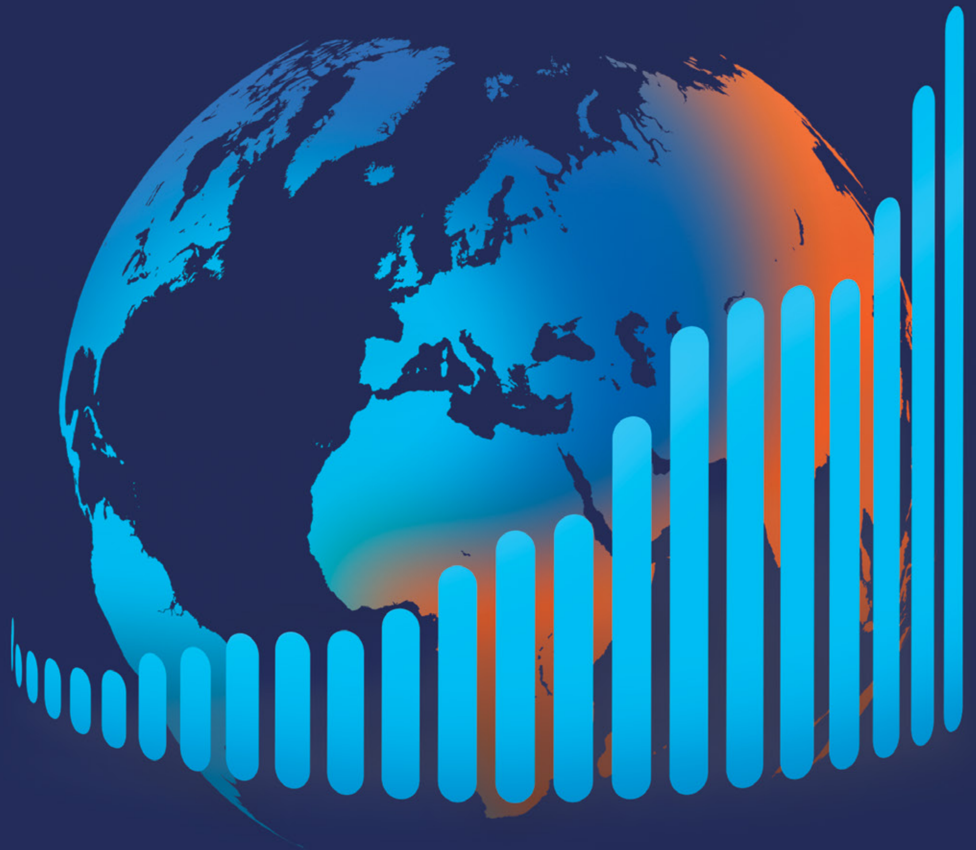
Annual Report
2024

Breaking revenue records, building global impact



zalaris

Simplify work life. Achieve more.

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1. 2024 in brief

1.1 About Zalaris

Zalaris, recognised by industry analysts as one of Europe's leading HR & payroll solutions and services providers, who have demonstrated excellence in the industry and benefitting from over two decades of uninterrupted growth.

Zalaris operates throughout Europe and the Asia Pacific, providing solutions and services to clients in over 100 countries worldwide through a unique international delivery model whilst maintaining locally based support for clients with local requirements.

Zalaris' two distinct lines of business are both 100% focussed on HR & payroll technology and services.

- The first being Zalaris' outsourcing business; offering clients a comprehensive HR & payroll technology stack, known as PeopleHub, as a Software-as-a-Service (SaaS) platform. Zalaris also provides award winning HR & payroll administration services, providing Business-Process-as-a-service (BPaaS) or Business Process Outsourcing (BPO) as it is commonly referred.
- The second being Zalaris' consulting business; supporting customers throughout their own cloud HR & payroll journey, utilising alternative software to Zalaris' PeopleHub such as SAP, Oracle or Workday. Zalaris' consultants, who specialise in market leading tier-one HCM solutions, offer strategy & advisory, transformation & implementation and application support. Furthermore, Zalaris is recognised as an SAP gold partner and an Oracle partner.

Zalaris' highly commendable client portfolio is proud to include some of the world's leading organisations, across a wealth of industry verticals, who rely on Zalaris for innovative HR & payroll technology, business processing, and consulting services.

Zalaris' clients include leading organisations such as Innomotics, Nordea Bank, Danske Bank, DNB, Knight Frank, Roche, GSK, Novartis, Gassco, SAS, Eurowings, Finnair, Siemens, Telefonica O2, GE Healthcare, Telenor, Total, Schlumberger, ABB, AkerBP, Hitachi, Bilfinger, Metsa, Porsche, Seat, Continental, Hydro, CLAAS, Bitzer, Carlsberg, Compass, CircleK, Unilever, Elkjøp, KAEFER and several UK and German public companies.

Headquartered in Oslo, Norway, Zalaris is publicly traded on the Oslo Stock Exchange (ZAL).

1,500,000
Employees served monthly by Zalaris supported HR solutions

~1,100
Zalaris employees across the world

340,000+
Employees served monthly through payroll services

~NOK 1.3 bn/11.0 %
2024 revenue/adjusted EBIT-margin

18 countries
With own services partners and expertise in local laws and regulations

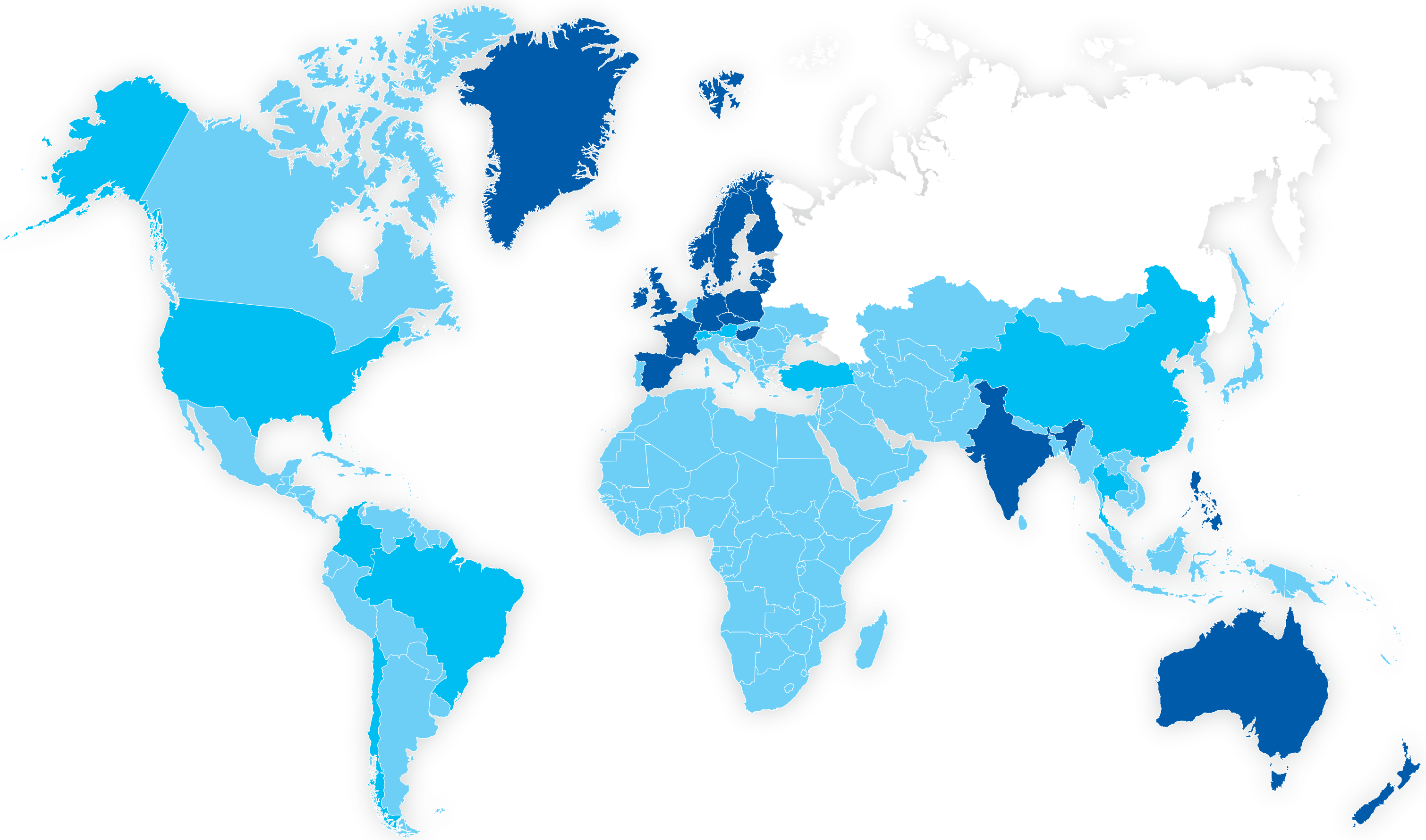
150+ countries
With expertise in local laws and regulations, together with partners

1.2 Worldwide provider

Zalaris is a leading provider of comprehensive Human Resources (HR) and payroll services, catering to businesses across the world through its offices in Europe and the Asia Pacific region. Celebrating it's 25th anniversary, Zalaris has grown to serve clients in over 150 countries, offering solutions that streamline HR operations and ensure compliance with local regulations.

Zalaris has a client portfolio that includes leading organizations across various industries.

With a focus on innovation and customer-centric solutions, Zalaris continues to empower businesses to manage their workforce effectively, ensuring compliance, efficiency and employee satisfaction.



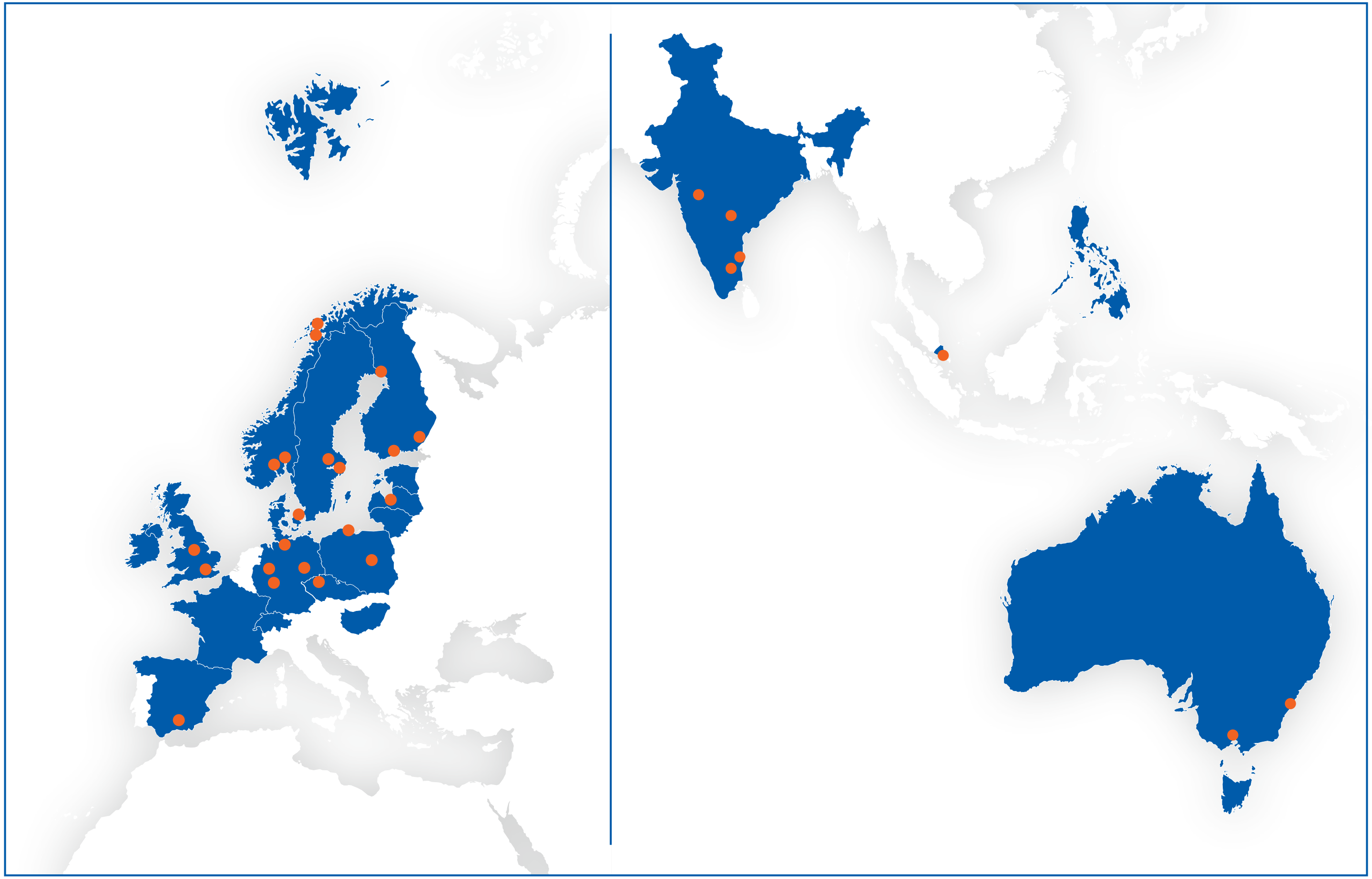
- Countries where Zalaris have offices
- Countries where Zalaris are represented via their clients
- Global delivery capabilities

Locations

From our 28 offices located in 17 countries we are able to provide our services to more than 150 countries all over the world.

Countries we are based in:

Norway
Sweden
Denmark
Finland
Spain
France
Ireland
UK
Germany
Latvia
Poland
Hungary
Czechia
India
Singapore
Philippines
Australia



Countries where Zalaris are located

Locations of offices

1.3 Local Presence, One Global Platform

Equipped with state-of-the-art automation, innovation and security, Zalaris PeopleHub is a complete HR platform to simplify HR administration for everyone. With this platform, we consolidate HR, payroll, time and expenses reporting, and talent management – all in one place.

It is a global HCM platform that unifies all employee data and eases all HR processes. Maintain accurate company data, make informed decisions efficiently, and empower employees with the latest self-service features, all with the security of stringent data protection.

A suite of globally accessible and flexible systems with integrated technology capabilities of Zalaris' HR & Payroll Solutions ensure your company has one source of truth whether you're present in one country or across the globe.

PeopleHub
By Zalaris

HR & Payroll Solutions

- Equipped with state-of-the-art automation, innovation and security, Zalaris PeopleHub is a complete HR platform to simplify HR administration for everyone. With this platform, we consolidate HR, payroll, time and expenses reporting, and talent management – all in one place.
- It is a global HCM platform that unifies all employee data and eases all HR processes. Maintain accurate company data, make informed decisions efficiently, and empower employees with the latest self-service features, all with the security of stringent data protection.

HR & Payroll Outsourcing

- Zalaris becomes your HR & payroll department, handling some or all of your business' HR & payroll administration throughout the entire hire-to-retire process.
- With Zalaris' award-winning HR & payroll services, you can reduce back-office headcount, benefit from significant cost savings, and focus on your core business strategies with the assurance that your HR & payroll administration is in safe hands.

zalaris

Managed services

Zalaris Managed Services

HR & Payroll Solutions
Powered by Zalaris

- Zalaris PeopleHub
- HR & Payroll Integrations

HR & Payroll Outsourcing
Powered by Zalaris

- Managed Payroll & HR Services
- HR Excellence Services
- Workforce Transitions

Professional services

Zalaris Consulting

SAP HCM Solutions
Simplified by Zalaris

- SAP SuccessFactors HCM Suite
- SAP SuccessFactors Global Payroll
- SAP Success Factors Cloud HR & Payroll for SMB
- SAP SuccessFactors People Stories
- SAP SuccessFactors Solution Extensions
- SAP Digital Adoption
- SAP Time Management
- SAP Travel & Expense

SAP HCM Services
Simplified by Zalaris

- SAP SuccessFactors
- SAP HCM (On-Premise)
- Advisory Services

2. Summary of 2024

2.1 Letter from the CEO

2.1 Letter from the CEO

As we close our 25th year in business and celebrated our 25th anniversary in April, I am pleased to present yet another record-breaking year—marking a significant milestone in Zalaris' journey. Our 2024 revenue reached an all-time high of NOK 1.346 billion, with an adjusted EBIT of NOK 147.5 million (11%). This represents a growth of 18.7% in revenue and 55% in EBIT compared to 2023.

This strong performance reflects the positive impact of our dedicated programs to improve operational efficiency, particularly in the DACH region. We remain confident that our business model is perceived as a long-term, attractive solution for our customers and will continue to deliver value to all stakeholders in our value chain.

Based on run-rate figures from Q4 (annualized by multiplying Q4 results by four), we are now at NOK 1.46 billion revenue and NOK 190 million adjusted EBIT.

Our **Managed Services** division has built a contract portfolio with approximately 90% recurring revenue, generating NOK 1 billion in revenue and NOK 168 million in adjusted EBIT (17%) in 2024 on a standalone basis.

This demonstrates the resilience and predictability of our revenue streams, providing a strong foundation for continued growth.

Meanwhile, our **Professional Services** division, renamed **Zalaris Consulting**, delivered stable revenues of NOK 291 million in 2024, with an adjusted EBIT of NOK 23 million (8%). This division continues to play a key role in supporting our clients with strategic HR and payroll transformation initiatives.

Our financial position remains strong, supported by robust operating cash flow. Cash at the end of the year stood at NOK 222 million, a significant increase from NOK 136 million last year.

Regional Performance Highlights

Nordic Region: Continued stable growth and solid margins, reinforcing our leadership in this core market.

DACH Region: Achieved improvements across all key metrics, delivering in line with our EBIT and operational improvement plan outlined in May. Revenue recognition from new customers exceeded planned targets.

Hans-Petter Mellerud, Chief Executive Officer, Zalaris

UK Region: Experienced stable deliveries, with growth driven by new customers going live in Managed Services.

APAC Region: Maintained a strong growth trajectory and, for the first time in Q4, delivered a full quarter with positive EBIT contribution.

Zalaris was founded on April 14, 2000, by Hans-Petter Mellerud in Oslo, Norway. Since then, we have grown into a NOK 1.5 billion company with approximately 1,100 highly skilled colleagues worldwide, delivering payroll and HR services to customers in more than 50 countries.

AI Driving Innovation and Efficiency

In early 2024, we launched a strategic initiative to define our roadmap for leveraging artificial intelligence to drive customer-facing innovation and enhance operational efficiency. This initiative has generated remarkable enthusiasm across the organization. Already, it has led to meaningful internal improvements in how we configure and maintain our PeopleHub solution, along with enhancements to the user experience across our customer-facing applications. Examples include the automatic interpretation and posting of receipts in our travel expense solution, and a more intuitive interface in our help desk services. Our participation in the SAP ecosystem further strengthens our capabilities, enabling us to quickly adopt and implement the latest AI-driven innovations from SAP—benefiting both our customers and our internal operations through our SAP SuccessFactors-based solutions.

While the measurable productivity gains from AI are still in the early stages, we see significant potential. Looking ahead, we anticipate AI will play a key role in reducing costs and timelines in transformation projects, boosting efficiency in our service center operations, and introducing innovative features that save time and enhance quality in our customer solutions.

Zalaris' commitment to innovation, operational excellence, and customer-centricity remains at the heart of our success. We are proud of the progress we have made this past year and excited about the opportunities ahead.

Looking Ahead

As we write to you in April 2025, we recognize that we are entering a period of global uncertainty, with the potential onset of a trade war that could affect the economies of some of our customers. Nevertheless, Zalaris is well-positioned to navigate such challenges. Our business model—built on long-term agreements and delivering mission-critical services such as payroll and HR—provides essential value to our clients. After all, ensuring employees are paid accurately and on time is a fundamental requirement for any business.

Our solutions not only fulfill this necessity but also offer a compelling value proposition: cost reductions of 20–30% and the ability to variabilize fixed costs. These strengths have proven especially attractive during previous economic downturns and have enabled us to secure new customers even in challenging markets.

Looking ahead, we remain confident in our strategy and the strength of our offering. Building on the momentum gained in 2024, we are well-positioned to further enhance our market presence in 2025 and beyond. As a European company rooted in European values, with solutions developed and hosted in Europe, we believe this foundation positions us strongly for both the near and medium-term future—and lays the groundwork for the next 25 years of value creation and success.

I would like to extend my sincere thanks to our dedicated colleagues, valued customers, and supportive shareholders. Your trust and commitment continue to drive Zalaris forward.

Hans-Petter Mellerud,
CEO and founder of Zalaris

3. Governance

3.1 Corporate governance

Zalaris ASA's ("Zalaris" or the "Company") corporate governance policy is based on, and complies with, the Norwegian Code of Practice for Corporate Governance (the "Code of Practice"). Good corporate governance will strengthen confidence in Zalaris and help to ensure the greatest possible value creation over time, in the best interests of shareholders, employees and other stakeholders. The objective of the Code of Practice is that companies listed on Norwegian-regulated markets shall practice corporate governance that regulates the division of roles between shareholders, the Board of Directors (or the "Board") and executive management more comprehensively than is required by legislation.

Zalaris ASA is incorporated and registered in Norway and is subject to Norwegian law. According to the Accounting Act No. 2.9, the Company is obliged to report on the principles and practices of corporate governance. In addition, the Oslo Stock Exchange requires an annual statement on compliance with the Company's corporate governance policy. This is in accordance with NUES, the Norwegian Code of Practice for Corporate Governance (In Norwegian it's known as "Norsk anbefaling for eierstyring og selskapsledelse"), issued by the Norwegian Corporate Governance Board. It was most recently revised on 14 October 2021.

The statement for the fiscal year 2024 follows the provisions in the Accounting Act No. 2.9, and also follows the provisions for Corporate Governance Policy for Zalaris ASA approved by the Board on 26 April 2018:

1. Zalaris' corporate governance is in compliance with the Code of Practice.
2. The Code of Practice is available on www.nues.no.
3. The Board of Directors has below made a statement of corporate governance and comments on any deviations are made under each chapter.
4. In chapter 10, the main elements of Zalaris' risk and internal control in the financial reporting process are described.
5. Zalaris has no shareholder decisions that expand or differ from the Norwegian Public Limited Liability Companies Act, chapter 5.
6. The composition of the Board, the remuneration committee, the nomination committee and the audit committee are described in chapter 7, 8 and 9. The main elements of their instructions and guidelines are described in chapter 8 and 9.
7. Shareholder decisions that regulate the election period for the Board of Directors are described in chapter 8.
8. Shareholder decisions and Board of Directors authorizations for issue of new shares or purchase of own shares are described in chapter 3.

1. Statement on Corporate Governance

Zalaris follows the Code of Practice. The code matches how Zalaris operates. The Board is responsible for making sure that the Company has good corporate governance. Zalaris gives a comprehensive overview of the Company's corporate governance in the Company's annual report (herein). Also, the Company's website has a description of the main corporate governance principles of the Company for external stakeholders to see.

The annual review of the Company's compliance with the Code of Practice was adopted on 11 April 2025.

2. Business

Zalaris ASA and its subsidiaries offer complete outsourcing and consulting services for various human resources (HR) functions, such as payroll, payroll accounting, personnel administration, travel expenses, statutory leave, recruiting, performance management, learning process administration and so on, and the sale of related software. They also own shares in other companies and engage in other activities related to this.

Zalaris aims to achieve high efficiency and high customer satisfaction and a close relationship with its customers, which involves local service centres in all the countries where we operate, supported by dedicated service delivery centres in Latvia, Poland and India, automation of processes, and use of cloud and AI. Local staff with high expertise in HR function processes ensure lasting and successful partnerships with our customers.

A more detailed description of our services is available on Zalaris' website, www.zalaris.com.

The Board of Directors has made a yearly plan that concentrates on its work to set goals, strategy and risk profiles for the Company in a way that Zalaris delivers value to shareholders sustainably, and to monitor the execution of this once a year. Moreover, the Board of Directors performs supervision to make sure that the Company achieves its specified targets and that the Company has adequate risk management.

Sustainability is an important factor in the Company's operations and value creation. Please refer to the Sustainability Statements in chapter 4 of the annual report.

The corporate social responsibility statement according to Section 2.9 of the Norwegian Accounting Act is incorporated in the sustainability part in chapter 4.3.

Corporate ethics are about our actions towards others and the environment. It involves human rights, employee rights and social issues, the external environment, the anti-corruption policy, the work environment, non-discrimination and equality and environmental impact. Everyone who works with Zalaris must follow the rules and guidelines that are based on Zalaris' core values. At Zalaris, we want everyone to help create a healthy corporate culture.

Zalaris has issued a separate Remuneration Report for 2024 which is available on www.zalaris.com.

Zalaris has defined a Code of Conduct, which is the foundation of our corporate culture and defines the core principles and ethical standards by which we create value in our Company. The Code of Conduct valid for the Company and its subsidiaries is available on www.zalaris.com.

3. Equity and Dividends

Equity

Zalaris believes in further profitable growth in the years to come. For this, the Company needs to have a strong capital structure and liquidity.

Zalaris' consolidated equity amounted to NOK 260.7 million as of 31 December 2024, which corresponds to an equity ratio of 19.8%.

Cash and cash equivalents were NOK 221.8 million as of 31 December 2024

The Board of Directors considers the Company's capital structure to be satisfactory.

Dividend Policy

The Board shall set a transparent and consistent dividend policy that guides its recommendations for dividend distributions to the general meeting. The dividend policy is available on the Company's IR website.

The Board of Directors has proposed to pay a dividend of NOK 0.90 per share for the financial year 2024.

Authorizations to Increase Share Capital

Authorizations granted to the Board to increase the Company's share capital shall be restricted to defined purposes. If the general meeting is to consider authorizations to the Board for the issuance of shares for different purposes, each authorization shall be considered separately by the general meeting. Authorizations granted to the Board shall be limited in time to no longer than until the next annual general meeting. The Board has currently no authorization to issue new shares.

Authorization to Purchase Own Shares

The Board of Directors' recommendation is that its authority to buy the Company's own shares shall be granted for a period limited to the next annual general meeting.

At Zalaris' annual general meeting on 19 June 2024, the Board of Directors was granted an authorization to acquire shares with a total nominal value up to NOK 221,352. The highest amount which can be paid per share is NOK 160.00 and the lowest is NOK 0.10. The Board of Directors is authorized to acquire and sell shares as the Board finds it appropriate. Acquisition can nevertheless not be done by subscription for shares.

The authorization is valid until either the regular general meeting in 2025 or 30 June 2025, whichever comes first.

4. Equal Treatment of Shareholders

General Information

Zalaris has one class of shares. Each share carries one vote, and all shares carry equal rights, including the right to participate in general meetings. All shareholders shall be treated on an equal basis, unless there is just cause for treating them differently.

Share Issues without Pre-emption Rights for Existing Shareholders

Any decision to deviate from the pre-emption rights of existing shareholders to subscribe for shares in the event of an increase in share capital shall be justified. Where the Board resolves to carry out an increase in share capital and deviate from the pre-emption rights of existing shareholders on the basis of an authorization granted to the Board, the justification shall be publicly disclosed in a stock exchange announcement issued in connection with the increase in share capital

Transactions in Own Shares

Any transactions the Company carries out in its own shares shall be carried out either through the Oslo Stock Exchange, or at prevailing stock exchange prices if carried out in another way. If there is limited liquidity in the Company's shares, the Company shall consider other ways to ensure equal treatment of all shareholders.

5. Freely Negotiable Shares

Zalaris shares are freely negotiable and there are no limitations of the negotiability in Zalaris' Articles of Associations. There are no limitations for any party's ability to own, trade or vote for shares in Zalaris.

6. General Meetings

Exercising Rights

Zalaris facilitates that as many shareholders as possible may participate in the Company's general meetings and that the general meetings are an effective forum for the views of shareholders and the Board.

The notice and the supporting documents and information on the resolutions to be considered at the general meeting shall be available on the Company's website no later than 21 days prior to the date of the general meeting. The notice and agenda for the meeting will be sent to all shareholders with a known address in Verdipapirsentralen (VPS) no later than 21 days prior to the date of the general meeting. According to Zalaris' Articles of Associations, it is sufficient that the supporting documents and information on the resolutions to be considered are available on the Company's website. A shareholder may, nevertheless, demand to receive the documents concerning matters that are to be discussed in the general meeting.

The resolutions and supporting documentation, if any, shall be sufficiently detailed and comprehensive to allow shareholders to understand and form a view on matters that are to be considered at the meeting.

The deadline for shareholders to give notice of their attendance at the general meeting will be set as close to the date of the general meeting as possible. The Board and the person who chairs the general meeting shall ensure that the shareholders have the opportunity to vote separately on each candidate nominated for election to the Company's Board and committees.

Shareholders who cannot be present at the general meeting must be given the opportunity to vote by proxy or to participate by using electronic means. The Company will provide information on the procedure for attending by proxy and nominate a person who will be available to vote on behalf of shareholders as their proxy. In addition, a proxy form will be prepared, which shall, insofar as this is possible, be formulated in such a manner that the shareholder can vote on each item that is to be addressed.

The general meeting should be attended by representatives from the Board. The chairman of the Nomination Committee, the Remuneration Committee and the Audit Committee may attend whenever practical. In addition, as a minimum, the CEO and CFO from the management team of Zalaris, will attend the general meeting.

The Board of Directors decides the agenda of the general meeting. The main issues of the agenda follow the requirements in the law. Each general meeting appoints a chairman. The Code of Practice recommends that an independent person is appointed to chair the general meeting. Considering the Company's organization and shareholder structure, the Company considers it unnecessary to appoint an independent chairman for the general meeting, and this task will, for practical purposes, normally be performed by the chairman of the Board. However, the need for an independent chairman is evaluated in advance of each general meeting based on the items to be considered at the general meeting.

The minutes from the annual general meeting are published on the Company's websites and on the website of the Oslo Stock Exchange.

7. Nomination Committee

The Company shall have a nomination committee comprising such number of persons as determined by the general meeting of the Company from time to time — and whose members shall be appointed by a resolution of the general meeting, including the Chairman of the committee. The general meeting shall determine the remuneration of the nomination committee and shall stipulate guidelines for the duties of the nomination committee. The nomination committee should not include the Company's CEO or any other any executive personnel or any member of the Company's Board of Directors.

The nomination committee's duties are to propose candidates for election to the Board and to propose remuneration to be paid to such members. The nomination committee shall justify its recommendations. The Company shall provide information of the nomination committee and any deadlines for submitting proposals to the committee.

The general meeting on 19 June 2024 elected Bård Brath Ingerø (leader), Sven Thorén and Nicolay Eger to the nominating committee for a period until the annual general meeting in 2025.

8. Board of Directors; Composition and Independence

Board Composition

According to the Articles of Associations for Zalaris ASA, the Board of Directors shall consist of three to ten members.

At the end of 2024, the Zalaris' Board of Directors consisted of five members — two women and three men. The CEO of Zalaris is not part of the Board. The Board of Directors in Zalaris has broad representation from countries in the Nordic region, and experience from different industries like IT, finance, industrial and consulting, as well as competencies within organization, management, finance, HR and marketing. A presentation of the Board of Directors is available on Zalaris' website, ir.zalaris.com.

Board Independency

The composition of the Board is such that it can attend to the common interests of all shareholders and meet Zalaris' need for expertise, capacity and diversity and that it can act independently of the Company's executive management and material business connections. All members of the Board are independent of the Company's major shareholders, defined as a shareholder that controls 10% or more of Zalaris' shares or votes.

An overview of the shares owned by related parties as of 31 December 2024, including board members, is available in the Remuneration Report for 2024.

9. The Work of the Board

General

The Board of Directors is responsible for the management of the Company, including the appointment of a Chief Executive Officer (CEO) to assume the daily management of the Company. The Board members shall perform their duties in a loyal manner, attending to the interests of the Company, and ensure that its activities are organised in a prudent manner. The Board of Directors shall adopt plans and budgets and guidelines applicable to the activities of the Company. The Board of Directors shall keep itself informed of the financial position of the Company and has a duty to ensure that its corporate accounts and asset management are subject to satisfactory controls. Members of the Board and executive personnel must notify the Board if they have any significant, direct or indirect, interest in a transaction carried out by the Company.

Conflicts of interest and disqualifications

The Board's rules of procedure states that a member of the Board, or the CEO, may not participate in the discussion or decision of issues of such special importance to the person in question, or to any closely related party of said person, that the Board member must be regarded as having a distinct personal or financial interest in the matter. Zalaris' Code of Conduct also covers conflict of interest and how this should be dealt with, and the code applies to all the board members and employees of Zalaris. There were no material transactions between the Group and its shareholders, board members, executive management, or related parties in 2024, other than those disclosed in the Consolidated Financial Statements.

The duty and responsibilities of the Board of Directors are defined by applicable law, Zalaris' Articles of Associations and the authorizations and instructions given by the General Assembly.

The Board of Directors discusses all relevant matters related to Zalaris' activities of significance or of special nature. During 2024, the Board of Directors held 11 board meetings.

In accordance with Norwegian Public Limited Companies Act No. 6-13, rules of procedure were adopted on 25 April 2014 to set out more detailed provisions regarding the duties and working procedures of the Board of Directors and CEO of Zalaris ASA.

The Chairman is responsible for ensuring that the Board's work is performed in an efficient and proper manner and in accordance with applicable law.

Rules of Procedure for CEO

The Board of Directors is responsible for the appointment of CEO of Zalaris. The Board of Directors also defines instructions, authorizations and conditions for CEO.

Audit Committee

The audit committee shall have two to four Board members. The committee shall follow the rules in the Norwegian Public Limited Companies Act. Any committee member may be replaced by the Board at any time.

The function of the committee is to assist the Board in overseeing the integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements, including CSRD, the independent auditor's qualifications and independence, and the performance of the Company's internal accounting function and independent auditor.

The committee shall meet as often as it shall determine, but not less frequently than in connection with the interim financial report (four times per year), preparation of the annual report and the annual budget. The committee may request any officer or employee of the

Company or the Company's outside counsel or independent auditor to attend a meeting of the committee or to meet with any members of, or any advisor or consultant to, the committee.

The committee may, at its discretion, request management, the independent auditor, or other persons with specific competence, including outside counsel and other outside advisors, to undertake special projects or investigations which it deems necessary to fulfil its responsibilities, especially when potential conflicts of interest with management may be apparent.

The auditor shall annually present a plan for the auditing work to the audit committee and have at least one annual meeting with the committee to go through the Company's internal control systems and to identify possible weaknesses and potential areas of improvement.

Members of the current audit committee are Adele Norman Pran (leader) and Erik Langaker.

Remuneration Committee
The remuneration committee shall consist of at least two members of the Board, both of whom shall be independent of the management of the Company.

The remuneration committee's primary responsibilities include:

- Assessing the Group's compensation and benefits strategy by an annual review of the organization's overall compensation plan (or practices). This includes monitoring the effectiveness of the design, performance measures and award opportunities offered by the Group's executive compensation plans.
- Overseeing the CEO's efforts to identify and develop potential successors for key executive positions.
- Reviewing annually the Board including performance, working methods and practices and the adequacy of its composition.

The current members of the remuneration committee are Liselotte Hägertz Engstam (leader) and Adele Norman Pran.

Annual Evaluations
The Board has conducted an evaluation of its performance and expertise in 2024.

10. Risk Management and Internal Control

The Board and the management in Zalaris emphasise the importance of establishing and maintaining routines for internal control and risk management that are appropriate in relation to the extent and nature of the Company's activities. Internal controls and the systems for risk management should also encompass the Company's corporate values, ethical guidelines and guidelines for corporate social responsibility.

The Board carries out an annual review of the Company's most important areas of exposure to risk and its internal control arrangements. Key areas for proper control include:

Motivation and Training of Employees
One of Zalaris' focus areas is to ensure high-quality services to our customers. This is only possible through efficient processes and tools and through highly competent and engaged employees. Thus, Zalaris has implemented a talent management program to ensure a good development of highly qualified personnel in all our departments and functions of the Company. In 2024, the Company introduced Zalaris Academy, a training program designed to ensure that all key employees understand their roles and expectations. The program also ensures that all employees adhere to the same Zalaris standard operating procedures and processes globally. Zalaris Academy will be utilized for onboarding new employees and conducting mandatory annual training for existing employees.

To constantly follow up with employee engagement, Zalaris performs regular employee surveys to uncover improvements needed to achieve a healthy and good social environment for its employees. High employee engagement is important to achieve the Company's overall financial targets.
The Company measures employees' Net Promoter Scores (NPS) on a quarterly basis, and has established clear targets.

Internal Work Procedures, Instructions and Authorities
In addition to the instructions which follow each employment contract, Zalaris has established internal procedure manuals for employees to be followed to ensure quality, efficiency and transparency in our internal processes. The Company focuses on the understanding, training and execution of these defined internal procedures.

Financial Reporting
Zalaris has developed internal procedures for monthly, quarterly and annual financial reporting including routines for internal controls. The audit committee reviews the quarterly reporting in separate meetings with the CFO and the Group Accounting Manager of the Company. The statutory auditor will also participate in these meeting, or at least for the meetings which covers the interim reports for the second and fourth quarter. The consolidated financial statement is prepared in accordance with IAS/IFRS.

The Board receives a monthly report of the consolidated financial results with comments on deviation to adopted budget numbers for the year per region and business segment. The Company also prepares regular financial forecasts for the current financial year. Any discrepancies are explained and planned actions to reach financial targets and/or budgets are presented to the Board.

The Company holds monthly business review meetings with each region to present and discuss their financial performance and key performance indicators in areas such as revenue and margin development, customer deliveries, personnel statistics, sales pipeline, debt collection and risk areas. The purpose of these meetings is to detect risks of variation in any of these areas that can affect financial outcomes compared to the set goals as soon as possible and start taking measures to mitigate potential risks sooner. The regional manager, business unit managers, CEO and CFO are part of these meetings.

Customer Satisfaction

Zalaris' goal is to help our clients get the most out of their human resources by providing excellent HR processes, and, therefore, customer satisfaction is a priority for Zalaris. The Company undertakes customer satisfaction surveys on a regular basis to have knowledge about customer satisfaction and to collect information about improvement areas to achieve a high level of customer satisfaction and ensure further profitable growth for Zalaris. The Company has established clear targets for customer satisfaction.

11. Remuneration of the Board

The remuneration of the Board is decided by the shareholders at the Company's annual general meeting. The nomination committee shall propose remuneration to be paid to such members. The level of remuneration of the Board shall reflect the responsibility of the Board, its expertise and the level of activity in both the Board and any Board committees. The remuneration of the Board shall not be linked to the Company's performance. The Company shall not grant share options to members of the Board.

Board members and/or their associated companies shall usually not perform any specific work for the Company besides their roles as Board members. If they do perform such work, they must inform the Board and the Board must approve the compensation for such extra duties.

