

# Adecco A/S

Falkoner Allé 1, 2000 Frederiksberg

CVR no. 12 93 23 75

## Annual report 2021

Approved at the Company's annual general meeting on 22 June 2022

Chair of the meeting:



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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Adecco A/S for the financial year 1 January - 31 December 2021.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 22 June 2022  
Executive Board:



Ane Lüth Elstrup (22. jun. 2022 21:19 GMT+2)

.....  
Ane Lüth Elstrup  
CEO



.....  
Niklas Bye Nordkap  
CFO

Board of Directors:



Gerard Koolen (23. jun. 2022 10:21 GMT+2)

.....  
Gerard Koolen  
Chair



Florian Gheorghe (23. jun. 2022 17:42 GMT+3)

.....  
Florian Gheorghe



Ane Lüth Elstrup (22. jun. 2022 21:19 GMT+2)

.....  
Ane Lüth Elstrup

## Independent auditor's report

To the shareholders of Adecco A/S

### Opinion

We have audited the financial statements of Adecco A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations as well as the cash flows for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

### Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. 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 the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, 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 opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

## Independent auditor's report

- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. 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 Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

### Statement on the Management's review

Management is responsible for the Management's review.

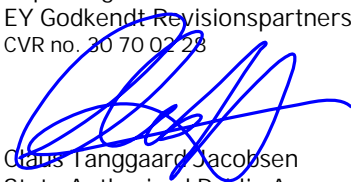
Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 22 June 2022  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Claus Tanggaard Jacobsen  
State Authorised Public Accountant  
mne23314

## Management's review

### Company details

Name	Adecco A/S
Address, Postal code, City	Falkoner Allé 1, 2000 Frederiksberg
CVR no.	12 93 23 75
Established	1 April 1989
Registered office	Frederiksberg
Financial year	1 January - 31 December
Website	<a href="http://www.adecco.dk">www.adecco.dk</a>
Board of Directors	Gerard Koolen, Chair Florian Gheorghe Ane Lüth Elstrup
Executive Board	Ane Lüth Elstrup, CEO Niklas Bye Nordkap, CFO
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

## Management's review

### Financial highlights

DKK'000	2021	2020	2019	2018	2017
<b>Key figures</b>					
Revenue	495,229	403,315	437,509	494,919	638,954
Gross profit	467,611	369,986	402,941	452,299	596,145
Profit before interest and tax (EBIT)	-2,247	-16,741	-24,007	-48,625	-18,854
Net financials	-1,404	6,950	-183	-751	-1,118
Profit/loss for the year	-3,752	-2,660	-24,190	-49,376	-29,717
<b>Total assets</b>					
Total assets	116,735	112,786	107,485	129,060	165,643
Equity	-554	12,198	14,858	39,048	17,324
<b>Amount relating to investments in property, plant and equipment</b>					
Amount relating to investments in property, plant and equipment	-456	-155	206	347	706
<b>Financial ratios</b>					
Operating margin	-0.5%	-4.2%	-5.5%	-9.8%	-3.0%
Gross margin	94.4%	91.7%	92.1%	91.4%	93.3%
Return on assets	-2.0%	-15.2%	-20.3%	-33.0%	-9.9%
Current ratio	137.1%	198.9%	135.5%	160.1%	107.3%
Return on equity	-64.4%	-19.7%	-89.7%	-175.2%	-92.3%
<b>Average number of full-time employees</b>					
Average number of full-time employees	1,048	849	957	1,148	1,463

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating margin	$\frac{\text{Operating profit/loss (EBIT)} \times 100}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

## Management's review

### Business review

As in previous years, the Company's core activities in the year under review were to render temporary staffing and recruitment assistance. The Company's key business segment is nationwide temporary staffing in the areas of office, canteen, storage & industry, IT, nursing, domestic help, construction, sales and demonstration.

### Financial review

The income statement for 2021 shows a loss of DKK 3,752 thousand against a loss of DKK 2,660 thousand last year, and the balance sheet at 31 December 2021 shows a negative equity of DKK 554 thousand. The negative equity of 2021, is expected to be reestablished in 2022 through a profitable 2022.

