Adecco Financial Services (North America), LLC

Financial Statements
December 31, 2024 and 2023

Adecco Financial Services (North America), LLC
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December 31, 2024 and 2023

Report of Independent Auditors

To the Board of Directors of Adecco Financial Services (North America), LLC

Opinion

We have audited the accompanying financial statements of Adecco Financial Services (North America), LLC (the "Company"), which comprise the balance sheet as of December 31, 2024, and the related statements of comprehensive income and cash flows for the year then ended, including the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of the Company as of December 31, 2023 and for the year then ended were audited by other auditors whose report, dated April 5, 2024, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

PricewaterhouseCoopers LLP

Jacksonville, FL
May 9, 2025

Adecco Financial Services (North America), LLC
Balance Sheets
December 31, 2024 and 2023

	2024	2023
Assets		
Current assets		
Cash	$ 563	$ 139,908
Due from Group companies	109,332,590	82,184,761
Interest receivables from Group companies	5,843,202	5,843,202
Total current assets	115,176,355	88,167,871
Long-term loans to Group companies	418,959,973	418,959,889
Total assets	$ 534,136,328	$ 507,127,760
Liabilities		
Current liabilities		
Accrued expenses	$ 1,184,820	$ 1,177,830
Total current liabilities	1,184,820	1,177,830
Long-term debt	82,358,691	91,798,191
Derivatives	33,713,351	25,952,850
Total liabilities	117,256,862	118,928,871
Equity		
Additional paid-in capital	302,344,969	302,344,969
Retained earnings	114,066,640	87,094,574
Accumulated other comprehensive loss	467,857	(1,240,654)
Total equity	416,879,466	388,198,889
Total liabilities and equity	$ 534,136,328	$ 507,127,760

The accompanying notes are an integral part of these financial statements.

Adecco Financial Services (North America), LLC
Statements of Comprehensive Income
Years Ended December 31, 2024 and 2023

	2024	2023
Interest Income from Group Companies	$ 32,434,289	$ 32,364,307
Interest expense	(5,196,167)	(5,185,807)
Financial income	27,238,122	27,178,500
Operating expense	(1,696)	(1,433)
Other expenses	(264,360)	(286,166)
Financial expenses	(266,056)	(287,599)
Net income	26,972,066	26,890,901
Other comprehensive income (loss)	1,708,511	(650,580)
Total comprehensive income	$ 28,680,577	$ 26,240,321

The accompanying notes are an integral part of these financial statements.

Adecco Financial Services (North America), LLC
Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	2024	2023
Cash flows from operating activities		
Net income	$ 26,972,066	$ 26,890,901
Adjustments to reconcile net income to net cash flows provided by operating activities		
Changes in assets and liabilities		
Interest receivables from Group companies	-	(816,349)
Accrued expenses	6,990	(3,369)
Net cash provided by operating activities	26,979,056	26,071,183
Cash flows from investing activities		
Due to/from Group companies	(27,147,913)	(26,112,554)
Net cash used in investing activities	(27,147,913)	(26,112,554)
Cash flows from financing activities		
Borrowings of long-term debt, net of issuance costs	4,763	(36,459)
Net cash provided by (used in) financing activities	4,763	(36,459)
Effect of exchange rate changes on cash	24,749	65,968
Net decrease in cash	(139,345)	(11,862)
Cash		
Beginning of the year	139,908	151,770
End of the year	$ 563	$ 139,908

The accompanying notes are an integral part of these financial statements.

1. The Business and Summary of Significant Accounting Policies

Organization and Basis of Presentation

Adecco Financial Services (North America), LLC (hereafter “AFS” or the “Company”) was formed on September 26, 2017, as a limited liability company. The Company is a wholly owned subsidiary of Adecco, Inc., whose principal business is providing human resource services, including temporary staffing, permanent placement, outsourcing, career transition, and other services to businesses and organizations in North America. The principal activity of AFS is to raise funds for Adecco Group AG (hereafter “Group”), Parent of Adecco, Inc. AFS has also entered into long-term loans with Adecco USA, Inc., Modis, Inc. and ADO Staffing, Inc., subsidiaries of Group (hereafter “Group Companies”).

Basis of Presentation

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates, judgements, and assumptions that affect the amounts reported in the financial statements and accompanying notes. The Company bases its estimates on historical experience and on various other market specific assumptions that are believed to be reasonable under the circumstances. The results of these estimates form the basis for making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Significant estimates requiring management judgment are made in the area of valuation of derivatives. Actual results could differ from those estimates.