Any remuneration in addition to normal fees to the members of the Board shall be specifically identified in the annual report.

An overview of the remuneration for the Board for 2024 is included in the Remuneration Report to be presented to the annual general meeting in 2025 for an advisory vote. The report will be published on www.zalaris.com.

12. Salary and other remuneration of executive personnel

The Board has established an Executive Remuneration Policy setting out the main principles applied in determining the salary and other remuneration of the executive personnel. This policy is considered and approved at the annual general meeting. The latest updated Executive Remuneration Policy will be presented for a vote at the annual general meeting in 2025, and the policy will also be published on www.zalaris.com.

The main criteria for setting the salaries and other compensation for the CEO and other executive staff in Zalaris are that salaries should be reasonable and fair, and match the local market conditions, as Zalaris wants to keep and recruit good leaders. Also, Zalaris should offer terms that motivate the executive staff to create value for Zalaris and its shareholders, that foster loyalty to the Company and align the interests of the executive staff and shareholders.

At Zalaris, the performance-based remuneration for executive personnel is at a maximum 40% of the annual fixed salary.

The termination period for the CEO is six months. The other members of the Corporate Management Team at Zalaris have termination periods from three to six months. The termination period starts from the last day of the month on which the written notice of termination is given.

The CEO is entitled to six months' severance pay in case of dismissal from the Company, or if terminating at their own will due to a position change resulting in no longer solely managing the Zalaris Group.

An overview of the remuneration for Corporate Management for 2024 are included in the Remuneration Report to be presented to the annual general meeting in 2025 for an advisory vote, and the report is also available on www.zalaris.com.

13. Information and Communication

The communication policy of Zalaris is based on the approach that objective, detailed and relevant information to the market is essential for a proper valuation of the Company's shares. Thus, the Company has continuous dialogue with analysts and investors.

All periodic financial reporting is published according to the adopted guidelines for companies listed on the Oslo Stock Exchange. Zalaris strives at all times to publish all relevant information in a timely, correct, non-discriminatory and efficient manner to the market. All relevant information will be published on the Company's websites and on the website of the Oslo Stock Exchange.

Zalaris shall give all shareholders the same information at the same time. In contact with analysts and investors, the Board of Directors and the management of the Company shall only communicate already published information. The Company has established a communication channel for the shareholders on its website. All published information is available on Zalaris' website. It is also possible for shareholders to send inquiries through the website.

Every quarter, Zalaris shares its financial performance and priorities for the past quarter, as well as its views on the market and any special events that the Company thinks are important for its shareholders, through online presentations. The CEO and the CFO of the Company lead the presentations. The quarterly reports and the presentations are available on Zalaris' website.

The Board of Director approves the financial calendar for Zalaris annually, which sets the date and time for releasing interim reports, annual financial statements and having the annual general meeting. The financial calendar is posted on Zalaris' website and on the website of the Oslo Stock Exchange.

14. Take-overs

In the event of a takeover process, the Board shall ensure that the Company's shareholders are treated equally and that the Company's activities are not unnecessarily interrupted. The Board shall also ensure that the shareholders have sufficient information and time to assess the offer.

The Board shall not attempt to prevent or impede the takeover bid unless this has been decided by the general meeting in accordance with applicable laws. The main underlying principles shall be that the Company's shares shall be kept freely transferable and that the Company shall not establish any mechanisms which can prevent or deter takeover offers unless this has been decided by the general meeting in accordance with applicable law.

If an offer is made for the Company's shares, the Board shall issue a statement evaluating the offer and making a recommendation as to whether shareholders should or should not accept the offer.

If the Board finds itself unable to give a recommendation to the shareholders on whether or not to accept the offer, it should explain the reasons for this. The Board's statement on a bid shall make it clear whether the views expressed are unanimous, and if this is not the case, it shall explain the reasons why specific members of the Board have excluded themselves from the statement.

The Board shall consider whether to arrange a valuation from an independent expert. If any member of the Board, or close associates of such member, or anyone who has recently held a position but has ceased to hold such a position as a member of the Board, is either the bidder or has a particular personal interest in the bid, the Board shall arrange an independent valuation. This shall also apply if the bidder is a major shareholder (as defined in Section 8 herein). Any such valuation should either be enclosed with the Board's statement or reproduced/referred to in the statement.

15. Auditor

Zalaris is audited by EY.

Zalaris does not use the auditor for any purposes other than auditing without approval of the Audit Committee. Each year, the auditor presents the audit plan for the Company's audit to the Audit Committee.

The auditor participates in the annual board meeting dealing with the annual accounts, accounting principles, assessment of any important accounting estimates and matters of importance on which there has been disagreement between the auditor and the corporate management of the Company.

The auditor shall at least once a year present to the Board a review of the Company's internal control procedures, including identified weaknesses and proposals for improvement. In addition, the Board shall hold a meeting with the auditor at least once a year at which no representative of the corporate management is present.

An overview of the remuneration paid to the auditor is available in the consolidated financial statement note 7.

3.2 Management Team

Corporate Management Team

Hans-Petter Mellerud
Chief Executive Officer

Gunnar Manum
Chief Financial Officer

Hilde Karlsmyr
Chief Human Resources Officer

Halvor Leirvåg
Chief Technology Officer

Øyvind Reiten
Executive Vice President Group Commercial and Sales

Richard E. Schiørn
Executive Vice President Solution & Delivery – Global Managed Services

Regional Management Team

Sami Seikkula
Executive Vice President Northern Europe

Peter Martin
Executive Vice President Central Europe

Stephen Burr
Executive Vice President UK & Ireland

Balakrishnan Narayanan
Executive Vice President APAC & Chief Sustainability Officer

Mike Ellis
Executive Vice President Global Zalaris Consulting

3.3 Report from the Board of Directors

Adele Norman Pran
Chair of the Board

Liselotte Hägertz Engstam
Board Member

Kenth Eriksson
Board Member

Jan M. Koivurinta
Board Member

Erik Langaker
Board Member

Zalaris' [1] mission is to simplify HR and payroll administration, and empower businesses with useful information so that they can invest more in people.

Zalaris ranks among Europe's top providers of human capital management (HCM) and payroll solutions – addressing the entire employee lifecycle, from recruiting and onboarding to compensation, time and attendance, travel expenses and performance management. The Group's proven local and multi-country delivery models include: on-premise implementations, software as a service (SaaS), cloud integration and business process outsourcing (BPO).

Zalaris delivers a full range of services organised as two business segments: Managed Services and Zalaris Consulting (formerly Professional Services). Managed Services consists of cloud services and HR outsourcing together with all of Zalaris' other outsourcing services. Zalaris Consulting consists of the Company's consulting business, assisting clients with transformation projects within HR and finance.

Zalaris is headquartered in Oslo and delivers services out of local-language centres covering northern and central Europe, the UK and Ireland and the Asia-Pacific region (Australia, Singapore and India). Zalaris ASA is listed on the Oslo Stock Exchange (ZAL).

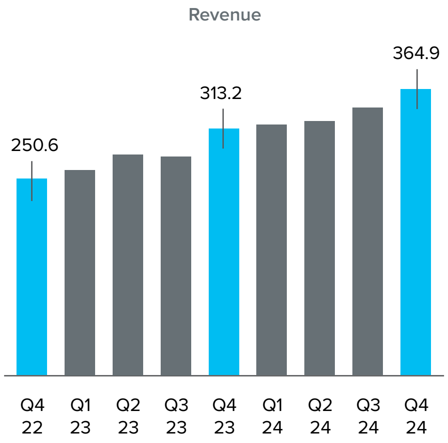
[1] Zalaris (the "Company" or the "Group") refers to Zalaris ASA and its subsidiaries if not otherwise stated

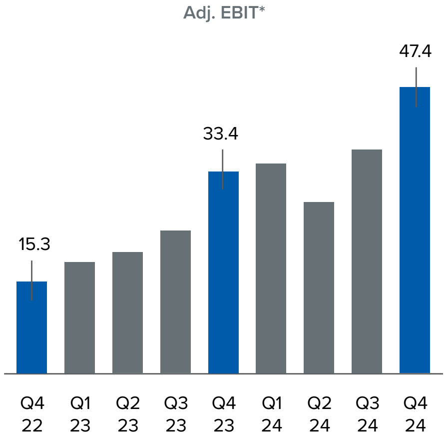
Operational highlights

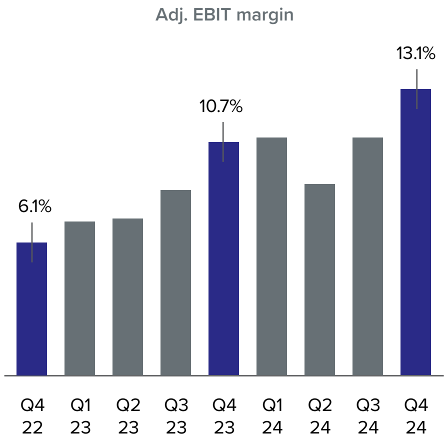
Zalaris recorded revenue of NOK 1,346.3 million in 2024, compared to NOK 1,134.0 million in 2023, an increase of 18.7%. Measured in constant currency the increase was 16.1%*. The increase was primarily a result of revenue from new customers within its Managed Services division that went live during 2024, and upsell to existing customers, including increased volumes of change orders and additional services. The revenue increase by region is shown in the table below.

Region	Revenue 2024 (NOK mill)	Revenue 2023 (NOK mill)	% change
Northern Europe	661.7	556.5	18.9
Central Europe	545.7	467.3	16.8
UK&Ireland	86.1	87.0	-1.0
APAC	48.2	20.5	135.5
Other	4.6	2.8	66.1
Total	**1,346.3**	**1,134.0**	**18.7**

* Alternative Performance Measure (APMs)







In Managed Services we closed approximately NOK 130 million (EUR 11.2m) of Annual Contract Value (ACV)*, including upsell to existing customers, during 2024. At the end of 2024, Zalaris had a backlog of approximately NOK 58 million in Annual Recurring Revenue (ARR)* from new signings. The additional revenue that will come from these contracts represents an increase in annual revenue for Managed Services of +6% (compared to full-year revenue for 2024). Invoicing for these contracts will start in 2025 and early 2026.

The contracts signed in Managed Services during the year are for customers from varioues industries and regions. We secured a new and expanded agreement with a major German retailer for the delivery of PeopleHub HR powered by SAP SuccessFactors and PeopleHub Payroll, which will support approximately 12,000 employees. Additionally, we entered into an agreement with a Norwegian energy company to provide payroll, travel and expense solutions and services for their approximately 1,000 employees in Norway. Another notable contract won in 2024 was with a large German IT company, involving comprehensive payroll and HR services for approximately 4,400 employees across nine countries.

Zalaris is experiencing strong interest in outsourced multi-country payroll solutions, as many potential customers aim to reduce costs and optimise their global HR processes. The Group maintains a robust pipeline of potential new contracts across all regions.

The Zalaris Consulting division sold more than NOK 616 million (EUR 53m) of Total Contract Value (TCV)* in 2024. This included a significant subcontract with one of Germany's largest system integrators to implement an HCM solution for the State of Berlin, valued at approximately NOK 170 million over four years. This positions Zalaris as a leading provider of SAP-based services to the public sector in Germany. We also signed agreements to implement SAP SuccessFactors for City of Osnabrück's 3200 employees and provide long-term AMS services to the Max-Planck Institute, both in Germany.

Adjusted EBIT* for 2024 was NOK 147.5 million, up from NOK 95.8 million last year. The adjusted EBIT margin increased to 11.0% in 2024 from 8.5% in 2023. The increase is mainly due additional revenue and operational improvements in Germany (Central Europe region). A German improvement program was launched, targeting an EBIT improvement of NOK 40 million over 12 to 18 months. Benefits of this program began to show in the second half of 2024, significantly increasing the EBIT margin in Germany and contributing to the higher adjusted EBIT for the Group.

Also contributing to the increase in adjusted EBIT was the contribution from the APAC region. The adjusted EBIT for this region was negative NOK 0.1 million, compared to negative NOK 7.2 million in 2023. The region was established as a greenfield operation in 2023 to expand our multi-country payroll capabilities to the Asia-Pacific region, and had a significant positive development in revenue and EBIT. The revenue was NOK 48.2 million, an increase of 135% from the previous year.

The operating cash flow increased from NOK 58.5 million in 2023 to NOK 131.5 million in 2024, an increase of NOK 73 million.

* Alternative Performance Measure (APMs)

The increase is mainly due to higher earnings before interest, tax, depreciation and amortisation (EBITDA).

See definition and reconciliation of APM's in a separate section of the annual report

Consolidated financial results for the group

Zalaris' consolidated revenue for 2024 was NOK 1,346.3 million compared to NOK 1,134.0 million in 2023, an increase of 18.7% compared to the previous year. The operating profit was NOK 113.7 million compared to NOK 60.1 million in 2023, which gives an operating margin of 8.4% compared to 5.3% the previous year. Zalaris' ordinary profit, before tax, was NOK 49.5 million compared to negative NOK 14.5 million in 2023. The net result for the year 2024 was NOK 33.4 million compared to negative NOK 3.0 million in 2023.

When it comes to cash flow in 2024, net cash from operating activities amounted to NOK 131.5 million, compared to NOK 58.6 million in 2023. Net cash flow from investing activities was positive NOK 14.5 million compared to negative NOK 33.9 million the previous year. For 2024, this included net proceeds of NOK 41.9 million from the sale of Zalaris' office building in Leipzig, Germany.

Net cash flow from financing activities was negative NOK 56.9 million in 2024 compared to positive 18.6 million in 2023. The positive cash flow from finance activities in 2023 was mainly due to the refinancing of the Company's bond loan, which principal amount was increased from EUR 35 million to EUR 40 million. The board's view is that Zalaris has sufficient cash to internally finance the Group's liabilities, investment needs and operations for the next 12 months.

Zalaris' consolidated equity amounted to NOK 260.7 million as of 31 December 2024 compared to NOK 203.0 million at the end of 2023. This corresponds to an equity ratio of 19.8% compared to 18.3% the previous year. The board and executive management expect the equity ratio to increase going forward. This is in line with further improvements expected in Zalaris' financial results.

Total assets as of 31 December 2024 were NOK 1,319.9 million compared to NOK 1,111.5 million at the end of 2023, while total liabilities were NOK 1,059.2 million at the end of 2024 compared to 908.6 million the previous year.

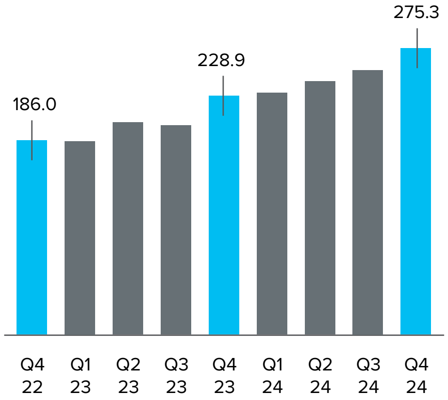
Business segments

Zalaris has two business segments: Managed Services ("MS") and Zalaris Consulting ("ZC") (formerly Professional Services).

MS had revenue of NOK 1,002.7 million in 2024 compared to NOK 819.6 million in 2023, an increase of 22.3% compared to the previous year. Measured in constant currency, revenue increased by 20.1% (refer to the APMs section of the annual report for further details). The increase is mainly due to revenue from new customers implemented in 2024, as well as additional recurring revenue from up-sale (new services and/or geographies), and increased volume of additional service, from existing customers. All geographical regions contributed to the growth, with the highest percentage and NOK increase originating from Northern Europe and Germany.

MS revenue per quarter is shown in the figure below.

Revenue by quarter (NOKm)

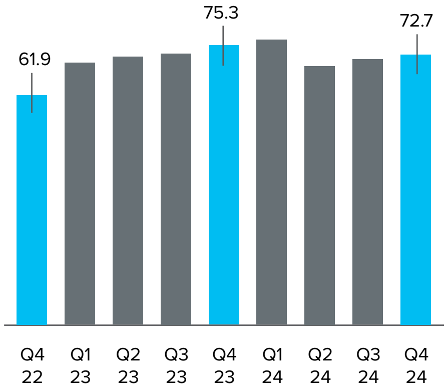


Operating profit for MS in 2024 was NOK 162.4 million compared to NOK 109.6 million in 2023. The increase is primarily attributed to additional revenue and operational improvements in Germany (Central Europe region), as noted in the Operational Highlights section.

ZC had revenue of NOK 290.8 million in 2024 comparted to NOK 291.2 million in 2023, an reduction of 0.1 % compared to the previous year. Measured in constant currency, revenue was 3.3% lower.

ZC revenue per quarter is shown in the figure below.

Revenue by quarter (NOKm)



Operating profit for ZC in 2024 was NOK 21.2 million compared to NOK 30.3 million in 2023. The operating profit for ZC has been affected by increased costs, which were not offset by a corresponding rise in revenue.

In 2022, Zalaris established a new geographical region, covering the Asia-Pacific (APAC) area, with its headquarter in Australia. This new region offers products and services from both MS and ZC. As a greenfield investment, this region is not classified as a separate business segment but is reported separately for information purposes until it reaches a sustainable business level. In 2024, APAC generated revenue of NOK 48.2 million, an increase of 135% compared to NOK 20.5 million the previous year. The operating profit was negative NOK 0.2 million, a significant improvement from negative NOK 7.4 million in 2023.

Zalaris research and development (R&D) is focusing on developing its own intellectual property (IP) and integrating standard software with new and innovative solutions and process designs trough our PeopleHub platform for payroll and HR services. The aim is to support customers and simplify payroll and HR processes. Zalaris does not have dedicated R&D resources, but development projects are carried out by the Company's consultants, with the support of suppliers and partners.

Parent company's results

The financial statements of the parent company, Zalaris ASA, are prepared and presented in accordance with the Norwegian Accounting Act and Generally Accepted Accounting Principles in Norway ("NGAAP"). Zalaris ASA is the parent company for the Group, and is the business owner of Zalaris' multi-country network, as well as payroll and HR solutions, implemented through its integrated PeopleHub platform. Zalaris ASA is responsible for the development of the Group's technology platform and payroll solution, PeopleHub, and providing this to customers throughout the Zalaris group companies. Zalaris also provides shared services, such as accounting and HR, as well as treasury services to group companies.

Total revenue for 2024 was NOK 340.7 million compared to NOK 263.2 million in 2023, which is an increase of 29.4% compared to the previous year. Results from operations was NOK 48.0 million compared to NOK 26.7 million in 2023. Zalaris ASA reported a net profit for the year of NOK 21.5 million compared to NOK 80.7 million for 2023. For 2024, this included dividend received from subsidiaries of NOK 7.5 million compared to NOK 98.8 million last year.

Total shareholders' equity in Zalaris ASA as of 31 December 2024 was NOK 132.0 million compared to NOK 109.4 million at the end of 2023, corresponding to 16.9% of total assets compared to 16.8% at the end of the previous year.

Dividend payment

The board of directors will propose a dividend of NOK 0.90 per share for the financial year 2024.

Going concern

With reference to the Norwegian Accounting Act No. 4-5, the Board confirms its belief that conditions exist for continuing operations and that these financial statements have been prepared in accordance with the going concern principle. The confirmation is based on an estimated long-term profitable growth and Zalaris' solid cash and equity standing.

Financial risks

The Group is exposed to various risks and uncertainties of an operational, market and financial character. Internal controls and risk management are an integrated part of all Zalaris' organisational business processes and of achieving the Company's strategic and financial objectives. The Board oversees the risk management process and carries out annual reviews of the Group's most important risk categories and internal control arrangements. The principal financial risk areas are described below, however this is not an exhaustive list of the financial risk areas facing the Group. Further details on the Group's financial risk and risk management, including the sensitivity analysis required by IFRS, can be found in note 19 in the consolidated financial statements.

The Group has relatively few major customers

The Group has a broad customer base, but the majority of revenues come from a relatively low number of major customers. The largest customer and the top five customers represented 7% (8.0%) and 22% (21.0%) respectively of total revenue for 2024. A deterioration of relations with, or the termination of any major contracts by, the Group's major customers could have a material adverse effect on the Group's financial results. However, the churn of customers in Managed Services, which accounts for 75% (2023: 72%) of revenue, has historically been low, averaging 1.5-3% per annum. Contracts typically have a duration of five years and require significant project set-up work and project duration of 6-18 months. In the event of the cancellation of a contract, Zalaris has time to downsize or reallocate its capacity to new customers such that the effects of leaving customers on margins and profitability should be of a temporary nature.

Price pressure may impact contract wins and renewals

Contracts are awarded and renewed on a competitive bid basis, and price competition is often a key factor in determining which supplier bid is successful. The entrance of lower cost providers may influence the Group's market and lead to further competition that might adversely affect profitability. Some players, either those already active in the industry or those entering the industry, may also have greater resources than the Group, and the failure to maintain a price competitive service offering could have a material adverse effect on the Group's business, growth prospects, results of operation and financial condition.

The Group is reliant on the SAP HCM platform in addition to other third-party suppliers

The Group's core services within Managed Services, which accounted for 75% of the revenue in 2024 (2023: 72%), are based on a platform provided by SAP, the global developer and provider of enterprise resource planning systems to corporates. A potential future deterioration in the relationship with SAP, and/or the inability or difficulties of implementing third party solutions, may significantly impede the Group's ability to provide its services. Any of the foregoing may have an adverse effect on the Group's ability to attract and retain customers, which in turn may adversely affect the Group's business, results or operations and financial condition. Third-party IT system disruptions may adversely affect the business Third-party suppliers, including SAP, are key to the Group’s business operations; quality issues or supply disruptions may negatively affect the Group and in turn may have an adverse effect on the Group's ability to attract and retain customers and in turn adversely affect the Group's business and profitability.

Risk related to cyber security

Businesses around the world are still experiencing an increase in cyberattacks, and the introduction of AI has made these attacks more sophisticated. The Group is increasingly exposed to cyber security related risks through the nature of the services provided, which heavily involves storage of both personnel identifiable and sensitive data, as well as the handling of large amounts of payments to customers' employees. The Group provide monthly payroll services for more than 350,000 external employees. This exposes the Group's IT-systems and personnel as potential targets for threats ranging from insiders misusing legal accesses to external threats like hackers and others trying to exploit the data. If the Group fails to prevent any such disruptions, it could have a material adverse effect on the Group's reputation, business, results of operations and financial condition.

As a result of these potential cyber security threats, Zalaris has established numerous countermeasures both of a technical and organisational nature. The Group has a dedicated Cyber Security Operations Centre (CSOC) with continuous monitoring of all systems and user activities. The goal is to prevent threats from converging into actual attacks or exploiting Zalaris’ systems and the customer data contained within them.

Risks related to handling sensitive information, including a potential GDPR breach

The Group is handling personnel data for more than 350,000 external employees that may be linked to individual persons, and is required to handle such personnel data in compliance with GDPR. The Group is liable to its customers and regulatory authorities for damages caused by unauthorised disclosure of personal data as well as sensitive and confidential information, and any unauthorised disclosure of any such information may result in significant fines.

Climate risk

The Group has assessed whether climate change or efforts to reduce carbon emissions will negatively impact Zalaris' business as a provider of HCM services. The Group does not consider this risk to be material, due to the nature of these services. See the Sustainability Statements section for further analysis of risk factors related to the environment.

Credit risk

Zalaris’ customer portfolio consists mainly of large, financially stable companies with high credit ratings; thus, the Company considers the credit risk to be low. The Group invoices customers monthly and continuously monitors outstanding receivables.

Liquidity risk

In order to be able finance its operations and mitigate the effects of fluctuations in cash flows, the Group ensures that adequate cash resources (i.e. cash and cash equivalents) are readily available through existing cash balances and/or by entering into financing arrangements. In case of a breach of the terms and conditions of such arrangement a lender may be entitled to cancel the entire or part of the commitment. Furthermore, if, for any reason or at any time, the Company cannot get access to liquidity on commercially acceptable terms and conditions or at all, the business, results of operations and financial condition of the Group may be materially adversely affected.

Cash and cash equivalents were NOK 221.8 million as of 31 December 2024, compared to NOK 135.7 million at the end of 2023. Most of the Group’s debt with interest at year-end is from a bond loan of EUR 40 million (NOK 463.7 million). The bond loan was refinanced during 2023 and matures in March 2028. At the end of 2024, the Group had total interest-bearing debt of NOK 469.2 million compared to NOK 450.7 million at the end of 2023. During 2024 the leverage, measured by dividing the net interest bearing debt (interest bearing debt less cash or cash equivalents) by the earnings before interest, tax, depreciation and amortisation, was reduced from 2.0 as of 31 December 2023 to 1.1 as of 31 December 2024.

Interest rate risk

The Group’s main interest bearing debt is the bond loan described above. The bond loan has a floating interest rate linked to the 3 months EURIBOR. As of 31 December 2024, the Group had an interest coverage ratio (operating profit divided by net interest expenses) of 2.9, compared to 1.7 the previous year (leasing interest excluded). During the last six months the EURIBOR has declined, but any material increase in the reference interest rate may have a material adverse effect on the Group's financial condition.

Currency risk

The EUR 40 million bond loan accounts for most of the interest bearing debt of the Group. The Company is therefore exposed to changes in the EUR/NOK exchange rate. This exposure is partly offset by the net assets held in EUR that foreign subsidiaries own, and the net income that these subsidiaries generate. The Group also holds cash deposits in foreign currencies.

The Group receives revenues and incur costs in several currencies. Approximately 82% of the revenue and 76% of the costs in 2024 were in other currencies than NOK. Changes in the relative values of these currencies may adversely affect the Group's results of operations and financial condition.

Other financial risk

The Group's insurance coverage may under certain circumstances not protect the Group from all potential losses and liabilities that could result from its operations, particularly in relation to professional misconduct and/or damages relating to cyber security crimes. The occurrence of a loss or liability against which the Group is not fully insured, could have significant negative impact on the Groups earnings and impair its ability to meet its obligations under its indebtedness.

Corporate social responsibility, the environment and employees

For information about the work environment, along with an overview of implemented measures relevant to the working environment and including information on injuries, accidents and sick leave rates, disclosed in accordance with the the Norwegian Accounting Act 2-2 (10), see the Own Workforce chapter in the Sustainability Statements section.

For information disclosed in accordance with the Norwegian Accounting Act 2-2 (11) on matters relating to the business, hereunder its factor inputs and products, which may result in a not insignificant impact on the external environment, and the environmental impact each aspect of the business has or may have, as well as measures implemented or planned implemented to prevent or reduce any negative environmental impacts, see the Environmental Information chapter in the Sustainability Statements section.

For sustainability reporting in accordance with the Norwegian Accounting Act 2-3, 2-4 and 2-5 see the Sustainability Statements section prepared according to European Reporting Standards (ESRS).

Corporate Governance principles

The Board of Directors of Zalaris ASA conducts an annual review of the company's corporate governance. The corporate governance policy of Zalaris is based on, and adheres to, the Norwegian Corporate Governance Code, as detailed in the Corporate Governance chapter

Zalaris ASA have purchased and maintain a Directors and Officers Liability Insurance on behalf of the members of the Board of Directors and CEO. The insurance additionally covers any employee acting in a managerial capacity and includes subsidiaries owned with more than 50%. The insurance policy is issued by a reputable, specialised insurer with an appropriate rating. Directors’ & Officers’ Liability Insurance provides financial protection to Zalaris’ directors, officers and any employees that can incur personal liability for claims made against them in respect of acts committed, or alleged to have been committed, in their capacity as such and as a result of an error, omission or breach of duty.

Events after the reporting period

No events have occurred after the balance sheet date which have had a material effect on the issued accounts.

Outlook

Zalaris maintains a strong outlook for future revenue growth, driven by recently secured long-term BPaaS (Business Process as a Service)/SaaS (Software as a Service) contracts within the Managed Services division, along with expansions of existing agreements. Most of these contracts will be fully operational during 2025. Additionally, several Managed Services contracts offer significant potential for volume expansion into new countries or additional services. With a robust pipeline of new opportunities, Zalaris remains well on track to achieve its growth targets. We maintain our guidance of average annual churn of 1.5%-3% over a cycle, and an average annual growth target of 10%.

Large scale benefits from revenue growth combined with continued cost optimisation from X-shoring, automation and the use of AI will be the key drivers for continued improved profitability going forward. Key targets for 2025 include further automation of our delivery processes and improved use of our near- and offshore delivery centres in Latvia, Poland and India.

Industry and market research reports indicate sustained growth in Zalaris' key markets for multi-country payroll and HR outsourcing. Zalaris is well-positioned to capitalise on this trend with its competitive technology platform and cost-efficient, skilled workforce. This is exemplified by multi-country contracts with clients such as Yunex Traffic and Innomotics. Additionally, growth will be driven by expanding services for existing customers, including broader geographic coverage, as demonstrated by partnerships with Siemens, Tryg, and Circle K, along with our agreement with a major global retailer.

Zalaris has been expanding its geographical coverage both in Europe and the Asia-Pacific region to strengthen its competitive position. Whilst the Company previously established its own subsidiaries in new countries, an important revised expansion strategy has been implemented using in-country partners, deploying Zalaris' PeopleHub solution. This secures low risk profitable global geographic expansion, even for low and moderately sized employee volumes. The global macro picture with high inflation, increased interest rates, and fear of recession, have so far not impacted our business negatively.

The strong pipeline of available opportunities indicate that this positive trend will continue.

We are experiencing upward pressure on salaries, and the recruitment of new skilled employees is challenging in some markets. However, most of our long-term contracts within the Managed Services Division have provisions for the annual indexation of salaries, additionally we have established trainee programs, to mitigate this effect.

Historically, there has been a growing market interest in outsourcing during periods when companies prioritise operational efficiencies and cost optimisation. The underlying fundamentals remain strong, and Zalaris continues to maintain a robust pipeline of potential new sales across all regions.

We recognize that we are entering a period of global uncertainty, with the potential onset of a trade war that could affect the economies of some of our customers. Nevertheless, Zalaris is well-positioned to navigate such challenges. Our business model—built on long-term agreements and delivering mission-critical services such as payroll and HR—provides essential value to our clients.

The corporate social responsibility statement according to Section 3-3c of the Norwegian Accounting Act is incorporated in the sustainability part in chapter 4.3 below.

Oslo, 11 April 2025

This document is signed electronically

Adele Norman Pran
Chair of the Board

Jan M. Koivurinta
Board Member

Erik Langaker
Board Member

Liselotte Hägertz Engstam
Board Member

Kenth Eriksson
Board Member

Hans Petter Mellerud
Chief Executive Officer

4. Sustainability statements

4.1 General information

4.1.1. Basis for Preparation

General basis for preparation of the sustainability statement [BP-1]

Zalaris has prepared its first consolidated sustainability statement in compliance with the European Sustainability Reporting Standards (ESRS) and the Corporate Sustainability Reporting Directive (CSRD), pursuant to Article 48i of Directive 2013/34/EU. This report provides a structured disclosure of material impacts, risks, and opportunities (IROs) identified through a Double Materiality Assessment (DMA), ensuring alignment with ESRS requirements. The Greenhouse Gas (GHG) emissions across Scopes 1, 2, and 3 are reported in accordance with the Greenhouse Gas Protocol, maintaining consistency in accounting policies and comparability across reporting periods.

The company adheres to full value chain reporting, incorporating upstream and downstream sustainability disclosures, robust data collection processes, and stakeholder engagement to ensure data accuracy and reliability. Zalaris is omitting certain information, listed below. The primary reason for this omission is that Zalaris has not yet conducted an assessment of these aspects in 2024 & Zalaris, as an HR & Payroll services provider, may have limited direct exposure to climate risks compared to industries with physical assets.

- Current financial effects of material risks and opportunities (ESRS 2, SBM-3),
- Resilience of strategy and business model (ESRS 2, SBM-3),
- Assessment to identify people with characteristics of higher risk (ESRS S1, SBM-3),
- Climate-related risk and scenario analysis (ESRS E1, IRO-1 and SBM-3),
- Climate-related resilience analysis (ESRS E1, SBM-3),
- Anticipated financial effects of transition risks for all material topics (ESRS 2, SBM-3).

Since Zalaris ASA reports as a consolidated entity and includes all subsidiaries in its sustainability reporting, none of its subsidiaries would qualify for the exemption under Articles 19a(9) or 29a(8) of Directive 2013/34/EU.

This is because the exemption applies only to subsidiaries that would otherwise need to report separately but are covered within a parent company's consolidated sustainability report. Since Zalaris ASA already reports as a group, all subsidiaries are included, and none require exemption declarations.

Disclosures in relation to specific circumstances [BP-2]

Zalaris has adopted medium- and long-term time horizons consistent with those defined in ESRS 1 section 6.4.

Zalaris acknowledges the importance of transparency and accuracy in reporting metrics that include upstream or downstream value chain data.

Value Chain Estimation

Zalaris includes metrics that incorporate upstream and downstream value chain data estimated using indirect sources. These disclosures are essential for understanding the company's impacts and dependencies across its value chain.

Zalaris has identified metrics incorporating value chain data estimated through indirect sources, such as Scope 3 GHG emissions from purchased goods and services, business travel, employee commuting and downstream activities, along with energy use in the value chain tied to indirect consumption from service providers and suppliers. These metrics are prepared using sector-average data as proxy benchmarks when specific information is unavailable, supplemented by secondary data from supplier reports, publicly available research and life cycle assessments. Proportional allocation is employed to estimate Zalaris' share of upstream or downstream activities based on industry standards. Zalaris' Scope 3 emissions cover indirect emissions from activities under its direct operational control Since direct measurement can be challenging, Zalaris will use indirect data estimation techniques such as industry averages, supplier data, proxy datasets, and lifecycle emission factors. Zalaris' use of assumptions, approximations, and judgments is limited to E1 (Environmental Disclosures). For further details, please refer to the relevant topical chapter.

Scope 3 Category	Estimation Approach Using Indirect Sources	Assumptions
Purchased Goods & Services (e.g., IT infrastructure, cloud services)	Spend-based emission factors from industry databases (e.g., GHG Protocol) to estimate carbon impact	Cloud service providers report accurate emissions based on energy use. - Emission intensity per USD spent is a reasonable approximation for cloud and data center services. - Providers maintain consistent energy efficiency and renewable energy use over time.
Business Travel (Flights, hotels, car rentals)	Emissions calculated using Climatiq API CO_2 Tracker, which applies real-time emission factors based on distance, transport mode, and accommodation type. Travel mileage and expense data converted into emissions using DEFRA emission factors (UK government dataset) or airline-reported emissions.	Climatiq API uses up-to-date and region-specific emission factors. - Travel records accurately reflect actual routes, flight classes, and hotel stays.
Employee Commuting (Remote work, public transport, personal vehicles)	Employee surveys on commuting patterns combined with mode-specific emission factors. (e.g. DEFRA)	Survey responses are accurate and representative of the workforce. - Regional emission factors apply broadly to employee commuting habits.
Capital Goods (IT Assets – Laptops, Mobiles, Monitors, YubiKey, Webcam, Headset, Wi-Fi Router, USB Dock)	Spend-based data (e.g., US EPA).	The emission factor per unit cost is representative of actual embodied carbon in IT assets.

The resulting level of accuracy is moderate due to variability in data quality across the value chain, reliance on industry benchmarks instead of entity-specific data and assumptions required for extrapolating data across multiple operations and suppliers. To improve accuracy, Zalaris plans to increase supplier engagement by collaborating with key partners to obtain primary data, adopt standardized data collection processes for consistency, leverage advanced digital platforms for better tracking and analysis and periodically review methodologies to align with industry advancements in the upcoming years.

Sources of Estimation and Outcome Uncertainty

Zalaris assesses measurement uncertainty in Scope 3 GHG emissions by identifying key data gaps and reliance on proxy sources, particularly for purchased goods and services, business travel, employee commuting, and downstream energy use. Since direct supplier data is often unavailable, emissions are estimated using spend-based emission factors, sectoral averages, and scenario-based assumptions. For example, business travel emissions are calculated based on flight mileage and standard emissions per km, while employee commuting emissions are estimated through survey data and regional transport emission factors. The relevance of this assessment lies in enhancing emissions transparency, ensuring compliance with ESG reporting frameworks (CSRD and GHG Protocol), and identifying opportunities to engage suppliers for more precise emissions tracking.

Similarly, Zalaris evaluates uncertainty in indirect energy consumption by analysing cloud computing and IT infrastructure emissions, which are heavily dependent on third-party provider disclosures. Since cloud service providers may report energy usage at an aggregate level, Zalaris estimates its indirect footprint using industry benchmarks. Variability in reporting frequency, methodology, and access to granular data introduces further uncertainty. This assessment is crucial for improving operational sustainability, as it enables Zalaris to prioritize partnerships with cloud providers committed to renewable energy and optimize its digital infrastructure for low-carbon operations. When providing forward-looking information, Zalaris Facilitates transparency by highlighting areas with significant uncertainty to promote accurate understanding and accountability.
As it is the first-year reporting on CSRD, we have not made any changes in the preparation of its sustainability information. Zalaris is not reporting any data related to other frameworks

Restatements

No restatements or corrections for prior periods have been made in this sustainability statement, as the transition to CSRD/ESRS represents a fundamental change in reporting methodology rather than a correction of past errors.

Disclosure of Metrics Related to Sustainability Matters

In accordance with the ESRS guidelines, Zalaris reports on the following metrics related to its material sustainability matters:

Material Sustainability Matter	Metrics Disclosed	Relevance
E1. Climate Change	- Scope 1, 2, and 3 GHG Emissions	Reflects Zalaris' climate action commitment and progress on carbon reduction goals.
	- Emission Intensity (emissions per revenue)	
	- Progress Toward Emissions Reduction Targets	
S1. Own Workforce	- Employee Turnover Rate	Workforce stability and employee retention.
	- Gender Diversity in Leadership	Promotes inclusivity and equal opportunities.
	- Employee Engagement & Satisfaction Scores	Measures workplace well-being and motivation.
	- Training Hours per Employee	Supports employee growth and skills development.
	- Adequate wage	All employees are paid with adequate wage

Material Sustainability Matter	Metrics Disclosed	Relevance
S2. Workers in the Value Chain	- Fair Wages in the Supply Chain (to be determined in upcoming years)	Monitors working conditions across the value chain and ensures suppliers adhere to ethical Labour standards.
	- Labor Rights Compliance in the Supply Chain (to be evaluated in upcoming years)	
	- Incidents of Corruption/Bribery	
	- Whistleblower Protection Incidents	
S4. Consumer and End-User	- Customer Satisfaction Scores	Make sure that consumer rights are respected, and trust is built with customers.
	- Customer Complaint Resolution Time	
	- Number of Data Breaches	Measures effectiveness of data protection, builds customer trust, and supports regulatory compliance.
	- Compliance Rate (GDPR, ISO 27001)	
	- Employee Training Rate on Data Security	
	- Product/Service Accessibility	
G1. Business Conduct	- Ethics & Compliance Training Participation	Strengthens corporate governance and ethical business practices.
	- Anti-Bribery & Corruption Cases	Promotes adherence to compliance regulations.
	- Board Diversity & Independence	Enhances transparency and accountability in governance.
	- Code of Conduct Violations	Tracks adherence to ethical business standards.