The increase in revenue is driven by the "normalization" after the impact of the COVID-19 pandemic in Denmark. We have also experienced the increased demand from the public sector requesting TEMP services related to the Covid 19 pandemic has continued into 2021. In 2020 the outlook for 2021 was complicated due to uncertainty of COVID-19 and its effect on the 2021 results of Adecco A/S. Even though COVID-19 has had a lessor impact on the results compared to 2020, higher cost related to salaries of temporary staffing was incurred due to COVID-19 related sickness, in 2021.

In 2021 the majority ownership of Adecco Denmark was sold to Avanta Intermare Holdings LTD in May 2021. Adecco Denmark is now owned by the Adecco Group AG & Avanta Intermare Holdings LTD. Subsequently following the new owner structure, Investments in new IT infrastructure was made in the second half of 2021, which has impacted the financial result of 2021 negatively. It is however expected the investment in IT will contribute to positive changes in the effectivity in the following years.

The combination of COVID-19 and a large investment in new infrastructure is the main driver behind the 2021 deficit. Management still considers the loss for 2021 as non-satisfactory.

### Knowledge resources

At Adecco A/S processes are in place to ensure that the company specific intellectual know-how and knowledge is shared knowledge, in order to avoid the dependency on specific individuals.



## Management's review

### Statutory CSR report

For the statutory report on corporate social responsibility according to the Danish Financial Statements Act §99a, Adecco A/S refers to the Adecco Group's 2021 Sustainability Report. Adecco Group's sustainability reporting is part of the integrated annual report, which can be accessed at: <https://www.adecco.com/investors/annual-report/>

### Account of the gender composition of Management, cf. §99b

In Adecco A/S, it is our clear objective to ensure diversity in the staff composition – not least at executive level. We believe that diversity can contribute positively to the development and competitiveness of the organization. Diversity relates to both gender, age and ethnic background and are all an integral part of our Global Code of Conduct. As of December 2021, the gender composition on the executive level is 50% women and 50% men. The members of the Board of Directors consist of 66,6% men and 33,3% women, which is an equal gender distribution cf. The Danish Business Authorities.

As Adecco has a clear policy regarding equal opportunities for all in relation to promotion and career development, it is considered as natural that the gender composition will be at an equivalent level over the coming years (4 years).

At the same time, it should be emphasized that Adecco A/S, at all times, chooses to promote and appoint executive officers – at all levels – not based on gender, but on who is best suited for the job – professionally, technically and personally. As such, both genders are taken into considerations upon promotion and appointment of new executives.

### Data ethics

Please see the full Adecco A/S policy for Data ethics on the following address <https://www.adecco.dk/virksomhed/certifikater/>

### Events after the balance sheet date

The situation in Ukraine/Russia has influenced the market for temporary staffing in DK negatively, including Adecco A/S.

The arbitration case between Adecco A/S and BJMF regarding the years 2017-2018, was settled in January 2022. The settlement will not affect the results of Adecco DK in 2021 and 2022 as this was already accrued in 2020.

### Outlook

We expect Adecco A/S do deliver a positive result from operations as well as earnings before TAX in 2022. However, the uncertainty of the effects of the war in Ukraine, the increase in consumer prices, and the global supply challenges, it is expected these factors will have a negative impact on 2022. Adecco A/S will continue to invest in IT in 2022 as well as building on the already strong client relationship, hence we expect the turnover to be between DKK 435-475 million and the result before tax to be between DKK 1 - 4 million.

The impact from COVID-19 pandemic, is still very difficult to predict, but it is not anticipated that it will have the same effect on the temporary staffing business in 2022.

The global effects of the situation in Russia/Ukraine have led to increases in prices, lower than expected growth in DK, and combined with very low unemployment in Denmark, it is expected this will have an effect on Adecco A/S's opportunities in 2022.