Financial Instruments

In accordance with Accounting Standards Codification (ASC) 815, *Derivatives and Hedging* (ASC 815), all derivative instruments are initially recognized at fair value. The derivative instruments are recognized as other liabilities as a result of their current fair value and expected timing of settlement. The derivatives are subsequently remeasured to fair value at the end of each reporting period. For derivative instruments designated and qualifying as fair value hedges, changes in the fair value of the derivative instruments, as well as the changes in the fair value of the hedged item attributable to the hedged risk, are recognized within the same line item in earnings. Any cash flow impact on settlement of these contracts is classified within the statements of cash flow according to the nature of the hedged item. For derivative instruments designated and qualifying as cash flow hedges, the effective portion of the changes in the fair value of derivative instruments is initially recorded as a component of accumulated other comprehensive income/loss, net, in equity and reclassified into earnings in the same period during which the hedged transaction impacts earnings. The ineffective portion of the change in fair value of the derivative instruments is immediately recognized in earnings. The cash flow impact on the settlement of these contracts is classified according to the nature of the hedged item.

Fair Value of Assets and Liabilities

A fair value measurement is determined based on the assumptions that market participants would use in pricing the asset or liability. In accordance with ASC 820, *Fair Value Measurement*, the Company uses a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from independent sources (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the Company's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy). The three levels of input used to measure fair value are as follows:

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access.
Level 2	Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability, which are typically based on the Company's own assumptions, as there is little, if any, related market activity.

Loans

The loans are stated at amortized cost using the effective interest rate unless stated otherwise. The initial recognition is at fair value. At the end of each reporting period, the Company tests whether there is any indication of loans granted and other assets being subject to impairment. If any such indications are present, the recoverable amount of these assets is determined. An asset is subject to impairment if its carrying amount exceeds its recoverable amount. An impairment loss is directly recognized as an expense in the income statement. As of December 31, 2024 and 2023, no impairment loss was recognized and no allowance for credit losses was recognized as the loans are held with companies under common control.

Recently Issued Accounting Standards

In November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)—Disaggregation of Income Statement Expenses* ("ASU 2024-03") to improve the disclosures about a public business entity's expenses and supply more detailed information about the types of expenses in commonly presented expense captions. These expense captions include employee compensation and amortization in commonly presented expense captions such as operating expenses and selling, general and administrative expense. This guidance is effective for annual reporting periods beginning after December 15, 2026. The Company expects the adoption of this standard to expand its expense disclosures but otherwise have no impact on the consolidated financial statements.

Recently Adopted Accounting Standards

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting ("Topic 280")—Improvements to Reportable Segment Disclosures* ("ASU 2023-07") to enhance the disclosure requirements for reportable segments. ASU 2023-07 requires disclosure of significant segment expenses regularly provided to the chief operating decision maker ("CODM"), as well as an aggregate amount of other segment items included within segment profit or loss and a description of its composition. Additionally, ASU 2023-07 requires a description of how the CODM utilizes the reported measure of segment operating results to assess segment performance. The annual requirements of ASU 2023-07 became effective for the Company January 1, 2024, at which time it was adopted. The Company has included the required disclosures in Note 9.

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform* ("ASU 2020-04"), which provides practical expedients and exceptions for applying GAAP when modifying contracts and hedging relationships that use LIBOR as a reference rate. These amendments are not applicable to contract modifications made and hedging relationships entered into or evaluated after December 31, 2022. In June 2023, we amended and restated our revolving credit facility, with no material impact as a result of the shift away from LIBOR (Note 8).

Revenue Recognition
The Company generates interest income from loans issued to Group companies. Interest from loans is recognized on an accrual basis as stated in each respective loan agreement.

Income Tax
Earnings of the Company are taxed directly to the members; accordingly, the accompanying financial statements do not reflect a provision or liability for federal income taxes. All potential accrued interest and penalties for income taxes, if any, are reported within the financial statements of the Company's parent, Adecco, Inc.