Use of Phase in provisions in Accordance with Appendix C of ESRS 1
This DR is not applicable to Zalaris as a company with over 1134 employees.

4.1.2 Governance

The role of the administrative, management and supervisory bodies [GOV-1]

Zalaris' Board of Directors (the "Board") consists of 5 members, with three males (60 %) and two females (40 %). There are no employees or other workers represented on the Board. Detailed information on composition, experience, gender composition and independence are presented in the table below. The board of Zalaris comprises 100% independent members, reinforcing its commitment to strong corporate governance practices.

Table 2. Board members of Zalaris.

Members	Executive members	Non-executive members	Experience relevant to sectors/locations of Zalaris	Gender		Independent board members	Board Committees
				M	**F**		
Adele Norman Pran		X	She brings significant experience in finance and strategic investments. Current board roles in several major Nordic companies and former board member and member of the Audit and Sustainability Committee of Yara International ASA		X	X	AC (L), RC
Liselotte Hägertz Engstam		X	She has over 20 years of experience in technology and digital transformation, having held leadership positions at IBM and HCL Technologies. Additionally, she serves as a board member of the Nordic cloud, data and software company TietoEvry Oy.		X	X	RC (L)
Erik Langaker		X	He has experience in technology, finance and international business development. Involvement in developing technology companies and leading digital transformation initiatives. Board experience with several technology-related companies.	X		X	AC
Jan M. Koivurinta		X	He has held leadership positions across various industry sectors and possesses extensive experience in mergers and acquisitions throughout Europe, the U.S. and Asia. His expertise in international acquisitions and integrations is highly compatible with Zalaris' operations in multiple countries.	X		X	
Kenth Eriksson		X	Has extensive international business experience, including co-founding a BPO company and holding various executive roles at AB Electrolux internationally.	X		X	
Total	0	5		60%	40%	5	

AC = Audit Committee
RC = Remuneration Committee
(L) = Committee leader

The Board oversees Zalaris' sustainability performance, including impacts, risks and opportunities. The Board makes the final decisions on sustainability and approves the ambitions and targets by endorsing the sustainability statement. The Audit Committee conducts a thorough review of the sustainability statement before it is approved by the Board.

Table 3. The Corporate Management Team comprises six members, with five males (83 %) and one female (17 %).

Corporate management team Members	Position	Gender		Experience relevant to Sectors/locations of Zalaris
		M	F	
Hans-Petter Mellerud	Chief Executive Officer	X		Prior to his founding of Zalaris, he was a partner with Accenture, where he was responsible for business development in the company's Nordic Outsourcing Unit. Prior to Accenture, Hans-Petter's leadership positions focused on outsourcing-related business needs and issues as a managing director and consultant with companies in Germany and Switzerland.
Gunnar Manum	Chief Financial Officer	X		He is responsible for group finance and accounting. Manum joined Zalaris in 2020. He has extensive experience as CFO for publicly listed companies and has previously held the position as CFO at Clavis Pharma ASA, Weifa ASA (now Karo Pharma ASA) and Vistin ASA. Prior to that he was a senior advisor at Handelsbanken Capital Markets, Corporate Finance and has been an auditor at PwC.
Hilde Karlsmyr	Chief Human Resources Officer		X	She is responsible for developing and executing human resource strategy in support of the strategic direction of Zalaris. Karlsmyr joined Zalaris in 2018. She has more than 10 years of Executive Human Resource Management experience, last as Chief HR Officer at Steen & Strøm ASA (owned by Klepierre) and before that as HR Director at REMA 1000. Hilde's experience also includes 10 years as Executive Search consultant with Korn/Ferry International and previous sales and marketing management.
Halvor Leirvåg	Chief Technology Officer	X		He is responsible for Zalaris SAP systems and general IT infrastructure. Leirvåg joined Zalaris in 2006 as a developer in Zalaris Consulting AS. There he has focused mainly on creating system integrations with customer and vendor systems. Leirvåg was responsible for establishing Zalaris integration platform based on SAP PI. He was appointed CTO in 2011. Prior to joining Zalaris, Leirvåg held positions at Hewlett-Packard and the Swedish IT consultancy WM-data, working with SAP administration and support within the Statoil environment in Stavanger.
Øyvind Reiten	Executive Vice President Group Commercial and Sales	X		He is responsible for business development and related best practices. Reiten joined Zalaris in 2007. Before being appointed Vice President of business development in 2012, he held several positions within product development, key account management and new business and sales. Reiten has extensive experience working with new business opportunities and negotiations across the Nordic and Central Eastern European region, plus key responsibilities associated with managing several major Zalaris accounts brought on board in recent years.
Richard E. Schiørn	Executive Vice President Solution & Delivery – Global Managed Services	X		He is responsible for growing the Managed Services business globally in Zalaris. Schiørn joined the company in 2015 after nearly 20 years in Accenture with experience from technology, consulting and outsourcing business. In Accenture he held a Managing Director/Partner position in the business unit Communication, Media and Technology. He has held several leadership positions in Accenture Norway and Nordic with responsible for Client relationships, Sales, Delivery and Digital Account Lead.
Total	6	83%	17%	

The Corporate Management Team, in cooperation with the Regional Management Team, is responsible for implementing sustainability strategy and executing on the targets related to material impacts, risks and opportunities.

Zalaris is committed to integrating sustainability into its core business practices. For each identified material sustainability topic, a member of the Corporate Management Team and the Chief Sustainability Officer, is tasked with defining its scope, goals and targets, as well as implementing, communicating and assessing performance based on these objectives.

At Zalaris, the Regional Management team in each entity are responsible for overseeing the implementation of the Code of Conduct and other sustainability-related policies, ensuring compliance with data and legal reporting requirements. They work in coordination with the CFO to incorporate sustainability due diligence processes as needed. The CSO supports the integration of relevant sustainability aspects into the company's overall strategy, prioritizes key sustainability issues, advises the organization on sustainability topics and engages with internal and external stakeholders on these matters.

Zalaris' administrative, management, and supervisory (AMS) bodies reinforces effective oversight of sustainability matters by assessing the availability of appropriate skills and expertise within the organization. This oversight includes regular evaluations of the composition and knowledge base of the board members and senior management to ensure alignment with the company's sustainability objectives, particularly in areas such as climate change, resource efficiency, and social responsibility.

To address any gaps identified in sustainability knowledge, Zalaris takes proactive measures, including providing targeted training, hiring specialists with expertise in sustainability, or engaging external consultants who bring relevant skills to the company. This reinforces that the organization has the right capabilities to address material sustainability impacts, risks, and opportunities.

Integration of Sustainability-Related Skills at Zalaris

At Zalaris, sustainability-related expertise is essential for managing material impacts, risks, and opportunities (IROs). These skills drive strategic decision-making and enhance resilience across operations.

- **Climate Change & Environmental Risks:** Expertise in climate science, carbon accounting, and energy management helps Zalaris mitigate transition risks (e.g., carbon regulations) and physical risks (e.g., extreme weather). These skills support emissions reduction, renewable energy adoption, and supply chain risk management.
- **Resource Efficiency & Operations:** Knowledge of circular economy principles, waste management, and energy efficiency enables Zalaris to optimize resource use, cut emissions, and integrate sustainability into operations.
- **Social Responsibility & Human Capital:** Skills in human rights, Labour practices, and diversity Reinforces compliance with regulations and enhance employee well-being and supply chain ethics.
- **Supply Chain Resilience & Governance:** Expertise in procurement, sustainable sourcing, and risk management strengthens supply chain sustainability and regulatory compliance.
- **Financial & Regulatory Compliance:** Proficiency in financial analysis and sustainability reporting (e.g., CSRD compliance) reinforces transparent disclosures and regulatory adherence.
- **Innovation & Long-Term Strategy:** Skills in sustainable product design and emerging technologies position Zalaris to capitalize on trends like renewable energy and the circular economy.
- **AMS Oversight & Governance:** The administrative, management, and supervisory (AMS) bodies integrate sustainability expertise into leadership, identifying gaps and providing training to align with strategic priorities.

Disclosure of Expertise of Administrative, Management and Supervisory Bodies on Business Conduct Matters (ESRS G1)

Zalaris' administrative, management and supervisory bodies play a key role in ensuring ethical business conduct and regulatory compliance. Their expertise is critical in embedding responsible business practices across the organization.

1. Governance & Oversight

- The Board of Directors and executive leadership oversee business conduct policies, ensuring alignment with corporate governance frameworks, anti-corruption measures and ethical standards.
- Gunnar Manum, as the topic owner for ESRS G1: Business Conduct and brings extensive experience in financial leadership, corporate governance and regulatory compliance. He has a strong background as a CFO for publicly listed companies, with expertise in financial oversight, risk management and business ethics. Before transitioning to executive finance roles, he

worked as a senior advisor in corporate finance and began his career as an auditor. Manum holds a Master of Commerce in Finance and Accounting from the University of New South Wales, Sydney. His expertise in financial management, compliance and governance makes him well-suited to oversee ESRS G1: Business Conduct at Zalaris.

2. Expertise & Training

- Board members and senior executives have experience in corporate governance, risk assessment, compliance and ethical business practices.

- Training programs on anti-corruption, bribery prevention, data privacy and responsible business conduct are conducted regularly to enhance leadership capabilities.

- Compliance-related training is mandatory for all governance bodies, ensuring continuous learning and adaptation to evolving regulatory requirements.

3. Business Conduct Integration into Decision-Making

- The expertise of governance bodies is applied in:
    - Developing policies on anti-bribery, corruption prevention, whistleblower protection and ethical sourcing.
    - Monitoring compliance through internal audits, reporting mechanisms and risk assessments.
    - Engaging stakeholders to facilitate transparency and alignment with EU sustainability directives and global standards such as the OECD Guidelines for Multinational Enterprises and the UN Global Compact.

4. Board-Level Committees & Reporting

- Business conduct matters are reviewed and monitored through relevant Board Committees, ensuring ethical governance is embedded in Zalaris' corporate strategy.

- The company maintains regular reporting and disclosures on compliance, risks and remediation actions related to ethical business conduct.

Information provided to and sustainability matters addressed by Zalaris' administrative, management and supervisory bodies [GOV-2]

Zalaris is committed to integrating sustainability into our performance and strategic management over the coming years. The Management Team, including the Chief Sustainability Officer, will routinely monitor progress on key sustainability issues in alignment with our current policies, ambitions, targets and actions. Additionally, the Chief Sustainability Officer will oversee overall progress and report to the Board of Directors and the Management Team at least annually or as necessary. The Chief Sustainability Officer generally meets with the CEO weekly.

The annual sustainability statement, integrated into the annual report, serves as the primary report to the Board. Any critical concerns related to Zalaris' significant social and environmental impacts can also be communicated to the Board as needed, or through our whistleblower and risk management processes.

Sustainability risks are assessed annually as part of the overall risk evaluation process for Zalaris, or through specific sustainability risk assessments when necessary. The risk assessment is presented and reviewed by the Audit Committee and the Board of Directors. In the coming years, we plan to implement more robust practices and enhance our disclosure of related information.

Table 4. List of the material impacts, risks and opportunities addressed by Zalaris' [administrative, management and supervisory bodies, or their relevant committees] during FY 2024

Reference	Description of the Impact, Risk, or Opportunity	Classification (I, R, or O)	Where it was Addressed (Administrative, Management, Supervisory Body, or Other Committee)	Date When addressed
FR01	Stakeholders' increased efforts to reduce GHG emissions offer Zalaris financial opportunities through the CO2 app, which can be enhanced for growth, increasing revenue.	O	Management	Mar-24
FR02	Rising energy costs for office facilities pose a financial risk, though the overall impact is minor due to small office spaces with low energy needs.	R	Supervisory Body	Feb-24
FR03	Dependency on data centers creates risks of power interruptions, affecting payroll operations, reputation and revenue.	R	Management	Apr-24
FR07	By being an attractive employer, Zalaris can recruit skilled employees, increasing revenue and reducing recruitment costs.	O	Administrative	May-24
FR12	Regulatory requirements for social reporting create opportunities for Zalaris to enhance its platform and increase revenue.	O	Management	Jun-24
FR16	Data privacy violations and poor security could result in fines, reputational damage and revenue loss.	R	Supervisory Body	Jan-24

Integration of sustainability-related performance in incentive schemes [GOV-3]

Zalaris currently does not provide sustainability incentives to the Board of Directors or the Management Team and generally does not offer performance incentives to the Board, which is in accordance with the Norwegian Code for Practice for Corporate Governance. We will evaluate the need for these incentives going forward. While many sustainability aspects are integrated into our business priorities and targets and included in incentive schemes (e.g., NPS score for employees), there are indirect instances where sustainability matters are part of these programs. For more details on Zalaris' incentive schemes and remuneration for the Board of Directors and the Corporate Management Team, refer to the 2024 Remuneration Report at ir.zalaris.com/reports-and-presentations/2024-2/.

Statement on due diligence [GOV-4]

All identified material sustainability topics are essential to shaping Zalaris' overall strategy, which is further reinforced by specific initiatives addressing climate change, environmental concerns and social aspects. Sustainability due diligence and risk management requirements, in alignment with Zalaris' sustainability strategies, are incorporated into business processes through various policies, directives and procedures.

The sustainability statement section for each material sustainability topic outlines the risk assessment and due diligence processes associated with that topic, Zalaris' assessment of identified adverse impacts, the actions taken to mitigate those impacts and the results of those efforts.

Core elements of due diligence	Paragraphs in sustainability statement
Embedding due diligence in governance, strategy and business model	Section: ESRS2 General information - GOV-2 – Information provided to and sustainability topics addressed by the undertaking's administrative, management and supervisory bodies Chapter: ESRS2 General information - GOV-3 – Integration of sustainability -related performance in incentive schemes. Section: ESRS2 General information - SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model
Engaging with affected stakeholders in all key steps of the due diligence	Section: ESRS2 General information - SBM-2 – Interests and views of stakeholders Section: ESRS2 General information - IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities
Identifying and assessing adverse impacts	ESRS2 General information - IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities. ESRS2 General information - SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model
Taking actions to address those adverse impacts	Yet to be performed, Planning in progress
Tracking the effectiveness of these efforts and communicating	Yet to be performed, Planning in progress

Risk management and internal controls over sustainability reporting [GOV-5]

Zalaris has established a robust risk management and internal control framework to facilitate the accuracy, integrity and transparency of its sustainability reporting processes. These systems are integrated with the company's overall governance structure and designed to proactively identify, assess and mitigate risks associated with sustainability reporting, ensuring compliance with statutory requirements such as the CSRD.

Scope, Main Features and Components of Risk Management and Internal Control Systems

Zalaris' risk management and internal control systems cover key areas of sustainability reporting, such as data collection, reporting accuracy and the identification of material sustainability issues. These components are integrated within the company's wider governance and operational frameworks. Centralized processes for data collection, consolidation, verification and compilation have been established to facilitate that the information included in the sustainability reports is reliable and aligns with regulatory requirements. In October 2024, Zalaris hired an ESG Consultant, reporting to the Chief Sustainability Officer, to collaborate closely with the Finance & Accounting team and further strengthen these processes. Additionally, Zalaris plans to hire a Sustainability Analyst to support the growing reporting needs.

Risk Assessment Approach and Prioritisation Methodology

The company follows a structured approach for risk assessment and prioritization, which considers the likelihood and potential impact of risks on the sustainability reporting process. Zalaris identifies and prioritizes risks related to data completeness, accuracy and timeliness, as well as risks concerning the availability of relevant data from upstream and downstream value chains. The methodology facilitate that sustainability reporting risks are managed in line with organizational priorities. Regular risk assessments are conducted to capture emerging challenges and adapt to changes in the business environment, regulations, or internal systems.

Main Risks Identified and Mitigation Strategies
Several significant risks have been identified in relation to sustainability reporting and corresponding mitigation strategies have been implemented. Key risks include:

- Data Completeness and Integrity: The risk of incomplete or inaccurate data affecting the credibility of sustainability reports is mitigated through multiple levels of review and validation. Data integrity is ensured by using well-documented processes and systems, including SAP SuccessFactors for employee-related data.

- Accuracy of Estimation Results: To mitigate estimation errors in carbon emissions and energy usage, Zalaris employs validated methodologies for data estimation and facilitates full transparency regarding assumptions.

- Upstream and Downstream Value Chain Data Availability: The risk associated with incomplete or delayed data from external partners is mitigated through clear reporting requirements and regular engagement with suppliers and partners to facilitate timely data collection.

- Manual Reporting Errors: Given the use of multiple systems and manual verification processes, Zalaris has implemented procedures to mitigate the risk of reporting errors. These include manual reviews of historical reports and consistency checks to identify discrepancies or anomalies. In 2024, there was no specific reporting on internal controls and risk management to the Corporate Management Team or the Board. However, beginning in 2025, regular reporting to the Audit Committee will be instituted.

Integration of Risk Findings into Relevant Functions
The findings from the risk assessment are integrated into Zalaris' internal functions to facilitate effective risk management. The Chief Sustainability Officer, supported by the Group Sustainability Team, holds ultimate responsibility for overseeing sustainability reporting processes, while the Group Finance & Accounting Team plays a key role in managing data and reporting accuracy. These teams work collaboratively with departments like HR and IT to support the successful collection, consolidation and reporting of sustainability data. Furthermore, internal and external reporters are trained on sustainability reporting requirements to ensure they have the necessary knowledge to manage risks effectively.

Periodic Reporting to Administrative, Management and Supervisory Bodies
Zalaris ensures periodic reporting to its administrative, management and supervisory bodies on the status of sustainability reporting and associated risks. The findings from risk assessments, along with any identified issues, are shared with the relevant committees, including the Audit Committee, which will receive annual updates on sustainability reporting from 2025 onward. This promotes that Zalaris' governance bodies remain informed and involved in the oversight of sustainability reporting processes.

Future Development
Zalaris is committed to further strengthening its risk management and internal control processes over sustainability reporting to ensure full compliance with CSRD and other regulatory requirements in the coming years. The hiring of specialized personnel, such as the ESG Consultant and future Sustainability Analyst, combined with continued improvements to internal processes and systems, reflects Zalaris' commitment to enhancing the quality, accuracy and timeliness of sustainability reporting.

4.1.3 Strategy

Strategy, business model and value chain [SBM-1]

Business Overview and Strategic Positioning
Zalaris is a leading provider of HR and payroll solutions, delivering services to clients in over 100 countries through a combination of managed services (70% of revenue) and professional services (30% of revenue). With a workforce of 1,134 employees, Zalaris operates across key markets, including the Nordics (Norway, Sweden, Finland, Denmark), Germany, the UK & Ireland and APAC, with ongoing expansion in the APAC region. The company supports multinational clients with a standardized yet locally adaptable HR and payroll service model, ensuring compliance with country-specific regulations.

Zalaris' core offerings are structured into two primary business lines:

- **Outsourcing Business**: Offers the PeopleHub platform as a Software-as-a-Service (SaaS) solution, alongside HR and payroll administration services categorized as Business-Process-as-a-Service (BPaaS) or Business Process Outsourcing (BPO).

- **Consulting Business**: Provides cloud HR and payroll transformation support, integrating solutions from SAP, Oracle and Workday. Zalaris is recognized as an SAP Gold Partner and an Oracle Partner, offering strategic advisory, transformation, implementation and application support services.

During the reporting period, Zalaris has not introduced or discontinued any significant products or services. The company remains focused on enhancing digital capabilities and expanding service offerings in line with evolving client needs. No products or services offered by Zalaris are banned in any of its operational markets.

Sustainability-Related Goals and Strategy
Zalaris integrates sustainability principles into its business strategy, aligning with environmental, social and governance (ESG) priorities. Key sustainability-related goals include:

- **Sustainable Digital Solutions:** Expanding cloud-based, paperless HR and payroll systems to minimize environmental impact.
- **Employee Well-being and Inclusion:** Strengthening diversity, equity and inclusion programs, ensuring equal opportunities for all employees.
- **Stakeholder Engagement:** Collaborating with customers, employees and partners to develop responsible and sustainable business practices.
- **Ethical Governance:** Upholding transparent and accountable business practices across all operations.

In assessing its current products, services and market presence, Zalaris facilitate that its sustainability-related goals align with business expansion and operational strategies. Ongoing initiatives include increasing automation in payroll processing, enhancing digital security for HR solutions and reducing business travel emissions in line with climate targets.

Business Model and Value Chain
Zalaris' business model is designed to deliver efficient, technology-driven HR and payroll services while ensuring regulatory compliance and operational excellence.

Description of Inputs and Approach to Gathering, Developing and Securing Inputs
Zalaris' approach to gathering, developing and securing inputs focuses on ensuring high-quality, reliable resources that support its payroll, HR and professional services. Inputs include advanced technology platforms, skilled personnel and data from clients and partners, all of which are integral to delivering efficient and accurate solutions. The company employs a robust process to gather inputs, which involves close collaboration with customers to understand their requirements, leveraging industry best practices and continuously investing in state-of-the-art technology and expertise. To secure inputs, Zalaris prioritizes data security and compliance, adhering to GDPR and other regulatory standards to protect sensitive customer and employee information. Additionally, the company fosters partnerships with leading technology providers to integrate innovative tools and capabilities into its service offerings.

Inputs for Gathering Sustainability Data	Metrics	Comments
a) Internal Data Sources	- Employee Data: Information from internal HR systems on employee health, diversity and wellbeing. - Operational Data: Energy consumption, GHG emissions, etc. - Financial Data: Revenue and expenditure data to calculate carbon intensity.	Critical for tracking employee well-being, energy consumption and financial implications in sustainability.
b) External Data Sources	- Supplier Data: Data on sustainable practices, energy consumption and Scope 3 GHG emissions.	To adhere compliance and industry standards
c) Regulatory and Legal Requirements	- ESG Regulations: Data from local, regional and international regulations (EU CSRD, GHG Protocol). - Consumer Protection Laws: Compliance with GDPR and data privacy regulations.	Aligns with global standards and regulatory frameworks, ensuring legal compliance in data reporting.

Approach to Developing and Securing Inputs	Metrics	Comments
a) Data Collection and Validation	- **Centralized Data Management System:** Consolidates data across all operations. - **Regular Audits and Quality Checks:** Ensures data integrity through internal audits.	Improves **data accuracy,** reduces errors and promotes **transparency** in sustainability reporting.
b) Securing Inputs	- **Data Encryption and Privacy Protection:** Applies robust encryption and cybersecurity measures, ensuring GDPR compliance.	To ensure data protection, builds stakeholder trust.

Challenges, Opportunities and Future Outlook

As part of its sustainability journey, Zalaris recognizes key challenges and opportunities:

- Challenges: Adapting to evolving regulatory frameworks, maintaining data security in cloud-based HR solutions and addressing potential ESG risks in outsourced operations.

- Opportunities: Expanding digital service capabilities, integrating AI-driven automation in HR processing and enhancing stakeholder collaboration for sustainable HR practices.

- Future Strategy: By 2026, Zalaris will provide a sector-based revenue breakdown in line with ESRS requirements, further aligning its sustainability reporting with IFRS 8 disclosures. The company will continue to explore sustainable service innovations while ensuring responsible business practices.

By embedding sustainability into its core business model, Zalaris reinforces its role as a trusted partner in the HR and payroll industry, delivering long-term value for clients, investors, employees and society.

Description of Outputs and Outcomes
The outputs of Zalaris' operations include tailored HR and payroll solutions, digital transformation services and workforce management tools that streamline administrative processes for its customers. These outputs deliver a range of benefits:

- For Customers: Increased efficiency, reduced administrative burden, enhanced data accuracy and compliance with complex legal and tax regulations across multiple markets.

- For Investors: Consistent financial performance driven by scalable solutions, customer retention and a strong reputation for reliability and innovation.

- For Other Stakeholders: Employees benefit from streamlined HR processes and timely payroll, while communities gain from Zalaris' commitment to sustainability, diversity and ethical business practices.

The expected outcomes include strengthened customer loyalty, enhanced operational excellence and the creation of long-term value for stakeholders through innovative and sustainable business practices. By aligning its services with stakeholder needs, Zalaris positions itself as a trusted partner in delivering meaningful and measurable results.

Interests and views of stakeholders [SBM-2]

At Zalaris, we recognize the importance of engaging with our stakeholders to align our strategies and operations with their interests and expectations. In accordance with the European Sustainability Reporting Standards (ESRS) directives, we provide the following overview of our stakeholder engagement processes and how they inform our strategy and business model.

Stakeholder Engagement Overview
We engage with a diverse range of stakeholders to ensure their perspectives are integrated into our decision-making processes. The table below summarizes our key stakeholder categories, the nature of our engagement with them and how their input influences our operations:

Table 5. Stakeholder Engagement at Zalaris

Stakeholder Category	Key Stakeholders	Does Engagement Occur?	How is Engagement Organized?	Purpose of Engagement	How the Outcome is Taken into Account by Zalaris
Employees	Workforce across all levels	Yes	Employee surveys, town halls, performance reviews and feedback sessions	Understand needs related to well-being, career development, diversity and inclusivity	Development of flexible working policies, diversity initiatives and enhanced training programs
Clients	Corporate and institutional clients	Yes	Client satisfaction surveys, strategic reviews and regular account management meetings	Address expectations for reliable, innovative and sustainable HR and payroll solutions	Product innovation, improved customer support and integration of ESG features into services
Investors	Shareholders and institutional investors	Yes	Quarterly financial updates, ESG reports and direct consultations	Align financial and sustainability performance with investor expectations	Enhanced ESG reporting, transparent governance practices and alignment with sustainability targets
Regulators	Compliance and regulatory bodies	Yes	Regular compliance audits, workshops and regulatory consultations	To adhere to evolving legal and sustainability frameworks	Implementation of compliant sustainability practices and transparent reporting
Communities	Local communities and societal groups	Yes	Community engagement programs, CSR initiatives and public forums	Contribute to social and environmental well-being	Local initiatives, such as reducing environmental impact, supporting education and volunteering efforts
Business Partners	Technology providers and service vendors	Yes	Collaborative workshops, service reviews and contractual discussions	To align sustainability practices and shared goals	Adoption of greener technologies and collaborative sustainability projects

Understanding Stakeholder Interests and Views
Through our engagement activities, we have identified key interests and views of our stakeholders:

- **Employees:** Desire for a balanced work-life environment, opportunities for professional growth and a supportive workplace culture.
- **Clients:** Expectation of reliable, innovative and customized HR and payroll solutions that meet their evolving business needs.
- **Suppliers and Partners:** Interest in transparent communication, fair contracting practices and collaborative growth opportunities.
- **Regulatory Bodies:** Emphasis on strict adherence to legal standards, data protection and proactive compliance measures.
- **Local Communities:** Focus on sustainable operations, environmental responsibility and contributions to local development.

Amendments to Strategy and Business Model
In response to stakeholder feedback, Zalaris has implemented the following strategic adjustments:

- **Enhanced Employee Support:** Introduced flexible work arrangements and comprehensive wellness programs to promote work-life balance and employee well-being.
- **Client-Centric Innovations:** Developed advanced performance management solutions that align employee activities with client business strategies, ensuring increased engagement and productivity.
- **Sustainable Practices:** Committed to locating service centers in areas with a lower cost of living and reduced environmental impact, benefiting both employees and local communities.

These initiatives are part of our ongoing efforts to adapt our strategies in line with stakeholder expectations, with further steps planned to continuously enhance these relationships.

Informing Governance Bodies
Our administrative, management and supervisory bodies are regularly updated on stakeholder views and interests through structured reporting mechanisms. This ensures that stakeholder perspectives are integral to our sustainability-related decisions and overall strategic direction.

By maintaining open channels of communication and actively responding to stakeholder input, Zalaris strives to foster trust, drive innovation and uphold our commitment to sustainable and responsible business practices.

Material impacts, risks and opportunities and how they interact with its strategy and business model [SBM-3]

Zalaris' double materiality assessment identifies and evaluates the material sustainability impacts, risks, and opportunities across environmental, social, and governance dimensions. This assessment forms the foundation for understanding how material impacts arise and influence the company’s strategy and business model. It includes an analysis of both negative and positive impacts on people and the environment, along with the expected time horizons. The assessment concluded that the identified material negative impacts—both actual and potential may be likely to affect people or the environment. Additionally, it examines the nature of activities and business relationships through which Zalaris is involved in material impacts, ensuring transparency and alignment with CSRD and ESRS reporting requirements.

Zalaris has identified five key material topics that shape its sustainability strategy: **Climate Change & Environmental Impact (E1), Responsible Business Conduct (G1), Own Workforce (S1), Workers in the Value Chain (S2), and Customers & End Users (S4).** These topics are integral to the company’s long-term sustainability goals, addressing greenhouse gas emissions, ethical business practices, employee engagement, data security, and responsible supply chain management. Through this structured approach, Zalaris ensures that material sustainability issues are effectively managed and integrated into its business operations.

Climate Change (E1)
Zalaris acknowledges the material impacts, risks, and opportunities associated with climate change and energy use. As a digital service provider, the company’s environmental footprint is largely tied to the operation of data centres and office facilities. A key financial opportunity lies in the expansion of Zalaris’ CO_2 tracking application, which allows clients to monitor and reduce emissions—creating a dual benefit of supporting client decarbonisation and generating new revenue streams. However, Zalaris is also exposed to transition and physical risks. Dependence on external data centres introduces vulnerability to potential power outages, which could disrupt payroll services and damage client trust. Additionally, rising energy costs in office facilities may elevate operational expenditures. These IROs are integrated into Zalaris’ business model through the adoption of energy efficiency measures, use of renewable electricity, and resilience strategies to minimise service disruptions. By advancing its low-carbon service portfolio and optimising operational infrastructure, Zalaris both mitigates climate-related risks and captures growth opportunities in the sustainability transition.

Business Conduct (G1)
Zalaris operates in a global context that includes exposure to markets with heightened risks of unethical practices such as corruption and bribery. A material financial risk exists if non-compliance leads to legal penalties, client contract terminations, or reputational damage. In addition, Zalaris handles sensitive employment and wage data on behalf of clients, making data privacy and cybersecurity a critical area of exposure. A breach could result in regulatory fines, decreased revenue, and loss of customer trust. These risks are embedded into the business model through the implementation of rigorous compliance systems, regular employee training, transparent governance structures, and state-of-the-art cybersecurity protocols. In Zalaris we have established practices around corruption and bribery mitigation which is connected to our strategy and business model, such as following the code of conduct.

Conversely, Zalaris recognises opportunities tied to ethical business conduct. A strong internal culture that includes whistleblower protection and ethical behaviour enhances employee well-being, supports operational performance, and makes Zalaris an attractive employer. Furthermore, by leveraging its data capabilities to support client DEI (diversity, equity, inclusion) goals, Zalaris can offer added value to customers, reinforcing brand differentiation and unlocking new market opportunities. Business conduct IROs are central to Zalaris' governance framework and long-term value creation strategy.

Own Workforce (S1)
Zalaris' growth is closely tied to the availability of skilled professionals, particularly in technology and digital transformation. A key risk lies in the limited availability of qualified candidates across markets, which increases recruitment costs and may affect service delivery. Additionally, employee turnover—especially in highly competitive markets—can result in training and onboarding costs, productivity loss, and temporary revenue reduction. These risks are influenced by geography and local labour dynamics.

To address these challenges, Zalaris integrates workforce-related IROs into its operating model by investing in employer branding, competitive compensation, career advancement, and inclusive workplace culture. The company views this as a strategic opportunity to reduce costs, improve retention, and enhance performance. By focusing on employee well-being, learning and development, and engagement, Zalaris creates a more resilient and future-ready workforce.

Workers in the Value Chain (S2)
Zalaris relies on external consultants and partners to support the delivery of its services, which introduces risks related to working conditions, compensation standards, and turnover. Because these workers are outside the direct control of Zalaris, there is a potential risk of poor working conditions or insufficient wages among suppliers or subcontractors, which could harm the company's reputation or disrupt service continuity.

High turnover of external consultants also creates cost-related risks through repeated recruitment and knowledge loss. However, there is a business opportunity in optimising the balance between internal and external staffing to ensure cost-efficiency and operational agility. Zalaris addresses these risks through workforce planning, supplier engagement, and contractual terms that promote responsible labour practices.
By fostering long-term partnerships and prioritising fair working conditions in its value chain, Zalaris ensures continuity, service quality, and alignment with sustainability principles.

Consumers and End-Users (S4)
Given its core service offering—cloud-based HR and payroll solutions—Zalaris' reputation and revenue are closely tied to data integrity and information security. A data breach or cyberattack could compromise sensitive information on wages and employment, exposing the company to legal liabilities, reputational harm, and potential contract losses. Although the likelihood of such incidents is currently low due to Zalaris' strong security controls, the potential impact would be critical.

Simultaneously, increasing regulatory expectations on social disclosures (such as those required by the ESRS) offer Zalaris a growth opportunity. By upgrading its software solutions to help clients generate ESG-related data, Zalaris can broaden its platform's relevance and revenue potential. The company also supports clients in mapping pay equity and diversity data, helping them make more informed, inclusive decisions—thereby reinforcing Zalaris' value proposition in responsible business. These IROs are embedded into Zalaris' product development strategy, cybersecurity framework, and customer engagement processes, enabling the company to safeguard its operations while capitalising on the growing demand for sustainability-linked services.

Current Financial Effects of Material Risks and Opportunities (2024–2025)
In 2024 we have not assessed in detail the current financial effects of each material risk and opportunity. However, we will need to further develop this information in coming years.

In 2024 Zalaris conducted a DMA supported by its Board and management team. Zalaris did not perform a resilience of strategy and business model regarding capacity to address material impacts and risks and to take advantage of material opportunities.
Our identified material IROs are outlined in the DMA process and further described under

each topic reported on in the sustainability statements.

As E1 is a material sustainability matter Climate-Related Risks and Resilience Analysis [E1. SBM-3] (Omission). Zalaris will identify climate-related risks by categorizing them into physical risks and transition risks in the upcoming year.

Impact risk and opportunity management

In 2024, Zalaris conducted a double materiality assessment as required by the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). This process involved a desktop review to create a long list of sustainability topics, followed by stakeholder interviews to gain insights into the context in which Zalaris operates. Based on the review and feedback, Zalaris identified material impacts, risks and opportunities (IROs), which were discussed in internal workshops. The company used a scale to assess these factors across short, medium and long-term time horizons. Zalaris faces financial risks from cybersecurity, business conduct issues, rising energy costs and workforce retention challenges. However, opportunities include offering climate change solutions, supporting diversity, equity and inclusion (DEI) through its platform, providing data-driven workforce insights and educational tools to help clients manage their workforce. By addressing these risks and seizing opportunities, Zalaris aims to enhance long-term value, protect its financial stability and strengthen its brand as a responsible, sustainable company.

Process to identify and assess material impacts, risks and opportunities [IRO-1]

Zalaris, in partnership with Deloitte, conducted a double materiality assessment between April and May 2024 to align with the requirements of the Corporate Sustainability Reporting Directive (CSRD). This assessment, guided by the European Sustainability Reporting Standards (ESRS), is essential for determining which sustainability topics Zalaris must report on, ensuring that the company meets the directive's non-financial reporting obligations. Double materiality, a core concept of the CSRD, requires evaluating sustainability topics from two perspectives: impact and financial. The impact perspective examines how Zalaris affects environmental, social and governance factors throughout its value chain, while the financial perspective focuses on the potential financial implications of sustainability topics on the company, identifying both risks and opportunities. Through this process, a topic may be deemed material from an impact perspective, financial perspective, or both, providing Zalaris with a clear focus for prioritizing its reporting efforts.

Zalaris' process for identifying material impacts, risks, and opportunities (IROs) focuses on specific activities, business relationships, and geographies that pose heightened risks of adverse impacts. Given its role as an HR and payroll service provider operating across multiple regions, the company prioritizes risks related to data privacy, Labour rights, and regulatory compliance. Business relationships with third-party vendors and service providers are carefully assessed to ensure adherence to ethical standards and legal requirements, particularly in jurisdictions with stricter employment and data protection laws. Additionally, geographic considerations play a crucial role, as Zalaris operates in diverse regulatory environments where Labour laws, anti-corruption measures, and social responsibility expectations vary. By integrating these factors into its risk assessment process, Zalaris ensures that heightened risks are identified and mitigated proactively.

Zalaris identifies, assesses, prioritizes, and monitors impacts on people and the environment through a due diligence process aligned with ESRS. This involves stakeholder engagement, materiality assessments, and regulatory monitoring to identify key risks. Impacts are evaluated based on severity and likelihood, with high-risk areas prioritized, particularly in supply chain and regulatory compliance. Continuous monitoring through audits and governance structures ensures effective risk management and integration into decision-making.
The process built on the single materiality assessment conducted by Zalaris in 2023 and consisted of the following steps.

The Double Materiality Assessment (DMA) is the foundational step in aligning with the Corporate Sustainability Reporting Directive (CSRD). This assessment must comprehensively consider the entire value chain, addressing both the impact materiality (how the organization impacts the environment and society) and financial materiality (how sustainability matters influence the organization's financial position). It ensures compliance with the requirements of double materiality by referencing the European Sustainability Reporting Standards (ESRS) topics and sub-topics related to environmental, social (people) and governance aspects.

The DMA serves as a critical step to identify key sustainability issues, integrate them into corporate strategy and ensure Zalaris' readiness for transparent and accurate CSRD-aligned reporting.

Step 1: Planning

Kickoff meeting to define the scope of the analysis, which internal and external stakeholders to involve, and define milestones

The purpose was to establish a common understanding of the project

Step 2: Insights phase

Defined a long list of material topics based on ESRS, different regulations, peer benchmark, and media analysis, and conducted a value chain analysis to understand Zalaris value chain.

The longlist was further used in stakeholder interviews (internal and external) to gain more insight about the topics and where Zalaris could have an impact.

The purpose was to establish a comprehensive picture of the context.

Step 3: Identify and assess impact, risks and opportunities

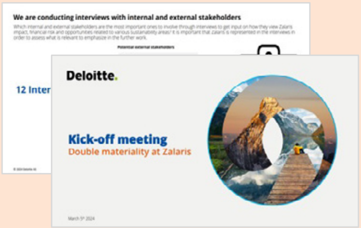
Based on insights from step 2, the project team drafted the first version of the impact, risk and opportunity assessment. This was further discussed in two internal workshops. The first workshop focused on identifying and assessing the impacts, while the second workshop focused on identifying and assessing financial risks and opportunities.

