs more than a quarter of the workforce. There were also more employees in the combined trade, transport and hospitality sector than during the previous year (+0.9 %), although this was not enough to compensate for the significant job losses during the pandemic years 2020 and 2021. This also applies to the manufacturing industry, where the number of people employed increased only slightly in 2023 (+0.1 %). In contrast, the construction industry once again provided positive impetus (+0.6 %) despite the frequently lamented shortage of skilled labour.[3]

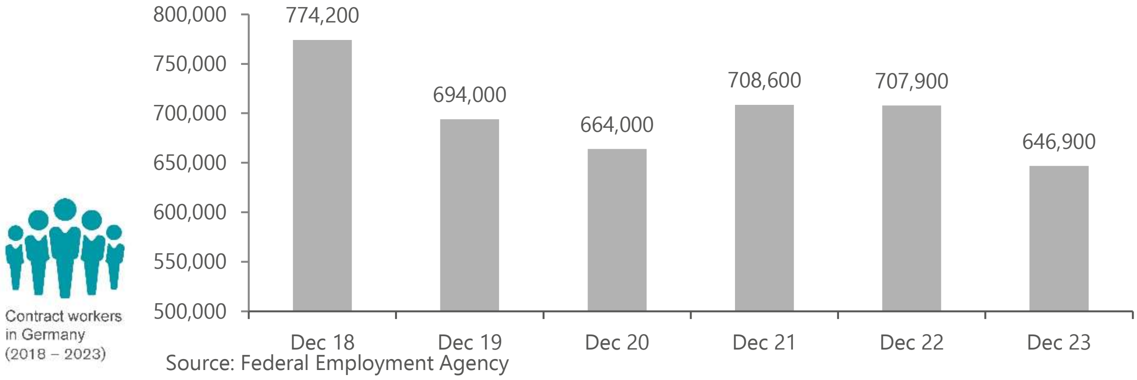
INDUSTRY-SPECIFIC FRAMEWORK CONDITIONS

For the typical **personnel services** of Tempton Group, the industry-specific conditions of the temporary employment industry are relevant.

[3] https://www.destatis.de/DE/Presse/Pressekonferenzen/2024/bip2023/statement-bip.pdf

The number of temporary employees has been at a generally stagnant, and in 2023 again downward trending level, with Tempton steadily gaining market share.

Temporary staff in Germany:



Source: Federal Employment Agency

The number of temporary employees decreased compared to the previous year (-61,000 employees), respectively -8.62 %.

There are essentially no industry-specific framework conditions for the **Outsourcing** business unit of Tempton Group. According to management estimates, the 2023 financial year was characterised by rising demand from customers in the Logistics & Value-Added Services segment, particularly in exports. This more than compensated for the volatility in the automotive supply industry segment, resulting in an overall increase in volume.

Companies see motives for outsourcing in the globalization and internationalization of their business model (19 %) and the shortage of skilled personnel in Germany (19 %). Increasing pressure to innovate (17 %) is seen as a cause of increased outsourcing.

The main goals here are profitability and cost reduction (58 %), availability of resources (38 %), compensation for a lack of internal know-how (38 %), faster project implementation (27 %) or additional (human) resources (26 %).[4]

For the business unit **technology** of Tempton Group, the industry-specific framework conditions of the telecommunications market are particularly relevant.

[4] https://www.roedl.de/themen/entrepreneur/2017-02/outsourcing-fakten-mittelstand-international

The ongoing technological change in the telecommunications sector and the demands on telecommunications infrastructure due to ongoing digitization require continuously high levels of investment to expand next-generation network infrastructures and upgrade existing network infrastructure.

The ongoing technological change in the telecommunications sector and the demands placed on the telecommunications infrastructure due to advancing digitalization require continuous high investment in order to expand next-generation network infrastructures and upgrade the existing network infrastructure. Due to the increased and constantly growing requirements, the nationwide expansion with fibre optic-based products to achieve high transmission bandwidths is continuously being driven forward. This leads to increased investment in the entire digital infrastructure.

In Germany, the Bitkom-ifo digital index, which is calculated based on the assessment of the business situation and expectations, fell over the course of the reporting year. The business climate for IT and telecommunications companies was up 9.8 points in December 2023. Compared to the economy as a whole, the ICT sector thus remains at a significantly higher level: the ifo Business Climate Germany stood at minus 11.2 points in December 2023.

The global telecommunications market will continue to grow. Market research company Analysys Mason estimates that global sales of telecommunications services will have increased by 3.3 % in 2023 compared to the previous year. Revenue growth in conventional telecommunications services will be driven primarily by higher spending on data services. [5]

The rapid advance of digitalization results in greater integration of machines and production facilities in the industrial sector. This requires comprehensive IT and cloud solutions and increases the demand for high mobile broadband speeds and leads to high data volumes.

Tempton Technik GmbH will also benefit from the lasting constantly high investment volume, especially in fiber optic and copper infrastructure projects in Germany as well as the expansion of data centers.

For the broadly diversified business areas of Tempton Technik GmbH, the ideal conditions exist here to benefit from the very favorable general conditions; the increase in data volumes always goes hand in hand with adjustments in the software systems, streamlining and rebuilding of

[5] https://bericht.telekom.com/geschaeftsbericht-2023/

the infrastructures, new set-ups and new developments as well as the dismantling of old equipment - all services that are currently being rendered by Tempton Technik GmbH.