2. Loans to Group Companies

The Company's loans to Group companies as of December 31, 2024 and 2023 consist of the following:

Group Company	Maturity Date	2024 and 2023 Annual Interest Rate	2024 Principal	2023 Principal
Adecco USA, Inc.	11/1/2027	8.88 %	$ 185,338,947	$ 185,338,947
Modis, Inc.	11/1/2027	7.76 %	117,005,022	117,005,022
ADO Staffing, Inc.	10/3/2033	5.80 %	53,456,000	53,456,000
ADO Staffing, Inc.	4/12/2039	5.89 %	63,160,004	63,159,920
			$ 418,959,973	$ 418,959,889

Interest rates mentioned are also the effective interest rates, as loans are issued at par 100% and repaid at par 100% and do not contain compounding interest. Additionally, there are no transaction costs associated with these loans.

3. Interest Receivables From Group Companies

The Company's interest receivables from Group companies consist of the following:

	December 31,	
	2024	2023
Group Company		
Adecco USA, Inc.	$ 2,751,151	$ 2,751,151
Modis, Inc.	1,517,802	1,517,802
ADO Staffing, Inc	1,574,249	1,574,249
	$ 5,843,202	$ 5,843,202

Interest on the loans with Adecco USA, Inc. and Modis, Inc. is payable and due to the Company in annual installments commencing on November 1, 2023 and continuing each year thereafter until loan maturity.

Interest on the loans with ADO Staffing, Inc. is payable and due to the Company on April 3 and October 3 each year commencing on October 3, 2018 and continuing until loan maturity. Interest receivable on loans is classified as a current asset as we expect settlement of these balances within 1 year as defined by the loan agreements.

4. Equity

The summary of changes in equity for the years ended December 31, 2024 and 2023 is as follows:

Balance at January 1, 2023	$ 361,958,568
Net income	26,890,901
Other comprehensive loss	(650,580)
Balance at December 31, 2023	388,198,889
Net income	26,972,066
Other comprehensive income	1,708,511
Balance at December 31, 2024	$ 416,879,466

There was no capital related activity during the years ended December 31, 2023 and December 31, 2024 that impacted Additional paid-in-capital. Additionally, there were no impacts to Retained Earnings during the years ended December 31, 2023 and December 31, 2024 aside from the Net income activity disclosed within the table above.

5. Accumulated Other Comprehensive Income (Loss)

The components of accumulated other comprehensive income (loss) (AOCI/(AOCL)) are as follows and are attributable to changes in the fair value of the Company's cash flow hedges and the effects of foreign exchange rates on the Company's debt:

	December 31,	
	2024	**2023**
Change in fair value of cash flow hedge	$ (7,760,500)	$ (7,603,284)
Foreign exchange effect on debt	9,469,011	6,952,704
Net change in AOCI/(AOCL) during year	1,708,511	(650,580)
AOCI/(AOCL) balance at beginning of year	(1,240,654)	(590,074)
AOCI/(AOCL) balance at end of year	$ 467,857	$ (1,240,654)

Group conducts business in various countries and funds its subsidiaries in various currencies and is therefore exposed to the effects of changes in foreign currency exchange rates. To mitigate the impact of currency exchange rate fluctuations, the Company assesses its exposure to currency risk and hedges certain risks through the use of derivative instruments. The Company has also issued fixed rate long-term notes. Accordingly, the Company may manage exposure to changes in fair value of fixed rate long-term debt through the use of derivative instruments.

The main objective of holding derivative instruments is to minimize the volatility of earnings arising from these exposures in the absence of natural hedges. The responsibility for assessing exposures, as well as entering into and managing derivative instruments, is centralized in the Company's treasury department. The activities of the treasury department are covered by corporate policies and procedures approved by the Board of Directors, which limit the use of derivative instruments for trading and speculative purposes. Group management approves the hedging strategy and monitors the underlying market risks.

A cross-currency interest rate swap, with notional amounts of JPY $6 billion (approximately USD $53 million in 2024 and 2023, respectively) that contains a receipt of fixed interest rate amount in JPY and payment of fixed interest rate amount in USD, has been designated as a cash flow hedge of the 2033 notes for JPY $6 billion issued by the Company. The outstanding contract has a coupon rate of 1.05%, an original contract period of fifteen years, and expires in October 2033.

A cross-currency interest rate swap, with notional amounts of JPY $7 billion (approximately USD $63 million in 2024 and 2023, respectively) that contain a receipt of fixed interest rate amount in JPY and payment of fixed interest rate amount in USD, has been designated as a cash flow hedge of the 2039 notes for JPY $7 billion issued by the Company. The outstanding contract has a coupon rate of 1.14%, an original contract period of twenty years, and expires in April 2039.