During the workshops, the participants and project team discussed the different thresholds for each assessment.

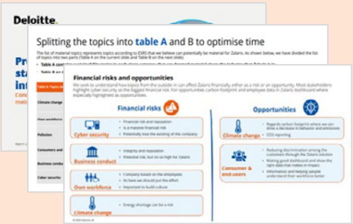
Step 4: Aggregate and compile results and validate

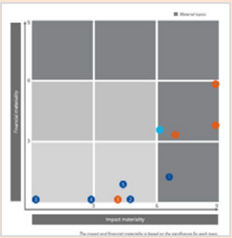
With input from both step 2 and 3, the assessment was finalized and validated with the workshop participants, as well as the CEO and the Chairman of the Board. During the validation process, the final assessment of the material topics was established.

Documentation



Kick-off meeting presentation





Validation meeting presentation and results

Figure 1. Summary of the process through which Zalaris identified IROs and assessed their materiality.

Step 2 - Insights Phase

Zalaris conducted a desktop review to compile a long-list of sustainability topics with the purpose of ensuring that when identifying and assessing impacts and financial effects, both entity-specific and sector specific topics were considered along with the list of sustainability matters presented in ESRS 1 AR16 (covered by the topical standards). The desktop review included an analysis of: Zalaris' value chain, two relevant reporting frameworks, six of Zalaris' peers and media coverage regarding the company and industry in relation to sustainability matters, as shown below.

Value chain analysis +

To understand the value chain in which Zalaris operates we have, as a part of the process, listed all activities in the value chain. Zalaris has two different business lines, therefore their value chain has been illustrated separately. For Managed Services, the value chain is concentrated around the daily operations, this includes marketing, sales and product development, transformation projects and operation of services and maintained. For Professional Services the activities are marketing, sales and development, implementation projects and support services. For more details, see the following slide.

Regulatory analysis +

Together with the new CSRD/ ESRS regulation from EU, a regulatory analysis has been performed to understand which topics will be relevant from a regulatory and reporting aspect. The following relevant reporting frameworks were mapped:

- SASB - Soft & IT services
- SASB – Professional & Commercial Services

Cybersecurity was one of the topics from SASB that we initially included in the longlist. However, after conducting interviews and internal discussions, we decided to integrate this topic into the categories of consumer and end-users as the sub-topic privacy is closely related to cyber attacks and privacy concerns, hence it is covered sufficiently.

Peer analysis +

The peer analysis includes a desktop analysis of relevant peers and their materiality assessments. The analysis assess methodologies, nature of the assessments (single or double), which stakeholders were engaged with, the objective of the assessment and ultimately which material topics were selected and how these were visualized.

The peer analysis is based on the following peers:

- SAP
- ADP
- Alight
- Tietoevry
- SDXWorx
- Accenture

Media analysis =

The media analysis provided insight on topics that received attention in the public eye regarding the company and the industry in general. The purpose was to investigate if there were any topics in the media that could indicate company- or sector specific topics that where not covered by the previous steps. However, in our analysis we did not find any relevant media articles that suggested any additional topics.

Long list

The long list was created based on the value chain analysis, regulatory analysis, peer analysis and media analysis together with the list of sustainability matters in ESRS 1 AR 16.

The final long list served as a basis for which topics that were assessed in the impact- and financial impact analysis. During the interviews, the long list was used to gather stakeholders' viewpoints on which topics that were material and less material, and why. This was done in a table format where the topics were divided into a table A (topics deemed material) and table B (topics deemed less material).

Figure 2. Summary of the desktop review conducted to identify sustainability matters in support of the identification and assessment of material impacts and financial materiality.

Step 2 & 3 - Value chain

In support of identifying and assessing impacts, risks and opportunities in Zalaris' value chain to determine their materiality, Zalaris' value chain was mapped. When mapping Zalaris' value chain and thereon when identifying impacts and financial effects and assessing materiality, consideration was paid to the nature of their activities, business relationships, geographies and possibly affected stakeholders, as illustrated in the Figure below. It is noted that in addition to the activities captured in the Figure, Zalaris has general support activities including Management and Human Resources.
Zalaris' two business lines within their reporting boundary, Managed Services and Professional Services, were mapped separately. That said, when identifying impacts and financial risk and opportunities further in the assessment, the value chains were considered together, as the differences in were not considered significant enough to warrant separate processes.

	Marketing, sales and product development	Transformation projects	Operation of services and maintance (AMS)
	Upstream	Own operations	Downstream
Key activities	• Solution Development (template build) • Go To Market Planning • Demand Generation • Pre-Sales Activities (Demos/RFPs etc.) • Sales Activities	• Transformation & Implementation Services • Solution Architecture Services • Functional & Technical Consulting • Data Migration Services • Integration (BTPI) Design & Development • BTP/ABAP Program Design & Development • Test Management & execution • Strategic Analysis Consulting • Quality Assurance Audits • Change Management & Training Services • Digital Adoption Execution	• Customer Support & Maintenance • Subscription Management • Governance & Reporting • Health Check & Optimization Services • Release Management Services
Geography	• All Zalaris offices/locations with major hubs being UKI, Germany, Poland, Northern Europe, APAC (AU, SG, PH). Offshore location in India/PH.	• All Zalaris offices/locations with major hubs being UKI, Germany, Poland, Northern Europe, APAC (AU, SG, PH). Offshore location in India/PH.	• Main support hubs (UK, Poland, Latvia, India, Philippines) • Local Zalaris offices (level 3 support)
Business relationship	• Subscription Provider (SAP) • 3rd Party Vendors (such as WorkAxle, SpinifexIT, Go1, WalkMe, SFCodeBot). • External Consultants	• Subscription Provider (SAP) • 3rd Party Vendors (such as WorkAxle, SpinifexIT, Go1, WalkMe, SFCodeBot). • Customers/Clients	• Subscription Provider (SAP) • 3rd Party Vendors (such as WorkAxle, SpinifexIT, Go1, WalkMe, SFCodeBot). • Customers/Clients
Affected stakeholders	• Vendors • External Consultants	• Customers (IT/HR/Payroll) • Employees	• Customers (IT/HR/Payroll)

Figure 3. Value chain mapping of Professional Services business line

	Marketing, sales and product development	Transformation projects	Operation of services and maintance (AMS)
	Upstream	Own operations	Downstream
Key activities	• Data hosting • Product development • Product planning and management • Vendor management / third party agrement	• Implementation and integration • Onboarding • Handover to production and stabilization period • Testing • Project management • Quality assurance	• Customer Support & Maintenance • Governance & Reporting
Geography	• Norway, Germany (data hosting) • Global countries where Zalaris is not operating (third-party) • Norway (product design) • Riga, India (product development)	• Norway, Sweden, Denmark, Finland, Spain, France, Ireland, UK, Germany, Latvia, Poland, Hungary, India, Singapore, Australia • Global countries where Zalaris is not operating (third-party)	• Norway, Sweden, Denmark, Finland, Spain, France, Ireland, UK, Germany, Latvia, Poland, Hungary, India, Singapore, Australia • Global countries where Zalaris is not operating (third-party)
Business relationship	• Data centers • Vendors/hosting parties/third parties • External partners • Professional services (Zalaris)	• Third parties/hosting parties • Customers	• Third parties/hosting parties • Customers
Affected stakeholders	• Vendors • External Consultants	• Customers (HR services partner/contract partner) • Employees	• Customers (HR services partner/contract partner) and end-users • Local communities (e.g. Lødingen)

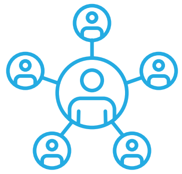
Figure 4. Value chain mapping of Managed Services business line

Step 2 & 3 - Stakeholder Engagement

In addition to the consideration of the perspectives of affected stakeholders and users of sustainability statements through the results of the desktop analysis activities; stakeholders were directly engaged with in the double materiality assessment process through interviews and workshops, the participants and processes conducted are summarised in the figures below.

Stakeholders were identified in collaboration with the project team and members of Zalaris' management team and mapped to identify affected stakeholders and users of sustainability statements for Zalaris. Stakeholders were prioritized for engagement based on materiality refers to identifying sustainability issues that significantly impact Zalaris's operations, financial performance and stakeholders, using criteria such as impact and financial materiality thresholds, stakeholder input and time horizon considerations to guide strategic decision-making. We sought to have a broad, representative and diverse selection.

Stakeholder interviews (internal and external) were used to review the long-list of sustainability matters, to gain more insight into Zalaris' operational context. Furthermore, the findings from stakeholder engagement informed the establishment of qualitative thresholds for material topics based on stakeholder expectations. This provided insights into actual impacts and potential negative and positive impacts. The results were also used as a safety net to ensure that the results of the double materiality assessment took stakeholder expectations into account.



Interviews

We have engaged both internal and external stakeholders on the long list topic (presented in table A and table B, where table A represented topics deemed material, and table B topics deemed less material) as a part of our information gathering process. The purpose of the interviews was to identify impacts, risks and opportunities, and get the different stakeholder's perspectives on how Zalaris has an impact on the different topics and how thay can impact Zalaris. Each internview lasted 30 minutes and was conducted in April 2024.

Workshops

After conducting interview, we conducted two internal workshops with the management team that represent diferent departments in Zalaris. The purpose of the first workshop was to identify impacts, while the second workshop focused on identifying financial risks and opportunities.

The workshops was conducted April/May 2024.

Figure 5. Summary of stakeholder engagement conducted in Zalaris' double materiality assessment process.

How the stakeholder dialogue informs the double materiality assessment

Engagement with affected stakeholders is central to the ongoing due dilligence process and sustainability materiality assessment. This includes process to identify and assess actual and potential negative and positive impacts, which inform the assessment process for identifying material impacts for sustainability reporting purposes.

The findings from stakeholder engagement informed the establishment of qualitative thresholds for material tpoics based on stakeholder expectations, providing insights into the potential negative and positive impacts,. The results were also used as safety net to ensure that the results of the double materiality assessment took into account stakeholder expectations.

Figure 6. Summary of stakeholder engagement conducted in Zalaris' double materiality assessment process.

Step 3 – Identification and assessment of impacts, risks and opportunities.

Zalaris conducted two internal workshops (as per the above Figure), both of which included members of its management team. One workshop focused on Zalaris' potential and actual impacts on people and the environment through its activities across its value chain. The other workshop focused-on risks and opportunities that have or may have financial effects on Zalaris.

In the workshops Zalaris identified impacts, risks and opportunities. In doing so, Zalaris considered:

- actual and potential impacts and risks and opportunities that exist or may emerge across its value chain, including as per the mapping above, its own operations, products and services,
- all countries Zalaris is operational in and business relationships and
- insights gained from the desktop review activities and stakeholder engagement.

Additionally, when identifying financial risks and opportunities, Zalaris considered financial effects that may arise from impacts

In the workshops/after the workshops the impacts, risks and opportunities identified were scored, as per the scales described below. All the management team was present during the IRO score and we have arrived at the final scale.

1. Connections Between Impacts, Dependencies, Risks and Opportunities
Zalaris has carefully evaluated the connections between its impacts and dependencies on environmental, social and economic systems and how these give rise to both risks and opportunities. For instance, its greenhouse gas (GHG) emissions contribute to climate change, resulting in reputational and regulatory risks. Similarly, the organization's reliance on stable climate conditions for operational continuity creates exposure to potential disruptions. In response, opportunities such as transitioning to renewable energy and reducing business travel were identified as proactive measures to mitigate these risks. These interconnections were analyzed through robust stakeholder engagement which is mentioned in the above Step 2 & 3 of the Stakeholder engagement process and scenario planning, which involved mapping dependencies against foreseeable risks and opportunities to ensure a strategic, forward-looking approach.

2. Decision-Making Process and Internal Controls

The decision-making process for materiality determination is guided by IRO-1 (53 d) and incorporates a structured approach to ensure alignment with organizational priorities and regulatory requirements. The process begins with internal validation, where the Double Materiality Assessment (DMA) results are reviewed and approved by management and the Board to ensure strategic alignment. A risk-based approach is employed, integrating insights from risk assessments, stakeholder feedback and benchmarking studies to inform decisions. Robust internal control procedures, including multi-level reviews, validate data accuracy, ensure compliance with the European Sustainability Reporting Standards (ESRS) and guarantee that decisions are evidence-based and reliable.

3. Integration with Risk Management

Zalaris' processes for identifying, assessing and managing impacts and risks are fully embedded within its overall risk management framework, aligning with IRO-1 (53 e). Sustainability risks, identified through the DMA process, are systematically incorporated into the organization's risk assessment file, ensuring a comprehensive approach to risk identification and evaluation. These findings play a critical role in shaping Zalaris' overall risk profile, providing insights to inform mitigation strategies for climate-related risks and opportunities. Risk control procedures are further reinforced through periodic reviews, ensuring continuous monitoring and adaptation, with accountability clearly defined across departments. This integrated approach allows Zalaris to holistically evaluate its risk profile and align its risk management processes with organizational objectives and sustainability commitments.

4. Integration with Opportunity Management

Zalaris has integrated the process of identifying, assessing and managing sustainability opportunities into its overall management framework to ensure alignment with strategic goals and operational execution. Opportunities identified through the Double Materiality Assessment (DMA), such as adopting renewable energy and expanding digital solutions, are systematically embedded into the company's strategic planning, ensuring that these opportunities are aligned with long-term business objectives. In operational execution, sustainability-related opportunities are incorporated into decision-making processes at all levels, ensuring that they are considered in day-to-day activities and resource allocation. This integration ensures that sustainability is not only a key part of Zalaris' overarching business strategy but also a practical driver for operational improvements, creating value for the organization while addressing material sustainability matters. The alignment of sustainability opportunities with both strategic and operational processes reflects our commitment to long-term, responsible growth and sustainable practices across the organization.

5. Input Parameters for Materiality Determinations

The process of identifying, assessing and managing material impacts, risks and opportunities at Zalaris incorporates a variety of input parameters to ensure a comprehensive approach. Quantitative data, including metrics such as emissions data, energy consumption figures and stakeholder feedback, provide essential insights into the environmental and social aspects of the business. In addition to this, qualitative insights are drawn from scenario analysis outcomes and peer benchmarking, which help contextualize risks and opportunities within industry trends and best practices.

Step 3 – Scales and Thresholds

To understand and score the identified impacts, risks and opportunities, Zalaris used the scales provided below.

To assess the materiality of potential and actual impacts on people and the environment the below scales were used, with the support of the also included reference framework (based on OECD's Due Diligence Guidelines for Responsible Business Conduct) also included below. The scale prioritises impacts and thus which matters are material for reporting, based on severity (based on scale, scope and irremediability) and likelihood. Furthermore, impacts were scored quantitatively for the short-term assessment and qualitatively for the medium and long-term assessment.

Severity*

Scale

How grave is the impact (for negative impacts) or how beneficial (for positive impacts, measured e.g. through:

- Extent of impact on human health (E)
- Extent of changes in species composition (E)
- Resource use intensity (% use of total available resources) (E)
- Degree of waste and chemical generation (tons; % of generation) (E)
- Degree of GHG emissions (E)
- Extent of impact on workers' health or safety (S)
- Whether a violation concerns a fundamental right at work or access to basic life necessities (S)
- Extent of impact on markets, people, and society due to decisions made based on bribery or unethical conduct (G)
- Criminal nature of the bribe (G)

1 2 3

Scope

How widespread is the impact, measured e.g. through:

- Geographic reach of the impact (E)
- Number of species impacted (E)
- Number of people impacted (S)
- % of identifiable groups of people or consumers impacted (S)
- Number of workers/ employees or consumers impacted (S)
- Extent to which some groups are disproportionately affected by the impact (e.g. minorities, women, etc.) (S)
- Frequency of which bribed are paid (G)
- Geographic spread of bribery or unethical conduct (G)
- Extent of activities linked with bribery or unethical conduct (G)

1 2 3

Irremediability

How easy is it to remedy the impact (NB: Only applicable for negative impacts), measured e.g. through:

- Degree to which rehabilitation of the natural site is possible or practicable (E)
- The length of time remediation would take (E)
- The extent to which the impact can be rectified (e.g., through compensation or restitution) (S)
- Whether the people or workers affected can be restored to their exercise of the right in question (S)
- Extent of damage to society due to loss of public funds (G)
- Extent to which activities undertaken and enabled by bribery will lead to irremediable adverse impacts (G)

1 2 3

Likelihood

The likelihood of the impact occurring

3	>80% Almost certain
2	30 – 80% Likely
1	< 30% Unlikely

Where the impact is actual, likelihood is always 3.

Timeframe

- Short (1 year)
- Medium (2-5 years)
- Long (>5 years)

* Severity is not an absolute concept; it is context specific and is a function of the three characteristics scale, scope and irremediability. For examples of indicators of scale, scope and irremediable character across adverse impacts, see above. These indicators are illustrative and will vary according to an enterprise's operating context.

These scales are based on OECD's Due Diligence Guidelines for Responsible Business Conduct

Positive potential impact = Scale × Scope × Likelihood

Positive actual impact = Scale × Scope × Likelihood 100% 2)

Negative potential impact = Scale × Scope × Irremediability 1) × Likelihood

Negative actual impact = Scale × Scope × Irremediability 1) × Likelihood 100% 2)

Scale:

1. Low
2. Medium
3. High

Scope:

1. Limited
2. Medium
3. Global / Total

Irremediability:

1. Easy to remediate
2. Difficult to remediate
3. Irreversible

Likelihood:

1. Unlikely
2. Likely
3. Almost certain

Timeframes

Scale for timeframes

Short: 0 – 1 years
Medium: 2 – 5 years
Long: > 5 years

The timeframes are taken from ESRS 1 6.4.

The impacts scored are assessed quantitatively on short term. For medium and long term, the assessment is done qualitatively by commenting on the development over time.

Figure 7. Impact scale

In the quantitative assessment of risks and opportunities, Zalaris used a scoring system that evaluated the potential financial impact and likelihood of each identified risk and opportunity across different time horizons. The financial magnitude of each risk or opportunity was assessed in terms of its potential effect on Earnings Before Interest and Taxes (EBIT), with percentages assigned to represent the severity of the impact. For example, a risk with a high likelihood and a significant potential EBIT impact would receive a higher score. Additionally, the likelihood of each risk or opportunity occurring was considered on a scale, from low to high probability and this factor was combined with the financial magnitude to produce an overall score for each risk or opportunity. These assessments were made for both short-term and long-term horizons, allowing Zalaris to evaluate not only immediate impacts but also future potential risks and opportunities. The quantitative scoring system provided a clear, data-driven approach to prioritize the most significant risks and opportunities, ensuring that Zalaris's strategy is aligned with both current and future financial objectives.

Financial risk / opportunity = Financial magnitude × Likelihood

Timeframes

Scale for financial magnitude:

1. Minimal (<5% EBIT-effect)
2. Important (5-20% EBIT-effect)
3. Critical (>20% EBIT-effect)

The financial scale used is in line with practices in Zalaris for the risk assessment, and hence we used EBIT-effect for this assessment. The EBIT-effect was a good indicator to assess how the different risks and opportunities affect Zalaris.

Scale for likelihood:

1. Unlikely
2. Likely
3. Almost certain

Scale for timeframes

Short: 0 – 1 years
Medium: 2 – 5 years
Long: > 5 years

The timeframes are taken from ESRS 1 6.4.

The financial risk opportunity is scored and assessed quantitatively for all the timeframes.

Figure 8. Financial risk and opportunity scale

Step 4 – Prioritising Material Topics

Based on the scored individual impacts, risks and opportunities the project team assessed the overall materiality of a topic. This was reviewed and endorsed in the validation meeting, which included representatives from Zalaris' Board and Management Team. The thresholds to determine which of the identified and now scored, impacts, risks and opportunities were material and therefore which sustainability matters were material for reporting purposes were discussed in the internal workshops and set in the validation meeting.

The thresholds for materiality were set at 6 for impact materiality and 2 for financial materiality, reflecting Zalaris' approach to prioritizing sustainability topics based on their significance. The impact materiality threshold of 6 ensures that only topics with substantial positive or negative impacts on people, the environment, or society are considered material. This threshold was chosen to emphasize a strong focus on significant sustainability impacts that align with stakeholder expectations and broader societal concerns.

The financial materiality threshold of 2 was set to capture topics that pose meaningful risks or opportunities with financial implications for Zalaris, such as revenue, costs, or value creation potential. This aligns with a risk-based approach similar to financial risk assessments, ensuring consistency in evaluating the financial relevance of sustainability topics.

These thresholds were established to balance a comprehensive evaluation of material topics with a focus on those most critical to Zalaris' operations and stakeholders, as illustrated in the figure below.

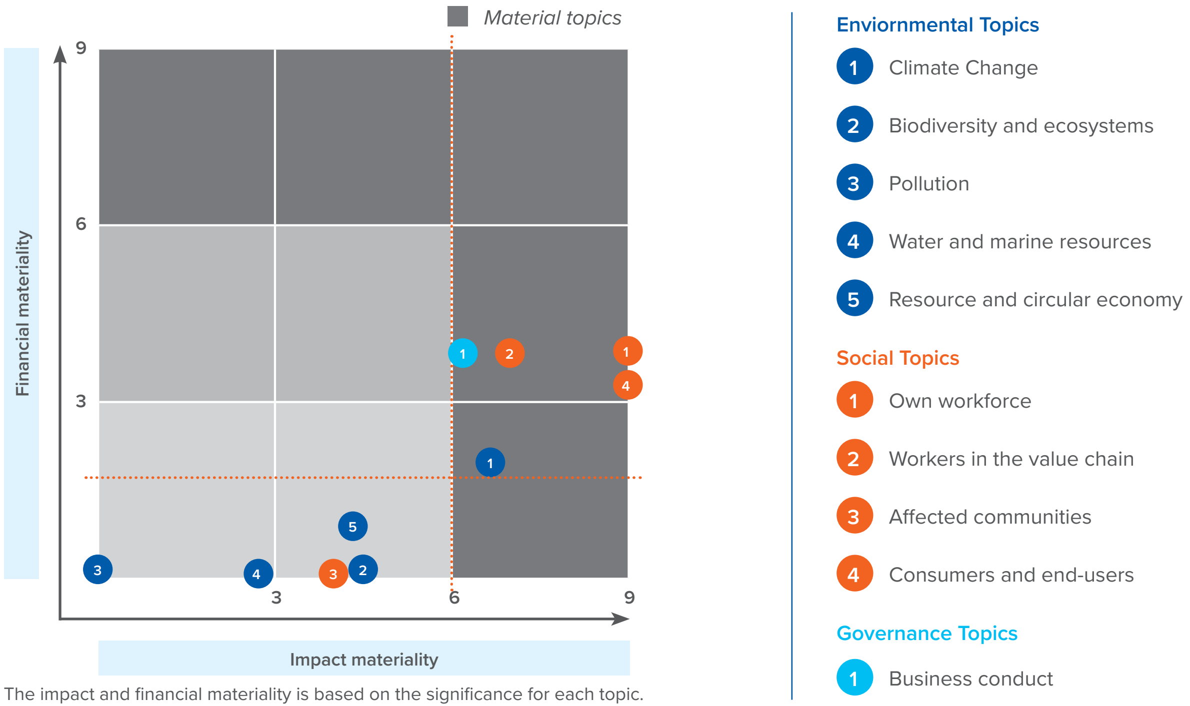


Figure 9. Thresholds to determine material matters

Results from the double materiality assessment on subtopic level

The sub-topics below are the ones that exceeded the threshold and are considered material.

ESRS	Topic	Sub-topic	Impact materiality			Financial materiality	
			Upstream	Own business	Downstream	Risk	Opportunity
E1	Climate change	Climate change mitigation	X	X			
		Energy		X		X	
S1	Own workforce	Working conditions		X		X	X
		Equal opportunities for all		X			
S2	Workers in the value chain	Working conditions	X			X	X
S4	Consumers and end-users	Information related-impacts for consumers and end-users	X			X	
G1	Business conduct	Corruption and bribery		X		X	

Double Materiality Assessment (DMA) process going forward

This year marked Zalaris' first Double Materiality Assessment (DMA), transitioning from a single materiality assessment previously conducted in alignment with GRI standards. The DMA process was meticulously structured to ensure that all decisions influencing the determination of material sustainability matters were based on robust foundations. This included thorough consideration of stakeholder input, industry expertise and alignment with regulatory requirements. Each step of the process was validated by Zalaris' management team and Board of Directors, ensuring strategic alignment and accountability. Going forward, Zalaris aims to refine the DMA process further, incorporating lessons learned to enhance the accuracy and relevance of sustainability disclosures while maintaining transparency and stakeholder engagement.

Zalaris is dedicated to continuously enhancing its Double Materiality Assessment (DMA) process by refining its data sources, broadening stakeholder engagement and expanding scenario analysis. By leveraging more robust data, the company aims to improve the accuracy of impact and dependency assessments, ensuring that the material risks and opportunities identified are based on comprehensive and reliable information. Additionally, Zalaris is committed to engaging a wider range of stakeholders to capture emerging risks and opportunities, ensuring that its assessments remain responsive to evolving trends and expectations. The company is also exploring additional scenarios to evaluate risks and opportunities under a variety of future conditions, further enhancing the robustness of its strategic planning. This integrated approach ensures that Zalaris identifies, assesses and discloses material risks and opportunities in full compliance with IRO 1, Paragraph 53, supporting transparency, accountability and effective decision-making in its sustainability efforts.

As part of our commitment to transparency and in line with the requirements of ESRS 1, paragraph 29, Zalaris will provides the disclosures Climate Change Disclosures (ESRS E1, Paragraphs 20 and 21) (Omission) in the upcoming year.

Disclosure requirements in ESRS covered by Zalaris' sustainability statement [IRO-2]
Zalaris' sustainability statement adheres to the European Sustainability Reporting Standards (ESRS), addressing the Disclosure Requirements (DRs) relevant to the company's identified material impacts, risks and opportunities (IROs). These DRs are disclosed comprehensively throughout the statement, ensuring transparency and compliance with regulatory requirements.

Overview of Disclosure Requirements
This report includes all applicable ESRS DRs, covering environmental, social and governance topics assessed to be material. A detailed list of the DRs and their corresponding sections in this report is provided in the Content Index for ease of reference.

Materiality Determination Process
Zalaris has implemented a structured materiality determination process in compliance with ESRS 1, Section 3.2, which encompasses both impact and financial materiality. The process begins with the identification of sustainability topics that significantly affect people, the environment and the company's broader ecosystem, addressing impact materiality. Financial materiality is then assessed by evaluating how sustainability matters may influence Zalaris' financial performance and enterprise value. The process incorporates both quantitative and qualitative thresholds to determine materiality, ensuring that the analysis is comprehensive and robust. In line with ESRS 1 Paragraph 31, Zalaris conducts a dual assessment of impacts and financial relevance, while also considering the severity, scale and potential influence on stakeholders or the company's financial outcomes as outlined in Paragraph 34. Furthermore, the process applies sector-specific benchmarks and global sustainability standards, as required by ESRS 1 Paragraph 36, to ensure that the materiality assessment reflects both industry-specific considerations and broader sustainability expectations.

Key ESRS Disclosure Requirements Covered Selection of datapoints is based on the DMA:
Climate Change Mitigation (ESRS E1): Targets, metrics and actions for reducing greenhouse gas emissions across Scope 1, 2 and 3 categories, including Zalaris' commitment to achieving Net Zero by 2040.

Own Workforce (ESRS S1): Policies, actions and monitoring related to labor rights, diversity, inclusion and employee well-being, aligned with UN Guiding Principles on Business and Human Rights.

Workers in the Value Chain (ESRS S2): Assessment and management of material impacts, risks and opportunities for workers in the upstream and downstream value chain, including policies to ensure ethical practices and mitigate human rights risks.

Consumers and End-Users (ESRS S4): Privacy, data security and quality information impacts on customers and end-users, including mitigation of risks such as data breaches.

Business Ethics (ESRS G1): Code of Conduct, anti-corruption measures and accountability mechanisms to uphold ethical standards across operations.

Basis for Preparation (1.1): Methodology for preparing the report double materiality assessment processes and stakeholder engagement activities.

Governance and Management (1.2): Oversight and accountability for sustainability topics, including leadership roles and multilevel review processes.

This structured alignment demonstrates Zalaris' commitment to fulfilling the disclosure requirements of ESRS under the CSRD framework, ensuring transparent and robust reporting of its ESG impacts, risks and opportunities.

Table. 7. List of disclosure requirements complied with in preparing the sustainability statement

ESRS	DR	Name of DR	Page
General information			
ESRS 2	BP-1	General Basis for preparation of sustainability statements	29-30
ESRS 2	BP-2	Disclosures in relation to specific circumstances	30
ESRS 2	GOV-1	The role of the administrative, management and supervisory bodies	32-36
ESRS 2	GOV-2	Information provided to and sustainability matters addressed by Zalaris' administrative, management and supervisory bodies	36-37
ESRS 2	GOV-3	Integration of sustainability-related performance in incentive schemes	37
ESRS 2	GOV-4	Statement on due diligence	37
ESRS 2	GOV-5	Risk management and internal controls over sustainability reporting	38-39
ESRS 2	SBM-1	Strategy, business model and value chain	39-41
ESRS 2	SBM-2	Interests and views of stakeholders	41-43
ESRS 2	SBM-3	Material impacts, risks and opportunities and how they interact with its strategy and business model	43-45
ESRS 2	IRO-1	Process to identify and assess material impacts, risks and opportunities	45-58
ESRS 2	IRO-2	Disclosure requirements in ESRS covered by Zalaris' sustainability statement	58-69

ESRS	DR	Name of DR	Page
ESRS S1	S1-10	Adequate wages	98
ESRS S1	S1-11	Social protection	98-99
ESRS S1	S1-12	Persons with disabilities	99
ESRS S1	S1-13	Training and skills development metrics	99
ESRS S1	S1-14	Health and safety metrics	99
ESRS S1	S1-15	Work-life balance metrics	99-100
ESRS S1	S1-16	Remuneration metrics (pay gap and total compensation)	100
ESRS S1	S1-17	Incidents, complaints and severe human rights impacts	100
ESRS S2	S2-1	Policies related to workers in the value chain	102
ESRS S2	S2-2	Processes for engaging with value chain workers about impacts	102
ESRS S2	S2-3	Processes to Remediate Negative Impacts and Channels for Value Chain Workers to Raise Concerns	102
ESRS S2	S2-4	Taking action on material impacts on value chain workers and approaches to managing material risks and pursuing material opportunities related to value chain workers and effectiveness of those actions	102-103
ESRS S2	S2-5	Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	103
ESRS S4	S4-1	Policies related to workers in the value chain	105-106
ESRS S4	S4-2	Processes for engaging with consumers and end-users about impacts	106
ESRS S4	S4-3	Process to remediate negative impacts and channels for consumers and end-users to raise concerns	106-107
ESRS S4	S4-4	Taking action on material impacts on consumers and end-users and approaches to managing material risks and opportunities related to consumers and end-users and effectiveness of those actions	107-109
ESRS S4	S4-5	Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	109

ESRS	DR	Name of DR	Page
Governance information			
ESRS G1	G1-1	Business conduct policies and corporate culture	111-114
ESRS G1	G1-2	Management of relationships with suppliers	114
ESRS G1	G1-3	Prevention and detection of corruption and bribery	114-116
ESRS G1	G1-4	Incidents of corruption or bribery	116-117
ESRS G1	G1-6	Payment practices	117

Summary of ESRS datapoints that derive from other EU legislation and their materiality [ESRS 1, paragraph 35]

Table 8

Disclosure Requirement and related datapoint	Reference	Materiality (material / not material)	Page
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	**SFRD:** Indicator number 13 of Table #1 of Annex 1 **Pillar 3:** EU's Capital Requirements Directive IV (CRD IV) **Benchmark Regulation:** Commission Delegated Regulation (EU) 2020/1816 (5), Annex II	Material	32
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)	**SFRD:** Indicator 13 in Table 1 of Annex I of the SFDR, as specified in Commission Delegated Regulation (EU) 2020/1816 **Pillar 3:** The Capital Requirements Directive IV (CRD IV) **Benchmark Regulation:** Delegated Regulation (EU) 2020/1816, Annex II	Material	32
ESRS 2 GOV-4 Statement on due diligence paragraph 30	**SFRD:** Indicator number 10 Table #3 of Annex 1	Material	37
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	**SFRD:** Indicators number 4 Table #1 of Annex 1 **Pillar 3:** Article 449a Regulation (EU) No 575/2013;Commission Implementing Regulation (EU) 2022/2453 (6)Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on social risk **Benchmark Regulation:** Delegated Regulation (EU) 2020/1816, Annex II	Not material	-
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	**SFRD:** Indicator number 9 Table #2 of Annex 1 **Benchmark Regulation:** Delegated Regulation (EU) 2020/1816, Annex II	Not material	-

Disclosure Requirement and related datapoint	Reference	Materiality (material / not material)	Page
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	**SFRD:** Indicator number 14 Table #1 of Annex 1 **Benchmark Regulation:** Delegated Regulation (EU) 2020/1818 (7), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	Not material	-
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv	**Benchmark Regulation:** Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	Not material	-
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14	**EU Climate Law:** Regulation (EU) 2021/1119, Article 2(1)	Material	79
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	**Pillar 3:** Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking Book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity **Benchmark Regulation:** Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g) and Article 12.2	Material	79
ESRS E1-4 GHG emission reduction targets paragraph 34	**SFRD:** Indicator number 4 Table #2 of Annex 1 **Pillar 3:** Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics **Benchmark Regulation:** Delegated Regulation (EU) 2020/1818, Article 6	Material	80-81
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	**SFRD:** Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1	Material	81
ESRS E1-5 Energy consumption and mix paragraph 37	**SFRD:** Indicator number 5 Table #1 of Annex 1	Material	81
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	**SFRD:** Indicator number 6 Table #1 of Annex 1	Not material	-
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	**SFRD:** Indicators number 1 and 2 Table #1 of Annex 1 **Pillar 3:** Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity **Benchmark Regulation:** Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)	Material	82

Disclosure Requirement and related datapoint	Reference	Materiality (material / not material)	Page
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	**SFRD:** Indicators number 3 Table #1 of Annex 1 **Pillar 3:** Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics **Benchmark Regulation:** Delegated Regulation (EU) 2020/1818, Article 8(1)	Not Material	82-83
ESRS E1-7 GHG removals and carbon credits paragraph 56	**EU Climate Law:** Regulation (EU) 2021/1119, Article 2(1)	Not material	-
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	**Benchmark Regulation:** Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II	Not material	-
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).	**Pillar 3:** Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.	Not material	-
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).	**Pillar 3:** Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral	Not material	-
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69	**Benchmark Regulation:** Delegated Regulation (EU) 2020/1818, Annex II	Not material	-
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	**SFRD:** Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1	Not material	-
ESRS E3-1 Water and marine resources paragraph 9	**SFRD:** Indicator number 7 Table #2 of Annex 1	Not material	-
ESRS E3-1 Dedicated policy paragraph 13	**SFRD:** Indicator number 8 Table 2 of Annex 1	Not material	-
ESRS E3-1 Sustainable oceans and seas paragraph 14	**SFRD:** Indicator number 12 Table #2 of Annex 1	Not material	-

Disclosure Requirement and related datapoint	Reference	Materiality (material / not material)	Page
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	**SFRD:** Indicator number 6.2 Table #2 of Annex 1	Not material	-
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	**SFRD:** Indicator number 6.1 Table #2 of Annex 1	Not material	-
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	**SFRD:** Indicator number 7 Table #1 of Annex 1	Not Material	-
ESRS 2- SBM 3 - E4 paragraph 16 (b)	**SFRD:** Indicator number 10 Table #2 of Annex 1	Not Material	-
ESRS 2- SBM 3 - E4 Paragraph 16 (c)	**SFRD:** Indicator number 14 Table #2 of Annex 1	Not Material	-
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	**SFRD:** Indicator number 11 Table #2 of Annex 1	Not material	-
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	**SFRD:** Indicator number 12 Table #2 of Annex 1	Not material	-
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	**SFRD:** Indicator number 15 Table #2 of Annex 1	Not material	-
ESRS E5-5 Non-recycled waste paragraph 37 (d)	**SFRD:** Indicator number 13 Table #2 of Annex 1	Not material	-
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	**SFRD:** Indicator number 9 Table #1 of Annex 1	Not material	-
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	**SFRD:** Indicator number 13 Table #3 of Annex I	Material	88-90
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	**SFRD:** Indicator number 12 Table #3 of Annex I	Material	88-90
ESRS S1-1 Human rights policy commitments paragraph 20	**SFRD:** Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I	Material	91

Disclosure Requirement and related datapoint	Reference	Materiality (material / not material)	Page
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 21	**Benchmark Regulation:** Delegated Regulation (EU) 2020/1816, Annex II	Material	91
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	**SFRD:** Indicator number 11 Table #3 of Annex I	Material	91
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	**SFRD:** Indicator number 1 Table #3 of Annex I	Material	91
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	**SFRD:** Indicator number 5 Table #3 of Annex I	Material	92
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	**SFRD:**: Indicator number 2 Table #3 of Annex I **Benchmark Regulation:** Delegated Regulation (EU) 2020/1816, Annex II	Material	99
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	**SFRD:** Indicator number 3 Table #3 of Annex I	Material	99
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	**SFRD:** Indicator number 12 Table #1 of Annex I **Benchmark Regulation:** Delegated Regulation (EU) 2020/1816, Annex II	Material	100
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	**SFRD:** Indicator number 8 Table #3 of Annex I	Material	100
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	**SFRD:** Indicator number 7 Table #3 of Annex I	Material	100
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	**SFRD:** Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I **Benchmark Regulation:** Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	Not Material	-
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	**SFRD:** Indicators number 12 and n. 13 Table #3 of Annex I	Material	101

Disclosure Requirement and related datapoint	Reference	Materiality (material / not material)	Page
ESRS S2-1 Human rights policy commitments paragraph 17	**SFRD:** Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1	Material	102
ESRS S2-1 Policies related to value chain workers paragraph 18	**SFRD:** Indicator number 11 and n. 4 Table #3 of Annex 1	Material	102
ESRS S2-1Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	**SFRD:** Indicator number 10 Table #1 of Annex 1 **Benchmark Regulation:** Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	Not Material	-
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 19	**Benchmark Regulation:** Delegated Regulation (EU) 2020/1816, Annex II	Material	102
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	**SFRD:** Indicator number 14 Table #3 of Annex 1	Material	102-103
ESRS S3-1 Human rights policy commitments paragraph 16	**SFRD:** Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1	Not material	-
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	**SFRD:** Indicator number 10 Table #1 Annex 1 **Benchmark Regulation:** Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	Not material	-
ESRS S3-4 Human rights issues and incidents paragraph 36	**SFRD:** Indicator number 14 Table #3 of Annex 1	Not material	-
ESRS S4-1 Policies related to consumers and end-users paragraph 16	**SFRD:** Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1	Material	105-106
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	**SFRD:** Indicator number 10 Table #1 of Annex 1 **Benchmark Regulation:** Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	Material	105-106
ESRS S4-4 Human rights issues and incidents paragraph 35	**SFRD:** Indicator number 14 Table #3 of Annex 1	Material	107-109
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	**SFRD:** Indicator number 15 Table #3 of Annex 1	Not Material	-

Disclosure Requirement and related datapoint	Reference	Materiality (material / not material)	Page
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	**SFRD:** Indicator number 6 Table #3 of Annex 1	Material	111
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	**SFRD:** Indicator number 17 Table #3 of Annex 1 **Benchmark Regulation:** Delegated Regulation (EU) 2020/1816, Annex II)	Material	116
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)	**SFRD:** Indicator number 16 Table #3 of Annex 1	Material	116

(1) Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosures Regulation) (OJ L 317, 9.12.2019, p. 1).