The IT services industry segment, a core area of the **Next Level** division, recorded sustained positive growth of 4.7 % in 2023. IT services with a focus on cloud services and artificial intelligence are expected to remain key growth drivers in 2024. At 5.3 %, growth in the IT hardware segment remained largely stable compared to the previous year. After a pandemic-related growth spurt of 7.3 % in 2022, growth in the TC infrastructure segment normalized to 2.5 % in 2023. This indicates a return to more stable growth rates following the exceptional increase of the previous year.[6] The engineering and ICT services divisions remain important growth drivers within the Next Level division. Due to the diversification into a wide range of sectors, such as energy supply, environmental technology, renewable energies, chemicals and telecommunications - in particular through the further expansion of 5G and fibre optic infrastructure as well as the modernization of existing telecommunications infrastructures - there are also major opportunities for development in the future. In addition, we continue to see high demand for qualified specialists and managers in the area of employee leasing and placement as well as in the area of freelancing.[7]

AIMS AND STRATEGIES OF TEMPTON GROUP

Tempton Group systematically pursues the following aims:

- Continuing to play a very active role in the ongoing consolidation of the market for personnel service providers. In the years 2019 to 2022, Tempton took over the key personnel and then also the economically interesting customer base of a number of small and medium-sized personnel service providers. At the beginning of 2023, Tempton further professionalized this special sourcing expertise by setting up its own specialized department. In 2023, Tempton has already completed 17 such transactions and either strategically integrated the personnel acquired and the clients acquired in this way into the existing Tempton structures or further expanded the Tempton branch network in a targeted manner. In March 2024, several comparable transactions are already in the pipeline. The Tempton Group has a permanently high level of free cash and cash equivalents, a substantial proportion of which is also earmarked for financing Tempton's exogenous growth;

[6] ITK-Marktzahlen (bitkom.org)
[7] https://www.bitkom.org/Presse/Presseinformation/Rekord-Fachkraeftemangel-Deutschland-IT-Jobs-unbesetzt

- Continuous further development of Tempton digitization tools

  - ❖ myTempton App (Digital assignment control for employees, customers, administration)
  - ❖ myTempton Check-in (Digital applicant data capture)
  - ❖ myTempton Skills (Digital skill analysis)
  - ❖ myTempton Jet (Digital applicant data management) and
  - ❖ myTempton Connect ("Office on the road", matching platform)

  thereby further optimizing Tempton's core services for the benefit of customers, employees, and applicants;

- Expansion of the business model through additional cutting-edge digitization use cases for prospective customers, customers, employees and applicants of Tempton;

- Expansion of the successful Medical, Aviation and Office divisions across the whole of Germany and gaining additional market share in these segments;

- Establishment of an additional high-margin Education division as a spin-off from the Medical division, which has already developed the education market for Tempton in recent years;

- Nationwide roll-out and strategic expansion of key account structures successfully introduced in pilot regions to win high quality, high margin volume business;

- Scaling of the successfully realigned managed services business with the Tempton-Partner management system, which is unique in the industry and combines the advantages of Neutral and Master Vendor systems for customers and is synonymous in the market with optimum supplier performance;

- In the Next Level business unit: Monetization of the Engineering footprint, which grew strongly, and further interlinking the strong customer base in the commercial and technical business with the IT and engineering departments for example, by significantly expanding the branch network in structurally strong regions;

- In the Technology business unit: Taking over the installation and commissioning of complex technical infrastructures as an experienced turn-key partner, providing support in planning and operation, organizing the roll-out, and providing project and site management. Expansion and strengthening of the data centre and FTTx business areas. For well over 25 years, we have been supporting our customers very successfully in the implementation of complex projects in the field of information and telecommunications technology (ICT) with individual services and the right personnel. We will continue to expand and utilise this expertise in the future and increasingly also in the growth areas of data centres and FTTx;

- In the business unit Outsourcing: specialisation in the efficient, productive and sustainable solution of specific customer problems in the areas of logistics services, production and quality management;

- Further expansion of the existing position as one of the quality leaders;

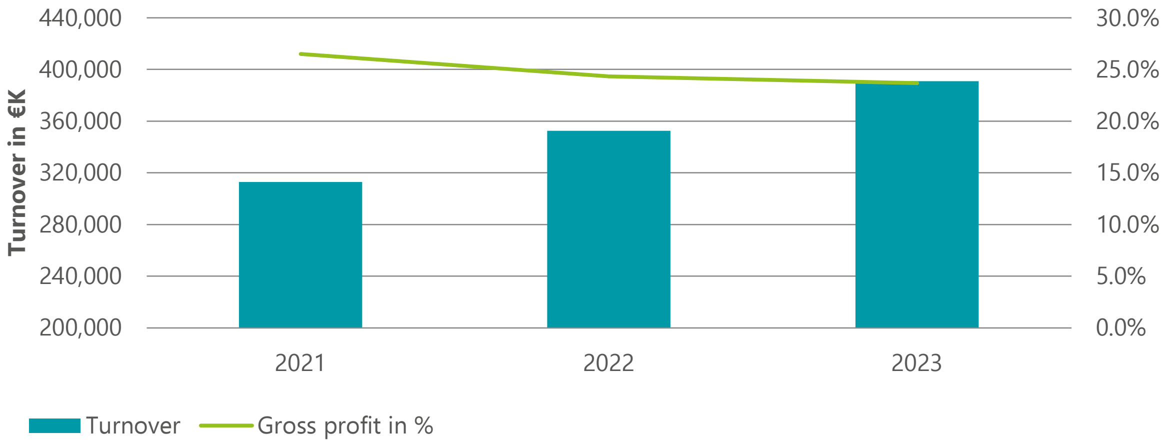
- Positioning as national champion in the attractive SME submarket.

