

Adecco A/S

Falkoner Allé 1, 2000 Frederiksberg

CVR no. 12 93 23 75

Annual report 2020

Approved at the Company's annual general meeting on 29 April 2021

Chair of the meeting:

Mads Hyre-Dybbro
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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 2020.

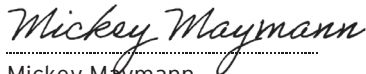
The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

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, 29 April 2021
Executive Board:



Mickey Maymann
CEO

Board of Directors:



Torben Sneve
Chair



Mads Hyre-Dybbro



Mickey Maymann

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 2020, which comprise income statement, balance sheet, statement of changes in equity 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 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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.

Independent auditor's report

- ▶ 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.
- ▶ 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, 29 April 2021
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	www.adecco.dk
Board of Directors	Torben Sneve, Chair Mads Hyre-Dybbro Mickey Maymann
Executive Board	Mickey Maymann, CEO
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark
Bankers	Nordea

Management's review

Financial highlights

DKK'000	2020	2019	2018	2017	2016
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Key figures

Revenue	403,315	437,509	494,919	638,954	939,507
Gross profit	369,986	402,941	452,299	596,145	891,554
Profit before interest and tax (EBITA)	-16,741	-24,007	-48,625	-18,854	6,523
Net financials	6,950	-183	-751	-1,118	-1,384
Profit/loss for the year	-2,660	-24,190	-49,376	-29,717	5,139

Total assets	112,786	107,485	129,060	165,643	214,700
Investments in property, plant and equipment	0	206	347	706	1,996
Equity	12,198	14,858	39,048	17,324	47,041

Financial ratios

Operating margin	-4.2%	-5.5%	-9.8%	-3.0 %	0.7 %
Gross margin	91.7%	92.1%	91.4%	93.3%	94.9%
Return on assets	-15.2%	-20.3%	-33.0%	-9.9%	3.0%
Current ratio	198.9%	135.5%	160.1%	107.3%	118.4%
Return on equity	-19.7%	-89.7%	-175.2%	-92.3%	11.6%

Average number of employees	849	957	1,148	1,463	2,002
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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.

Recognition and measurement uncertainties

Arbitration cases

During the years 2013-2018, Adecco has supplied associates to Copenhagen Metro Team, which was the main contractor on the Metro project in Copenhagen.

In March 2018, the Union (BJMF) opened three specific cases against Adecco in which they claimed that the realised work in comparison to the working plan was in breach of the collective agreement Jord- og Betonoverenskomsten. The case covers the period 2013-2016. Adecco has challenged the claims. In line with normal procedures, the cases were handled in an Arbitration Court.

The verdict was received in July 2019. The verdict was hereafter used as a reference case for the case regarding the remaining population of associates for the years 2013-2016. The arbitration procedure regarding the full population took place during autumn 2019 with a final court case in January 2020. The final verdict regarding the years 2013-2016 was received in February 2020 which resulted in a payment that was higher than the accrual but limited to approximately 6% of the original claim from the Union. The variance was recognised in the 2019 financial statements including an additional accrual covering the years 2017-2018.

In December 2020, Adecco received a letter of complaint from the Union regarding the years 2017-2018. The complaint has led to an additional accrual which has been recognised in the 2020 financial statements. It's managements clear perception that the additional accrual is sufficient to cover the risk associated with the upcoming arbitration case.

Financial review

The income statement for 2020 shows a loss of DKK 2,660 thousand against a loss of DKK 24,190 thousand last year, and the balance sheet at 31 December 2020 shows equity of DKK 12,198 thousand.

The decline in revenue is mainly driven by the consequences of the COVID-19 pandemic in Denmark. The pandemic has significantly impacted the demand for TEMP services particular within the HORECA segment. This has been partly offset by increased demand from the public sector requesting TEMP services related to among other analysis of the large amount of Covid 19 test. The revenue stabilized during second half of 2020 with the re-opening of the Danish society. First half of 2020 was used to adjust the cost base to the decrease in demand. Full effect of the adjustments is expected in 2021

Despite the significant year on year improvement, Management still considers the loss for 2020 as non satisfactory.