(2) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation 'CRR') (OJ L 176, 27.6.2013, p. 1).

(3) Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

(4) Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).

(5) Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1).

(6) Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJ L 324,19.12.2022, p.1.).

(7) Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).

Zalaris policy

Table 9. Consolidated List of Zalaris' policies referenced within this Sustainability Statement

Policies / Access	Page
Information Security Policy zalaris.com/about-zalaris	99 and 105
Code of Conduct in Zalaris https://zalaris.com/about-zalaris/zalaris-quality-policy/	35, 44, 59, 91, 92, 98, 102, 105, 110-115

4.2 Environmental information

4.2.1 EU Taxonomy [Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)]

This section presents Zalaris' reporting on economic activities and related key performance indicators (KPIs) in accordance with the EU Taxonomy Regulation 2020/852 and delegated acts. As a large Public Interest Entity (PIE) with more than 1,000 employees, Zalaris is subject to the reporting requirements under the Non-Financial Reporting Directive (NFRD) and its successor, the Corporate Sustainability Reporting Directive (CSRD).

Consequently, Zalaris must disclose the extent to which its business activities align with the environmental criteria set out in the EU Taxonomy.

As a non-financial company, Zalaris reports on its revenue (turnover), capital expenditures (CapEx) and operating expenses (OpEx) that are linked to Taxonomy-eligible and or -aligned activities, ensuring compliance with the Taxonomy Regulation.

EU Taxonomy and Environmental Objectives for 2024

The EU Taxonomy establishes six key environmental objectives, which serve as the foundation for Zalaris' taxonomy disclosures for 2024. These objectives include climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems.

Methodology

Eligibility Assessment

Zalaris has conducted an assessment of its economic activities in relation to the EU Taxonomy and has identified Taxonomy-eligible activities based on the delegated acts adopted under Regulation (EU) 2020/852.

Taxonomy-Eligible Activities

Sector: 8. Information and Communication

- Activity: 8.1. Data Processing, Hosting and Related Activities – Climate change mitigation
- This activity includes the storage and processing of data through data centres, including edge computing. These activities represent only a minor part of Zalaris' total economic activities; thus, the proportion of eligible activities is low.
- Status: Taxonomy-eligible but not currently aligned.
- Financial Metrics for 2024: Zalaris derived 4.5% of its turnover, 0.0% of its CapEx, and 8.8% of its OpEx from taxonomy-eligible but not taxonomy-aligned activities, while the remaining 95.5% of turnover, 100% of CapEx and 91.2% of OpEx were from non-eligible activities.

Alignment Assessment

Zalaris has evaluated the alignment of its eligible activities with the EU Taxonomy's environmental objectives. The company does not operate its own data centers but relies on third-party providers. Engagements with these providers have been initiated to assess compliance with the Taxonomy's technical screening criteria.

The criteria relate to the Climate Change Mitigation objective. Our data hosting providers have been assessed to not meet the thresholds for global warming potential (GWP) of refrigerants under the technical screening criteria for climate change mitigation.

- Energy efficiency in data centers (Activity 8.1: Data processing, hosting, and related activities)
- Technical screening criteria for refrigeration and cooling systems, which set limits on the GWP of refrigerants to reduce greenhouse gas emissions.
- The criteria under the doing no significant harm (DNSH) principle towards any other environmental objective has not been assessed in detail by Zalaris in 2024, due to Zalaris' not meeting the alignment criteria for substantial contribution

Since one provider which is responsible for 50-55% of the data hosting activity does not meet the criteria for substantial contribution, the activity is not considered aligned with the EU Taxonomy under the Climate Change Mitigation objective.

Eligibility & alignment disclosure for turnover, CapEx & OpEx

Environmental objective	Taxonomy-Aligned turnover per Objective (%)	Taxonomy-Eligible turnover per Objective (%)
CCM (Climate Change Mitigation)	0%	4.5%
CCA (Climate Change Adaptation)	0%	0%
WTR (Water & Marine Resources)	0%	0%
CE (Circular Economy)	0%	0%
PPC (Pollution Prevention & Control)	0%	0%
BIO (Biodiversity & Ecosystems)	0%	0%

Environmental objective	Taxonomy-Aligned CapEx per Objective (%)	Taxonomy-Eligible CapEx per Objective (%)
CCM (Climate Change Mitigation)	0%	0%
CCA (Climate Change Adaptation)	0%	0%
WTR (Water & Marine Resources)	0%	0%
CE (Circular Economy)	0%	0%
PPC (Pollution Prevention & Control)	0%	0%
BIO (Biodiversity & Ecosystems)	0%	0%

Environmental objective	Taxonomy-Aligned OpEx per Objective (%)	Taxonomy-Eligible Opex per Objective (%)
CCM (Climate Change Mitigation)	0%	8.8%
CCA (Climate Change Adaptation)	0%	0%
WTR (Water & Marine Resources)	0%	0%
CE (Circular Economy)	0%	0%
PPC (Pollution Prevention & Control)	0%	0%
BIO (Biodiversity & Ecosystems)	0%	0%

Reporting for 2024

Zalaris' financial statements for 2024 have been prepared in accordance with IFRS standards as adopted by the EU. The financial data used to allocate turnover, CapEx, and OpEx has been derived from these statements, ensuring the elimination of double counting.

- **Turnover**: The calculation of taxonomy-eligible turnover is based on Client Margin 28.1% as the reference point. This margin is applied to invoices from data centre operators, as Zalaris does not charge clients separately for hosting services.

The client margin is determined using the following methodology:

  - Client Margin = Revenue – Cost
  - Client Margin Percentage = (Client Margin / Revenue) × 100

Please refer to the financials for the note 2 on page number 126.

- **CapEx**: Due to reliance on third-party data centers, Zalaris incurs no CapEx related to taxonomy-eligible activities. Please refer to the financials for the note 8,9, 10 on Page number 135-138.
- **OpEx**: The allocation of taxonomy-eligible OpEx is based on the overall operating expenses. In Opex taxonomy calculation we have not included employee expenses and long-term leasing. All other direct operating expenses have been considered for eligibility criteria.

Future reports will continue to document the company's engagement efforts, including further steps towards alignment with EU Taxonomy criteria.

Minimum safeguards

An in-depth assessment of compliance with the Minimum Safeguards to assess taxonomy-alignment has not been evaluated in detail for 2024, due to Zalaris' economic activity not meeting the alignment criteria for substantial contribution

Zalaris EU taxonomy results

For detailed information on the proportion of turnover from products or services associated with taxonomy-aligned & taxonomy-eligible economic activities, as well as CapEx and OpEx disclosures for the year 2024 is shown in the tables below.

KPI turnover

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial Year 2024	*2024*			Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)									
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Turnover, 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		NOK million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Data processing, hosting and related activities	CCM 8.1/CCA 8.1	0,0	0,0 %														n/a		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0,0**	**0,0 %**														**n/a**		
Of which Enabling		0,0	0,0 %														n/a		
Of which Transitional		0,0	0,0 %														n/a		
A.2 Taxonomy Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Data processing, hosting and related activities	CCM 8.1/CCA 8.1	60,7	4,5 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								4,10 %		
Turnover of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		60,7	4,5 %														4,10 %		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		60,7	4,5 %														4,10 %		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy non-eligible activities		1 285,6	95,5 %																
TOTAL		1 346,3	100,0 %																

KPI CapEx

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial Year 2024	*2024*			Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)									
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		NOK million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Data processing, hosting and related activities	CCM 8.1/CCA 8.1	0,0	0,0 %														n/a		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0,0**	**0,0 %**														**n/a**		
Of which Enabling		0,0	0,0 %														n/a		
Of which Transitional		0,0	0,0 %														n/a		
A.2 Taxonomy Eligible but not environmentally sustainable activities (not Taconomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Data processing, hosting and related activities	CCM 8.1/CCA 8.1	0,0	0,0 %														n/a		
CapEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0,0	0,0 %														n/a		
A. CapEx of Taxonomy eligible (A.1+A.2)		0,0	0,0 %														n/a		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy non-eligible activities		28,4	100,0 %																
TOTAL		**28,4**	**100,0 %**																

KPI Opex

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial Year N	*2024*			Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)									
Economic Activities (1)	Code (2)	OpEx (3)	Proportion of Opex, 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		NOK million	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Data processing, hosting and related activities	CCM 8.1/CCA 8.1	0,0	0,0 %														n/a		
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0,0**	**0,0 %**														**n/a**		
Of which Enabling		0,0	0,0 %														n/a		
Of which Transitional		0,0	0,0 %														n/a		
A.2 Taxonomy Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Data processing, hosting and related activities	CCM 8.1/CCA 8.1	47,4	8,8 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3,50 %		
Opex of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		47,4	8,8 %														3,50 %		
A. Opex of Taxonomy eligible activities (A.1+A.2)		47,4	8,8 %														3,50 %		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Opex of Taxonomy non-eligible activities		493,6	91,2 %																
TOTAL		**541,0**	**100,0 %**																

Nuclear and fossil gas related activities		
Row	**Nuclear energy related activities**	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

4.2.2. Climate change [ESRS E1]

At Zalaris, addressing climate change is integral to our commitment to sustainability. As a leading provider of cloud-based HR and payroll services, we recognize the growing urgency to mitigate our environmental impact. While our business operates in a relatively low-carbon sector, we are focused on reducing our carbon footprint through energy efficiency, responsible sourcing and partnering with sustainable data center providers. We actively assess our operations and value chain to align with global climate goals and contribute to a low-carbon economy. Our climate strategy includes reducing emissions, supporting renewable energy and striving for transparency in reporting our environmental performance in accordance with the EU Taxonomy and other sustainability frameworks. Through these efforts, Zalaris aims to contribute meaningfully to climate change mitigation and adaptation while ensuring long-term value for our stakeholders.

Topic ID	Topic	IRO description	Impact (I), Risk (R) or Opportunity (O)	Time frame	Own operations/ value chain	Positive or negative	Actual or potential
E-1	Climate change	Zalaris' CO_2 app helps customers reduce their emissions in line with their sustainability goals. Expanding the app offers an opportunity to tap into the increasing demand for emissions reduction solutions. By improving its features and extending its market presence, Zalaris can unlock new revenue streams from environmental services.	O	(Short 1)	Value Chain	Positive	Potential (P)
E-1	Climate change	Zalaris operates office spaces with limited energy consumption, which helps lower its exposure to rising energy costs. While increased energy prices may present financial risks, the company's small office footprint means the impact on EBIT remains minimal.	R	(Short 1)	Own Operations	Negative	Potential (P)
E-1	Climate change	Zalaris relies on data centres to run its software, and power interruptions may disrupt salary payments, leading to reputational damage, revenue loss, and higher costs if frequent. While data centres account for 2% of global GHG emissions, Zalaris has a relatively low upstream impact due to its smaller scale and mainly uses centres powered by renewable energy.	R	(Short 1)	Value Chain	Negative	Potential (P)
E-1	Climate change	Zalaris is dependent on data centres to run the software solution. Globally, data centres stand for 2% of all GHG emissions.	I	(Short 1)	Upstream	Negative	Actual (A)
E-1	Climate change	Zalaris has employees on different continents, which requires some business travelling that cause GHG emissions.	I	(Short 1)	Own Operations	Negative	Actual (A)
E-1	Climate change	Zalaris utilizes office facilities that require energy consumption. The datacentres, offices are powered by electricity from high-emission grid sources, while the majority are powered by renewable energy.	I	(Short 1)	Upstream	Negative	Actual (A)
E-1	Climate change	Zalaris utilizes office facilities that require energy consumption. In Zalaris' locations, the offices are powered by electricity from high-emission grid sources, while the majority are powered by renewable energy.	I	(Short 1)	Own Operations	Negative	Actual (A)

Climate change Strategy

Transition plan for climate change mitigation [E1-1]

Currently Zalaris do not have any climate policy, but we have registering for the Science Based Targets (SBT) initiative by January 2025, marking a crucial step in our commitment to reducing greenhouse gas emissions in line with the Paris Agreement. By setting and pursuing these targets, we aim to align our climate action strategies with global efforts to limit temperature rise, demonstrating our dedication to a sustainable, low-carbon in the upcoming years. However, Zalaris has phased in the transition plan and in the process of developing a transition plan compliant with the requirements in ESRS E1-1 in the upcoming year.

Climate change IRO Management

Policies related to climate change mitigation and adaptation [E1-2]

Currently Zalaris do not have any climate policy, related to climate change mitigation and adaptation due to the data unavailability in previous year. We have fixed 2024 as the base year and are working on it. However, Zalaris is in the process of developing policies related to climate change mitigation and adaptation compliant with the requirements in ESRS E1-2 in the upcoming year.

Actions and resources in relation to climate change policies [E1-3]

Zalaris is committed to reducing greenhouse gas (GHG) emissions and aligning with global climate goals. While a formal climate policy is yet to be established, the company has committed to the Science Based Targets (SBT) initiative and aims to finalize a transition plan (ESRS E1-1) by December 2025.

Actions & Resource Allocation

As this is Zalaris' first year of CSRD reporting, the company currently has no significant operational or capital expenditures (CapEx) planned for climate actions under ESRS 2 MDR-A. No financial resources have been allocated to sustainable finance instruments, such as green bonds or loans. However, future financial planning will consider such investments in alignment with ESRS requirements. Zalaris will report on anticipated reductions in the next reporting cycle.

Action	Resources Allocated	Target	Link to IRO	Time Horizon	Progress	Expected Outcome
Renewable Energy Transition	Dedicated Sustainability Team Renewable Energy Procurement	Power 100% of offices with renewable electricity	Climate change	2028	Initiation of project	Short term – to establish a plan to reach that target. Long term: 100% of offices with renewable electricity
Business Travel Emissions Reduction	Employee Training & Awareness Technology and Systems	Reduce Scope 3 business travel emissions by 25% by 2025 and 40% by 2030	Climate change	2025, 2030	transition to virtual meetings	Reduced business travel emissions
GHG Data Management and Reporting	Dedicated Sustainability Team Technology and Systems	Monthly data collection on energy consumption with a multilevel review process	Climate change	Ongoing	System in place	Improved accuracy in emissions reporting
Supplier Engagement on Sustainability	Sustainable procurement initiatives Employee Training & Awareness	Improve Scope 3 emissions tracking across the value chain	Climate change	Not set	Enhancing supplier compliance	Better EcoVadis scores and sustainability impact

CapEx & OpEx Financial Disclosures

- No CapEx is currently allocated to energy transition; future investments will be strategically assessed.

- Operational expenses (OpEx) related to energy efficiency, IT upgrades, and sustainable procurement are integrated into financial planning.
- Key climate-related financial metrics, such as GHG emissions per revenue unit and renewable energy use, align with EU Taxonomy and ESRS reporting requirements.

Alignment with CapEx Plan Under EU Regulation (EU) 2021/2178
Since there are no current CapEx allocations toward energy transition, there is no direct linkage to the CapEx plan required by Commission Delegated Regulation (EU) 2021/2178. However, should energy transition investments become necessary in the future, Zalaris will facilitate that the financial implications are properly disclosed in compliance with EU regulations.

Climate change Climate change Metrics and Targets

Targets related to climate change mitigation and adaptation [E1-4]
In 2023, Zalaris set its initial climate targets with input from the management team and board members, ensuring alignment with strategic priorities. These targets were based on a location-based emissions approach. Zalaris' new climate targets, aligned with the Science Based Targets initiative (SBTi), are still under discussion.

Zalaris acknowledges that its GHG reduction targets are not currently based on conclusive scientific evidence, such as those defined by the Science Based Targets initiative (SBTi) or other climate science frameworks.

As 2024 is the base year for climate change targets Zalaris cannot report on progress in the reporting year.

Table 10. Zalaris has committed to the following climate change mitigation and adaptation targets:

Target	Scope	Baseline Value 2024	Target Year	Decarbonization Lever
Net Zero by 2040	Scope 1, 2, 3	1,516.97 metric tons CO2e	2040	Renewable energy transition, business travel reduction, Transition to Electric Vehicles
100% renewable energy by 2028	Scope 2	318.44 metric tons CO2e	2028**	Transition to renewable electricity
Reduce business travel emissions by 40% by 2030	Scope 3	1,025.59 metric tons CO2e	2025, 2030	Reduction in business travel emissions (Scope 3) through remote work policies and alternative travel methods, expected to achieve a 25% reduction by 2025 and 40% y 2030

** 2025 was the original target as per previous reports, 2028 is the revised target year

Ensuring the Representativeness of Baseline Values

- Representative Baseline: Zalaris has made sure that the baseline value for each target is reflective of its core activities by averaging GHG emissions data over the previous year.
- Changes to the Baseline: If Zalaris experiences significant changes to its business operations or reporting boundaries, such as expansion into new markets or adoption of additional data centres, the baseline year and values may be recalibrated to reflect the updated scope.

To measure progress, Zalaris has established specific KPIs across material sustainability topics.

We are in the process of monitoring our progress toward the climate change targets mentioned. A comprehensive table outlining this progress will be included in our report for the upcoming year, reflecting measurable achievements against our stated goals.

Energy consumption and mix [E1-5]

Zalaris' energy consumption and mix are presented in the tables below, offering a transparent view of the energy sources used in our operations. Given that Zalaris operates outside high climate impact sectors, further breakdown of fossil-based energy consumption is deemed unnecessary. Additionally, as Zalaris does not engage in energy production—whether renewable or non-renewable no metrics related to energy generation are included in this disclosure.

Zalaris has not disclosed fuel consumption from natural gas because it does not have direct operations that utilize natural gas. As the company outsources activities that typically involve fuel combustion, there are no relevant Scope 1 emissions from natural gas consumption within its operational boundaries.

This approach aligns with Zalaris' commitment to transparency in reporting while focusing on areas where our activities have a more substantial environmental impact, ensuring our sustainability disclosures are both relevant and comprehensive.

Table 11. Total energy consumption (MWh) related to Zalaris' own operations

	Energy consumption and mix of Zalaris' operations	Comparative: 2023	2024
1	Total fossil energy consumption (MWh)	302.22	384.02
	Share of fossil sources in total energy consumption (%)	26.59%	28.51%
2	Consumption from nuclear sources (MWh)	32.91	52.75
	Share of consumption of nuclear sources in total energy consumption (%)	2.90%	3.92%
3	Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen etc.) (MWh)	0	0
4	Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh)	801.59	910.39
5	The consumption of self-generated non-fuel renewable energy (MWh)	0	0
6	Total renewable energy consumption (MWh) (sum of lines 3 to 5)	801.59	910.39
	Share of renewable sources in total energy consumption (%)	70.52%	67.58%
	Total energy consumption (MWh) (sum of lines 1, 2 and 6)	1,136.62	1,347.16

Gross Scopes 1, 2, 3 and Total GHG emissions [E1-6]

In 2024, Zalaris' total greenhouse gas (GHG) emissions amounted to 1,516.97 tonnes of CO_2 equivalent. The emissions breakdown by scope reveals that the majority of emissions were concentrated within Scope [1, 2, or 3], reflecting our operations and primary areas of impact. This summary is based on the GHG Protocol and prepared in accordance with the Global Reporting Initiative (GRI) standards.

Since 2024 is Zalaris' baseline year for emissions reporting, no reductions have been implemented yet. However, we are committed to closely tracking our emissions and have established specific reduction targets, particularly for Scope 2 (office energy use) and Scope 3 (business travel). The table below presents our GHG emissions across Scopes 1, 2, and 3, serving as a foundation for measuring progress and identifying areas for future improvement. While this year marks the starting point for data collection, measurable reductions will be reflected in subsequent years as we implement targeted actions.

Table 12. Scope 1, 2 and 3 GHG emissions

		2024 (Base year)
	Scope 1 GHG emissions	
	Gross Scope 1 GHG emissions (tCO2eq) (Leased car, Stationary Combustion)	172.94
	Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	N/A
	Scope 2 GHG emissions	
	Gross locations-based Scope 2 GHG emissions (tCO2eq)	318.44
	Gross market-based Scope 2 GHG emissions (tCO2eq)	847.33
	Significant scope 3 GHG emissions	
	Total Gross indirect (Scope 3) GHG emissions (tCO2eq)	1,025.59
1	Purchased goods and services [cloud computing and data centre services]	14.27
2	Capital goods (IT assets laptop, Mobile ,Monitor, YubiKey, Webcam, headset, Wi-Fi route, USB dock)	17.47
3	Fuel and energy-related activities (not included in Scope 1 or Scope 2)	N/A
4	Upstream transportation and distribution	N/A
5	Waste generated in operations	Not calculated
6	Business travel (travel and hotel)	518.52
7	Employee commuting	475.33
8	Upstream leased assets	N/A
9	Downstream transportation	N/A
10	Processing of sold products	N/A
		2024 (Base year)
13	Downstream leased assets	N/A
14	Franchises	N/A
15	Investments	N/A
	Total GHG emissions	
	Total GHG emissions (location-based) (tCO2eq)	1,516.97
	Total GHG emissions (market-based) (tCO2eq)	2,045.78

Scope 1: DEFRA conversion factor

Scope 2 (Location-based): IEA region-specific emission factors (2024)

Scope 2 (Market-based): Residual Mix Factors (AIB 2023 dataset)

Scope 3 (Business Travel): Climatiq API, DEFRA

Scope 3 (Capital goods): US EPA

Scope 3 (Employee commuting): DEFRA

Scope 3 (Purchases goods); Emission data directly from data hosting partner

GHG intensity based on net revenue

Table below shows Zalaris’ total GHG emissions per million 1,346,282 NOK. The numbers for net revenue are collected from Zalaris’ annual/integrated report for 2024.

Table 13 – GHG intensity per net revenue

GHG intensity per net revenue	Comparative (2023)	N (2024)	% N / N-1
Total GHG emissions (location-based) per net revenue (tCO2eq/NOK)	0.000000477	0.000001127	136.38%
Total GHG emissions (market-based) per net revenue (tCO2eq/NOK)	0.000000477	0.000001520	218.78%

Net revenue used to calculate GHG intensity	1,346,282,000 NOK
Net revenue (other)	-
Total net revenue (in financial statements)	1,346,282,000 NOK

Basis of Preparation of Climate Accounts

Zalaris’ GHG emissions accounting covers Scope 1, Scope 2 and Scope 3 emissions and is prepared in accordance with the GHG protocol.

Disclosure of Significant Changes in Definition of Reporting Undertaking and Value Chain & Their Effect on GHG Comparability

For the reporting period, there were no significant changes in the definition of Zalaris' reporting boundaries or value chain that would impact the comparability of year-to-year GHG emissions. The methodology for calculating Scope 1, 2, and 3 emissions remains consistent with the prior year to facilitate accurate trend analysis.

Disclosure of Significant Events and Changes in Circumstances Affecting GHG Emissions

During the reporting period, no significant events or structural changes occurred within Zalaris or its value chain that materially affected GHG emissions. Business operations continued as planned, with no acquisitions, divestitures, or major operational shifts impacting the GHG inventory.

Zalaris’ GHG emissions accounting is also prepared in accordance with ESRS 1, paragraphs 62-67, in that it reflects the same reporting undertaking as the financial statements, however it is extended to include material upstream and downstream value chain information. Furthermore, Zalaris has included GHG emissions in accordance with its operational control.

Disclosure of Significant Events and Changes in Circumstances Affecting GHG Emissions

During the reporting period, no significant events or structural changes occurred within Zalaris or its value chain that materially affected GHG emissions. Business operations continued as planned, with no acquisitions, divestitures, or major operational shifts impacting the GHG inventory.

Zalaris’ GHG emissions accounting is also prepared in accordance with ESRS 1, paragraphs 62-67, in that it reflects the same reporting undertaking as the financial statements, however it is extended to include material upstream and downstream value chain information. Furthermore, Zalaris has included GHG emissions in accordance with its operational control.

Scope 1 Emissions

Zalaris reports Scope 1 emissions from leased company cars in Germany and Poland. In cases where the fuel type was not specified on invoices, diesel was assumed as the default. These emissions are directly linked to fuel consumption within Zalaris' operational control.

Scope 2 Emissions

Scope 2 greenhouse gas (GHG) emissions represent indirect emissions from the generation of purchased electricity and district heating & cooling used by the company. Since these emissions occur at the energy generation facility rather than at Zalaris' offices, they are classified as indirect emissions.

Accounting Principles for Scope 2 Emissions

Zalaris calculates Scope 2 emissions using both market-based and location-based approaches:

- Market-Based Approach: Uses residual mix emission factors to reflect supplier-specific energy sourcing. Energy mix data is sourced from the European Residual Mix 2023.
- Location-Based Approach: Applies national or regional grid-average emission factors to reflect the energy mix within a given region. The latest 2024 IEA country factors are used for these calculations.

Energy Consumption & Estimation Assumptions

To enhance accuracy, Zalaris applies emissions factors provided by the International Energy Agency (IEA), allowing for precise calculations that reflect the unique energy mix of each operational location. When estimating energy consumption:

- If office-specific data is unavailable, industry benchmarks are used.
- If only partial invoice data is available, missing months are extrapolated based on existing records.
- If invoices provide only cost information without energy consumption details, estimates are derived using regional electricity price averages.

Scope 3 Emissions

Zalaris' Scope 3 emissions cover indirect emissions from activities under its direct operational control, aligning with the GHG Protocol Corporate Standard.

Accounting Principles for Scope 3 Emissions

The most relevant Scope 3 categories for Zalaris include:

1. Business Travel – Calculated based on travel records, including flight class, transport type, and distance travelled.
2. Employee Commuting – Estimated using an employee commute survey, with 50% of data extrapolated to represent the full workforce.
3. Purchased Goods & Services – Emissions from data center services are estimated based on invoices and energy usage data from third-party providers.
4. Capital Goods (IT Assets) – Includes emissions from the procurement of IT equipment such as laptops, servers, and other electronic devices. The emissions associated with these purchases are estimated based on supplier-provided data or industry average emission factors for electronic goods.

As a global IT and consulting firm, Zalaris' operations involve business travel, including air travel and road trips, which significantly contribute to CO_2 emissions. In 2024, travel activities had a notable environmental impact, prompting a comprehensive analysis of travel and expense data to improve emission tracking and mitigation efforts.

Table 14. Scope 3 GHG emissions boundary and sources

S.No	Category	Included in reporting? (yes /no)	Reasoning (if excluded)	Data Source (primary data, estimated)	Estimation methodology, if applicable	% of GHG emissions calculated using primary data
1	Purchased goods and services (Optional sub-category: cloud computing and data center services)	Yes	-	Data centre emissions provided from the vendor	Where current-year data was unavailable, the previous year's figures were used as a reference	100%
2	Capital goods	Yes	-	IT equipment (Laptop emissions based on the Cost)	Electronics were categorized based on standard classifications, and appropriate emission factors were applied accordingly.	100%
3	Fuel and energy-related activities (not included in Scope 1 or Scope 2)	No	We don't have fuel & energy related activities as we are service based	-	-	-
4	Upstream transportation and distribution	No	no physical supply chain, making upstream transportation and distribution emissions immaterial.	-	-	-
5	Waste generated in operations	No	We have not calculated any waste, as we adhere to a circular economy approach where all IT equipment is recycled or refurbished	-	-	-
6	Business travel	Yes	-	Business travel (air, taxi, car, hotel)	Emissions from flights, rental cars, taxis, and hotels were determined using a CO_2 tracking tool (Climatiq API).	100%
7	Employee commuting	Yes	-	Based on employee commute survey	Data was collected via a company-wide survey. Responses were validated, and extrapolation was applied to represent the entire workforce where necessary.	20%
8	Upstream leased assets	No	Zalaris does not own or lease significant operational assets upstream	-	-	-
9	Downstream transportation	No	Zalaris provides digital services, eliminating logistics-related emissions since it neither produces nor transports physical goods.	-	-	-
10	Processing of sold products	No	Since Zalaris offers software-driven HR & Payroll solutions, there are no tangible products that undergo further processing by customers.	-	-	-
11	Use of sold products	No	Zalaris' HR and payroll services are intangible and emission-free during use, unlike physical products like electronics or vehicles.	-	-	-

S.No	Category	Included in reporting? (yes /no)	Reasoning (if excluded)	Data Source (primary data, estimated)	Estimation methodology, if applicable	% of GHG emissions calculated using primary data
12	End-of-life treatment of sold products	No	As Zalaris does not sell physical products, there is no waste or disposal impact to consider in the Scope 3 emissions inventory.	-	-	-
13	Downstream leased assets	No	Zalaris does not lease assets to third parties; all leased properties (e.g., office spaces) are accounted for under Scope 2.	-	-	-
14	Franchises	No	Zalaris does not operate under a franchise model nor does it have franchisees, making this category irrelevant.	-	-	-
15	Investments	No	Zalaris does not manage an investment portfolio with financial stakes in other businesses, so this category does not contribute to Scope 3 emissions.	-	-	-

4.3 Social information

At Zalaris, corporate ethics and social responsibility form the cornerstone of our business operations and strategic priorities. We are deeply committed to fostering a positive impact on society, prioritizing the well-being of our workforce, value chain workers, consumers and end-users. By embedding ethical principles into our governance, policies and daily practices, Zalaris strives to uphold human rights, promote fairness and inclusion and support sustainable development across all our activities. Through continuous engagement with stakeholders and transparent reporting, we aim to promote accountability and drive meaningful progress in addressing social challenges and opportunities. This commitment underscores our dedication to creating long-term value for our stakeholders and the communities we serve.

4.3.1 Own workforce [ESRS S1]

Own workforce IRO Management

Zalaris includes all employees who may be materially impacted by its operations in its sustainability disclosures, covering corporate staff, remote workers, and outsourced roles. The company actively supports its workforce through career development programs, wellness initiatives, and flexible work arrangements, ensuring positive impacts on employees in different roles. The identified material risks include employee turnover and burnout, while opportunities lie in engagement programs, mental health support, and leveraging technology to improve work conditions.

Workforce groups face different risks and opportunities, such as accessibility needs or job-related stress, which Zalaris addresses through inclusion initiatives and wellness programs. Zalaris has not done an assessment to identify people with characteristics of higher risk in 2024. Zalaris business does not operate in a country where there is higher risk of forced or child labour. There are no operations at significant risk of incidents related to forced labour or child labour, as all Zalaris employees work in corporate, white-collar roles.

Zalaris believes there are no instances of negative human rights impacts within our operations or value chain. We remain vigilant and dedicated to continuous monitoring and improvement to uphold and advance human rights in all facets of our business.

Zalaris operates with a corporate, white-collar workforce and does not have employees in vulnerable groups at risk of systemic human rights violations. However, we remain committed to fostering an inclusive and equitable workplace. Our diversity and inclusion framework promotes fair hiring, equal opportunity, and access to career growth for all employees. These measures reinforce Zalaris' dedication to maintaining a fair and inclusive work environment.

Furthermore, Zalaris continuously assesses risks and opportunities related to its workforce, particularly in the context of transitioning to greener and climate-neutral operations. The company considers potential impacts on employees and implements reskilling and upskilling initiatives to align with sustainable business transformations.

Topic ID	Topic	IRO description	Impact (I), Risk (R) or Opportunity (O)	Time frame	Own operations/ value chain	Positive or negative	Actual or potential
S-1	Own workforce	When employees quit working at Zalaris, there is a risk of increased recruitment and training costs related to new personnel.	R	(Short 1y)	Own Operations	Negative	Potential
S-1	Own workforce	Zalaris can attract skilled employees who can contribute to the company's ability to attract the best talent in the market. This can lead to higher revenue and a reduction in recruitment and training costs.	O	(Short 1y)	Own Operations	Positive	Potential
S-1	Own workforce	Zalaris workforces are paid an adequate wage, in line with applicable benchmarks.	I	(Short 1y)	Own Operations	Positive	Potential
S-1	Own workforce	Zalaris has procedures in place for its own workforce to engage in social dialogue with workers representatives and respects workers' rights to social dialogue, for those which are in the European Economic Area (EEA).	I	(Short 1y)	Own Operations	Positive	Potential
S-1	Own workforce	Zalaris has procedures in place to ensure that employees can exercise freedom of association, are informed about workers' rights and have access to workers' councils.	I	(Short 1y)	Own Operations	Positive	Potential
S-1	Own workforce	Zalaris has working conditions and terms of employment for its own workforce that includes collective bargaining agreements	I	(Short 1y)	Own Operations	Positive	Potential
S-1	Own workforce	Zalaris provides their employees family-related leave and flexible working arrangements.	I	(Short 1y)	Own Operations	Positive	Potential
S-1	Own workforce	Zalaris promotes good health and safe working environment that is in compliance with internationally recognized standards and their commitment in code of conduct.	I	(Short 1y)	Own Operations	Positive	Potential
S-1	Own workforce	Zalaris embrace gender equality, diversity and foster a culture of inclusion where everyone is treated with dignity and respect.	I	(Short 1y)	Own Operations	Positive	Potential
S-1	Own workforce	Zalaris empower their employees to advance their career and fostering personal and professional growth.	I	(Short 1y)	Own Operations	Positive	Potential
S-1	Own workforce	Zalaris has concrete measures in place through employee surveys done half-yearly, complaint mechanisms such as whistle-blowing channels to prevent the prevalence of violence and harassment in the workplace,	I	(Short 1y)	Own Operations	Positive	Potential
S-1	Own workforce	Embracing and fostering a culture of inclusion where everyone is treated with dignity and respect.	I	(Short 1y)	Own Operations	Positive	Potential
S-1	Own workforce	Zalaris is a global and stable company that provides secure employment to app. 1100 employees.	I	(Short 1y)	Own Operations	Positive	Actual

Policies related to own workforce [S1-1]

Zalaris recognizes the importance of its workforce as a cornerstone of its operational and strategic success. The company is committed to creating a safe, inclusive, and supportive work environment guided by comprehensive policies and principles that align with international standards and regulatory requirements. Central to Zalaris' ethos is the Code of Conduct, which serves as the foundation for the company's corporate culture. It reflects Zalaris' moral values and principles, setting the tone for ethical behaviour and decision-making across all operations.

Zalaris is committed to respecting human rights, including Labour rights, for all people in its workforce. This commitment is embedded in our policies and operational practices to promotes a fair, safe, and inclusive working environment. Zalaris has established policies to manage its material impacts, risks, and opportunities related to its workforce, in line with ESRS 2 MDR-P. These policies aim to promotes fair Labour practices, workplace safety, diversity, and inclusion while mitigating risks related to human rights violations. Regular internal audits and compliance checks are conducted to monitor adherence. The policies apply to all corporate employees across Zalaris' operational geographies. Given our corporate structure, they do not extend to vulnerable Labour groups or upstream/downstream value chain activities.

The CHRO, Hilde Kalsmyr, oversees all matters related to S1. Zalaris aligns with international frameworks, specifically the ILO Declaration on Fundamental Principles and Rights at Work. Policies are shaped based on employee engagement, internal reviews, and best practices in sustainability governance.

Zalaris actively engages with its workforce through various mechanisms, including employee surveys, feedback sessions, and structured dialogues. This engagement promotes that workforce perspectives are considered in policy-making and operational improvements.

Zalaris aligns its policies with internationally recognized human rights and Labour standards, specifically the ILO Core Conventions and the United Nations Declaration on Human Rights. The company strictly prohibits trafficking in human beings, forced labor, compulsory labor, and child labor. Compliance supports through due diligence assessments, supplier engagement, and internal monitoring processes.

Zalaris maintains a comprehensive workplace accident prevention policy and management system to safeguard employee health and safety. This includes risk assessments, emergency preparedness, and continuous training for employees to mitigate workplace hazards and foster a culture of safety. Additionally, Zalaris enforces strict anti-discrimination policies that explicitly define the grounds for discrimination and outline measures to prevent, address, and mitigate discriminatory practices.

To support these standards are consistently met, Zalaris has implemented a robust governance framework emphasizing ethical conduct and responsible business practices. This includes a zero-tolerance policy towards modern slavery and human rights violations, as well as a whistleblowing channel for confidential reporting. Reports are managed with strict confidentiality, and whistleblowers are protected from any form of retaliation.

Zalaris promotes the effective implementation of its anti-discrimination and inclusion policies through structured procedures, including regular training for employees and managers on diversity, equity, and inclusion, internal audits, and compliance checks. These mechanisms include clear reporting and remediation processes to address discrimination. Additionally, Zalaris implements initiatives to advance diversity and inclusion across all levels of the organization, fostering fair representation and equal opportunities. The company's policies explicitly cover all legally recognized grounds for discrimination, including gender, age, ethnicity, disability, and other protected characteristics, ensuring alignment with regulatory requirements.

As part of its commitment to employee engagement, Zalaris actively involves its workforce in shaping DEI policies through surveys, feedback mechanisms, and direct engagement with HR and leadership teams. This collaborative approach promotes that employees have a voice in creating an inclusive and equitable work environment.

Processes for engaging with own workers and workers' representatives about impacts [S1-2]

Zalaris conducts a quarterly measuring engagement with people in its own workforce and workers representatives, which is mandatory.

Zalaris discloses that it actively engages with its own workforce to incorporate their perspectives in managing actual and potential impacts on employees. Engagement occurs through both direct interactions and workers' representatives at various stages, including ongoing consultations and specific project milestones. Engagement types include information sharing, consultations and participation, typically occurring quarterly or annually.

The Chief Human Resource Officer is responsible for overseeing workforce engagement at Zalaris and ensuring that feedback is integrated into the company's decision-making processes. To assess the effectiveness of these engagements, Zalaris leverages Global Framework Agreements where relevant, providing insights into workforce perspectives. The company also takes targeted actions to engage with vulnerable or marginalized groups, including women, migrant workers, and people with disabilities, ensuring their voices are considered in key decisions.

In fulfilling its disclosure requirements, Zalaris follows best practices for effective workforce engagement. Employee input is recorded, analysed, and incorporated into decision-making, with transparent communication on how feedback influences outcomes. Engagement occurs at both the organizational and operational levels, with centralized reporting to maintain consistency. Additionally, Zalaris allocates financial and human resources to support these engagement initiatives, ensuring their effectiveness and sustainability. These efforts align with Zalaris's commitment to transparent and inclusive workforce engagement.