Adecco A/S continuously take the necessary steps to comply with the market-and the economy situation, and we believe with the current long-term strategy, the continues investment in digitalization, transforming the organization to become even more agile, we will continue to deliver quality services and be profitable in 2022.

## Financial statements 1 January - 31 December

### Income statement

Note	DKK'000	2021	2020
3	Revenue	495,229	403,315
	Other external expenses	-27,618	-33,329
	Gross profit	467,611	369,986
4	Staff costs	-467,342	-384,442
	Amortisation/depreciation of intangible assets and property, plant and equipment	-2,516	-2,285
	Profit/loss before net financials	-2,247	-16,741
	Financial income	0	7,256
	Financial expenses	-1,404	-306
	Profit/loss before tax	-3,651	-9,791
	Tax for the year	-101	7,131
	Profit/loss for the year	-3,752	-2,660

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	2021	2020
	ASSETS		
	Non-current assets		
5	Intangible assets		
	Acquired software	2,360	2,215
		<u>2,360</u>	<u>2,215</u>
6	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	346	103
	Leasehold improvements	94	126
		<u>440</u>	<u>229</u>
7	Financial assets		
	Other receivables	1,005	942
		<u>1,005</u>	<u>942</u>
	Total non-current assets	<u>3,805</u>	<u>3,386</u>
	Current assets		
	Receivables		
	Trade receivables	110,827	88,365
	Receivables from group entities	0	10,431
	Other receivables	210	228
8	Prepayments	691	1,391
		<u>111,728</u>	<u>100,415</u>
	Cash	1,202	8,985
	Total current assets	<u>112,930</u>	<u>109,400</u>
	TOTAL ASSETS	<u>116,735</u>	<u>112,786</u>

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	2021	2020
	EQUITY AND LIABILITIES		
	Equity		
9	Share capital	1,003	10,003
	Retained earnings	-1,557	2,195
	Total equity	-554	12,198
	Liabilities		
	Non-current liabilities		
	Other provisions	0	10,000
	Other payables	34,903	35,582
	Total non-current liabilities	34,903	45,582
	Current liabilities		
	Bank debt	2,885	0
	Trade payables	8,400	18,131
	Payables to group entities	3,525	741
10	Other payables	67,576	36,134
	Total current liabilities	82,386	55,006
	Total liabilities	117,289	100,588
	TOTAL EQUITY AND LIABILITIES	116,735	112,786

- 1 Accounting policies
- 2 Events after the balance sheet date
- 11 Contractual obligations and contingencies, etc.
- 12 Contingent assets
- 13 Collateral
- 14 Related parties
- 15 Fee to the auditors appointed by the Company in general meeting
- 16 Appropriation of profit/loss

## Financial statements 1 January - 31 December

### Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Total
	Equity at 1 January 2020	10,003	4,855	14,858
16	Transfer, see "Appropriation of profit/loss"	0	-2,660	-2,660
	Equity at 1 January 2021	10,003	2,195	12,198
	Capital reduction	-9,000	0	-9,000
16	Transfer, see "Appropriation of profit/loss"	0	-3,752	-3,752
	Equity at 31 December 2021	1,003	-1,557	-554

## Financial statements 1 January - 31 December

### Cash flow statement

Note	DKK'000	2021	2020
	Profit/loss for the year	-3,752	-2,660
17	Adjustments	3,920	2,591
	Cash generated from operations (operating activities)	168	-69
18	Changes in working capital	2,503	3,728
	Cash generated from operations (operating activities)	2,671	3,659
	Interest paid, etc.	-1,404	-306
	Cash flows from operating activities	1,267	3,353
	Additions of intangible assets	-2,416	-1,444
	Additions of property, plant and equipment	-456	-155
	Purchase of financial assets	-63	1,415
	Cash flows to investing activities	-2,935	-184
	Cash capital reduction	-9,000	0
	Other cash flows from financing activities	2,885	0
	Cash flows from financing activities	-6,115	0
	Net cash flow	-7,783	3,169
	Cash and cash equivalents at 1 January	8,985	5,816
	Cash and cash equivalents at 31 December	1,202	8,985

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Adecco A/S for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

In accordance with the Danish Business Authority's clarification in May 2021, financial statement items regarding equity investments in associates have been renamed to equity investments in participating interests as the financial statement items must be designated as such when the entity only holds equity investments in associates.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

#### Income statement

##### Revenue

The Company has chosen IAS 18 as interpretation for revenue recognition.