BUSINESS PERFORMANCE OF TEMPTON GROUP

In the financial year 2023, Tempton Group has once again achieved extremely positive results in the key financial performance indicators of consolidated revenue, consolidated gross profit margin and consolidated EBITDA, especially against the background of the largest expansion campaign in the company's history.

With revenues of kEUR 390,970 (previous year: kEUR 352,480) Tempton has, despite challenging economic times, virtually reached the management's forecast revenue greater than approximately kEUR 400,000 in the financial year 2023. The only minimal (<2.5 %) deviation of the revenues actually achieved from the planned revenues shows Tempton's high planning accuracy, even in highly volatile times. The majority of sales revenue is generated in Germany.

Group EBITDA in the reporting period amounted to kEUR 14,190 (previous year: kEUR 21,003). Adjusted for the investment for the successfully implemented largest expansion campaign in the history of the group in 2023 (additional personnel costs kEUR +7,499 and additional miscellaneous costs kEUR +3,554, in total kEUR +11,053), adjusted EBITDA of the business year 2023 amounted to kEUR 25,243 and was thus above the adjusted previous year's EBITDA of kEUR 24,099 (previous year's EBITDA kEUR 21,003 plus costs for the expansion campaign commenced kEUR +1,863 as well as the costs for the preparation of an IPO kEUR +1,233) as well as above the forecast EBITDA (kEUR 21,003). On an adjusted basis, this corresponds to an EBITDA increase of kEUR +1,144 or 4.75 %.



Assets, liabilities and financial position

Basis of the annotations are the consolidated financial statements in accordance with IFRS as of 31 December 2023.

Earnings

kTEUR	2023	2022
Revenue	390,970	352,480
Other operating income	840	563
Cost of raw materials and supplies	-1,230	-1,274
Cost of purchased services	-8,510	-9,147
Personnel costs	-331,645	-290,752
Other operating expenses	-36,235	-30,867
EBITDA	**14,190**	**21,003**
Depreciation and amortization	-11,034	-9,238
Operating profit (EBIT)	**3,156**	**11,766**
Interest income and similar income	488	198
Interest expense and similiar expense	-1,742	-1,541
Income taxes	-777	-4,018
Profit of the Year	**1,125**	**6,405**

Revenue (financial performance indicator) increased by kEUR 38,490 or 10.9 % from kEUR 352,480 in the financial year 2022 to kEUR 390,970 in the financial year 2023. Tempton Group's revenue growth in the financial year 2023 compared to the financial year 2022 was driven to a significant extent by the successfully implemented expansion campaign, price increases implemented in the market and otherwise by continued strong sales activities.

The following table shows the sales revenues of the individual business areas:

Other operating income increased by kEUR 277 or 49.2 % from kEUR 563 in the financial year 2022 to kEUR 840 in the financial year 2023, which is mainly due a reassessment of the usability of intangible assets.

The cost of materials decreased by kEUR 44 or 3.5 % from kEUR 1,274 in the financial year 2022 to kEUR 1,230 in the financial year 2023. The decrease in the cost of materials in the financial year 2023 compared to the financial year 2022 is mainly due to the realisation of projects with lower input requirements in the Technology business unit.

The cost of purchased services fell from kEUR 9,147 in the financial year 2022 by kEUR 637 or 7.0 % to kEUR 8,510 in the financial year 2023, which is primarily due to a reduced use of external services in the Technology business unit.

Personnel expenses increased significantly by kEUR 40,893 or 14.1 % to kEUR 331,645 (previous year: kEUR 290,752), mainly due to higher wage expenses because of tariff raises and the increased number of employees (non-financial performance indicator) as a result of the expansion campaign as well as the very good order situation. Nevertheless, the increase in the number of employees was lower than forecast. In terms of the Tempton Group's personnel expenses during the 2023 financial year, external personnel costs increased by kEUR 30,802, primarily due to increased personnel services activities, while internal personnel costs rose by kEUR 10,091, mainly due to operational growth as a result of the successfully implemented expansion campaign.

The gross profit margin (financial performance indicator) in the reporting period was at 23.69 % and thus below the level for the same period of the previous year (24.32 %). This meant that the gross profit margin of approx. 24 % desired by the management for the financial year 2023 was practically achieved.

The gross profit margin is the ratio of gross profit to sales revenue. In addition to the cost of materials, Tempton Group only takes into account personnel costs for employees directly related to the generation of revenue ("external employees") in the gross profit.

Other operating expenses increased by kEUR 5,368 or 17.4 % from kEUR 30,867 in the financial year 2022 to kEUR 36,235 in the financial year 2023. The increase in other operating expenses in the financial year 2023 compared to the financial year 2022 is primarily due to increased business activities, in particular the increase in short-term and low-value leases (kEUR+1,080), in advertising expenses (kEUR +1,614), other vehicle expenses (kEUR +1,466) and other personnel-related expenses (kEUR +666).