Processes to remediate negative impacts and channels for own workers to raise concerns [S1-3]

The Zalaris Whistleblowing Channel allows anyone to report illegal or suspected illegal actions of Zalaris ASAs' Code of Conduct and internal policies in a confidential manner. It resides Ethics Point's secure servers and is distinct from the Zalaris website or intranet. All concerns reported are received and managed by Zalaris ASAs' Compliance department. The reports are treated with strict confidentiality.

Zalaris provides processes and channels to address and remediate negative impacts on its workforce, ensuring employees can raise concerns confidentially.

Remedy and Effectiveness Incident management: Zalaris offers remedies for any material negative impacts it may cause, regularly assessing their effectiveness to support fair outcomes for affected employees.

Whistleblowing Channel: Through Ethics Point, a secure, external platform, employees can report suspected breaches of the Code of Conduct confidentially.

Grievance Mechanism: A grievance handling system is available for employee concerns.

Tracking and Monitoring: Zalaris' Compliance department manages and monitors all issues raised, collaborating with stakeholders to evaluate channel effectiveness, ensuring transparency and responsiveness.

Zalaris has policies that protect employees, including worker representatives, from retaliation when they use these channels to raise concerns.

Zalaris has established a structured approach to providing or contributing to remedies in cases where the company has caused or contributed to a material negative impact on its own workforce. This approach includes a grievance mechanism that allows employees to report concerns confidentially and a remediation process that promote timely and appropriate corrective actions. Internal reviews and investigations are conducted in response to reported issues, with outcomes monitored to prevent recurrence.

To support transparency and accountability, Zalaris maintains multiple communication channels through which employees can raise concerns or grievances. These channels include an internal whistleblowing platform, HR reporting structures, and direct engagement with management. Employees are encouraged to use these mechanisms without fear of retaliation, ensuring that concerns related to workplace conditions, discrimination, or ethical violations are effectively addressed.

Zalaris regularly assesses workforce awareness and trust in these structures through employee surveys, feedback mechanisms, and periodic policy reviews. Training sessions on grievance procedures and employee rights are conducted to enhance understanding and accessibility. Additionally, engagement forums and leadership check-ins serve as platforms for employees to voice their concerns, reinforcing a culture of transparency and responsiveness.

Taking action on material impacts on own workforce and approaches to mitigating material risks and pursuing material opportunities related to own workforce and effectiveness of those actions [S1-4]

Actions Taken to Address Material Impacts on Own Workforce-
Zalaris has taken several actions to address material impacts on its workforce, ensuring that its employment practices align with sustainability objectives and employee well-being. The company has implemented policies and initiatives to enhance workplace conditions, support professional growth, and promote diversity, equity, and inclusion. These actions are aimed at preventing negative impacts and fostering a sustainable

work environment. Zalaris actively engages with employees to shape its workforce policies, ensuring that their perspectives are incorporated into decision-making processes

Planned actions for the future include continued investment in employee development, well-being programs, and workplace flexibility measures. These initiatives are designed to improve job satisfaction, employee retention, and overall productivity.

Zalaris distinguishes between evidence of activities undertaken (such as training programs and workplace policies) and measurable outcomes for employees (such as improved job satisfaction and retention rates). This approach facilitate transparency in assessing workforce-related actions. However, future actions and specific time horizons for implementation are not yet fully disclosed and will be further developed in alignment with MDR-A requirements.

Zalaris' business practices may negatively impact workforce well-being, including workload pressures, work-life balance challenges, and risks related to fair labour practices in the supply chain. To mitigate these impacts, Zalaris implements employee support programs, reskilling initiatives, and data protection measures. Regular workforce assessments and engagement initiatives help address concerns proactively, ensuring a balanced, ethical, and sustainable work environment.

Approach to Mitigating Material Risks Related to Own Workforce-
Zalaris has identified key material risks related to its workforce, including talent retention, employee engagement, and evolving regulatory requirements. To mitigate these risks, the company has adopted strategies such as continuous learning programs, leadership development, and policies that promotes a safe and inclusive workplace. Zalaris' anti-discrimination policies explicitly define grounds for discrimination and outline measures for prevention and remediation, ensuring compliance with internationally recognized human rights principles.
The company also monitors external factors, such as labour market trends and industry standards, to proactively manage workforce risks. Regular workforce assessments and employee feedback mechanisms are used to track and address potential concerns before they escalate, and we have resource to handle negative impacts.

Details on the process for identifying actions related to actual or potential negative impacts are mentioned in IRO section.

Pursuing Material Opportunities Related to Own Workforce-
Zalaris recognizes workforce-related opportunities as essential for long-term business sustainability. Investments in employee training, digital transformation, and workplace innovation are key focus areas. These initiatives not only enhance employee skills but also improve operational efficiency and service quality. The company also leverages its workforce strategy to attract and retain top talent, ensuring that it remains competitive in the industry. A strong emphasis on employee well-being and engagement contributes to a positive work culture and improved performance.

Effectiveness of Actions Taken-
To assess the effectiveness of workforce-related actions, Zalaris employs key performance indicators (KPIs) such as employee turnover rates, engagement scores, and diversity metrics. These indicators provide measurable insights into the success of implemented strategies.

Regular reviews and internal audits make sure that workforce initiatives are aligned with Zalaris' overall sustainability and business objectives. Feedback from employees and external stakeholders is also integrated into the evaluation process to enhance continuous improvement.

Zalaris recognizes that its business practices can have potential negative impacts on its workforce. These include workload pressures, employee well-being, and work-life balance challenges, particularly in remote and digital work environments. Additionally, reliance on external service providers may pose risks related to fair labour practices and ethical employment conditions within the supply chain.

To mitigate these risks, Zalaris implements employee support programs, and regular engagement initiatives to facilitates a fair, inclusive, and responsible work environment.

Planned Actions and Resource Allocation for Workforce Impact Mitigation

Action	Resources Allocated	Target	Link to IRO	Time Horizon	Progress	Expected Outcome
Reskilling and upskilling programs for employees	Training budget, external partnerships with learning platforms	All employees impacted by green transition	Workforce adaptation to sustainable business transformation	2025-2030	Initial training modules developed, pilot programs launched	Increased employee readiness for sustainability-driven roles
Workplace diversity and inclusion initiatives	DEI program funding, employee resource groups	100% corporate employees globally	Equitable work environment, reduce bias and discrimination risks	Ongoing	Regular training conducted, DEI committee established	Improved diversity metrics and inclusive work culture
Employee engagement and well-being programs	Internal wellness initiatives, mental health resources	All employees	Enhance workforce retention, reduce absenteeism	2024-2026	Employee surveys in progress, well-being initiatives launched	Higher employee satisfaction and productivity
Strengthening grievance mechanisms and remediation processes	Compliance team resources, external legal review	All employees and stakeholders	Improve transparency and address concerns proactively	2024-2025	Review process under development, stakeholder consultation ongoing	Faster resolution of workplace issues, enhanced trust

4.3.2 Own workforce Metrics and targets

Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities [S1-5]

Zalaris' Executive Board has established a long-term target of maintaining at least 40% female representation in top management positions. This target is designed to address material negative impacts related to gender imbalance, advance positive impacts by fostering an inclusive leadership culture, and manage material risks and opportunities associated with workforce diversity.
Zalaris engaged HR leaders, diversity & inclusion committees, and employee representatives in discussions on gender diversity. The target was developed based on an assessment of current gender representation, industry benchmarks, and feedback from internal stakeholders on workforce inclusivity. Internal stakeholders are referring to "Top Management" and "Local Management" in respective countries or regions.
2024 is the base line & progress toward this target is tracked through regular workforce diversity audits, HR analytics dashboards, and annual sustainability reports. Workforce representatives provide input through

employee resource groups and structured feedback mechanisms, ensuring ongoing engagement in monitoring performance. Targets are currently in progress.
To promote continuous improvement, Zalaris regularly reviews hiring and promotion data to identify gaps and adjust strategies. Employee feedback sessions and benchmarking against best practices inform policy refinements, ensuring that the organization remains on track toward achieving its gender diversity goals.

Characteristics of the company's employees [S1-6]

During 2024, Zalaris had an average 1134 employees across 13 countries, representing over 30 nationalities. This diverse workforce is spread across regions including Norway, Denmark, Finland, Poland, Germany, Latvia, Sweden, Spain, India, the UK, the Czech Republic, Singapore and Australia. Zalaris' global presence and multicultural team are key assets in delivering comprehensive payroll and human capital management solutions to their clients. Zalaris reports employee numbers using the average headcount method over the reporting period. This approach promotes consistency and represents workforce fluctuations throughout the year. Employee data is compiled from internal HR systems, which track all full-time and part-time employees under direct contracts.

Table 15 presents information on employee headcount by gender.

Gender	Number of employees (Head count) (Average)
Male	441
Female	693
Other*	-
Not reported	-
Total employees	1,134

Headcount numbers are not presented in the financial statements, however average FTE is reported in Note 4 Personal expenses on page 131.

Zalaris does not collect gender data for a third / 'other' option, this and indicate that the category "other" is not applicable.

Table 16 presents employee head count in countries where Zalaris has at least 50 employees representing at least 10% of its total number of employees

Country	Permanent employee	Part Time	Total
Australia	16	0	16
Czech Republic	6	0	6
Denmark	38	0	38
Finland	62	3	65
Germany	192	38	230
India	213	0	213
Latvia	217	3	220
Norway	119	1	120
Poland	97	1	98
Singapore	2	0	2
Spain	18	0	18
Sweden	57	2	59
United Kingdom	47	2	49
Grand Total	**1,084**	**50**	**1,134**

Table 17 presents information on employees by contract type, broken down by gender (head count or FTE) *.

2024				
FEMALE	MALE	OTHER**	NOT DISCLOSED	TOTAL
Number of employees (head count)				
693	441		-	1,134
Number of permanent employees (head count)				
669	429		-	1,098
Number of temporary employees (head count)				
25	11		-	36
Number of non-guaranteed hours employees (head count)				
-	-			-
Number of full-time employees (head count)				
647	437		-	1,084
Number of part-time-employees (head count)				
46	4		-	50
*Reporting on full-time and part-time employees are voluntary **Gender as specified by the employees themselves				

Table 18 presents information on employees by contract type, broken down by region (head count)

	APAC	NE	Germany	Spain	Latvia	Poland	United Kingdom
No of Permanent employees	230	269	221	18	219	92	49
No of temporary employees	1	17	9	1	1	7	0
No of Fulltime employees	231	280	192	19	217	98	47
No of Parttime employees	0	6	38	0	3	1	2
No of employees	231	286	230	19	220	99	49

Employee Turnover
While hiring new talent is essential, retaining existing employees is equally, if not more, important. During 2024, 207 employees left Zalaris compared to 264 in 2023.
The employee turnover rate was 17.5% in 2024, compared to 23.6% in 2023.

Table 19. Total employee turnover by age group, gender and country

Country	Gender	Total	<30	30-49	50+
Australia	Female	13.33%	33%	0%	0%
	Male		0%	0%	20%
Czech	Female	20.00%	0%	0%	33%
Denmark	Female	28.95%	100%	42%	25%
	Male		0%	0%	0%

Country	Gender	Total	<30	30-49	50+
Finland	Female	12.50%	25%	13%	9%
	Male		0%	18%	0%
Germany	Female	27.25%	44%	34%	33%
	Male		17%	14%	21%
India	Female	23.70%	20%	23%	0%
	Male		30%	22%	0%
Latvia	Female	25.29%	46%	20%	17%
	Male		42%	22%	0%
Norway	Female	7.44%	17%	14%	3%
	Male		33%	4%	0%
Poland	Female	23.65%	16%	18%	75%
	Male		57%	18%	40%
Singapore	Female	0	0%	0%	0%
	Male		0%	0%	0%
Spain	Female	12.50%	0%	29%	0%
	Male		0%	0%	0%
Sweden	Female	3.39%	0%	0%	4%
	Male		0%	14%	0%
United Kingdom	Female	18.75%	0%	12%	25%
	Male			17%	30%

Characteristics of non-employee workers in the company's own workforce [S1-7]

Zalaris engages non-employee workers to support its business operations in specialized roles and temporary project-based assignments. These workers include individuals contracted directly with Zalaris as self-employed professionals and those supplied through employment agencies primarily engaged in "employment activities" (NACE Code N78).

During the reporting period, the total number of non-employees in Zalaris' workforce was 50. Non-employee is referring to professionals hired as "Externals", "Free Lancers" or contractors through any third-party providers. This figure is reported in headcount, representing the number of individuals engaged in work arrangements with Zalaris. The reporting methodology considers the number of non-employee workers at the end of the reporting period to facilitate consistency in tracking workforce data.

There were no significant fluctuations in the number of non-employee workers during the reporting period. In cases where precise data was not available, estimates were made following ESRS 1 guidelines, ensuring reported numbers are as accurate as possible. Zalaris continues to enhance its workforce data management practices to improve the accuracy and transparency of future reporting.

Collective bargaining coverage and social dialogue [S1-8]

Zalaris maintains a strong commitment to collective bargaining and social dialogue, ensuring fair labor practices and fostering a positive work environment. Collective bargaining agreements cover all employees in Finland, Sweden and NOZA, providing them with a platform to negotiate terms and conditions of employment, including wages, working hours and other key work-life aspects. As of the reporting period, 19 % of Zalaris' total employees are covered by collective bargaining agreements, reflecting alignment with local regulations and labor standards. In addition to collective bargaining, Zalaris actively participates in social dialogue through regulatory work environment committees (AMU) in Norway, Sweden, Denmark and Finland. These committees facilitate ongoing communication between management and employees, addressing workplace issues and ensuring that health and safety standards are upheld. This approach demonstrates Zalaris' dedication to promoting a collaborative and supportive workplace culture, where employees play an active role in shaping their working conditions and contributing to the organization's success.

Globally, 25% of Zalaris' employees are covered by workers' representatives. This coverage is reported at the country level for each EEA country where Zalaris has significant employment, defined as at least 50 employees, representing at least 10% of the total workforce.

Zalaris does not have any agreements with employees for representation by the European Works Council (EWC), Societas Europaea (SE) Works Council, or Societas Cooperativa Europaea (SCE) Works Council. Instead, Zalaris follows its Code of Conduct (CoC). Zalaris supports and respects internationally proclaimed human rights including the UN Declaration and conventions on human rights.

Table 20: Collective bargaining coverage and social dialogue

	Collective bargaining coverage		Social dialogue
Coverage Rate	Employees – EEA (for countries with > 50 empl. representing > 10% total empl.)	Employees – Non-EEA (estimates for regions with > 50 empl. representing > 10% total empl.)	Workplace representation (EEA only) (for countries with > 50 empl. representing > 10% total empl.)
0-19%	Finland, NOZA & Sweden	Collective bargaining is not applicable in India. Zalaris India is not registered under any unions hence CBA is not applicable. CBA is mostly applicable for Manufacturing and other public sectors..	Denmark, Finland, Norway & Sweden
20-39%	N/A	N/A	N/A
40-59%	N/A	N/A	N/A
60-79%	N/A	N/A	N/A
80-100%	N/A	N/A	N/A

Diversity metrics [S1-9]

Zalaris demonstrates a strong commitment to gender diversity, with a total headcount of 693 females and 441 males at the end of 2024, showcasing a gender-balanced workforce. Furthermore, women held 40% of the Top Management roles, which include executive and senior leadership positions responsible for the organization's strategic direction and major business operations. Women (123) in management roles constitutes is 51.46%, men (116) in management roles constitutes 48.5%. This reflects Zalaris' dedication to encouraging an inclusive workplace where equal opportunities enable women to lead and shape the company's future.

Age	Female	Male	Grand Total
<30	156 (55.71%)	124(44.28)	280
30-49	376(62.45%)	226(37.54%)	602
50+	161 (63.88 %)	91 (36.11%)	252
Grand Total	693 (61.11%)	441 (38.88 %)	1134

Adequate wages [S1-10]

Zalaris continuously monitors and analyses fair and equal pay as part of its analytical tools and focus. The company conducts structured pay reviews for each country as part of its annual group remuneration process. This analysis includes checking for possible discrimination based on gender, age, or seniority to ensure equal pay for equal jobs.

Regarding adequate wages, Zalaris make sure that all employees are paid in line with applicable benchmarks. Zalaris confirms that all employee wages across all operating countries are above the applicable adequate wage benchmark. As a result, there are no countries where employees earn below this threshold, and a table listing such countries is not applicable.

Social protection [S1-11]

Zalaris is committed to providing comprehensive social protection for all employees, safeguarding against income loss due to major life events in alignment with ESRS S1-11 requirements. Coverage includes protections for sickness, employment injury, acquired disability, parental leave and retirement, tailored to meet local standards, which vary significantly across countries.

Sickness and disability protections are offered through public healthcare systems or company-sponsored insurance plans. Employment injury coverage complies with national labour laws and occupational insurance requirements. Parental leave is provided in accordance with local regulations, with additional flexibility extended where feasible. Retirement benefits are facilitated through contributions to national pension schemes or company-sponsored plans.

These measures reflect Zalaris' dedication to employee well-being, inclusivity and adherence to global and regional standards, ensuring equitable and fair treatment across all operational locations.

Persons with disabilities [S1-12]

Zalaris is committed to providing the necessary infrastructure to make sure that people with physical disabilities can perform the various tasks required to run the company effectively. This includes adapting workplace environments to be accessible, ensuring that facilities meet accessibility standards and providing any additional support or resources that may be needed. By fostering an inclusive and accommodating environment, Zalaris aims to empower all employees, including those with physical disabilities, to contribute fully to the company's success. As of the latest reporting, a total of 11 employees with physical disabilities are part of Zalaris' workforce. This reflects the company's dedication to diversity, inclusion, and equal opportunities within its operations.

Training and skills development metrics [S1-13]

Zalaris offers diverse training programs, including biannual new manager training and a transparent career path process, alongside mandatory courses such as the social media Policy, Information Security Policy, GDPR Basics and Code of Conduct. Employee engagement surveys are conducted to gather feedback on areas like training and development, with the HR team analyzing results to plan relevant programs. To enhance cybersecurity awareness, Zalaris runs phishing tests and information security courses, supported by a Learning Management System (LMS) to assign and track training. Emphasizing continuous feedback, employees are encouraged to seek input from colleagues, fostering personal and professional growth while maintaining a robust learning environment.

Performance and Career Development Reviews by Gender

In the reporting period, Zalaris actively engaged employees in regular performance and career development reviews. Below is the breakdown of participation by gender:

Overall Participation: 97.25% of all employees participated in performance and career development reviews.

Gender Breakdown:

Female Employees: 57.7% of female employees participated.

Male Employees: 39.5% of male employees participated.

Zalaris is committed to fostering an inclusive workplace where all employees, regardless of gender, have equal opportunities for professional growth. These reviews are integral to supporting career development and ensuring alignment with individual and organizational goals.

Average Number of Training Hours per Employee and by Gender

In the reporting period, the average number of training hours per employee at Zalaris was 51.5hours and the total hours was 68250. When broken down by gender, the following results were observed:

- Female Employees: On average, female employees participated in 47 hours of training.
- Male Employees: On average, male employees participated in 57 hours of training.

These figures reflect Zalaris’ commitment to providing equal access to development opportunities for all employees, regardless of gender, while supporting personal and professional growth through comprehensive training initiatives.

Health and safety metrics [S1-14]

In 2024, Zalaris facilitates that its entire workforce, including all workers on Zalaris' sites, was fully covered by comprehensive health and safety management policies. Zalaris promote good health and safe working environment in compliance with internationally recognized standards. Notably, there were no work-related accidents or fatalities due to work-related injuries or ill health. This achievement reflects Zalaris' strong commitment to maintaining a safe and healthy workplace for all employees and partners. The company recorded zero work-related injuries in 2024, both in number and rate, demonstrating the effectiveness of its health and safety measures. Additionally, Zalaris upholds internationally recognized human rights standards, including the United Nations Declaration and conventions on human rights. This dedication facilitates that the company operates with integrity, fairness, and responsibility toward all individuals.

Furthermore, Zalaris reported zero days lost due to work-related injuries, fatalities from workplace accidents, work-related ill health, or fatalities resulting from ill health among employees.

Work-life balance metrics [S1-15]

Zalaris is committed to supporting work-life balance for all employees through its social policy and collective bargaining agreements. All employees are entitled to family-related leave, including maternity leave, paternity leave, parental leave and carers' leave, in accordance with national laws and agreements. In addition to these statutory entitlements, Zalaris offers a flexible work-from-home option, allowing employees to work remotely one day per week. This initiative is designed to enhance work-life balance, providing employees with the flexibility to manage both professional and personal responsibilities while maintaining a positive and supportive work environment.

Remuneration metrics (pay gap and total compensation) [S1-16]

We constantly monitor and analyse fair and equal pay as a part of our available analytical tools and focus. In addition, we do structured pay reviews for each country as a part of our yearly group remuneration process. Our analysis includes possible discrimination based on gender, age, or seniority to facilitate equal pay for equal jobs.

		Explanation
Gender pay gap	78%	The difference between average pay level between female and male employees presented as percentage of the average pay level of male employees
Annual total remuneration ratio	8.24	The annual remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual).

Incidents, complaints and severe human rights impacts [S1-17]

In the 2024 Annual Employee Engagement Survey conducted employees submitted 5 anonymous reports related to perceived incidents of discrimination, bullying, or harassment. These reports reflect individual experiences and perceptions, which Zalaris is proactively addressing through established procedures. Additionally, mandatory training sessions on preventing discrimination and harassment are being implemented for all employees. There were 3 Whistle-blowing case registered in the channel and was addressed immediately.

Zalaris upholds a strong track record in managing workplace incidents, complaints, and human rights impacts. Notably, no formal complaints were filed through our internal reporting channels regarding work-related incidents or severe human rights violations. Likewise, no reports were submitted to the National Contact Points for OECD Multinational Enterprises.

The company has not incurred any fines, penalties, or compensation obligations related to such matters, reinforcing its commitment to ethical business practices and responsible management. Furthermore, no cases of severe human rights violations—such as forced labour, human trafficking, or child labour—were identified within Zalaris' operations. Consequently, no penalties, fines, or compensatory actions were required.

Zalaris has not reported any severe human rights issues or incidents involving its workforce that would constitute violations of the UN Guiding Principles or OECD Guidelines for Multinational Enterprises. The company confirms that this number remains zero, as no such incidents have occurred.

Category	Number of Cases	Actions Taken	Outcome
Anonymous reports (Employee Engagement Survey, Oct 2024)	5	Investigated through internal procedures and addressed accordingly	Increased awareness, training sessions initiated
Whistleblowing cases	3	Addressed immediately as per company protocol	Cases resolved, no further escalation
Formal complaints filed (internal reporting channels)	0	N/A	No formal complaints received
Reports to National Contact Points (OECD Guidelines)	0	N/A	No external complaints
Fines, penalties, or compensation obligations	0	N/A	No legal or financial repercussions
Severe human rights violations (forced labour, trafficking, child labour, etc.)	0	N/A	No violations reported

4.3.3 Workers in the value chain [ESRS S2]

Workers in the value chain IRO Management

In the context of Zalaris, workers in the value chain refer to individuals engaged by suppliers, external Consultants, contractors, and service providers who contribute to the company's operations but are not covered under S1 (Own Workforce). This includes external consultants, IT and software development contractors, customer support personnel, and facility management staff.

Zalaris relies on consultants to support various functions, including software development, IT infrastructure management, payroll processing, and advisory services. These workers do not have direct employment contracts with Zalaris but are integral to service delivery.

The key material impacts on these workers include:

- **Job Security and Fair Wages** – Facilitating that consultants and external staff receive competitive compensation and stable working conditions.
- **Working Conditions** – Addressing risks related to excessive working hours, benefits, and contract stability, especially in regions with less regulatory oversight.
- **Ethical Labour Practices** – Seeking to facilitate that all contracted workers are protected under fair Labour agreements, aligning with Zalaris' sustainability commitments.

Zalaris acknowledges that outsourced labour presents a risk of reduced oversight compared to direct employees. To mitigate this, Zalaris works closely with suppliers and partners to uphold ethical Labour standards across its value chain.

Topic ID	Topic	IRO description	Impact (I), Risk (R) or Opportunity (O)	Time frame	Own operations/ value chain	Positive or negative	Actual or potential
S-2	Workers in the value chain	Zalaris is dependent on external consultants to deliver its services, in addition to the fact that there is some risk linked to the fact that poor working conditions may occur when using external labour, as it is a workforce over which you have less control compared to your own workforce.	R	(Medium 2-5y)	Upstream	Negative	Potential
S-2	Workers in the value chain	Finding the right balance in staffing and use of external consultants	O	(Medium 2-5y)	Upstream	Positive	Potential
S-2	Workers in the value chain	Turnover/ loss of external consultants due to Zalaris paying insufficient wages, given that they get better working conditions with employers	R	(Medium 2-5y)	Upstream	Negative	Potential
S-2	Workers in the value chain	Zalaris employs contractors and vendors to develop and operate their software. As a global company, Zalaris has a positive impact with securing employment	I	(short 1y)	Upstream	Positive	Actual
S-2	Workers in the value chain	Zalaris pay workers in the value chain adequate wages, in line with applicable benchmarks, especially in markets that are not so well regulated	I	(short 1y)	Upstream	Positive	Actual
S-2	Workers in the value chain	Zalaris provides family-related leave and flexible working arrangements through contracts and terms of employment.	I	(short 1y)	Upstream	Positive	Actual

Policies related to workers in the value chain [S2-1]

Zalaris does not currently have a standalone policy specifically addressing material impacts, risks, and opportunities related to workers in the value chain. However, external consultants and contractors are expected to adhere to Zalaris' Code of Conduct through mandatory training provided in the Zalaris Learning & Development portal, which sets ethical standards aligned with international labour conventions such as the ILO Core Conventions and the UN Guiding Principles on Business and Human Rights.

The Code of Conduct applies to all external consultants and value chain workers, to facilitate fair working conditions, protection against forced labour, and compliance with legal requirements on wages and working hours. It also establishes mechanisms for reporting grievances, reinforcing Zalaris' commitment to ethical labour practices. However, the company recognizes that a more structured policy tailored specifically to value chain workers is needed and plans to develop this in the next reporting year to enhance governance and transparency.

Processes for engaging with value chain workers about impacts [S2-2]

Zalaris employs a structured approach to engaging with value chain workers to facilitate their concerns are acknowledged and addressed. The company integrates multiple engagement strategies tailored to external consultants and contractors, including:

- Helpdesk Ticketing System: External consultants can raise concerns through Zalaris' Helpdesk ticketing system, ensuring systematic tracking and resolution of issues.
- Surveys: In autumn 2024, Zalaris introduced periodic surveys for external consultants to assess key areas such as working conditions, well-being, and fair treatment. The feedback informs decision-making and operational improvements.
- Direct Engagement: Zalaris does not directly engage with value chain workers on working conditions and ethical business practices.

Engagement effectiveness is assessed through survey feedback and periodic evaluations. Given that Zalaris primarily works with corporate, white-collar consultants, there are no vulnerable or marginalized value chain workers.

Processes to Remediate Negative Impacts and Channels for Value Chain Workers to Raise Concerns [S2-3]

Zalaris is committed to ensuring that value chain workers have appropriate mechanisms to raise concerns. Currently, Zalaris does not have an established approach or process to assess whether the remedy provided for value chain workers is effective The company has established specific processes and channels relevant to external consultants and contractors.

Grievance Mechanisms for Value Chain Workers

Zalaris has a whistleblower channel which is accessible through our website. This is available to value chain workers like external consultants & contractors, allowing them to report concerns confidentially. This mechanism is implemented as a measure to protect value chain workers and their right to raise concerns related to working conditions, fair treatment and ethical concerns without fear of retaliation. The company enforces strict non-retaliation policies to protect individuals using these channels. We have a grievance committee headed by the CHRO and CEO who is responsible for enforcing our non-retaliation policies.

Survey-Based Feedback & Monitoring

Regular surveys conducted among external consultants provide an additional avenue for raising concerns. These surveys assess key aspects such as well-being, inclusion, and compliance with fair Labour practices, helping Zalaris identify potential risks and take corrective action where necessary.

Engagement & Due Diligence

Zalaris integrates due diligence processes to assess and mitigate risks affecting value chain workers. These processes include contractual agreements that outline expectations for ethical conduct and fair treatment. While the company currently does not have dedicated policies specific to value chain workers, it recognizes this as an area for improvement and aims to formalize such policies in the next reporting period.

Taking action on material impacts on value chain workers and approaches to managing material risks and pursuing material opportunities related to value chain workers and effectiveness of those actions [S2-4]

Zalaris does not currently have specific measures in place to track and assess the effectiveness of the actions and initiatives in place. No severe human rights issues and incidents have been reported in 2024 connected to Zalaris' upstream and downstream value chain.

Key Actions and Future Plans

The actions that Zalaris have established do not respond to actual or potential negative impact on value chain workers. Zalaris has currently not allocated resources specifically for managing material impacts on value chain workers.

- **Stakeholder Engagement & Risk Assessment:** Zalaris has not yet formally initiated stakeholder engagement and risk assessments specifically for value chain workers. Currently, interactions with value chain workers are primarily governed by contractual agreements. These contracts are established based on project-specific resource requirements, either through full-time exclusive engagements or on a time and material basis.

- **Supplier Oversight:** An updated Supplier Code of Conduct will be introduced in 2025, with digital workforce monitoring tools launching in 2026. Currently, oversight is supported by NDAs and Supplier Declarations.

- **Remediation & Prevention:** Zalaris does not have direct engagement with value chain workers beyond the scope of work delivery. Any issues related to grievances, remediation, or preventive measures are addressed through direct communication with the respective contractor or supplier company. While efforts such as strengthened hiring due diligence and expanded training programs are in place at the supplier level, Zalaris monitors these indirectly through its supplier relationships.

4.3.4 Workers in the value chain Metrics and targets

Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities [S2-5]

Currently, Zalaris has not established specific targets for managing material negative impacts, enhancing positive impacts, or addressing material risks and opportunities related to workers in its value chain. However, the company remains dedicated to identifying areas for improvement and integrating these efforts into its broader sustainability strategy.

As part of its continuous sustainability journey, Zalaris is evaluating potential frameworks for setting meaningful targets. This process includes assessing material impacts, engaging with stakeholders—including value chain workers and their representatives—and exploring collaboration opportunities across its supply chain.

Recognizing the importance of clear, measurable goals in addressing labor-related challenges and driving positive change, Zalaris aims to build upon its existing initiatives by establishing targets in the future. These efforts will focus on compliance, ethical labour practices and capacity-building programs for value chain workers. As progress is made, Zalaris will provide regular updates on developments and milestones, facilitating a structured and impactful approach to sustainability within its value chain.

4.3.5 Consumers and end-users [ESRS S4]

3.3.1 Consumers and end-users IRO Management

At Zalaris, customers and end users are central to our business model, and their evolving expectations shape our strategic decisions. Our Double Materiality Assessment (DMA) has identified key impacts, risks, and opportunities (IROs) associated with our customers and end users, influencing our service offerings, data management practices, and long-term value creation. Zalaris' HR and payroll solutions directly impact customers and end users by ensuring compliance, operational efficiency, and data security. One of the most significant material impacts is data privacy and cybersecurity, as customers trust Zalaris with sensitive employee data. To address this, Zalaris has implemented robust GDPR-compliant security measures and ISO-certified data protection frameworks to safeguard information integrity. Additionally, the transition to cloud-based solutions contributes to sustainability by reducing paper usage and enhancing digital efficiency.

Zalaris disclosure encompasses all consumers and end users who may be materially impacted by our services are considered in this S4 section. Zalaris' consumer and end-user base primarily consists of corporate clients and their employees, who depend on its HR and payroll solutions for accurate payroll processing, compliance management, and workforce-related functions. These consumers and end users fall under category 10(a)(i) as they rely on Zalaris' services for essential workforce operations. Additionally, employees in highly regulated industries face stricter compliance requirements, making them part of 10(a)(ii) due to their exposure to heightened regulatory obligations. Furthermore, Zalaris recognizes that some users, such as those with limited digital literacy, may require enhanced accessibility features, aligning them with 10(a)(iii) as they may experience barriers in digital interaction. While Zalaris has not identified specific consumer or end-user groups at a heightened risk of negative impacts, it continuously evaluates risks related to data privacy, cybersecurity, and digital accessibility to facilitate its solutions remain secure, inclusive, and aligned with evolving business needs. Zalaris has not identified specific consumer or end-user groups with characteristics that place them at a heightened risk of harm from negative impacts. However, certain material risks and opportunities arising from Zalaris' impacts and dependencies on consumers and end-users may disproportionately affect specific groups. For example, employees in highly regulated industries face stricter compliance requirements, making payroll accuracy, tax reporting, and data security critical concerns. Similarly, users with limited digital literacy or accessibility needs may require additional support and enhanced user interfaces to facilitate seamless interaction with HR and payroll platforms. Additionally, organizations with a globally distributed workforce may face challenges related to cross-border compliance and payroll standardization, requiring tailored solutions.

Our customer and end-user base consists primarily of corporate clients and their employees who depend on Zalaris for accurate payroll processing, compliance management, and workforce-related solutions. These groups include corporate employees who rely on payroll and HR systems and HR professionals managing workforce-related functions. While Zalaris has not identified specific consumer or end-user groups with characteristics that place them at a heightened risk of negative impacts, we continuously assess risks related to data privacy, cybersecurity, and digital accessibility to maintain an inclusive and secure service environment. Certain risks and opportunities from our services may disproportionately impact specific end-user groups. For example, employees in highly regulated industries face stricter compliance requirements, making payroll accuracy and data security critical concerns. Similarly, users with limited digital literacy may require enhanced accessibility features for seamless interaction with our platforms. Zalaris actively evaluates these differentiated risks and opportunities, ensuring that our HR and payroll solutions remain secure, user-friendly, and aligned with evolving regulatory and business needs. By embedding sustainability and resilience into our customer strategy, Zalaris make sure that its services remain reliable, compliant, and aligned with the evolving needs of businesses and end users.

Topic ID	Topic	IRO description	Impact (I) Risk (R) or Opportunity (O)	Time frame	Own operations/ value chain	Positive or negative	Actual or potential
S-4	Consumers and end-users	A cyberattack could lead to data breaches, damaging Zalaris' reputation, client trust, and revenue. Past incidents have been minimal, but the potential for future breaches remains a risk.	R	(Long >5y)	Value Chain	Negative	Potential (P)
S-4	Consumers and end-users	New ESG reporting regulations create opportunities for Zalaris to enhance its software, helping clients comply while expanding revenue streams.	O	(Long >5y)	Value Chain	Positive	Potential (P)
S-4	Consumers and end-users	Zalaris can use employment and wage data to help clients improve diversity and decision-making, creating new business opportunities.	O	(Long >5y)	Value Chain	Positive	Potential (P)
S-4	Consumers and end-users	Zalaris stores data and sensitive information about HR services such as wages.	I	(Short <1y)	Downstream	Negative	Actual(A)
S-4	Consumers and end-users	Zalaris provides wage and HR services, but there is a potential risk of data package in the event of a data / cyber-attack, which could result in the compromise of sensitive information for both customers and employees.	I	(Short <1y)	Downstream	Negative	Potential (P)
S-4	Consumers and end-users	Zalaris provides services that gives customers and their employees access to quality information regarding their employments where they provide information such as wages and expenses.	I	(Short <1y)	Downstream	Positive	Actual(A)

Policies related to Consumers & End users. [S4-1]

Our policies to manage the consumers and end-users IROs cover all consumers and end-users potentially impacted by our material topics. Collectively, these policies and procedures reflect our strong commitment to respect the human rights of both consumers and end-users.

While Zalaris' policies reflect adherence to ILO conventions, they are not yet fully aligned with the UN Guiding Principles on Business and Human Rights. Strengthening alignment with these principles would enhance Zalaris' approach to human rights due diligence, ensuring responsible business conduct across its value chain.

Furthermore, Zalaris has issued a statement on equality, covering its operations in Norway, which is available on www.zalaris.com. This reflects the company's ongoing efforts to promote fairness and inclusion within its workforce and broader value chain. Additionally, the policies are developed according to ISO 27001.

Code of Conduct in Zalaris: This is central to Zalaris' ethos and serves as the foundation for our corporate culture. It embodies their moral values and guiding principles in all aspects of business operations, including policies related to customers and suppliers.

Furthermore, Zalaris has an Information Security Policy, GDPR and 10 Commandments for IT Security that outlines the procedures for handling sensitive information and ensuring data protection. This policy includes guidelines for storing sensitive data, reporting breaches and maintaining secure data practices. Zalaris' Information Security Policy applies to all employees, contractors, subsidiaries, third-party service providers, and relevant clients. The policies facilitate data confidentiality, integrity, and security across the organization. Zalaris' Information Security Policies are overseen by the Chief Technology Officer (CTO) and the IT Security Team, with accountability at the executive management level. Compliance is monitored through regular audits, risk assessments, and internal reviews

Processes for Engaging with Consumers and End-Users: Zalaris employs a multi-faceted approach to engage with value chain workers and address impacts effectively. They utilize a Helpdesk ticketing system, which allows employees and customers to raise issues and get timely resolutions. This system facilitates that concerns are tracked and managed efficiently. Additionally, Zalaris conducts surveys to gather feedback from both employees and customers. These surveys help identify areas for improvement and facilitate the fact that the company is meeting the needs and expectations of its stakeholders. Dedicated meetings are also a key part of Zalaris' engagement strategy. These meetings, held both internally and with customers, provide a platform for open communication and collaboration. They allow Zalaris to discuss impacts, gather insights and develop action plans to address any issues that arise.

Processes to Remediate Negative Impacts: Zalaris has processes in place to remediate negative impacts and channels for consumers and end-users to raise concerns:

Risk Treatment Plan (RTP): Zalaris has a comprehensive Risk Treatment Plan (RTP) which is part of ISMS (ISO 27001 certified by EY) and QMS (ISO 9001 certified by EY) that addresses various risks, including those related to customer data and system security. RTP outlines the steps to be taken when residual risk values are above acceptable levels, ensuring that appropriate measures are implemented to mitigate these risks.

Incident Management: Zalaris has a well-defined incident management process (Zalaris Helpdesk) that includes evaluating reported issues and determining ticket priorities based on incident evaluation criteria. This process facilitates that incidents are handled efficiently and that relevant stakeholders are informed of their responsibilities.

Sustainability Statement: Zalaris' sustainability statement outlines the risk assessment and due diligence processes associated with material sustainability topics. It includes the assessment of identified adverse impacts, actions taken to mitigate those impacts and the results of these efforts. This statement is part of Zalaris' commitment to continuous improvement and transparency in their sustainability practices.