Transfer pricing tax audit:

In previous years both the Danish National Tax Tribunal and the High Court ruled in favor of SKAT.

In 2020, the Supreme Court ruled in favor of Adecco Denmark. The verdict can't be appealed. Revised Tax Statements for the period 2006-2018 have been received and the impact is recognised in the 2020 financial statements.

Hereafter, no recognition and measurement uncertainties exist in respect of the transfer pricing tax audit.

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 2020 Sustainability Report. Adecco Group's sustainability reporting is part of the integrated annual report, which can be accessed at: <https://www.adecgroup.com/investors/annual-report-2020/>

Account of the gender composition of Management

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 January 2020, the gender composition on the executive level is 40% women and 60% men. All members of the Board of Directors are men and it consists of the Regional Management (Regional Manager) and Local Executive Team (Country Manager and Country Finance Manager). Adecco A/S considers an equal split between the genders as the objective before 2023. However, the composition of the Board of Directors consists of employees of defined internal executive members. A change in the composition requires a change in the internal position, which did not take place during 2020.

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.

Events after the balance sheet date

After the balance sheet date, the share capital has been reduced by DKK 9,000 thousand from DKK 10,003 thousand to DKK 1,003 thousand and with the reduction paid out to the shareholders, no other significant events have occurred subsequent to the balance sheet date.

Outlook

Given the current situation in Denmark with continued impact from COVID-19 pandemic, it is very difficult to predict the exact effect on the temporary staffing business. We strongly believe that we have already taken necessary steps to adjust the cost base and we are convinced that with the current re-opening plan, we will deliver surplus in 2021. In alignment with the current long-term strategy, we will continue to invest in digitalization and transform the organization to become even more agile in order to be able to meet the competition in the market.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2020	2019
3	Revenue	403,315	437,509
	Other external expenses	-33,329	-34,568
	Gross profit	369,986	402,941
4	Staff costs	-384,442	-424,489
	Amortisation/depreciation of intangible assets and property, plant and equipment	-2,285	-2,459
	Profit/loss before net financials	-16,741	-24,007
	Financial income	7,256	0
	Financial expenses	-306	-183
	Profit/loss before tax	-9,791	-24,190
	Tax for the year	7,131	0
	Profit/loss for the year	-2,660	-24,190

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2020	2019
	ASSETS		
	Non-current assets		
5	Intangible assets		
	Acquired software	2,215	2,661
		<u>2,215</u>	<u>2,661</u>
6	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	103	298
	Leasehold improvements	126	171
		<u>229</u>	<u>469</u>
7	Financial assets		
	Other receivables	942	2,357
		<u>942</u>	<u>2,357</u>
	Total non-current assets	<u>3,386</u>	<u>5,487</u>
	Current assets		
	Receivables		
	Trade receivables	88,365	94,195
	Receivables from group entities	10,431	496
	Income taxes receivable	0	2
	Other receivables	228	472
8	Prepayments	1,391	1,017
		<u>100,415</u>	<u>96,182</u>
	Cash	8,985	5,816
	Total current assets	<u>109,400</u>	<u>101,998</u>
	TOTAL ASSETS	<u>112,786</u>	<u>107,485</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2020	2019
	EQUITY AND LIABILITIES		
	Equity		
9	Share capital	10,003	10,003
	Retained earnings	2,195	4,855
	Total equity	12,198	14,858
	Liabilities		
	Non-current liabilities		
	Other provisions	10,000	4,100
	Other payables	35,582	13,245
	Total non-current liabilities	45,582	17,345
	Current liabilities		
	Trade payables	18,131	8,861
	Payables to group entities	741	807
10	Other payables	36,134	65,614
	Total current liabilities	55,006	75,282
		100,588	92,627
	TOTAL EQUITY AND LIABILITIES	112,786	107,485

- 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	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
	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 31 December 2020	<u>10,003</u>	<u>2,195</u>	<u>12,198</u>

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Adecco A/S for 2020 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.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are part of the consolidated cash flow statement for the Parent Company, Adecco S.A.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Events after the balance sheet date

After the balance sheet date, the share capital has been reduced by DKK 9,000 thousand from DKK 10,003 thousand to DKK 1,003 thousand and with the reduction paid out to the shareholders, no other significant events have occurred subsequent to the balance sheet date.