Against the backdrop of the significant increase in energy prices, especially in 2022, the goal of **environmental protection and sustainability**, which Tempton Group has been emphasising for years, is becoming even more important. The minimum standards therefore include complying with the customary and (inter)nationally applicable laws, norms, standards and regulations, preventing environmental pollution and conserving natural resources. We are constantly striving to make our everyday life more sustainable, which is why, for example, we obtain our electricity from renewable energy sources, have optimised the property of the headquarters in Essen with the latest heating technology, photovoltaics and other energy-related measures, and are increasingly using electric vehicles in our fleet.

Depreciation and amortisation increased by kEUR 1,796 from kEUR 9,238 during the financial year 2022 to kEUR 11,034 during the financial year 2023, in particular due to the continued investment in CI-compliant equipment for the nationwide branch network, which has grown significantly once again as a result of the expansion campaign, as well as continued investment in the development of digitalisation projects.

Interest and similar income rose by kEUR 290 or 146.5 % from kEUR 198 in the previous year to kEUR 488 in the 2023 financial year. The increase in interest income is mainly due to the more extensive use of fixed-term deposits as a result of the increased intertest rate level.

Interest expenses and similar expenses increased from kEUR 1,541 in the previous year by kEUR 201 or 13.0 % to kEUR 1,742 in the 2023 financial year. The increase in interest expenses and similar expenses in the reporting year is mainly due to rising interest expenses in connection with factoring.

Income taxes decreased by kEUR 3,241 from kEUR 4,018 in the previous year to kEUR -777 in the financial year 2023. The change in income taxes in the financial year 2023 compared to the financial year 2022 is mainly due to a lower taxable income.

The consolidated net profit for the year decreased by kEUR 5,280 to kEUR 1,125 (previous year: kEUR 6,405).

Net Assets

kEUR	31.12.2023	31.12.2022
Current assets	**79,327**	**76,548**
Cash and cash equivalents	20,872	28,899
Accounts receivable trade	48,626	39,088
Contract assets	1,496	1,508
Current income tax receivable	2,146	1,236
Other current financial assets	2,591	1,798
Inventories	626	650
Other current assets	2,970	3,369
Non-current assets	**48,466**	**38,732**
Other intangible assets	4,515	4,394
Goodwill	10,646	10,646
Property, plant and equipment	11,083	9,599
Rights-of-use	14,862	7,547
Other non-current financial assets	4,987	4,703
Deferred tax assets	2,373	1,843
Total assets	**127,793**	**115,280**

The net assets of Tempton Group in the reporting period were characterized by the increase in the balance sheet total (kEUR +12,513 or +10.85 %) to kEUR 127,793. Structurally, Tempton Group's asset situation improved compared to the previous year due to the newly concluded leases for the expansion of the business.

As a result of the positive business development, current assets increased by kEUR 2,779 or 3.6 % from kEUR 76,548 in the previous year to kEUR 79,327 in the reporting year. Within current assets, trade receivables increased by kEUR 9,538 to kEUR 48,626 and income tax receivables by kEUR 910 to kEUR 2,146, while cash and cash equivalents fell by kEUR 8,027 from kEUR 28,899 to kEUR 20,872.

The average calculated DSO (time between invoicing and actual payment by customers) was again maintained in the reporting year and thus remains virtually unchanged at 24.1 days (previous year 24.2 days). The achieved level is therefore still the best in the industry.

Non-current assets increased by kEUR 9,734 or 25.1 % from kEUR 38,732 as of 31 December 2022 to kEUR 48,466 as of 31 December 2023, primarily due to a kEUR +7,315 increase in right-of-use assets, an increase in property, plant and equipment (kEUR +1,484) and an increase in deferred taxes (kEUR +530). The increase in right-of-use assets and the increase in property, plant and equipment resulted primarily from the expansion of Tempton's network of locations. Deferred taxes increased mainly due to changes in the calculation parameters (interest rate trend and pension trend) for pension obligations.

In the 2023 financial year, Tempton again invested substantially in the future with a total of kEUR 5,611.

kEUR	31.12.2023	31.12.2022
Short-term liabilities	**56,693**	**50,503**
Current financial liabilities	175	175
Lease liabilities	6,264	3,412
Trade payables	3,203	3,100
Current income tax liabilities	1,975	2,132
Provisions	21,662	19,867
Other current financial liabilities	12,564	11,358
Other liabilities	10,461	10,012
Contract liabilities	389	447
Long-term liabilities	**37,246**	**31,897**
Non-current financial liabilities	24,836	24,779
Lease liabilities	8,679	4,033
Provisions for pensions	2,597	2,300
Provisions	370	224
Deferred tax liabilities	764	561
Total liabilities	**93,939**	**82,400**
Shareholders' equity	**33,854**	**32,880**
Share capital	25	25
Capital Reserves	2,809	2,809
Retained Earnings	31,020	30,046
Total liabilities and shareholders' equity	**127,793**	**115,280**

Short-term liabilities increased by kEUR 6,190 from kEUR 50,503 in the previous year to kEUR 56,693 in the reporting year, which is mainly attributable to an increase (kEUR +2,852) in leasing liabilities, an increase (kEUR +1,795) in provisions (primarily because of increased provisions for personnel costs, such as collective bargaining leave entitlements, employers' liability insurance association and commissions, in accordance with the greater volume of business), and an increase (kEUR +1,206) in other current financial liabilities.

Long-term liabilities increased by kEUR 5,349 or 16.77 % from kEUR 31,897 as of 31 December 2022 to kEUR 37,246 as of 31 December 2023, mainly due to the rise in leasing liabilities by kEUR 4,646 from kEUR 4,033 to kEUR 8,679.