Channels for Raising Concerns: Zalaris provides channels for consumers and end-users to raise concerns. Customers utilize Zalaris Helpdesk to raise concerns.

Engagement with Stakeholders: Zalaris engages with affected stakeholders in all key steps of the due diligence process. This includes embedding due diligence in governance, strategy and business models and integrating sustainability-related performance into incentive schemes.

Channels for Raising Concerns: Zalaris provides channels for consumers and end-users to raise concerns. Channels used are:

- Helpdesk (Ticketing system)
- Surveys
- Meetings with manager
- Whistleblowing Channel / Zalaris HOTLINE
- Other dedicated communication channels for specific topics (e-mail, phone number)

Processes for engaging with consumers and end-users about impacts [S4-2]

Zalaris has established structured processes to engage with consumers and end-users, ensuring that their perspectives inform decision-making and contribute to managing actual and potential impacts. These engagements occur through multiple channels, including a Helpdesk ticketing system, which enables consumers and employees to report concerns, request support, and escalate issues. The system ensures transparency by tracking issues, assigning responsibility for resolution, and providing performance oversight. Additionally, Zalaris conducts regular surveys to collect feedback from consumers and end-users regarding service quality, accessibility, and overall experience. This data is analyzed to identify trends, inform policy adjustments, and enhance service delivery.

Engagement with consumers and end-users takes place both directly and through their legitimate representatives, such as corporate clients and key stakeholders. In cases where direct engagement is not feasible, Zalaris leverages credible proxies, such as industry associations or third-party assessments, to gain relevant insights. The engagement process occurs at various stages, including service design, operational execution, and impact assessment, ensuring a continuous feedback loop. The frequency of engagement varies, with some activities—such as the Helpdesk—providing real-time interaction, while surveys and dedicated stakeholder meetings occur on a scheduled basis.

Operational responsibility for consumer and end-user engagement rests with senior leadership within the customer service and operational excellence teams, whose responsibility is that engagement activities are effectively conducted, and that feedback informs strategic decision-making. The effectiveness of these engagement mechanisms is assessed through key performance indicators (KPIs), such as response time, resolution rates, customer satisfaction scores, and the implementation of corrective actions based on feedback received.

Zalaris does not have consumer groups that are considered particularly vulnerable or marginalized, as its customer base consists of corporate clients and professionals in white-collar roles.

Zalaris has adopted a general process to engage with consumers and end-users as part of its broader corporate responsibility and due diligence framework. These engagement processes are designed to facilitate transparency, responsiveness, and continuous improvement in managing consumer and end-user impacts.

Process to remediate negative impacts and channels for consumers and end-users to raise concerns [S4-3]

Zalaris employs processes for remediating negative impacts and establishing channels for value chain workers, consumers and end-users to raise concerns. These processes align closely with those used for Zalaris' own workforce. For further details, refer to Section 3.1.1.3 [Disclosure Requirement S1-3].

General Approach to Remediation

Zalaris has implemented a comprehensive approach to provide or contribute to the remediation of material negative impacts on consumers and end-users. This approach includes identifying potential adverse effects through regular risk assessments and consumer feedback mechanisms. Upon identification, the company engages in corrective actions to mitigate these impacts and monitors the effectiveness of the remedies applied. This process facilitates that remediation efforts are both appropriate and effective in addressing the concerns raised.

Channels for Raising Concerns

To ensure that consumers and end-users can effectively communicate their concerns, Zalaris has established several channels:

- Helpdesk (Ticketing System): A centralized platform where consumers and end-users can submit issues or complaints, which are then tracked and managed until resolution.
- Customer Surveys: Regularly conducted to gather feedback on services and identify areas for improvement.
- Direct Meetings with Managers: Opportunities for consumers and end-users to engage directly with management to discuss specific concerns.
- Whistleblowing Channel: A confidential mechanism allowing individuals to report unethical behavior or practices without fear of retaliation.
- Zalaris Hotline: A dedicated phone line for immediate assistance and to address urgent concerns.

- Dedicated Communication Channels: Specific email addresses and phone numbers designated for particular issues, ensuring that concerns are directed to the appropriate departments for prompt attention.

Zalaris' grievance and reporting channels are internally established, ensuring direct oversight and accountability in handling concerns.

Support for Business Relationships
Zalaris requires its business partners to maintain similar channels for consumers and end-users to raise concerns. The company provides guidance and support to these partners to establish and manage effective grievance mechanisms, ensuring a consistent approach to consumer engagement and issue resolution across its value chain.

Tracking and Monitoring
All concerns raised through these channels are systematically logged and tracked. Zalaris monitors the resolution process to facilitate timely and effective responses. The company also evaluates the effectiveness of these channels through key performance indicators, such as response times, resolution rates, and consumer satisfaction levels, to identify areas for improvement.

Assessing Awareness and Trust
Zalaris recognizes the importance of consumer and end-user awareness and trust in these channels. The company conducts periodic assessments to determine the level of awareness and confidence consumers have in these mechanisms. Based on the findings, Zalaris implements measures to enhance communication and build trust, ensuring that consumers feel comfortable and secure when raising concerns.

Protection Against Retaliation
The company has strict policies to protect individuals who raise concerns from any form of retaliation. These policies are clearly communicated to all stakeholders, reinforcing Zalaris' commitment to ethical conduct and the protection of consumer rights. Zalaris Whistleblowing policy can be found on the company's website. www.zalaris.com.

Engagement with Vulnerable or Marginalized Groups
While Zalaris does not currently engage with particularly vulnerable or marginalized consumer groups, the company remains committed to inclusivity. Should such groups be identified in the future, Zalaris will take appropriate steps to facilitate their concerns are effectively addressed.
Through these processes and channels, Zalaris aims to promptly remediate any negative impacts on consumers and end-users and that stakeholders have accessible and effective means to raise and resolve their concerns.

Taking action on material impacts on consumers and end-users and approaches to managing material risks and opportunities related to consumers and end-users and effectiveness of those actions [S4-4]

Overview
Zalaris is committed to managing the material impacts, risks, and opportunities associated with its consumers and end-users. As a provider of HR and payroll technology and services, ensuring data security, service reliability, and regulatory compliance is central to our sustainability approach. Our strategy aligns with the European Sustainability Reporting Standards (ESRS), specifically ESRS 2 - MDR-A, ensuring that our practices foster transparency, ethical conduct, and consumer well-being.

Action Plans to Prevent, Mitigate, or Remediate Negative Impacts

Action Plan	Description	Time Horizon	Link to Material Risks	Dependencies on Consumers and End-Users
Data Security and Privacy Protection	Zalaris has implemented robust cybersecurity measures to protect consumer and end-user data. Compliance with GDPR and industry best practices ensures data privacy.	Ongoing, with quarterly security reviews and annual updates.	Mitigates risks related to data breaches and regulatory non-compliance.	Dependent on consumers and end-users providing accurate and secure data.
Service Reliability and Continuity	Business continuity plans are established to mitigate disruptions in payroll and HR services, ensuring seamless operations for our clients.	Immediate implementation, with bi-annual testing and updates.	Addresses risks of service disruptions that could impact payroll accuracy and HR functions.	Relies on end-users accessing services without disruption and maintaining system integrity.
Customer Support Enhancements	A dedicated customer service team addresses grievances, technical issues, and feedback, improving the overall user experience.	Ongoing, with annual performance reviews and customer satisfaction assessments.	Reduces risks related to customer dissatisfaction and service inefficiencies.	Dependent on timely feedback from consumers to identify and resolve issues.

Remedy for Actual Material Impacts

- **Incident Response Mechanism:** In the event of a data breach or service disruption, Zalaris follows a structured response plan, including immediate notifications, resolution steps, and preventive measures.
- **Regulatory Compliance Audits:** Regular assessments facilitates adherence to evolving compliance requirements, reducing potential legal and financial risks.

Positive Impact Initiatives

- **User Experience Optimization:** Continuous system updates and enhancements improve accessibility, efficiency, and usability for all consumers.
- **Sustainability in Service Delivery:** Zalaris aims to integrate environmentally friendly digital solutions, reducing carbon footprints associated with operational processes.
- **Training and Awareness:** Clients receive training on HR system usage, payroll regulations, and compliance best practices to promote transparency and efficiency.

Effectiveness Tracking and Assessment

- **Consumer Feedback Mechanisms:** Surveys and performance analytics help measure customer satisfaction and identify areas for improvement.
- **Regular Audits and Reporting:** Internal audits assess the effectiveness of implemented measures, ensuring compliance with ESRS and other regulatory frameworks.
- **Performance Metrics:** Key indicators such as response time to issues, uptime percentage, and compliance adherence are monitored and reported

Approach to Identifying and Addressing Material Impacts

- **Risk Assessments:** Zalaris conducts risk assessments to identify potential consumer-related material impacts and appropriate mitigation strategies.
- **Stakeholder Engagement:** Regular dialogue with clients, regulators, and industry experts helps refine our approach to managing consumer-related sustainability concerns.

Action Plans for Managing Material Risks and Opportunities

- **Regulatory Adaptation:** As compliance requirements evolve, Zalaris continuously updates its policies and systems to align with new regulations such as CSRD and ESRS.

- **Technology Advancements:** Investment in AI-driven payroll processing and automation ensures efficiency while reducing human errors.

- **Value Chain Collaboration:** Zalaris collaborates with key partners, including SAP and data hosting centres, to align with best sustainability practices and compliance requirements.

Ensuring Ethical and Sustainable Practices

- **No Harm Policy:** Zalaris facilitate that its business operations do not contribute to material negative impacts on consumers or end-users.

- **Ethical AI Usage:** Implementation of AI and automation tools follows strict ethical guidelines to prevent bias and ensure fair treatment.

Disclosure of Severe Human Rights Issues and Incidents

- Zalaris has no reported cases of severe human rights violations related to consumer interactions.

- The company remains vigilant in ensuring fair Labour practices and preventing discrimination within service delivery processes.

Resource Allocation for Managing Material Impacts

- Investment in Cybersecurity Infrastructure: Resources are allocated to enhance security frameworks to protect consumer data.

- Employee Training and Development: Teams receive ongoing training to stay updated on regulatory changes and customer service improvements.

- Sustainability Reporting and Compliance Efforts: Dedicated teams work on sustainability assessments and facilitate alignment with global reporting standards.

By implementing these structured action plans, Zalaris aims to uphold consumer trust, facilitate compliance, and drive positive sustainability outcomes within the HR and payroll services industry.

4.3.6 Consumers and end-users Metrics and targets.

Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities [S4-5]

Currently, Zalaris has not established specific targets related to managing material negative impacts, advancing positive impacts, or addressing material risks and opportunities concerning consumers and end-users. However, Zalaris recognizes the importance of setting measurable and actionable goals to drive sustainable outcomes and align with stakeholder expectations.

In the absence of defined targets, Zalaris is focusing on building a foundation for future target-setting through enhanced processes and stakeholder engagement. Key initiatives include:

- Strengthening Data Protection Measures: Continuing to enhance compliance with international data protection standards (e.g., ISO 27001) to mitigate risks related to data breaches and privacy concerns.

- Engaging with Stakeholders: Actively seeking feedback from consumers and end-users through surveys, helpdesk channels and workshops to understand their expectations and address concerns effectively.

- Laying the Groundwork for Target Development: Establishing mechanisms to track performance, analyse impact and evaluate risks and opportunities associated with consumer and end-user interactions.

Zalaris is committed to working collaboratively with internal teams, external stakeholders and industry experts to establish clear, measurable targets in the near future. These targets will be developed in alignment with its broader sustainability objectives and evolving regulatory requirements.

4.4 Governance information

4.4.1 Business Conduct [ESRS G1]

Corporate ethics are about how we behave towards each other and the world around us. At Zalaris, the Code of Conduct is the foundation of our corporate culture and defines the core principles and ethical standards by which we create value in our company. Everybody associated with Zalaris shall comply with the rules and guidelines that build on Zalaris' basic values. In Zalaris, we want everyone to contribute to a sound corporate culture.

4.4.2 Business Conduct IRO Management

As part of Zalaris approach to managing business conduct-related risks and opportunities, Zalaris follows a structured process to identify material impacts. This process facilitates that all relevant factors—such as operational location, business activity, industry sector, and the nature of transactions—are assessed to determine potential risks and opportunities. By incorporating these criteria into its assessment, Zalaris enhances transparency and strengthens its commitment to ethical business practices, aligning with international reporting standards.

Topic ID	Topic	IRO description	Impact (I), Risk (R) or Opportunity (O)	Time frame	Own operations/ value chain	Positive or negative	Actual or potential
G-1	Business conduct	Zalaris can leverage employment and wage data to help clients identify diversity gaps, improve decision-making, and increase revenue.	R	(Medium 2-5y)	Value Chain	Negative	Potential (P)
G-1	Business conduct	Operating in high-risk markets increases exposure to corruption and bribery, leading to financial losses and regulatory penalties.	R	(Medium 2-5y)	Own Operations	Negative	Potential (P)
G-1	Business conduct	Data privacy breaches can result in fines, reputational damage, and long-term revenue loss due to declining client trust.	R	(Medium 2-5y)	Value Chain	Negative	Potential (P)
G-1	Business conduct	A good business culture makes Zalaris an attractive workplace. This can lead to better well-being and performance (increased revenue), and lower costs related to labour, recruitment, sickness absence etc	O	(Medium 2-5y)	Value Chain	Positive	Actual (A)
G-1	Business conduct	Contractual risk arises if clients terminate agreements due to material breaches of business conduct, impacting revenue stability.	R	(Medium 2-5y)	Own Operations	Negative	Potential (P)
G-1	Business conduct	Zalaris has policy documents in place and provides training on corruption and bribery as part of employee onboarding, with annual updates to prevent their occurence in countries where Zalaris operates.	I	(short 1y)	Own Operations	Positive	Actual (A)

Business conduct policies and corporate culture G1-1

Zalaris has a Code of Conduct is an integral part of its formal governance system. This code outlines the core principles and ethical standards that guide how value is created within the company. These principles and standards are also incorporated into other relevant governing documents. The Code of Conduct applies to all employees at Zalaris, including its subsidiaries and Board of Directors. Additionally, partners, contractors and other hired personnel working in our operations are expected to adhere to our standards and respect our values as outlined in the Code of Conduct.

The Code of Conduct outlines the expected standards of behaviour and is supplemented by additional policies that provide detailed guidance on specific topics (such as the environmental policy) as described below. The CEO owns the Code of Conduct and it is approved by the Board of Directors. Global HR is responsible for supporting the implementation of the Code of Conduct, which includes mandatory computer-based training during onboarding and annually thereafter.

The Code of Conduct gives an overview of the most relevant governing principles for Zalaris. The Code of Conduct addresses human rights, working conditions, health, safety and employee security, environment, customers and competition, corruption and bribery, suppliers' data privacy, transparency, legal compliance, environmental sustainability, gifts and business courtesies, money laundering, internal control, conflict of interest, private interest and activities, confidentiality, personal data and privacy, properties and assets and accounting and financial reporting.

Zalaris conducts quarterly engagement surveys that include questions pertaining to the company's corporate culture, including questions about discrimination, human rights, perceived equality and diversity, as well as health and security. The Human Resources department follows up on the results and all employees participate in annual review meetings, or more frequently if necessary.

Reported gaps or incidents revealed in the engagement survey will be handled according to the following process:

- All survey data is easily accessible to all managers with more than four respondents.
- For all incidents of discrimination, harassment, or breaches of human rights, equality and inclusion, HR supports necessary attention and understanding at the country level, segmented by business units if relevant.
- The Chief Human Resource Officer reports the overall results and recommends focus areas to the Management Team and the Board of Directors.
- Within one month after the survey results are made available, the country manager must provide an action plan based on a thorough investigation. HR oversees the implementation of the action plan and monitors its effect on the upcoming survey.
- Continuous lack of improvement must be reported to the Management Team through the Chief Human Resource Officer.

Zalaris identifies material impacts, risks, and opportunities related to business conduct matters using key criteria, including location, activity, sector, and transaction structure. Given its operations across multiple countries, Zalaris considers regional regulations, cultural norms, and governance frameworks when assessing risks. The nature of its business—providing HR and payroll solutions—requires strict compliance with data protection laws, Labour rights, and ethical business practices. Operating in the HR and payroll outsourcing sector, the company is subject to stringent labor, privacy, and anti-corruption regulations, particularly when serving corporate and financial clients. Additionally, transaction structure plays a crucial role, as risks may arise from partnerships, third-party service providers, and contractual agreements, necessitating due diligence in ethical sourcing and regulatory compliance.

Zalaris has established a comprehensive framework to identify, report and investigate concerns related to unlawful behaviour or violations of its Code of Conduct. This framework is designed to uphold high ethical standards and facilitate compliance with internal policies and legal requirements.

Zalaris provides a confidential whistleblowing channel accessible to all employees, business partners and stakeholders. This channel allows individuals to report illegal actions or suspected violations of the company's Code of Conduct and internal policies. Reports can be submitted anonymously through an encrypted system managed by an external service provider, ensuring confidentiality and security.

Scope of Reportable Incidents: The whistleblowing channel is intended for reporting various concerns, including:

- Breaches of Zalaris' Code of Conduct or legal regulations
- Corruption, such as bribery and facilitation payments
- Human and labour rights violations
- Discrimination or harassment
- Threats to health and safety
- Environmental violations
- Fraud, theft and embezzlement

All reports submitted through the whistleblowing channel are received and managed by Zalaris' Compliance department. The company facilitates that these reports are treated with strict confidentiality to protect the identity of the whistleblower and the integrity of the investigation process.

The following investigation procedures apply to the whistleblowing channel:

- Reporting mechanisms: Concerns can be reported through a Whistleblowing portal managed by an external provider, Navex, allowing anonymous submissions in the reporter's local language. The channel is encrypted, and the whistleblower can choose to report anonymously and only the external provider has the necessary details to-un-crypt the information. Reports are immediately accessible to Zalaris' CHRO and CEO, who are notified via email.

- Acknowledgment: The company acknowledges receipt of the report within seven days.

- Initial assessment: An assessment determines the report's validity and seriousness.

- Thorough investigation; The CHRO oversees an impartial investigation, involving relevant business leaders when necessary. Major issues are escalated to the Board of Directors

- Feedback and documentation; Whistleblowers receive updates within three months and all investigation details are documented in the portal.

- Confidentiality and retaliation protection; Zalaris facilitates the confidentiality of all reports, protecting whistleblower identity. Retaliation is strictly prohibited, with disciplinary actions for any violations.

- External reporting: If internal reporting is deemed ineffective, whistleblowers may report to external authorities, though internal channels are recommended first.

Zalaris is committed to protecting individuals who report concerns in good faith from any form of detrimental treatment or retaliation. This commitment encourages a culture of transparency and accountability within the organization. Disciplinary Actions for False Reports; While the company encourages reporting of genuine concerns, it also stipulates that any employee knowingly making a false report with the intent to harm another individual will be subject to disciplinary action. This framework supports Zalaris' commitment to transparency, compliance and whistleblower protection.

The functions within Zalaris that are most at risk in respect of corruption and bribery are the customer facing functions within sales, those function in finance involved with payments to suppliers and procurement functions within IT. Sales functions have interaction with clients which may present opportunities for unethical practices. Certain IT functions engage with third-part vendors and suppliers that can expose the company to potential bribery and corruption risks. Certain finance and accounting functions responsible for payments are also high-risk functions for bribery and corruption under the CSRD framework.

Zalaris establishes, develops, promotes and evaluates its corporate culture through a set of business conduct policies designed to uphold the highest ethical standards. These policies are integral to shaping the company's culture and ensuring adherence to core values of integrity, transparency and respect for all stakeholders.

Key Aspects of Zalaris' Corporate Culture and Business Conduct Policies

1. Mechanisms for Identifying, Reporting and Investigating Concerns: Zalaris has established clear mechanisms for identifying, reporting and investigating concerns about unlawful behaviour or actions that contradict the company's Code of Conduct or similar internal rules. These mechanisms include:

    - Internal and external reporting channels for stakeholders, ensuring that all concerns are promptly addressed.

    - A dedicated team responsible for investigating and resolving any such concerns, ensuring that all investigations are conducted independently and objectively.

2. Anti-Corruption and Anti-Bribery Policies: Zalaris has a zero-tolerance policy towards corruption and bribery. The company discloses its commitment and has implemented internal controls to prevent such activities. Zalaris will continue to review and enhance its policies as needed.

    - If there were any gaps in anti-corruption or anti-bribery policies in the past, Zalaris would explicitly state these and outline the steps for policy implementation and a clear timeline for doing so.

3. Whistleblower Protection: Zalaris ensures the protection of whistleblowers in line with the EU Whistleblowing Directive (Directive 2019/1937). Key measures include:

    - The establishment of internal whistleblower reporting channels that are easily accessible for all workers and external stakeholders.

    - Information and training provided to employees on how to raise concerns, including specific guidance for staff designated to receive and handle reports.

    - Strong anti-retaliation measures to protect whistleblowers from any negative consequences of reporting, in line with applicable laws.

4. Investigation Procedures: Zalaris has established thorough procedures to investigate business conduct incidents, including potential incidents of corruption or bribery. The company is committed to investigating such incidents promptly, independently and objectively, ensuring that any violations of business conduct policies are addressed in a fair and transparent manner.

5. Training on Business Conduct: Zalaris conducts training on business conduct across the organization. This training includes:

   - Mandatory training for all employees on ethical behaviour, anti-corruption and anti-bribery policies.

   - Regular sessions designed to reinforce the company's standards of integrity and to facilitate all employees understand their role in maintaining a strong ethical culture.

   - The frequency and depth of the training are tailored to the employee's position and level of responsibility within the company.

6. Functions Most at Risk in Respect of Corruption and Bribery: Zalaris recognizes that certain business functions may be at a higher risk of exposure to corruption and bribery due to their interaction with third parties, such as procurement, sales and finance. The company monitors these functions closely, implementing additional controls where necessary to mitigate risks. Completion of Business Conduct Training is mandatory for all employees as part of onboarding, and the Anti-Bribery and Anti-Corruption training module is mandatory for all (100%) employees in at-risk functions annually.

These policies, along with regular training and independent investigations, facilitates that Zalaris fosters a corporate culture that prioritizes ethical conduct, transparency and accountability across the organization.

Management of relationships with suppliers G1-2

Zalaris is committed to building fair and equitable relationships with its suppliers, focusing on ethical standards and responsible business practices. Central to this commitment is the company's Code of Conduct, which outlines the core principles that all board members, managers, employees and representatives are required to follow. This code underscores the importance of fairness and equality in supplier relationships, ensuring that all interactions with suppliers reflect Zalaris' dedication to high ethical standards.

While the Code of Conduct primarily governs Zalaris' internal operations, the company expects its business partners to uphold these same ethical standards. Zalaris make sure that it does not engage with suppliers who do not meet these expectations, maintaining alignment with its core values. In 2024, however, Zalaris did not have a formal procurement policy, nor did it explicitly integrate social and environmental criteria into supplier selection. The company is committed to implementing a formal procurement policy in 2025 to address these gaps.

To manage its supplier relationships efficiently, Zalaris utilizes a centralized system for registering, approving and processing supplier invoices across the group. Once approved, invoices are automatically paid by their due dates, with a standard payment term of 30 days, ensuring timely payments. This approach fosters strong, reliable relationships with suppliers and supports Zalaris' commitment to operational efficiency and transparency.

Prevention and detection of corruption and bribery G1-3

During the 2024 financial year Zalaris provided training to its at-risk own workers in terms of its policy. For those at-risk functions the training is mandatory, but Zalaris also made available voluntary training for other own workers.

The Code of Conduct is written in English and German and is communicated internally through our intranet. These efforts aim to prevent incidents of corruption and bribery. The Code of Conduct training elements are provided to employees by Group HR. Since no specific functions were identified as higher priority to perform the training, we have no specific metrics on fulfilment rates or outcomes of training for functions-at-risk, nor do we have any plans to implement such a focus.

The company has a separate anti-corruption policy to prevent, detect and address corruption and bribery.

Prevention:

- Policy and training; Zalaris has an anti-bribery and anti-corruption policy in place, which emphasizes a zero-tolerance stance on corruption. All employees, including third-party contractors and business partners, must adhere to this policy. New employees receive training during the induction process and ongoing training ensures awareness of anti-bribery practices.

- Gifts and hospitality guidelines; Employees are allowed to accept modest gifts and hospitality that are compliant with local laws and free from any expectation of reciprocal favor. Clear rules limit the value of acceptable gifts and hospitality and require approval for any offerings from government officials or politically exposed persons.

- Prohibition of facilitation payments and Kickbacks; Zalaris prohibits facilitation payments and kickbacks. Employees are instructed to avoid these practices and report any coercive situations to their line manager, while maintaining transparency in the transaction.

Detection:

- Whistleblowing mechanism: Employees are encouraged to report any suspicions of bribery through internal channels, including a dedicated whistleblowing system that ensures confidentiality. This reporting mechanism allows employees to raise concerns without fear of retaliation.

- Financial and record-keeping standards; Zalaris keeps detailed records of all transactions, including gifts and hospitality, which are subject to managerial review. Regular audits and internal control procedures are in place to verify adherence to anti-bribery policies and detect any irregularities.

Addressing Incidents:

- Reporting and investigation: If employees encounter or suspect bribery, they must inform their compliance manager immediately. Zalaris undertakes thorough investigations of reported incidents to determine any breaches of policy.

- Sanctions: Employees found in violation of the anti-bribery policy face disciplinary actions, which may include termination. Any legal infractions are reported to local authorities as required by law.

- Continuous improvement and feedback: The effectiveness of the anti-bribery policy is reviewed regularly and Zalaris encourages employees to provide feedback for ongoing improvement

Zalaris ensures that investigators or the investigating committee handling allegations of bribery and corruption are separate from the management chain involved in the matter. This separation is a key part of Zalaris' commitment to impartial and independent investigations. The compliance manager or a designated authority outside the involved management chain typically leads investigations, ensuring that the process remains unbiased and that no conflicts of interest affect the investigation's outcome.

This approach is in line with Zalaris' zero-tolerance stance on bribery and corruption and is reinforced by the company's whistleblowing mechanism, which allows employees to report issues confidentially and without fear of retaliation

Zalaris has established a structured process to report the outcomes of investigations related to bribery and corruption to its administrative, management and supervisory bodies. This process ensures transparency, accountability and adherence to ethical standards within the organization.

Reporting Process:

- Investigation completion: Upon concluding an investigation into allegations of bribery or corruption, the compliance manager or designated authority compiles a comprehensive report detailing the findings, conclusions and any recommended actions.

- Management notification: The investigation report is submitted to the relevant management personnel, including department heads and senior executives, to inform them of the findings and proposed measures.

- Supervisory body review: The report is also presented to the supervisory bodies, such as the Board of Directors or Audit Committee, to provide oversight and ensure that appropriate actions are taken in response to the investigation's outcomes.

- Implementation of actions: Based on the investigation's findings, management, in consultation with the supervisory bodies, implements necessary corrective actions, which may include disciplinary measures, policy revisions, or additional training programs.

- Monitoring and follow-up: The compliance manager monitors the implementation of the recommended actions to ensure their effectiveness and compliance with Zalaris' anti-bribery and anti-corruption policies.

Training is mandatory for all employees in high-risk functions, such as finance, procurement and management, where the likelihood of encountering corruption risks is higher. Zalaris ensures 100% of employees in these roles receive anti-corruption and anti-bribery training, guaranteeing that those in at-risk positions are fully covered. Zalaris provides structured anti-corruption and anti-bribery training to facilitate employees and relevant stakeholders understand ethical business practices, legal requirements, and company policies. The training covers key topics such as bribery risks, conflicts of interest, whistleblowing procedures, and compliance with anti-corruption laws. It is mandatory for all employees, with additional modules for high-risk roles such as procurement and sales teams. The program is delivered through e-learning courses, workshops, and scenario-based case studies to enhance practical understanding. Participation is tracked, and refresher training is conducted periodically to facilitate ongoing compliance. Employees are also required to acknowledge adherence to Zalaris' Code of Conduct and Anti-Bribery Policy.

In addition to general employee training, members of the administrative, supervisory and management bodies receive specialized training, emphasizing their leadership role in fostering a culture of integrity. This training includes in-depth discussions of Zalaris' anti-corruption policies, the legal frameworks governing bribery and corruption and the strategic importance of maintaining ethical business practices at all levels of governance. Regular updates to the training are provided to incorporate any changes in legal requirements or company policies, ensuring continued compliance with anti-corruption and anti-bribery standards.

Through these comprehensive training programs, Zalaris reaffirms its dedication to promoting a culture of integrity, transparency and accountability throughout the organization.

During the 2024 financial year Zalaris provided training to its at-risk own workers in terms of its policy (see section 4.1.1.1).

Table 21. Training is mandatory for all employees. Details of its training during the year is as follows:

	At-risk functions	Management Team	BoD*	Other own workers
Training coverage	100%	100%	Not compulsory	100%
Total	1,134	6	5	1,134
Total receiving training	1,134	6		1,134
Delivery method and duration				
Computer-based training	30 min	30 min	30 min	30 min
Frequency				
How often training is required	At on-boarding and annually thereafter	At on-boarding and annually thereafter	Not compulsory	At on-boarding and annually thereafter
Topics covered				
Code of Conduct	X	X	X	X
Corruption and bribery	X	X	X	X
Gifts and business courtesies	X	X	X	X
Money laundering	X	X	X	X
Handling infringements/ sanctions	X	X	X	X

*Board of Directors

4.4.3 Business Conduct Metrics and targets

Incidents of corruption or bribery G1-4

In 2024, a total of three whistleblower reports were submitted through the Whistleblower System, all of which fell within its scope. All reported cases were internal in nature and have been fully addressed and closed, with no open reports remaining at this time.

- Convictions and Fines: There were no convictions or fines for violations of anti-corruption and anti-bribery laws during the reporting period.
- Actions Taken: Since no incidents of corruption or bribery occurred, no specific actions were required to address breaches in procedures or standards related to anti-corruption and anti-bribery.

Zalaris confirms transparency by only disclosing incidents where its employees or the company itself are directly involved. Since no such incidents occurred, no disclosures were made.

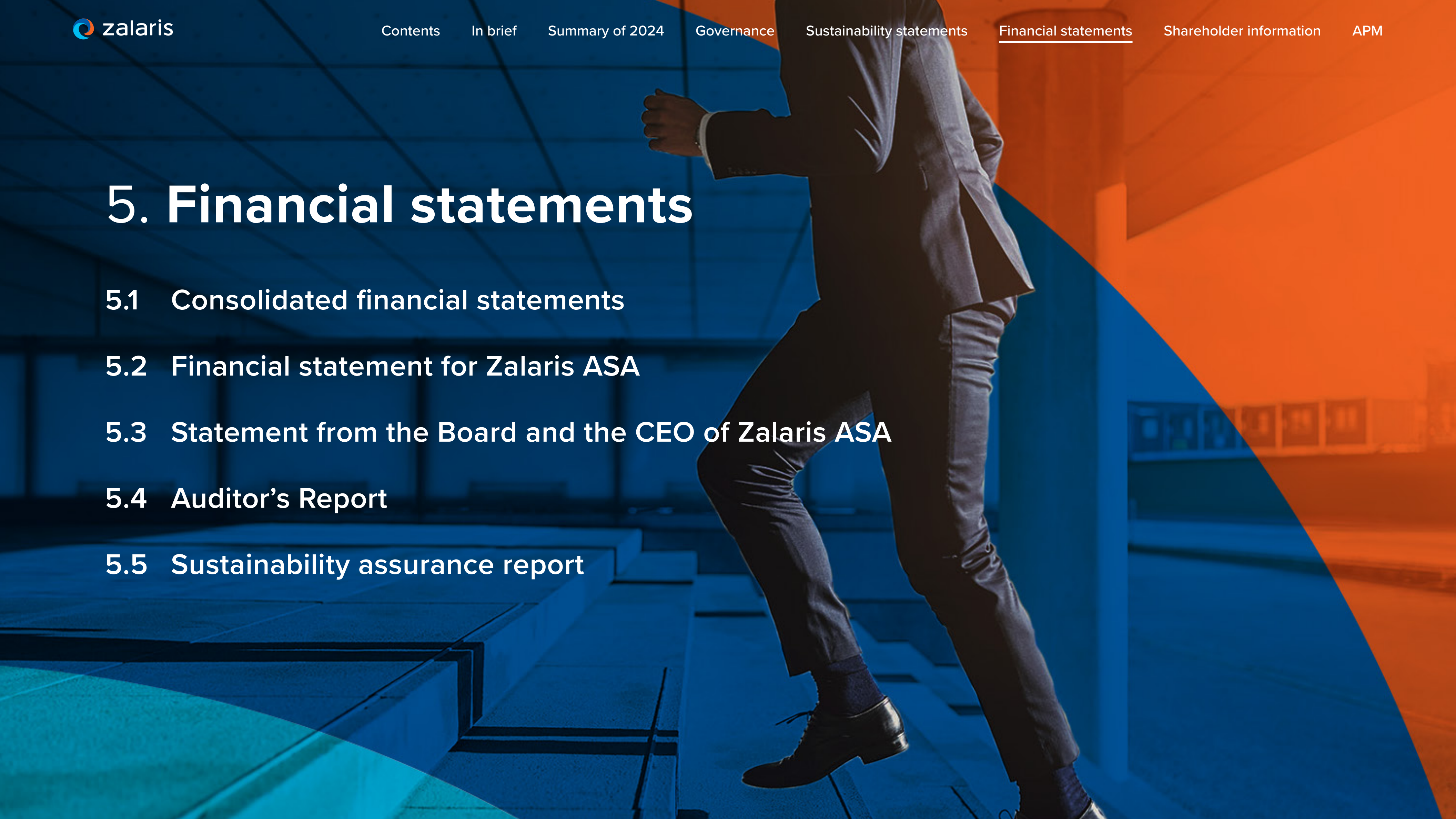
Corruption and bribery incidents	2024
Number of convictions for violation of anti-corruption and anti-bribery laws	0
Fines for violation of anti-corruption and anti-bribery laws (NOK)	0

4.4.4 Payment practices (G1-6)

Standard Payment Terms
Zalaris maintains a standard payment term of 30 days for all standard expenses and supplier payments. These terms are applicable across all main supplier categories to facilitate consistency and fair business practices. Vendors must submit invoices promptly, including details such as the due date, total amount, and applicable taxes. Payment terms should be clearly stated (e.g., "Net 30," "Net 60," or a fixed date). A system should be in place to monitor accounts payable, make sure timely payments, and address issues promptly. Open communication with vendors is essential, especially regarding potential payment delays. However, Zalaris does not have a policy to prevent late payments, particularly for SMEs. As of the reporting period, there are no outstanding legal proceedings related to late payments. Zalaris prioritizes timely payments to suppliers, reinforcing its commitment to ethical business conduct and responsible financial management

Alignment with Standard Payment Terms
Zalaris is committed to adhering to its standard payment terms and ensuring that payments are processed in a timely manner. The percentage of payments made within the agreed-upon terms is monitored internally to uphold financial discipline and maintain strong supplier relationships. Percentage of payments aligned with agreed terms is 88%.