The Company generates revenue from the sale of temporary staffing services, permanent placement services, outsourcing services and other services.

Revenue related to temporary staffing services is generally negotiated and invoiced on an hourly basis. Associates record the hours they have worked, and these hours, at the rate agreed with the customer, are then accumulated and invoiced according to the agreed terms. Temporary staffing service revenue is recognised upon the rendering of the service.

Revenue related to permanent placement services is generally recognised at the time at which the candidate begins full-time employment, or as the fee is earned. An allowance provision is established based on historical information for any non-fulfillment of permanent placement obligations.

Revenue related to outsourcing services and other services is negotiated with the client on a project basis and is recognised upon rendering of the services. Revenue invoiced prior to providing the services is deferred and recognised in "Other current liabilities" until the services have been rendered.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

##### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, royalty, etc.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc., made to the Company's employees and temporary workers. The item is net of refunds made by public authorities.

##### Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Acquired software	3-5 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

##### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities, financial expenses relating to realised and unrealised capital gains and losses, exchange gains and losses and amortisation of financial assets and liabilities.

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

##### Intangible assets

Other intangible assets include software licences and other acquired intangible rights.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

##### Property, plant and equipment

Property plant and equipment comprise other fixtures and fittings, tools and equipment as well as leasehold improvements.

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Costs include the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

##### Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

##### Impairment of non-current assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

##### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

##### Cash

Cash comprise cash in banks.

Given the nature of the Group's cash pool arrangement, cash pool balances are not considered cash, but are recognised under "Receivables from group entities" or "Payables to group entities", as applicable.

##### Equity

###### *Proposed dividends*

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

##### Provisions

Provisions comprise expected expenses relating to restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation as a result of a past event at the balance sheet date and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Provisions for deferred tax are calculated based on the liability method of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

##### Other payables

Other payables are measured at net realisable value.

##### Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 2 Events after the balance sheet date

After the balance sheet date, no significant events have occurred subsequent to the balance sheet date.

DKK'000	<u>2021</u>	<u>2020</u>
3 Segment information		
Breakdown of revenue by business segment:		
Temporary staffing services	486,014	394,933
Permanent staffing, outsourcing and other services	<u>9,215</u>	<u>8,382</u>
	<u>495,229</u>	<u>403,315</u>
Breakdown of revenue by geographical segment:		
Denmark	<u>495,229</u>	<u>403,315</u>
	<u>495,229</u>	<u>403,315</u>

With reference to section 96 (1) of the Danish Financial Statements Act, the Company does not disclose customer segments of revenue as Management is of the opinion that such disclosure is of significant interest to its competitors and may, therefore, be highly detrimental to the Company.

4 Staff costs		
Wages/salaries	388,754	327,739
Pensions	34,625	27,968
Other social security costs	35,517	23,310
Other staff costs	<u>8,446</u>	<u>5,425</u>
	<u>467,342</u>	<u>384,442</u>
Average number of full-time employees	<u>1,048</u>	<u>849</u>

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 5 Intangible assets

DKK'000	Acquired software
Cost at 1 January 2021	34,456
Additions in the year	2,416
Cost at 31 December 2021	36,872
Impairment losses and amortisation at 1 January 2021	32,241
Amortisation/depreciation in the year	2,271
Impairment losses and amortisation at 31 December 2021	34,512
Carrying amount at 31 December 2021	2,360
Amortised over	3-5 years