Equity increased from kEUR 32,880 in the previous year by kEUR 974 or 2.96 % to kEUR 33,854 in the year under review, which is mainly due to an increase in retained earnings (kEUR +974).

Financial situation

kEUR	31.12.2023	31.12.2022
Profit of the year	1,125	6,405
Depreciation and amortisation	11,034	9,238
Change in provisions	2,162	1,927
Other non-cash income / expenses	-358	-106
Changes in trade and other receivables, inventories, contract assets and other assets	-9,360	-6,907
Changes in trade payables, contract liabilities and other liabilities	1,492	1,482
Gewinn/Verlust aus dem Verkauf von Anlagevermögen	0	7
Interest (income) expenses, net	1,254	1,342
Income tax expenses	777	4,018
Income taxes paid	-2,100	-2,365
Cash flow from operating activities	**6,026**	**15,041**
Proceeds from the disposal of fixed assets	0	1
Additions to property, plant and equipment	-3,461	-2,198
Additions to intangible assets	-2,137	-1,707
Cash payments to acquire debt instruments	-746	-2,406
Interest received	462	42
Cash flow from investing activities	**-5,882**	**-6,268**
Principal portion of repayment of lease liabilities	-6,735	-5,411
Dividends paid	0	-5,000
Interest paid	-1,436	-1,299
Cash flow from financing activities	**-8,171**	**-11,710**
Change in cash and cash equivalents	**-8,027**	**-2,937**
Cash and cash equivalents at beginning of financial year	**28,899**	**31,836**
Cash and cash equivalents at end of financial year	**20,872**	**28,899**

In the reporting year, Tempton Group had, due to the successfully implemented expansion campaign, a negative cash flow. Due to the continued high level of free cash, Tempton was able to meet all payment obligations on time at all times.
The operating cash flow changed from a cash inflow of kEUR 15,041 in the 2022 financial year to a cash inflow of kEUR 6,026 in the 2023 financial year, which is mainly due to a lower net profit, an increase in receivables, inventories and other assets as well as a decrease in income tax expenses. However, these effects were partially offset, primarily by the changes in depreciation and amortisation in the 2023 financial year.

The investment cash flow decreased by kEUR +386 compared to the previous year (kEUR - 6,268) to kEUR -5,882, mainly due to lower investments in financial assets (kEUR 1,660), which were offset by increased investments in property, plant and equipment (kEUR - 1,263) and increased investments in intangible assets (kEUR -430).

The financing cash flow shows an outflow of funds of kEUR -8,171, which is made up of payments of leasing liabilities, which increased by kEUR +1,324 to kEUR -6,735, and interest paid, which increased by kEUR 137 to kEUR -1,436. The previous year included a distribution to shareholders totalling kEUR 5,000.

Overall, Tempton Group has a negative cash flow of kEUR -8,027 in the reporting year.

The Group's financing consists of its high equity of kEUR 33,854 or 26.49 % of the balance sheet total (including cash and cash equivalents of kEUR 20,872 or 16.33 % of the balance sheet total) and financing in the form of a listed bond (Nordic Bond), which bears a fixed interest rate of 4.75 % per year, matures on 9 November 2026 and has the option to increase the volume up to kEUR 75,000.

Tempton Group uses off-balance sheet transactions to optimize its financing structure. These include the partial use of factoring in the Technology, Next Level and Outsourcing business areas for certain (major) customers with extended payment terms typical for the industry, which do not fit into the payment term corridor issued by Tempton as a cap vis-à-vis the customer base.

Summary assessment

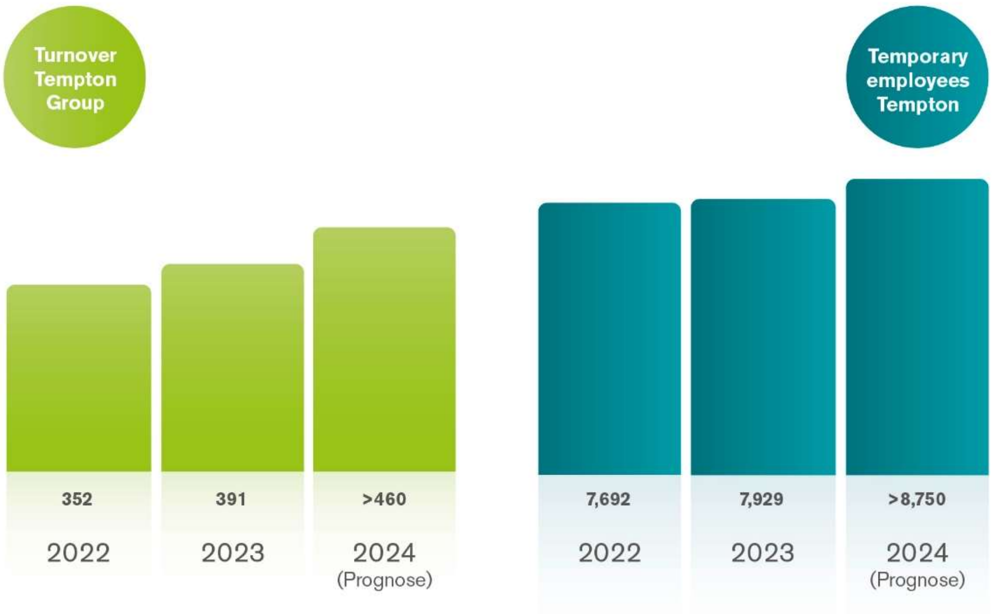
In the financial year 2023, Tempton Group was able to exceed the level of the year 2022 in almost all key figures (except EBITDA due to the successfully implemented expansion campaign). This also applies to the number of employees (non-financial performance indicator), which also increased significantly. Overall, the management is very satisfied with the business performance in the financial year 2023, especially against the background of the significant expansion and the associated obligatory investments.

