Strategic Report

Introduction

The directors present their strategic report on the company for the year ended 31 December 2025.

Principal activity

The company's principal activity continues to be that of a holding company. The company heads the UK sub-group of Randstad N.V. and holds investments in subsidiary undertakings which operate in the recruitment and human resources services sector.

The directors' role is to oversee the company's investment portfolio, support the strategic direction of the UK sub-group and ensure that the company continues to meet its statutory, governance and reporting obligations.

Review of the business

As shown in the company's statement of comprehensive income on page 12, the company incurred a loss before taxation of £49,978,000 (2024: loss of £21,469,000), mainly due to an impairment of a subsidiary in 2025 of £50,185,000 (2024: £24,522,000) and net finance income of £207,000 (2024 - net finance income £2,758,000). Dividend Income has decreased from £4,625,000 to £Nil in the current year.

The company is a holding company and does not trade directly. Its results are therefore primarily driven by dividend income, finance income and costs, impairment assessments of investments in subsidiary undertakings and other holding company-related costs.

Position of the business

The company's net assets and shareholder's funds were £1,329,423,000 at the end of the year (2024: £1,379,249,000).

Key performance indicators

Given the straight-forward nature of the business, we are of the opinion that analysis using key performance indicators is not necessary for the understanding of the development, performance and position of the business.

Principal risks and uncertainties

The company is a holding company and does not trade directly. Its principal risks therefore arise from its investments in subsidiary undertakings and the extent to which the performance, prospects and financial position of those subsidiaries may affect the carrying value of the company's investments, the recoverability of intra-group balances and the company's ability to receive future returns.

The company reports regularly to Randstad N.V. on risk matters. The directors monitor the key risks facing the company and its subsidiary undertakings through regular financial reporting, review of subsidiary performance, impairment assessments and the wider Randstad Group governance and risk management framework.

The company's subsidiary undertakings operate in the recruitment and human resources services sector. As a result, the company is indirectly exposed to economic conditions, client demand, regulatory change, technological disruption, reputational risk and cyber threats affecting those underlying businesses.

Strategic Report (Continued)

Principal risks and uncertainties (Continued)

A description of the key risks, and mitigating action taken to protect the company and its subsidiaries against them are as follows:

General Economic Uncertainty

With the ongoing conflict in Ukraine and the Middle East, and a changing global economic landscape, there remains uncertainty about the short, medium and long term impacts this will have on the economy. This affects client and candidate confidence, both of which are critical for the recruitment sector.

The Randstad business is diversified across multiple sectors. It is weighted towards temporary recruitment which appears to be more resilient than permanent recruitment in the short term.

Technological Disruption

New business models continue to emerge that threaten to disrupt parts of the client and candidate matching process. Emerging models threaten specific parts of the process e.g. candidate screening, which presents a risk of disintermediation. We continue to adapt our business models to incorporate appropriate technological solutions to enhance value to clients and candidates.

Regulatory Change

Employment and worker rights is an area which attracts a risk of regulatory change, particularly when influenced by political sentiment. In many cases, regulation is influenced by traditional employment models and can often be inappropriate for modern, flexible employment models requiring significant internal commitment to ensure continued compliance. High-profile legal cases around employment status and worker rights increase the likelihood of further legal and regulatory change.

We continuously monitor changes in labour laws and regulations across various jurisdictions and analyse the potential impact of regulatory changes on our operations and workforce.

Reputational Risk

As with most companies, the risk of adverse publicity arising from failure to deliver in line with expectations (whether that be contractual, regulatory or behavioural) poses a threat to our corporate reputation.

We have experienced teams managing and overseeing delivery, compliance and reputation management. Identified shortcomings are subject to remediation and prevention measures and controls.

Cyber Threats

Cyber-attacks pose an increasing threat to all businesses, including in the recruitment industry, and it is likely that these threats will persist or increase as more technology is introduced into processes and supply chains.

We have a team of experts who continuously monitor IT equipment and applications for cyber threats. All the employees need to complete mandatory yearly training on phishing attempts and cyber attacks.