#### 6 Property, plant and equipment

DKK'000	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2021	8,992	5,161	14,153
Additions in the year	456	0	456
Disposals in the year	-1,078	-199	-1,277
Cost at 31 December 2021	8,370	4,962	13,332
Impairment losses and depreciation at 1 January 2021	8,889	5,035	13,924
Amortisation/depreciation in the year	213	32	245
Reversal of amortisation/depreciation and impairment of disposals	-1,078	-199	-1,277
Impairment losses and depreciation at 31 December 2021	8,024	4,868	12,892
Carrying amount at 31 December 2021	346	94	440
Depreciated over	3-5 years	3-5 years	

## Financial statements 1 January - 31 December

### Notes to the financial statements

7	Financial assets		
	DKK'000		Other receivables
	Cost at 1 January 2021		942
	Additions in the year		63
	Cost at 31 December 2021		1,005
	Carrying amount at 31 December 2021		1,005

### 8 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years.

	DKK'000	2021	2020
9	Share capital		
	Analysis of the share capital:		
	1,003 shares of DKK 1,000.00 nominal value each	1,003	10,003
		1,003	10,003

Analysis of changes in the share capital over the past 5 years:

DKK'000	2021	2020	2019	2018	2017
Opening balance	10,003	10,003	10,003	10,002	10,002
Capital increase	0	0	0	1	0
Capital reduction	-9,000	0	0	0	0
	1,003	10,003	10,003	10,003	10,002

10	Other payables		
	Other payables	67,576	36,134
		67,576	36,134

Other payables primarily consist of holiday accruals and VAT.

### 11 Contractual obligations and contingencies, etc.

#### Other contingent liabilities

Addeco is party to a few minor pending legal cases. One was settled in favour of Adecco DK in 2022, occurring after the balance sheet date. In Managements opinion, the outcome of these legal actions will not further affect the Companys financial position apart from what has already been recognised in the balance sheet at 31 December 2021.

#### Other financial obligations

Other rent and lease liabilities:

Rent and lease liabilities	3,027	7,890
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Rent and lease liabilities include a rent obligation, totalling DKK 1,495, in a interminable rent agreements with remaining contract terms of 10 month. Furthermore, the Company has liabilities under operating leases for cars and office equipment, totalling DKK 1,532.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 12 Contingent assets

The Company's tax loss carry-forwards total DKK 212,345 thousand (2020: DKK 220,735 thousand). The nominal value totals DKK 46,716 thousand (2020: DKK 48,562 thousand) using a tax rate of 22% (2020: 22%).

The Company's deferred tax asset has not been recognised in the balance sheet due to uncertainty as to the future utilisation of the tax losses.

#### 13 Collateral

The Company has not put up any security or provided other collateral in assets at the balance sheet date.

#### 14 Related parties

Adecco A/S' related parties comprise the following:

##### Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Avanta Intermare Holdings LTD	Great Britain	Immediate Parent Company, shareholder

##### Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>
Avanta Intermare Holdings LTD	Great Britain

##### Related party transactions

Adecco A/S was engaged in the below related party transactions:

DKK'000	<u>2021</u>	<u>2020</u>
Royalty fees, management costs from parties exercising control	8,394	8,066
Management costs and other costs from other group entities	1,741	4,218
Payables to other group entities	0	69
Receivables to parties exercising controlling entities	3,525	10,281

##### Information on the remuneration to management

Information on the remuneration to Management appears from note 4, "Staff costs".

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 14 Related parties (continued)

##### Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

Name	Domicile
Avanta Intermare Holdings LTD	Great Britain
Adecco Group AG	Schweiz

DKK'000	2021	2020
15 Fee to the auditors appointed by the Company in general meeting		
Statutory audit	180	189
Other assistance	58	111
	238	300
16 Appropriation of profit/loss		
Recommended appropriation of profit/loss		
Retained earnings/accumulated loss	-3,752	-2,660
	-3,752	-2,660
17 Adjustments		
Amortisation/depreciation and impairment losses	2,516	2,285
Financial expenses	1,404	306
	3,920	2,591
18 Changes in working capital		
Change in receivables	-11,313	-4,233
Change in trade and other payables	-6,947	9,204
Other changes in working capital	20,763	-1,243
	2,503	3,728