Forecast report

Tempton Group is optimally positioned. It has not only done all its essential homework since 2013 but has also positioned itself for the future in every respect. The medium to long-term goals pursued by the management of Tempton Group were consistently achieved in the financial year 2023, confirming the good development in sales, gross profit margin and EBITDA (EBITDA taking into account the successfully implemented expansion campaign) compared to previous years.

Accordingly, Tempton Group has continued to develop positively over the course of 2024 to date and continues to grow.

Development of sales (million euros) and temporary employees of Tempton Group[8]:



The fact that Tempton Group, due to its own qualified digital unit, is in the top group of the personnel service provider market in terms of digitization as well and is investing here substantially, will further improve the market position of Tempton Group in the future. For the

[8] The data refers to temporary employees of Tempton Personaldienstleistungen GmbH, Essen as part of Tempton Group.

financial performance indicators for 2024, Tempton Group expects another significant increase (sales) or a continued stable development of approx. 24 % (gross profit margin) compared to the level of the past financial year. The Tempton Group expects EBITDA for 2024 to come close to the level of the 2022 financial year (kEUR 21,003), in particular due to a continuously growing positive earnings effect from the new openings.

Opportunities report

Tempton Group sees concrete attractive business opportunities in particular in the ongoing nationwide roll-out of its of its specialist divisions Medical, Aviation and Office, the continuously growing key accounting and managed services provider business, in the development and expansion of the new specialist division Education, in the opportunities of the ongoing digitization strategy (among others myTempton App, myTempton Check-in, myTempton Skills, myTempton Jet, myTempton Connect) as well as in the interaction with the IT,Digital Marketing and Engineering departments (based at Tempton Next Level Experts GmbH), which have now been set up nationwide and have further grown in 2023.

In addition to these forward-looking initiatives, Tempton is deliberately focusing on growing its core business as well. With the largest organic growth initiative in the company's history, Tempton deliberately focused on shortening the distances for applicants and customers even further. In doing so, Tempton is deliberately using its operational strength to gain further market share and is thus primarily driving regional and local competitors out of the market.

Since Tempton Group has a consistently high level of free cash and cash equivalents, a substantial portion of which is also allocated to financing potential further acquisitions, there is also the intention and the opportunity to further consolidate the market through targeted acquisitions. To this end, Tempton relies on its highly specialized in-house M&A-department, its integration experience built over the years which is continuously being refined at the highest level with each acquisition.

Due to the good know-how available in Tempton Outsourcing GmbH in the development of locations for logistics services, there are very good business opportunities for Tempton Outsourcing GmbH in the growing market of online trade. Commissioning, packaging, value-added services and increasingly return management are primarily outsourced in these market segments. Here Tempton Outsourcing GmbH has excellent expertise and first-class references. This strength pays off increasingly in existing and over the long-term stable customer relationships, but also in the acquisition of new customers.

Due to Tempton Next Level Experts GmbH's extensive expertise in taking on complex technical projects and the further positive development of the ITC market, we also expect for the financial year 2024 to be able to significantly expand our existing business and new business in the areas of temporary experts as well as planning, documentation and maintenance.

At Tempton Technik GmbH, we are convinced that, against the background of upcoming innovations and market developments, we can master the challenges and exploit the opportunities with our technical expertise and professional positioning. In addition to the ever-progressing increase in demand for telecommunications services, we see an accelerating decline in the traditional landline business and a high and further increasing demand for mobile services. In addition to rising demand for faster connectivity and higher data volumes, the roll-out of broadband will continue to have a high priority. This also means that an ever-increasing volume of data has to be processed, evaluated and stored. Through our close co-operation with all leading network operators and system manufacturers, Tempton Technik GmbH will offer solutions for companies in Germany via strategic partnerships.
In the 2024 financial year, Tempton Technik GmbH will also continue to steadily expand its very good customer base and continue to expand its service portfolio into promising areas.

Risk report
The following risks are listed in descending order of severity for the current year 2024.

- For several years, German politicians have been discussing the strain on the social system caused by employee leasing in the care sector. Since the personnel service providers often offer significantly better working conditions than the client companies, the client companies and thus also the social system are additionally burdened, according to the argumentation of various stakeholders, including the Federal Minister of Health Lauterbach. After all attempts to contain the situation, in particular the pilot project to ban the use of temporary workers in the care sector in Berlin, failed, this discussion has fallen silent until 2022. Since 2023 the discussion has flared up again in relation to care for the elderly. We are taking this risk very seriously, especially for our successful Medical division, and are strengthening our sales activities very specifically in the area of hospitals and university clinics, which are not yet affected by the current discussion. In addition, Tempton is diversifying further and is developing the specialist area of education from the existing medical business, which is not affected by such discussions at all. Overall, internal resources can be directed to other business areas with little effort in the unlikely event of a ban on personnel services in the field of care.