Strategic Report (Continued)

Directors' statement of compliance with section 172(1)

The directors of the company have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its member as a whole, having regard to the matters set out in section 172(1) of the Companies Act 2006.

The company is a holding company and does not trade directly. Its principal activity is to hold investments in subsidiary undertakings within the Randstad UK sub-group. The directors' considerations are therefore focused on the long-term value and recoverability of the company's investments, the financial position of the company, intra-group funding arrangements, compliance with statutory and governance obligations, and the oversight of matters that may affect the underlying subsidiary undertakings.

a) The likely consequences of any decision in the long term

The directors consider the long-term consequences of decisions by reference to the company's role as a holding company. Key decisions are assessed by considering their impact on the company's investment portfolio, the recoverability of intra-group balances, the company's capital structure and its ability to support the wider UK sub-group where appropriate.

The directors also consider the performance, prospects and risks of the company's subsidiary undertakings, as these may affect the long-term value of the company's investments.

b) The interests of the company's employees

The company has no employees. Accordingly, there are no employee-related matters requiring direct consideration at company level.

Employee matters within the operating subsidiary undertakings are managed by the relevant local management teams and through the wider Randstad Group governance framework. The directors consider such matters indirectly to the extent that they may affect the performance and long-term value of the company's investments.

c) The need to foster business relationships with suppliers, customers and others

The company does not have direct trading relationships with customers or suppliers. Its key relationships are with its shareholder, subsidiary undertakings, other group companies, professional advisers, auditors, lenders and regulators.

The directors seek to maintain these relationships through regular communication, compliance with group reporting requirements, appropriate oversight of intra-group funding arrangements and timely consideration of statutory, tax and accounting matters.

d) The impact of the company's operations on the community and the environment

As a holding company with no direct trading operations, employees or premises used for trading activities, the company has limited direct impact on the community or the environment.

The directors nevertheless consider environmental and social matters to the extent that they may affect the company's subsidiary undertakings and, consequently, the value and recoverability of the company's investments. Such matters are monitored through the wider Randstad Group governance, reporting and sustainability framework.

Strategic Report (Continued)

Directors' statement of compliance with section 172(1) (Continued)

e) The desirability of maintaining a reputation for high standards of business conduct

The directors recognise the importance of maintaining high standards of business conduct, including compliance with applicable laws and regulations, proper financial reporting, responsible governance and adherence to the standards expected within the Randstad Group.

Maintaining these standards supports the long-term success of the company and helps protect the value of its investments in subsidiary undertakings.

f) The need to act fairly as between members of the company

The company is a wholly owned subsidiary and therefore has a single shareholder. The directors nevertheless ensure that decisions are taken in the best interests of the company, are appropriately documented and are aligned with the interests of the company's shareholder, having regard to the company's statutory duties and obligations.

Going Concern

The company is the parent company of the UK sub-group of Randstad N.V., the ultimate parent company. The company is a holding company and its principal assets are its investments in subsidiary undertakings and amounts owed by group undertakings.

The company participates in the Randstad group's intercompany financing and cash pooling arrangements. Under the current facility agreement, the company has access to an intercompany overdraft facility of £58 million, provided by the wider Randstad NV group. This facility is used to support the company's funding requirements and, where required, the funding requirements of the UK sub-group through intra-group financing arrangements.This facility is available until 1st January 2050.

The Directors of Randstad Group UK have prepared and reviewed forecasts for a period of at least 12 months from the date of approval of these financial statements. These forecasts include the expected cash requirements of the company, the settlement profile of current liabilities, and the availability of funding under the intercompany financing arrangements.

As at the end of July 2026, the UK sub-group had a substantial level of available headroom of £29m against the intercompany overdraft facility.

At 31 December 2025, the company had current liabilities of £51 million. The directors have considered these liabilities in the context of the company's available intercompany financing facilities, expected cash flows, the recoverability of amounts due from group undertakings, and the financial support available from the wider Randstad NV group.