Gains of $7,760,500 and $7,603,284 related to the cash flow hedge are included as a component of accumulated other comprehensive income (loss) as of December 31, 2024 and 2023, respectively. No gains or losses were recorded in 2024 or 2023 due to ineffectiveness of the cash flow hedge relationships and no gains or losses were excluded from the assessment of hedge effectiveness in the cash flow hedge relationships. No significant reclassifications into earnings of gains or losses that are reported in accumulated other comprehensive loss, net is expected within the next 12 months. The foreign exchange effect on debt, change in fair value of the cash flow hedges and resulting changes to accumulated other comprehensive income (loss) represent noncash activities that are excluded from the Company's cash flows from financing activities.

Level 2 inputs were used to measure the fair value of the cross-currency interest rate swaps. See Note 8 for further discussion of the cash flow hedge.

6. Interest Income From Group Companies

The Company's interest income from Group companies consists of the following:

	Years Ended December 31,	
	2024	2023
Group Company		
Adecco USA, Inc.	$ 16,506,906	$ 16,461,805
Modis, Inc.	9,106,812	9,081,930
ADO Staffing, Inc.	6,820,571	6,820,572
	$ 32,434,289	$ 32,364,307

7. Related-Party Transactions

The Company's loans were issued to ADO Staffing, Inc., Adecco USA, Inc. and Modis, Inc., which are wholly owned subsidiaries of Adecco, Inc. See Notes 2, 3, and 6 for additional disclosures related to the loans.

The Company participates in a cash pooling arrangement with Group companies and the entire Due from Group companies balance is attributable to this arrangement.

Group companies may provide services to related affiliates without charging for such services.

8. Financing Arrangements

On June 16, 2023, the Company and Group executed a EUR $750 million multicurrency credit facility agreement with Bank of America, and the funds will be used towards the general corporate purposes of Group. The credit facility agreement will terminate on June 16, 2028 and borrowings are subject to an interest rate of Margin, plus Term Reference Rate if the borrowing is a term loan or the Compounded Reference Rate if the borrowing is a compounded rate loan as defined in the agreement. The Margin is 0.225-.550% and will be adjusted based on debt to EBITDA ratios as set forth in the credit facility agreement. As of December 31, 2024, there were no outstanding borrowings under the credit facility.

On October 3, 2018, the Company issued JPY $6 billion (approximately USD $38 million and $42 million in 2024 and 2023, respectively), medium-term 15-year notes with a coupon of 1.05% guaranteed by Group due on October 3, 2033. The proceeds were primarily used for general corporate purposes. Concurrently, the Company entered into a cross-currency swap (CCS) with Group. The CCS is classified within noncurrent liabilities on the balance sheet at a fair value of $15,495,618 and $11,730,214 as of December 31, 2024 and 2023, respectively. See Note 5 for further discussion on the CCS.

On April 12, 2019, the Company issued JPY $7 billion (approximately USD $45 million and $50 million in 2024 and 2023, respectively), medium-term 20-year notes with a coupon of 1.14% due April 12, 2039, which were guaranteed by Group within the framework of Group's Euro Medium-Term Note Programme. The proceeds were used primarily for general corporate purposes. Currently, the Company entered a CCS with Merrill Lynch International. The CCS is classified within noncurrent liabilities on the balance sheet at a fair value of $18,217,732 and $14,222,635 as of December 31, 2024 and 2023, respectively. See Note 5 for further discussion on the CCS.

Payments of long-term debt are due as follows:

	2024	2025	2026	2027	2028	Thereafter	Total
Payments due by year	$ -	$ -	$ -	$ -	$ -	$ 82,688,066	$ 82,688,066

Long-term debt on the balance sheet includes $358,886 and $329,375 of unamortized debt issuance costs as of December 31, 2023 and December 31, 2024, respectively.

9. Segment Information

The Company operates as a single operating and reportable segment. The Chief Operating Decision Maker (CODM), who is the Company's Senior Vice President of Group Accounting, reviews the financial performance and allocates resources on a consolidated basis. As such, the Company has determined that it has one reportable segment in accordance with ASC 280, Segment Reporting.

The Company's operations are located in the United States and all Loans Receivable, Interest Receivable and Interest Income is attributable to loans issued to Group Companies as disclosed in Note 2, Note 3 and Note 6, respectively.

10. Subsequent Events

The Company has performed an evaluation of subsequent events through May 9, 2025 the date the accompanying financial statements were available to be issued.