We have noticed the expected negative effect of the cap on the assumption of costs for employee leasing in geriatric care in particular since the 4th quarter of 2023 and expect this to slowly dissipate in the 2nd quarter of 2024, especially as a result of the market consolidation among medical providers in the personnel services sector and the internal redistribution of additional costs from personnel services among customers in the care sector. Ultimately, we assume that it is more economical for customers to keep the facilities open and not close them due to staff shortages, even if the statutory organisations only partially cover the direct costs of employee leasing. Nevertheless, we are convinced that an economic assessment of the maximum costs is needed to balance the price level of personnel services in the care sector. To this end, we have positioned ourselves well in the overall strategy from the outset and have not concluded any excessively high wage agreements with the nursing staff.

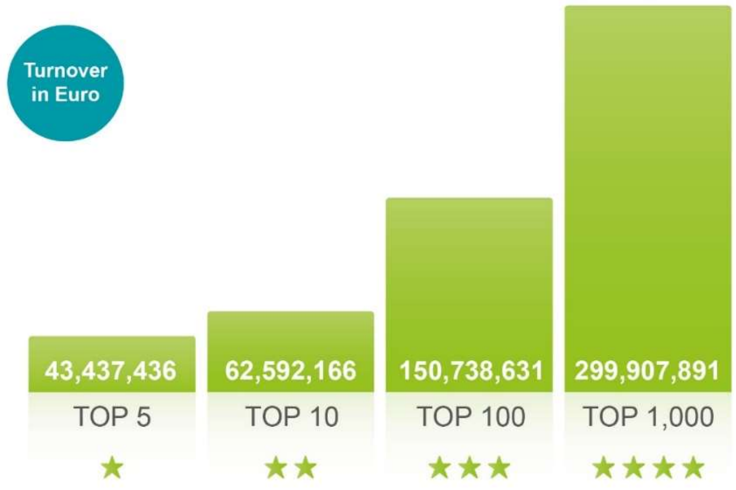
- Overall, Tempton does not consider the widely discussed shortage of skilled workers or the so-called "workerlessness"[9] as a relevant business risk but has rather adjusted to it and sees this shortage of potential employees as an opportunity to distinguish itself even further from the competition and to gain further market shares thanks to its excellent recruitment strategies and sophisticated recruitment tools.

- Tempton also sees no significant risk in the various geopolitical risk factors and the increasingly volatile economic situation in Germany, which is manifested above all through severe supply chain problems and the associated production downtimes and delivery problems which occur at short notice. It demonstrates once again the importance of Tempton's sales strength and the industry mix that distinguishes Tempton in the market and has successfully carried it through the past crises despite the "indicator industry".

- Tempton-Group has a very large customer base with around 11,500 active customers. Due to its sales strength - Tempton -Group acquires around 3,500 new customers annually - Tempton -Group is not only able to compensate for customer losses, but also to actively optimise this customer base on a permanent basis with regard to margin, employee satisfaction in customer assignments and default risk on the customer side. As can be seen from the following chart, cluster risks in our sales

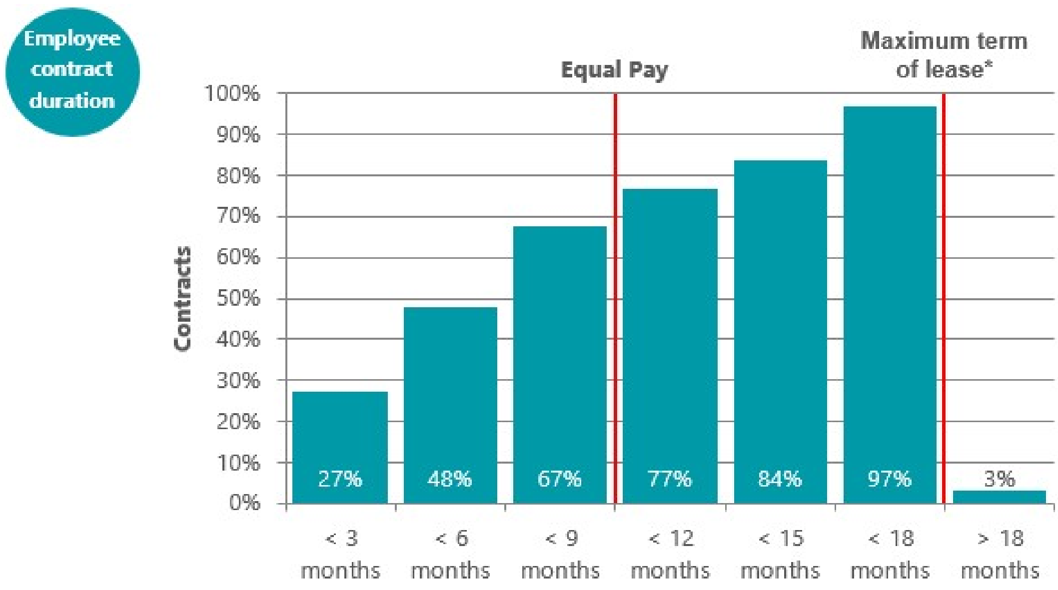
[9] The great workerlessness - Why a shrinking population threatens our prosperity and what we can do about it, Sebastian Dettmers, Münchner Verlagsgruppe GmbH, June 2022

revenues in the 2023 financial year, broken down by highest-revenue customers, in the customer structure are practically non-existent:



- The fear of a new mass unemployment due to the crisis-related downturn of the German economy does not pose a significant risk for the industry and Tempton at present either. The number of employees subject to social security contributions is currently at a peak and the demographic development will lead to a dramatic decrease in the potential workforce in the next five to seven years. Thus, a real reduction in the demand for labour, both for executives and professionals, as well as for unskilled workers, is very unlikely. There will very likely continue to be an increase in the volatility of demand. However, this does not mean a risk for Tempton with its broad customer, industry and qualification mix, but rather an opportunity compared to competitors.