Taking all of the above into account, the Directors do not consider that there are any material uncertainties, in relation to the company's ability to continue as a going concern and are satisfied that the company will continue to meet its obligations, as they fall due, for a period of at least 12 months from the date of approval of these financial statements. Accordingly, they have prepared these financial statements on a going concern basis.

A letter of comfort covering a period of at least 12 months from the signing date of the accounts was received from the ultimate parent Randstad Finance GmbH, which is fully owned by Rnadstad N.V..

The Directors of Randstad Group UK are satisfied that Randstad Fianance GmbH have the ability to provide the required level of financing to Randstad Group UK and its subsidiaries.

Strategic Report (Continued)

Climate-related Financial Disclosures

Governance

The Board of Directors has overall responsibility for considering climate-related risks and opportunities relevant to the company. The company is a holding company and does not trade directly. Accordingly, the directors' consideration of climate-related matters is focused on the potential impact of climate-related risks and opportunities on the company's investments in subsidiary undertakings, intra-group balances and the long-term value of the UK sub-group.

Climate-related matters are considered as part of the wider Randstad Group governance and risk management framework. The directors consider relevant climate-related matters through regular financial reporting, review of subsidiary performance, impairment assessments and Group reporting processes.

Risk management

The company has limited direct operational exposure to climate-related risks, as it has no direct trading operations. The company's principal exposure is indirect, through its investments in subsidiary undertakings operating in the recruitment and human resources services sector.

Climate-related risks and opportunities are identified, assessed and monitored through the wider Randstad Group risk management and sustainability reporting framework. Matters considered include regulatory developments, energy and carbon reporting requirements, client expectations, transition to lower-carbon operations and the potential financial impact of climate-related matters on the company's subsidiary undertakings.

Principal climate-related risks and opportunities

The principal climate-related risks and opportunities considered by the directors are:

- **Short term:** compliance with climate-related reporting requirements, client expectations in relation to sustainability credentials, and the ability of subsidiary undertakings to provide relevant climate and sustainability data;

- **Medium term**: transition risks arising from changes in regulation, market expectations and the cost of operating in a lower-carbon environment;

- **Long term**: potential physical and transition risks that could affect the wider economic environment, client demand, operating costs and the recoverability of the company's investments in subsidiary undertakings.

The directors do not consider the company to have material direct physical climate-related risk, given its status as a holding company. However, the directors consider climate-related matters to the extent that they may affect the performance, prospects and recoverability of the company's investments.

Impact on business model and strategy

The company's business model is to hold investments in subsidiary undertakings within the Randstad UK sub-group. Climate-related risks and opportunities do not directly affect the company's day-to-day operations, as it does not trade directly. However, such matters may indirectly affect the company through their potential impact on the financial performance, cash generation and valuation of the underlying subsidiary undertakings.

The directors consider climate-related matters as part of their assessment of the company's investment portfolio, including where relevant through impairment reviews and assessment of the recoverability of intra-group balances.

Strategic Report (Continued)

Climate-related Financial Disclosures (Continued)

Scenario analysis and resilience

The directors have considered the resilience of the company's business model to climate-related risks by reference to the nature of the company's activities as a holding company and the wider Randstad Group assessment of climate-related risks.

Given the company has limited direct operations, employees, premises or emissions, the directors consider that its direct exposure to climate-related risk is limited. The company's resilience is therefore primarily dependent on the resilience of its subsidiary undertakings and the wider Randstad Group. The directors have not identified any climate-related matter that would materially impact the company's ability to continue as a going concern or require an impairment of its investments at 31 December 2025.

Metrics and targets

The company does not have standalone operational climate-related targets or KPIs, as it does not trade directly and has limited direct emissions. Climate-related metrics and targets are set and monitored at Randstad Group level, including in relation to energy usage, greenhouse gas emissions and wider sustainability objectives.

The directors consider Group-level climate-related information where relevant to the company's investment assessment and reporting obligations. The company's own energy and carbon reporting is included in the Directors' Report where applicable.

Approved by the Board and signed on its behalf by:

J Miller
Director

Date: 25.08.2026