DKK'000	2020	2019
3 Segment information		
Breakdown of revenue by business segment:		
Temporary staffing services	394,933	429,086
Permanent staffing, outsourcing and other services	8,382	8,423
	403,315	437,509
Breakdown of revenue by geographical segment:		
Denmark	403,315	437,509
	403,315	437,509

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.

DKK'000	2020	2019
4 Staff costs		
Wages/salaries	327,739	360,614
Pensions	27,968	30,658
Other social security costs	23,310	25,617
Other staff costs	5,425	7,600
	384,442	424,489
Average number of full-time employees	849	957

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 2020	33,012
Additions in the year	1,444
Cost at 31 December 2020	34,456
Impairment losses and amortisation at 1 January 2020	30,351
Amortisation/depreciation in the year	1,890
Impairment losses and amortisation at 31 December 2020	32,241
Carrying amount at 31 December 2020	2,215
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 2020	8,837	5,161	13,998
Additions in the year	155	0	155
Cost at 31 December 2020	8,992	5,161	14,153
Impairment losses and depreciation at 1 January 2020	8,539	4,990	13,529
Amortisation/depreciation in the year	350	45	395
Impairment losses and depreciation at 31 December 2020	8,889	5,035	13,924
Carrying amount at 31 December 2020	103	126	229
Depreciated over	3-5 years	3-5 years	

Financial statements 1 January - 31 December

Notes to the financial statements

7 Financial assets

DKK'000	<u>Other receivables</u>
Cost at 1 January 2020	2,357
Disposals in the year	<u>-1,415</u>
Cost at 31 December 2020	942
Carrying amount at 31 December 2020	<u>942</u>

8 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years.

DKK'000	<u>2020</u>	<u>2019</u>
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9 Share capital

Analysis of the share capital:

10,003 shares of DKK 1,000.00 nominal value each	<u>10,003</u>	<u>10,003</u>
	<u>10,003</u>	<u>10,003</u>

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

DKK'000	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Opening balance	10,003	10,003	10,002	10,002	10,002
Capital increase	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>
	<u>10,003</u>	<u>10,003</u>	<u>10,003</u>	<u>10,002</u>	<u>10,002</u>

DKK'000	<u>2020</u>	<u>2019</u>
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10 Other payables

Other payables	<u>36,134</u>	<u>65,614</u>
	<u>36,134</u>	<u>65,614</u>

Other payables primarily consist of holiday accruals and VAT.

11 Contractual obligations and contingencies, etc.

Other contingent liabilities

Adecco A/S is party to a few pending legal actions and arbitration cases. In Management's opinion, the outcome of these legal actions will not further affect the Company's financial position apart from what has already been recognised in the balance sheet at 31 December 2020.

Other financial obligations

Other rent and lease liabilities:

DKK'000	<u>2020</u>	<u>2019</u>
Rent and lease liabilities	<u>7,890</u>	<u>5,894</u>

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12 Contingent assets

The Company's tax loss carry-forwards total DKK 220,735 thousand (2019: DKK 212,960 thousand). The nominal value totals DKK 48,562 thousand (2019: DKK 46,851 thousand) using a tax rate of 22% (2019: 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>
Adecco Norway AS	Norway	Immediate Parent Company, shareholder
Adecco SA	Switzerland	Ultimate Parent Company

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<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Adecco SA	Switzerland	www.adecgroup.com

Related party transactions

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

<u>DKK'000</u>	<u>2020</u>	<u>2019</u>
Royalty fees, management costs from parties exercising control	8,066	6,548
Management costs and other costs from other group entities	4,218	4,746
Payables to other group entities	69	119
Receivables to parties exercising controlling entities	10,281	192

Information on the remuneration to management

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

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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
Adecco AS	Rosenkrantzgate 16, Oslo, Norge

DKK'000	2020	2019
15 Fee to the auditors appointed by the Company in general meeting		
Statutory audit	189	152
Other assistance	111	92
	300	244
16 Appropriation of profit/loss		
Recommended appropriation of profit/loss		
Retained earnings/accumulated loss	-2,660	-24,190
	-2,660	-24,190