- Even the regulatory framework, which has become much stricter in recent years (maximum duration of temporary employment, equal pay), does not pose a relevant risk for Tempton. Tempton Group focuses on filling relatively short-term contracts meaning that, as the following chart shows, almost 70 % of the temporary employees of Tempton Group are employed for less than 9 months on a customer assignment, and almost no temporary employees on a customer assignment reach the statutory maximum leasing period. Tempton Group is very well positioned within the scope of the existing regulatory framework:



* Maximum duration of contract period restricted to 18 months since reform of the AÜG (German Temporary Employment Act) took effect on 1 April 2017. Individual industry collective-bargaining agreements however allow for divergencies.

- Tempton has been actively addressing the issue of IT security for years. Due to the increasing digitisation of business processes in internal and external communication, the Tempton Group is also confronted with information security risks. Therefore, Tempton works exclusively with certified partners and relies on the German market leader for its data centres. These so-called Tier 3 data centres use redundant components and multiple active and passive supply paths. This makes the system error-tolerant and maintenance is also possible during operation. Data centres in quality level 3 also increase their fail-safety through multiple fire compartments. Overall, a data centre at quality level 3 achieves an availability of 99.98 percent with a downtime of 1.6 hours per year. In addition, Tempton is currently further increasing security within the framework of an adapted disaster recovery concept that will reduce possible downtimes after various cyberattacks to up to 15 minutes. Within the framework of these concepts, Tempton continuously invests in a variety of further measures to keep the IT landscape state-of-the-art and to counter hacker attacks, the failure of the Internet or the energy supply as well as attacks by malware (viruses or trojans).

- Tempton also mitigates the risks of deterioration in the creditworthiness of some customers, in particular due to increased energy prices, rising interest rates and / or disrupted supply chains, through the widespread use of trade credit insurance.

Liquidity risks / Risks arising from financial instruments

Tempton Group has a high free liquidity. Liquidity risk is countered by ongoing liquidity planning and strict cash management. The management of Tempton Group therefore does not see any apparent liquidity risks and there are also no risks from receivables or other financial instruments.

Liability and default risks

The Tempton Group has integrated a standardized insurance program so that it has adequate insurance cover for such risks. This program also includes receivables bad debt insurance.

Customer developments, customer losses or order initiations

Since 2015, Tempton Group has been transformed into a powerful sales and marketing organization. Accordingly, Tempton Group gains around 3,500 new customers per year in the personnel services business area, the core area of Tempton Group, which always overcompensates for possible customer losses. In particular, Tempton Personaldienst-leistungen GmbH is in no way dependent on individual customers or specific orders. In general, Tempton Group does not accept orders that would in any way force Tempton Group to modify its existing high-performance organization. In particular for Tempton Personaldienstleistungen GmbH certain customers or orders are of no particular importance.

The business units Outsourcing and Technology have a healthy mix of long-term framework agreements (more often even with the guarantee of minimum volumes), medium-term projects and projects on a short-term basis. Although possible project postponements and abruptly ending projects cannot be completely ruled out, the very good customer contacts and the very good networking within the industries with relevant experts are a certain guarantee that impending customer and order losses can be identified in good time.

Research and development

As a service provider, Tempton Group has no research and development activities.

Internal control system

Tempton Group has a functioning internal control system in place. The controls are carried out by the various specialist departments as well as by a permanent team of auditors.

General note on the group management report

This group management report contains prognostic statements and information that are based on the economic and financial conditions currently known and the resulting expectations of management.

Essen, April 25, 2024

Tempton Group GmbH

The Management Board

Dr. Annett Tischendorf

INDEPENDENT AUDITOR'S REPORT

Note: This is a convenience translation of the German original. Solely the original text in German is authoritative.

INDEPENDENT AUDITOR'S REPORT

To Tempton Group GmbH, Essen

AUDIT OPINIONS

We have audited the consolidated financial statements of Tempton Group GmbH, Essen, and its subsidiaries (the group), which comprise the consolidated statement of financial position as at December 31, 2023, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1, 2023 to December 31 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In addition, we have audited the group management report of Tempton Group GmbH for the financial year from January 1, 2023 to December 31, 2023.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the group as at December 31, 2023 and of its financial performance for the financial year from January 1, 2023 to December 31, 2023, and
- the accompanying group management report as a whole provides an appropriate view of the group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW).

Our responsibilities under those requirements and principles are further described in the "AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in compliance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB and that the consolidated financial statements in compliance with those requirements give a true and fair view of the assets, liabilities, financial position and financial performance of the group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, unless there is an intention to liquidate the group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

— identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report, or if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities with the group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the group's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence, we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Stuttgart, April 26, 2024

BDO AG
Wirtschaftsprüfungsgesellschaft

signed Braunschläger	signed Gebert
[Wirtschaftsprüfer]	[Wirtschaftsprüfer]

www.tempton.de