Payment practices	2024
Average days for payment to suppliers	30 days
Percentage of payments aligned with agreed	88%



5. Financial statements

5.1 Consolidated financial statements

The consolidated group annual accounts report for Zalaris ASA contains the following documents:

- **Consolidated Statement of Profit and Loss**
- **Consolidated Statement of Comprehensive Income**
- **Consolidated Statement of Financial Position**
- **Consolidated Statement of Cash Flows**
- **Consolidated Statement of Changes in Equity**
- **Consolidated Notes to the Financial Statement**

The consolidated financial statements, which have been drawn up by the Board and management, should be read in relation to the Annual Report and the independent auditor's opinion

Consolidated statement of profit or loss for the period ended 31 December

(NOK 1000)	Notes	2024	2023 *
Revenue	2,3	1 346 282	1 133 971
Gain on sale of assets		10 504	-
Operating expenses			
License expense		108 074	103 231
Personell expenses	4,5,6	674 778	589 845
Other operating expenses	7	347 642	287 068
Depreciation and impairments	8	5 045	4 272
Depreciation right-of-use assets	9	25 741	23 002
Amortisation intangible assets	10	32 272	32 666
Amortisation implementation costs customer projects	3	49 581	33 765
Total operating expenses		**1 243 133**	**1 073 849**
Operating profit		**113 653**	**60 122**
Financial items			
Financial income	11	10 593	8 496
Financial expense	11,12,13	(59 185)	(83 186)
Unrealised foreign exchange profit/(loss)		(15 604)	61
Net financial items		**(64 196)**	**(74 629)**
Profit/(loss) before tax from continuing operations		**49 457**	**(14 507)**
Tax expense	14	(16 010)	11 546
Profit/(loss) for the year		**33 447**	**(2 961)**

* 2023 accounts are reclassified with vyble from discontinued to continued operations

(NOK 1000)	Notes	2024	2023 *
Profit attributable to:			
- Owners of the parent		33 758	(2 121)
- Non-controlling interests		(311)	(841)
Earnings per share:			
Basic earnings per share (NOK)	15	1.56	(0.08)
Diluted earnings per share (NOK)	15	1.40	(0.08)

* 2023 accounts are reclassified with vyble from discontinued to continued operations

Consolidated statement of comprehensive income for the period ended 31 December

(NOK 1000)	Note	2024	2023 *
Profit for the period		33 447	(2 961)
Other comprehensive income			
Items that may be reclassified to profit and loss in subsequent periods			
Currency translation differences		23 418	29 760
Total other comprehensive income		**23 418**	**29 760**
Total comprehensive income		**56 865**	**26 799**
Total comprehensive income attributable to:			
- Owners of the parent		57 176	27 640
- Non-controlling interests		(311)	(841)

* 2023 accounts are reclassified with vyble from discontinued to continued operations

Consolidated statement of financial position as at 31 December

(NOK 1000)	Note	2024	2023
ASSETS			
Non-current assets			
Intangible assets	10	118 895	118 126
Goodwill	10	222 152	209 443
Total intangible assets		**341 047**	**327 569**
Deferred tax asset	14	45 409	52 065
Fixed assets			
Right-of-use assets	9	66 314	44 853
Property, plant and equipment	8	9 960	35 186
Total fixed assets		**76 274**	**80 039**
Total non-current assets		**462 730**	**459 673**
Current assets			
Trade accounts receivable	16	291 862	262 690
Customer projects assets	3	277 957	197 106
Other current assets	17	65 572	46 083
Cash and cash equivalents	18	221 751	135 722
Total current assets		**857 142**	**641 601**
Assets held for sale	23	-	10 275
TOTAL ASSETS		**1 319 872**	**1 111 549**

Consolidated statement of financial position for the period ended 31 December

(NOK 1000)	Note	2024	2023
EQUITY AND LIABILITIES			
Equity			
Paid-in capital			
Issued capital incl. treasury shares	19	2 169	2 165
Other paid in equity		21 400	21 481
Share premium		143 956	143 045
Total paid-in capital		**167 525**	**166 690**
Other equity		14 519	14 519
Retained earnings and exchange differences		81 426	24 190
Equity attributable to equity holders of the parent		**263 470**	**205 399**
Non-controlling interest		(2 754)	(2 443)
Total equity		**260 716**	**202 956**
Liabilities			
Non-current liabilities			
Deferred tax liability	14	22 383	27 418
Interest-bearing loans and borrowings	12	464 210	439 964
Lease liabilities	9	41 541	28 585
Total long-term liabilities		**528 134**	**495 968**

(NOK 1000)	Note	2024	2023
Current liabilities			
Trade accounts payable		42 736	38 159
Customer projects liabilities	3	245 475	182 588
Interest-bearing loans	12	5 010	10 757
Lease liabilities, short term	9	28 437	18 469
Income tax payable	14	5 476	4 537
Public duties payable		60 665	44 621
Other short-term liabilities	20	143 223	108 815
Total short-term liabilities		**531 022**	**407 946**
Assets held for sale	23	-	4 679
Total liabilities		**1 059 156**	**908 593**
TOTAL EQUITY AND LIABILITIES		**1 319 872**	**1 111 549**

Oslo, 11 April 2025

This document is signed electronically

Adele Norman Pran
Chair of the Board

Liselotte Hägertz Engstam
Board Member

Kenth Eriksson
Board Member

Jan M. Koivurinta
Board Member

Erik Langaker
Board Member

Hans Petter Mellerud
Chief Executive Officer

Consolidated statement of cash flows for the period ended 31 December

(NOK 1000)	Note	2024	2023
Cash flow from operating activities			
Profit (Loss) before tax from continued operation		49 457	(14 508)
Net financial items	11	64 196	74 225
Share based program	6	13 083	11 575
Depreciation and impairments	8	5 045	4 269
Depreciation right-of-use assets	9	25 741	23 002
Amortisation intangible assets	10	32 272	31 068
Capitalisation implementation costs customer projects	3	(121 153)	(89 272)
Amortisation implementation costs customer projects	3	49 581	33 765
Customer project revenue deferred	3	96 050	104 139
Customer project revenue recognised	3	(42 113)	(29 408)
Taxes paid	14	(7 901)	(11 452)
Changes in accounts receivable	16,17	(29 172)	(70 975)
Changes in accounts payable	20	4 577	(7 248)
Changes in other items		30 415	35 100
Interest received	13	4 611	2 585
Interest paid	13	(43 219)	(38 317)
Net cash flow from operating activities		**131 470**	**58 548**

(NOK 1000)	Note	2024	2023
Cash flows to investing activities			
Investment in fixed and intangible assets	8,9,10	(27 451)	(33 868)
Proceedes from sale of property		41 899	-
Net cash flow from investing activities		**14 448**	**(33 868)**
Cash flows from financing activities			
Sale of own shares		2	881
Buyback of own shares		(12)	-
Cash payment employee options	6	(13 277)	-
Contribution from minority shareholder		-	293
Payment of lease liabilities	9	(32 604)	(22 790)
New loan	12	-	440 796
Repayment of loan	12	(10 995)	(400 547)
Net cash flow from financing activities		**(56 886)**	**18 634**
Net changes in cash and cash equivalents		**89 032**	**43 314**
Net foreign exchange difference		**(3 252)**	**(796)**
Cash and cash equivalents at the beginning of the period		**135 970**	**93 456**
Cash and cash equivalents at the end of the period		**221 751**	**135 970**

Consolidated statement of changes in equity for the period ended 31 December

(NOK 1000)	Note	Share capital	Own shares	Share premium	Other paid in equity	Total paid-in equity	"Other equity"	Retained earnings	Currency revaluation reserve	Total	Non-controlling interests	Total equity
Equity at 01.01.2023		**2 214**	**(54)**	**141 898**	**10 038**	**154 095**	**14 519**	**8 622**	**(12 038)**	**165 198**	**(1 602)**	**163 596**
Profit of the year						-		(2 121)		**(2 121)**	(841)	**(2 961)**
Other comprehensive income						-			29 760	**29 760**		**29 760**
Share based payments	6				11 575	**11 575**				**11 575**		**11 575**
Exercise of share based payments	6		1	131	(132)	-		(5)		**(5)**		**(5)**
Employee share purchase program	6		4	1 015		**1 019**		(139)		**880**		**880**
Other changes						-		113		**113**		**113**
Equity at 31.12.2023		**2 214**	**(49)**	**143 045**	**21 481**	**166 690**	**14 519**	**6 469**	**17 722**	**205 399**	**(2 443)**	**202 956**
Equity at 01.01.2024		**2 214**	**(49)**	**143 045**	**21 481**	**166 690**	**14 519**	**6 469**	**17 722**	**205 399**	**(2 443)**	**202 956**
Profit/(loss) of the year						-		33 758		**33 758**	(311)	**33 447**
Other comprehensive income						-			23 418	**23 418**		**23 418**
Share based payments	6				13 083	**13 083**				**13 083**		**13 083**
Exercise of share based payments	6				(13 277)	**(13 277)**				**(13 277)**		**(13 277)**
Employee share purchase program	6		4	912		**916**				**916**		**916**
Other changes					112	**112**		59		**171**		**171**
Equity at 31.12.2024		**2 214**	**(45)**	**143 956**	**21 400**	**167 525**	**14 519**	**40 286**	**41 140**	**263 470**	**(2 754)**	**260 716**

Basis for preparation

Corporate information

The Zalaris Group consists of Zalaris ASA and its subsidiaries. Zalaris ASA is a limited liability company domiciled in Norway. The Group's registered office is in Hoffsveien 4, Oslo, Norway. The Group is a provider of payroll and human capital management solutions.

The consolidated financial statements of Zalaris for the period ending on 31 December 2024 were approved in a board meeting on 11 April 2025.

Statement of compliance

The Group's consolidated financial statements of Zalaris ASA for the accounting year 2024 are prepared in accordance with IFRS Accounting Standards as adopted by the EU and effective as of 31 December 2024. Zalaris also provides additional disclosures in accordance with requirements in the Norwegian Accounting Act.

The consolidated financial statements are based on the principles of historic cost, apart from financial instruments which are recognised at fair value. The consolidated financial statements have been prepared based on the going concern principle.

The consolidated financial statements are presented in Norwegian kroner (NOK). All values are rounded to the nearest NOK thousand, except when otherwise indicated. The functional currency of Zalaris ASA is Norwegian kroner (NOK).

Materiality judgments

These financial statements aim to provide useful financial information which meets the common information needs of its primary users. Materiality judgments are necessary to meet this objective, and Zalaris has made such judgments related to recognition, measurement, presentation and disclosures. With reference to the complete set of financial statements, information is considered material if omitting, misstating or obscuring it could reasonably be expected to influence decisions taken by primary users based on the information provided. The materiality judgments are reassessed at each reporting date and updated based on changed facts and Zalaris specific circumstances.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Zalaris ASA and its subsidiaries (together referred to as "the Group"). Subsidiaries are all entities controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. The results of subsidiaries acquired or disposed during the year are included in the consolidated financial statement from the date when control is obtained, to the date the Group no longer has control. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies.

All intra group balances and transactions have been eliminated upon consolidation. Accounting policies of subsidiaries are changed if necessary to ensure consistency with the policies adopted by the Group.

Consolidation of a subsidiary begins when the Group obtains control and ceases when the Group loses control. This means that income and expenses of subsidiaries acquired or disposed of are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of Zalaris ASA and to the non-controlling interests.

Foreign currency translation

The Group's presentation currency is Norwegian Kroner (NOK). The functional currency of the Parent Company is NOK.

For consolidation purposes, the balance sheet figures for subsidiaries with a different functional currency than NOK are translated into the presentation currency (NOK) at the rate applicable at the balance sheet date. Income statements are translated at the average monthly exchange rate. Exchange differences from translating subsidiaries are recognised in other comprehensive income.

Transactions in foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates at the transaction date. Monetary balances in foreign currencies are translated into the functional currency at the exchange rates on the date of the balance sheet. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

Material accounting policies

Accounting policies according to the list below are included in the relevant notes to the consolidated financial statements:

Accounting policies:

New and revised accounting standards and interpretations

The following standards effective as of 1st January 2024 (or before) have been considered of the presentation of the accounts where applicable.

- Classification of Liabilities as Current or Non-current – Amendments to IAS 1 Non-current Liabilities with Covenants – Amendments to IAS 1

The following standards effective as of 1st January 2024 (or before) does not have any material implication for the Group, and hence had no effect on the figures presented as at 31 December 2024.

- Supplier finance arrangements – Amendments to IAS 7 and IFRS 7
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

Standards issued but not yet effective

Standards, amendments, and interpretations to existing standards that are not yet effective and for which early adoption has not been applied by the Group, are listed below. The Group will adopt these new and amended standards and interpretations, if applicable, when they become effective.

- The effects of Changes in Foreign Exchange Rates – changes in IAS 21 (2025-01)
- Changes in IFRS 9 and IFRS 7 Disclosure of Financial Instruments (2026-01)
- IRFS 18 Presentation and Disclosure of Financial statements (2027-01)
- IFRS 19 Subsidiaries without Public Accountability – Disclosures (2027-01)

The relevant standards, changes and amendments will be implemented when effective.

Note 1 – Key sources of estimation uncertainty, judgements and assumptions

General

The preparation of the financial statements in accordance with IFRS requires management to make judgments, use estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are considered to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

Customer projects

A portion of costs incurred in the initial phase of outsourcing contracts may be deferred when they are specific to a given contract, relate to future activity on the contract, will generate future economic benefits and are recoverable. These costs are capitalised as “customer projects assets” and any prepaid revenues by the client are presented separately as “customer projects liabilities” in the statement of financial position. The deferred costs are expensed evenly over the period the outsourcing services are provided and included in the line item “amortisation implementation costs customer projects”. Likewise, the income from prepayments from customers related to performance obligations are recognised after the same principles. The customer’s acceptance of startup signifies the recognition of the delivery and revenue is hence rendered from this date forward. Capitalised customer projects are tested at least annually for impairment.

Based on the identification of performance obligations and the transaction price has been determined, the transaction price is allocated to the performance obligations. This is done in proportion to their stand-alone selling prices. The stand-alone selling price is the price of selling a good or service on a stand-alone basis at contract inception. If stand-alone selling prices are not directly observable, one must make estimates based on information that is reasonably available. In many cases, the stand-alone selling price will be directly observable as it is based on hours.

Capitalisation of intangible assets

Development costs of software have been capitalised as intangible assets to the extent it is assessed that future benefits can be substantiated. Judgment as to determining which amount of expenses can be capitalised has been applied.

Impairment of non-financial assets

IAS 36 requires Zalaris to assess indicators that could cause an asset or a cash generating unit (CGU) to become impaired. The assessment of such impairment indicators and the identification of CGUs involves judgement, including assessment of whether active markets exist, and the level of interdependency of cash flows. An impairment loss is recognised to the extent that the asset's or CGU's carrying value exceeds its recoverable amount. Determination of the recoverable amount involves management estimates on highly uncertain matters and refer to the higher of fair value less cost to sell and value-in-use. The value-in-use is influenced by market conditions in the regions where Zalaris carries out its business. Further, significant judgment is applied in the assessment of the useful life and residual value of the assets. Expected useful life is influenced by a number of uncertain factors, including but not limited to technology development and climate related matters. If there are any indications of impairment, the Group will test if carrying amounts exceed its recoverable amount. See Note 10 for further explanation.

Deferred tax assets

Zalaris recognises deferred tax assets if it is probable that sufficient taxable income will be available in the future against which the temporary differences and unused tax losses int the same jurisdiction can be utilised. Management has used significant judgement in considering future taxable income when assessing whether these assets should be recognised, taking into consideration that stronger evidence for utilisation is required for entities with a history of recent tax losses. Further information about deferred tax is provided in Note 14.

Note 2 – Segment information

The Corporate Management Team is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. The Group is organised into business units based on its main products and services and has two reportable segments, as follows:

The **Managed Services segment**, which includes a full range of payroll and HR outsourcing services, such as payroll processing, time and attendance, travel expenses as well as related cloud system solutions and services. This includes additional cloud-based HR functionality to existing outsourcing customers such as talent management, digital personnel archive, HR analytics, mobile solutions, etc. These services are predominantly of a recurring nature and are generally based on long-term contracts (3 - 7 years).

The **Zalaris Consulting (formerly Professional Services) segment**, which includes the implementation of SAP HCM & Payroll and SuccessFactors, based on Zalaris templates, or implementation of customer-specific functionalities. This segment unit also assists customers with cost-effective maintenance and support of customers' own on-premises SAP solutions ("AMO"). The AMO services are generally of a recurring nature, and much of the services are based on long-term customer relationships.

For internal reporting and management purposes the financial information is organised by the two business segments by geography. In addition, Zalaris established, during 2022, a new geographical region, encompassing the Asia-Pacific (APAC), headquartered in Australia. The new region offers products and services from both Zalaris Consulting and Managed Services. The region, which is a greenfield investment, is not classified as a separate business segment, but is reported separately until it has reached a sustainable business level, for information purposes. Further, vyble GmbH, is company supplying payroll services to the small business segment. This is presented as a separate segment.

Items that are not allocated to business segments are mainly intercompany sales, interest-bearing loans and other associated expenses and assets related to administration of the Group. The Group's executive management is the chief decision maker in the Group. The investing activities comprise the total cost in the period for the acquisition of assets that have an expected useful life of more than one year.

Note 2 – Segment information

2024

(NOK 1000)	Managed Services	Zalaris Consulting	APAC	vyble GmbH	Gr.Ovhd & Unallocated	Total
Revenue, external	1 002 669	290 825	48 200	4 588	-	**1 346 282**
Operating expenses	(770 384)	(260 674)	(47 811)	(5 606)	(46 020)	**(1 130 495)**
Sale of assets	-	-	-	-	10 504	**10 504**
EBITDA	**232 285**	**30 151**	**389**	**(1 018)**	**(35 516)**	**226 291**
Depreciation and amortisation	(69 880)	(8 986)	(600)	(1 631)	(31 542)	**(112 639)**
EBIT	**162 405**	**21 165**	**(211)**	**(2 649)**	**(67 058)**	**113 652**
Net financial income/(expenses)					(64 196)	**(64 196)**
Income tax					(16 010)	**(16 010)**
Profit for the period	**162 405**	**21 165**	**(211)**	**(2 649)**	**(147 264)**	**33 446**
Cash flow from investing activities						**14 448**

2023

(NOK 1000)	Managed Services	Zalaris Consulting	APAC	vyble GmbH	Gr.Ovhd & Unallocated	Total
Revenue, external	819 575	291 170	20 465	2 762	-	**1 133 972**
Operating expenses	(658 506)	(252 430)	(26 857)	(11 544)	(30 809)	**(980 147)**
EBITDA	**161 069**	**38 740**	**(6 392)**	**(8 782)**	**(30 809)**	**153 825**
Depreciation and amortisation	(51 511)	(8 426)	(974)	(1 599)	(31 194)	**(93 704)**
EBIT	**109 558**	**30 314**	**(7 366)**	**(10 381)**	**(62 003)**	**60 122**
Net financial income/(expenses)					(74 630)	**(74 630)**
Income tax					11 546	**11 546**
Profit for the period	**109 558**	**30 314**	**(7 366)**	**(10 381)**	**(125 087)**	**(2 962)**
Cash flow from investing activities						**(33 868)**

Geographic information

The Group's operations are carried out in several countries, and information regarding revenue based on geography is provided below. Information is based on the location of the entity generating the revenue, which, to a large extent, corresponds to the geographical location of the customers.

Revenue from external customers attributable to:

	2024				2023			
(NOK 1000)	MS	ZC	Total	as % of total	MS	ZC	Total	as % of total
Norway	246 075	1 050	**247 125**	18%	227 252	1 066	**228 318**	20%
Northern Europe, excluding Norway	412 400	2 130	**414 530**	31%	326 416	1 741	**328 157**	29%
Central Europe	305 494	240 208	**545 702**	41%	231 544	235 745	**467 289**	41%
UK & Ireland	38 700	47 437	**86 137**	6%	34 505	52 478	**86 983**	8%
APAC	12 848	35 352	**48 200**	4%	8 406	12 059	**20 465**	2%
Non-core (vyble)	-	4 587	**4 587**	0%	-	2 762	**2 762**	0%
Total	**1 015 517**	**330 764**	**1 346 281**	**100%**	**828 123**	**305 851**	**1 133 974**	**100%**

The Group has no customers, which accounts for more than 10% of the total revenue.

Note 3 – Revenue from contracts with customers

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group's revenue consists of revenue from providing payroll and HR services, Managed Services, which also include cloud services. The other segment is Zalaris Consulting, which basically is consulting services.

Managed Services; the revenue from contracts related to outsourcing consists of a basic fixed fee and variable revenue based on a number of factors such as the number of employees, pay slips and expense claims produced. All the above-mentioned deliverables are highly interrelated and are therefore considered to not be separate identifiable, i.e. one performance obligation. Revenue from outsourcing contracts is also recognised over time, since the customer simultaneously receives and consumes the benefits provided by the Group.

Cloud services; a part of Managed Services, delivered by the Group may comprise of several deliverables (monthly services, hosting, licenses etc.) The hosting of program solutions is either on the Group's platform or third-party platform. All the deliverables are highly interdependent and are therefore deemed to be one performance obligation. The revenue from cloud services is recognised over time, since the customer simultaneously receives and consumes the benefits provided by the Group.

Zalaris Consulting; the revenue contains one performance obligation, i.e. consultant services. The revenue from these contracts is recognised over time since the customer simultaneously receives and consumes the benefits provided by the Group. The measurement of progress is based on hours. Costs related to customer contracts are expensed as incurred.

Principal versus agent considerations (Cloud services)

For Cloud services the Group delivers services partly based on a SAP-license. Where hosting services are delivered from the Group together with other services rendered, the customer will have to discontinue the hosting service upon a termination of the contract. Where the hosting is rendered by a third party there is a possibility for the customer to continue to receive the hosting service, but without the add-ons and services rendered by the Group. This will leave the customer with a different product, and hence the Group is the principal supplier of cloud services as a whole.

Consideration

The Group's revenue is determined on contractual pricing connected to delivered services within a certain period. Outsourcing and Cloud services revenue is based on rendered service in the period while consulting services are invoiced based on hourly performance. The is no right of return of the services sold by the Group.

If the consideration in a contract includes a variable amount, the Group estimates the most likely amount of consideration to which it will be entitled in exchange for transferring the good or service to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Consideration of significant financing component in a contract

The Group invoices for delivered services throughout the contractual period. Some of these services are short-term financed by the Group while outsourcing contracts contains an element of financing over the contract periods. However, the financing of customer project is not considered to be significant. For contracts with duration of 12 months or less the Group has chosen to apply the practical expedient not to adjust any prepayments form customers.

Disaggregated revenue information

The Group's revenue from contracts with customers has been disaggregated and presented in note 2.

Contract balances

(NOK 1000)	Note	2024	2023
Trade receivables	12	291 862	262 690
Customer project assets		277 957	197 106
Customer project liabilities		(245 475)	(182 588)
Prepayments from customers	20	(24 554)	(15 993)

Trade receivables are non-interest bearing and are on general terms from 14 to 90 days credit. In 2024 NOK 1 308 thousand (NOK 308 thousand) was recognised as provision for expected credit losses on trade receivables.

Customer project assets are costs incurred on specific customers contracts, which will be used in satisfying performance obligations in the future, and that are recoverable. These are generally cost incurred in the implementation phase of customer contract for the delivery of BPO HCM services and is a prerequisite for being able to deliver these services. They are incurred from own employees, external consultants, and external suppliers. These costs are deferred and amortised evenly over the period the outsourcing services are provided.

Customer project liabilities are generally payments from customers specific to a given contract, to cover part of the costs for the implementation of the outsourcing contract.

The customer payments are recognised as revenue evenly as the Group fulfils the related performance obligations over the contract period.

Prepayments from customers comprise a combination of short- and long-term advances from customers. The short-term advances are typically deferred revenues related to smaller projects or change orders related to the system solution. The long-term liabilities relate to initial advances paid upon signing the contract. These advances are contracted to be utilised by the customer on either transformation projects, change orders, or other projects.

These advances are recognised as revenue when the work is performed on agreed projects If the contract expires, or is terminated, any unused amount becomes the property of Zalaris and is recognised as revenue by the Group.

Performance obligations

Information related to the Group´s performance obligations and related revenue recognition is summarised below:

Movements in customer project assets through the period:

(NOK 1000)	2024	2023
Opening balance 1 January	197 106	135 359
Cost capitalised	121 153	89 272
Amortisation	(49 581)	(33 765)
Currency	9 279	6 240
Customer projects assets	**277 957**	**197 106**

Movements in customer project liabilities through the period:

(NOK 1000)	2024	2023
Opening balance 1 January	(182 588)	(103 745)
Revenue deferred	(96 050)	(104 139)
Revenue recognised	42 113	29 408
Currency	(8 950)	(4 113)
Customer project liabilities	**(245 475)**	**(182 589)**

Zalaris Consulting

Consulting services consist of services delivered and defined by project plans with defined milestones and completion specifications (one performance obligation). The performance obligation is satisfied over time because the customer simultaneously receives and consumes the benefits provided by the Group. The Group recognises revenue based on the labour hours incurred relative to the total expected labour hours to complete the installation. Where contracts have clauses of support hours utilised by the customer the revenue is recognised when support has been delivered. In contracts where some unused hours may be transferred to later periods the performance obligation is not deemed fulfilled, and revenue is only recognised when the hours later are utilised or on the last possible time of transfer of un-utilised hours to future periods.

Managed Services (Outsourcing and Cloud)
HR Outsourcing normally consists of services delivered on a regular basis. Typically, the deliverables for these contracts are payroll services where different variable elements are delivered. These may be salary calculation, payslip delivery, accounting reports, official statistics reporting, travel expense claims reimbursed, sick leave registration and reporting etc. All the deliverables are highly interrelated and therefore not capable to be distinct, i.e. one performance obligation. The performance obligation is satisfied over time, because the customer simultaneously receives and consumes the benefits provided by the Group. The Group recognises revenue based on the labour hours incurred.

Cloud services delivered by the Group comprise of several deliverables (hosting, licenses etc.), all the deliverables are highly interdependent and are therefore deemed to be one performance obligation. The revenue from the cloud services is recognised over time, since the customer simultaneously receives and consumes the benefits provided by the Group.

Transaction price
The transaction price is determined either by fixed agreed price per period for licenses and hosting services while for outsourcing and consulting the actual consumption, being manhours spent or customer employee transactions initiated, on agreed price per unit. The variable element of the contracts is typically not limited on customer-initiated transactions while transition and change projects can be limited. The transaction price is distributed over the time the services has been rendered.

All material contracts with the customers are for periods of one year or less or are billed based on time incurred or products or services delivered. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Note 4 – Personell expenses

Contract balances

(NOK 1000)	2024	2023 *
Salary	582 540	513 345
Bonus	31 512	23 359
Social security tax	99 239	80 252
Pension costs	27 366	24 782
Share based payments	12 325	11 589
Other personnel expenses	21 825	18 056
Capitalised to internal development projects	(13 832)	(6 847)
Capitalised to customer project assets	(86 197)	(74 691)
Total personnel expenses	**674 778**	**589 845**

* 2023 accounts are reclassified with vyble from discontinued to continued operations

	2024	2023
Average number of employees	1 130	1 094
Average number of FTEs	1 049	1 007

Note 5 – Pensions

Pension for employees in the Norwegian entities

The Group is required to have an occupational pension plan in accordance with the Norwegian law on mandatory occupational pension (“Lov om obligatorisk tjenestepensjon”). The Group’s pension plans satisfy the requirements of this law, and represent a defined contribution plan, with disability coverage. At the end of the year there were 129 (120) participants in this defined contribution plan and an AFP (avtalefestet pensjon)-scheme with 75 participants.

The pension expenses equal the calculated contribution for the year and were NOK 5.7 million (NOK 4.5 million). The scheme is administered by Storebrand.

The AFP-scheme is a defined benefit multi-employer plan which is financed through contributions that are determined by a percentage of the employee’s earnings. There is currently no reliable measure and allocation of liabilities and assets in the plan. The plan is accounted for as a defined contribution plan which means that the contributions are recognised as expenses with no provisions. The total cost for this scheme was NOK 0.7 million (NOK 0.7 million).

The premium paid during 2024 was 2.7% of salary between 1 G and 7.1 G. 1G equals NOK 124.0 thousand as of 31 December 2024 (NOK 118.6 thousand).

Pensions for other employees

Employees in Group companies outside Norway have pension plans in accordance with local practice and local legislation. There are only defined contribution plans. Contributions are paid to pension insurance plans and charged to the income statement in the corresponding period. Once the contributions have been paid, there are no further payment obligations.

Denmark has defined contribution plans for all employees, a total of 39 people at the end of the year. Finland has a defined contribution plan for all its employees, a total of 63 employees. Sweden has a defined contribution plan for all employees, a total of 60 employees. UK has a defined contribution plan for all employees, a total of 47 employees. Germany has defined contribution plan for 2 executive employees.

Total expenses recognised related to pension in 2024 amounted to NOK 27.3 million (NOK 24.8 million).

Note 6 – Share-based payment plan

Zalaris ASA (the "Company") operates a share-based payment plan for members of the executive management and key employees. The share-based payment plan consists of a share option program and restricted stock units ("RSUs").

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option and RSUs or appreciation right, volatility and dividend yield and making ass assumptions about them. The fair value of the RSUs is the weighted average share price at the grant date.

(NOK 1000)	2024	2023
Restricted Stock Unit costs	2 974	1 656
Employee share options costs	10 109	9 933
Accrued social security costs	10 336	3 014
Total recognised costs	**23 419**	**14 603**
Accrued payroll tax at the end of the period	**10 685**	**1 816**

Restricted stock units

The general meeting of Zalaris ASA held on 19 June 2024, gave the Board through the approval of the executive remuneration policy, the authority to grant up to 127,000 RSUs annually to executive management, with matching requirements. Under this plan the executive management may convert up to 50% of approved bonuses to RSU's at a 100% higher value (e.g. NOK 50k of annual bonus is converted to NOK 100k worth of RSUs). The purpose of the RSUs is to further align the interests of the Company, its subsidiaries and its shareholders by providing long term incentives in the form of an own investment in the Company done by the participant and matching awards (the RSUs).

The granted RSUs have a three-year vesting period. The RSUs require the employee to purchase the required number of matching shares at the grant date and hold these until the RSUs are fully vested. Non-vested RSUs are cancelled when the employee has given notice of termination and are treated as forfeited. If for some reason the Company is not holding a sufficient number of shares at the relevant settlement date, any RSUs awarded and settled under the plan shall be settled by a cash bonus payment equal to the fair market value per share on the date of settlement multiplied by the number of RSUs.

The Company will do its utmost to settle the granted RSUs as shares, and thus accounts for the RSUs as an equity-settled plan.

The following table illustrates the number of RSUs outstanding:

Number of RSUs	2024	2023
Outstanding at the beginning of the period	136 663	66 299
Granted	63 044	82 343
Released	(16 346)	(11 979)
Outstanding at the end of the period	**183 361**	**136 663**

The weighted average assumptions used	2024	2023
Expected life of RSUs (year)	3.08	3.08
Weighted average share price	60.00	40.95

Share Option Program

The general meeting of Zalaris ASA held on 19 June 2024, gave the Board through the approval of the executive remuneration policy, the authority to grant up to 1 million employee share options annually, subject to annual renewal. The strike price is based on the weighted average share price for seven days preceding the grant. The options granted vest after 36 months. Each share option corresponds to one share.

Employee share options are not subject to any performance-based vesting conditions.

The Company has the option to settle the share options in cash or equity, however they have no legal or constructive obligation to repurchase or offer cash-settlements for options granted. The company presents this as settled equity. Non-vested share options are cancelled when the employee has given notice of termination and are treated as forfeited. No new options were granted in 2024.

The following table illustrates the number of options outstanding and their weighted average exercise price (WAEP):

	2024		2023	
	Number of options	WAEP (NOK)	Number of options	WAEP (NOK)
Outstanding at the beginning of the period	2 732 000	44.25	2 246 500	46.57
Granted	-	-	1 000 000	37.18
Exercised	(979 800)	56.15	(34 212)	35.04
Terminated	(7 000)	39.16	(340 800)	44.92
Expired	-	-	(139 488)	31.75
Outstanding at the end of the period	**1 745 200**	**37.59**	**2 732 000**	**44.25**
Exercisable at the end of the period	**48 600**	**44.76**	**-**	**-**

The range of exercise prices for options outstanding at the end of the year was NOK 34.43 to NOK 45.83.

The fair value of the share options is estimated at the grant date using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the share options were granted.

No options were granted during 2024.

The weighted average assumptions used	2024	2023
Expected volatility (%)	N/A	47.16
Risk-free interest rate (%)	N/A	3.19
Expected life of options (year)	N/A	3.25
Weighted average share price	N/A	41.21
Expected dividend	-	-

Historic volatility is assumed to be a reasonable indicator of expected volatility. Expected volatility is therefore defined as historic volatility. The risk-free interest rate used for share option calculations is collected as of grant date of Norwegian state bonds from Norges Bank. Where there is no exact match between the term of the interest rates and the term of the share options, interpolation is used to estimate a comparable term.

Social security costs on employee share options outstanding are estimated at the end of each quarter based on the difference between actual share price and exercise price for the option and recognised as an expense over the vesting period.

Annual share purchase program

The Company completed an annual share purchase program for employees in December 2024. As part of the program, Zalaris has sold 9,126 own shares to employees at a subscription price of NOK 63.61 per share for Norwegian employees and NOK 59.87 for non-Norwegian employees. The shares were transferred to the employees by March 2025. The subscription price was based on the volume-weighted average share price in the period between 9 December to 23 December 2024, less a 20 % discount. To receive the discount the shares have a 24-month lock-up period.

See Executive Remuneration Policy available at www.zalaris.com for detailed information on the Group's share-based payment plan.

Note 7 – Other operating expenses

(NOK 1000)	2024	2023 *
External consultants for customer projects	108 201	131 240
External services	61 180	50 410
IT and telecom	62 426	49 745
Office premises	13 593	(2 583)
Travel and accomodation	24 293	20 551
Freight, postage etc.	48 801	19 201
Marketing	10 417	8 858
Audit & Accounting	7 643	5 799
Other expenses	11 088	3 846
Total other operating expenses	**347 642**	**287 067**

* 2023 accounts are reclassified with vyble from discontinued to continued operations

Auditors fee

(NOK 1000)	2024	2023
Audit fee	4 845	3 814
Other attestation services	1 914	-
Fee for tax services	880	1 130
Other non-audit fees	384	555
Total	**8 023**	**5 499**

Note 8 – Property, Plant and Equipment

Fixed assets are valued at cost less accumulated depreciation and impairment losses. When assets are sold or disposed of, the gross carrying amount and depreciation are derecognised, and any gain or loss on the sale or disposal is recognised in the income statement.

The gross carrying amount of fixed assets is the purchase price, including duties/taxes and direct acquisition costs related to making the fixed asset ready for use.

The depreciation periods and methods are assessed each year. The residual value is estimated every year-end and changes in the estimate for residual value are accounted for as an estimation change. The residual value of the Group's fixed assets is estimated to be nil.

(NOK 1000)	Land	Buildings	Furniture and fixtures	IT-equipment	Total
Acquisition cost					
At 1st January 2023	3 970	25 483	15 590	11 075	**56 118**
Additions of the year	-	-	1 451	2 874	**4 325**
Disposals of the year	-	-	(1 929)	(2 029)	**(3 958)**
Currency effects	254	1 633	806	766	**3 459**
At 31 December 2023	**4 224**	**27 116**	**15 918**	**12 686**	**59 944**
Additions of the year	-	-	5 102	3 154	**8 256**
Disposals of the year	(4 224)	(23 793)	(4 524)	(148)	**(32 689)**
Currency effects	-	(3 291)	820	790	**(1 681)**
At 31 December 2024	**-**	**32**	**17 316**	**16 482**	**33 830**

(NOK 1000)	Land	Buildings	Furniture and fixtures	IT-equipment	Total
Depreciation					
At 1st January 2023	-	2 610	12 807	7 612	**23 029**
Disposals of ordinary depreciation	-	-	(1 895)	(1 938)	**(3 833)**
This year's ordinary depreciation	-	554	864	2 853	**4 271**
Currency effects	-	157	671	466	**1 294**
At 31 December 2023	**-**	**3 321**	**12 447**	**8 993**	**24 761**
Disposals of ordinary depreciation	-	(3 611)	(3 482)	(138)	**(7 231)**
This year's ordinary depreciation	-	150	1 546	3 349	**5 045**
Currency effects	-	172	527	590	**1 286**
At 31 December 2024	**-**	**32**	**11 038**	**12 794**	**23 861**
Net book value					
At 31 December 2023	**4 224**	**23 794**	**3 475**	**3 693**	**35 187**
At 31 December 2024	**-**	**-**	**6 278**	**3 688**	**9 969**
Economic life	indefinite	50 years	5 years	3 years	
Depreciation method	none	linear	linear	linear	

Note 9 – Right-of-use assets and lease liabilities

At the inception of a contract, Zalaris assesses whether the contract is, or contains, a lease in accordance with IFRS 16, Zalaris recognises a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets (NOK 50,000 or less)

For these leases, Zalaris recognises the lease payments as other operating expenses in the statement of profit or loss when they incur.

The lease liability is initially measured at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with both periods covered by an option to extend the lease when Zalaris is reasonably certain to exercise that option, and periods covered by an option to terminate the lease when Zalaris is reasonably certain not to exercise that option. Based on relevant circumstances, Zalaris does consider whether to exercise extension options or termination options or not when determining the lease term.

Zalaris has solely based the present value calculations on the incremental borrowing rate, reflected by the current bond issue interest rate. Since both the right-of-use asset and lease liability are measured from initial application date, the incremental borrowing rate regards the remaining lease term and remaining minimum rental payments for operating leases that commenced before the date of initial application.

The lease payments are presented under finance activities in cash flow statement.

The leases do not contain any restrictions on Zalaris' dividend policy or financing. Zalaris does not have significant residual value guarantees related to its leases to disclose.

Right-of-use assets

(NOK 1000)	Buildings	Equipment	Vehicles	Total
Acquisition cost				
At 1 January 2023	74 229	545	9 793	84 567
Additions and adjustments	20 345	-	4 466	24 811
Disposals	(3 623)	-	(3 036)	(6 659)
At 31 December 2023	**90 951**	**545**	**11 223**	**102 719**
Additions and adjustments	46 232	96	875	47 203
Disposals	(13 181)	-	(5 861)	(19 042)
Currency changes	1 622	7	202	1 831
At 31 December 2024	**125 624**	**648**	**6 439**	**132 711**
Depreciation				
At 1 January 2023	35 601	279	5 644	41 524
Depreciation	18 669	144	4 189	23 002
Currency	(3 623)	-	(3 036)	(6 659)
At 31 December 2023	**50 647**	**423**	**6 797**	**57 867**
Depreciation	22 736	144	2 860	25 740
Disposal	(12 405)	-	(5 861)	(18 266)
Currency	893	6	157	1 056
At 31 December 2024	**61 871**	**573**	**3 953**	**66 397**
Carrying amount at 31 December 2023	40 304	123	4 426	44 853
Carrying amount at 31 December 2024	**63 753**	**75**	**2 486**	**66 313**

(NOK 1000)	Buildings	Equipment	Vehicles	Total
Lease liabilities				
(NOK 1000)	**Buildings**	**Equipment**	**Vehicles**	**Total**
Current	26 777	76	1 584	28 437
Non-current	40 654	4	883	41 541
Lease liabilities at 31 December 2024	**67 431**	**80**	**2 467**	**69 978**

(NOK 1000)	2024	2023
Interest expense included (in finance cost)	4 309	2 677
Operating expenses related to short-term leases	377	94
Operating expenses related to low value assets	64	65
Total cash outflows for leases	**28 601**	**25 467**

Note 10 – Intangible assets

(NOK 1000)	Licenses and software	Internally developed software	Internally developed software under construction	Customer Relationships & Contracts	Goodwill	Total
Acquisition cost						
At 1st January 2023	37 437	97 901	20 842	125 956	195 834	**477 970**
Additions of the year	353	6 247	22 942	-	-	**29 542**
Disposals of the year	(5 395)	(5 615)	-	-	-	**(11 010)**
Reclassifications	-	13 568	(13 568)	-	-	**-**
Currency effects	1 699	887	192	8 773	13 609	**25 160**
At 31 December 2023	**34 094**	**112 988**	**30 408**	**134 729**	**209 443**	**521 662**
Additions of the year	8 162	1 768	17 949	-	-	**27 879**
Disposals of the year	(3 718)	(1 068)	-	-	-	**(4 786)**
Reclassifications and reclassification held for sale	-	18 721	(18 721)	-	-	**-**
Currency effects	1 396	715	779	12 441	12 709	**28 040**
At 31 December 2024	**39 934**	**133 124**	**30 415**	**147 170**	**222 152**	**572 795**
Amortisation						
At 1st January 2023	36 497	64 290	-	62 209	-	**162 996**
Disposals of amortisation	(5 395)	(1 799)	-	-	-	**(7 194)**
This year's ordinary amortisation	708	16 669	-	15 289	-	**32 666**
Currency effects	1 637	1 448	-	2 540	-	**5 625**
At 31 December 2023	**33 447**	**80 608**	**-**	**80 038**	**-**	**194 093**

(NOK 1000)	Licenses and software	Internally developed software	Internally developed software under construction	Customer Relationships & Contracts	Goodwill	Total
Disposals of amortisation	(3 718)	(1 068)	-	-	-	**(4 786)**
This year's ordinary amortisation	367	17 881	-	14 024	-	**32 272**
Currency effects	3 482	(979)	-	7 665	-	**10 168**
At 31 December 2024	**33 578**	**96 442**	**-**	**101 727**	**-**	**231 747**
Net book value						
At 31 December 2023	647	32 380	30 407	54 692	209 443	**327 569**
At 31 December 2024	**6 356**	**36 682**	**30 415**	**45 443**	**222 152**	**341 048**
Useful life	3-10 years	5 years	N/A	10 years	Indefinite	
Depreciation method	linear	linear		linear		

Internally developed software

Costs related to internally developed software are capitalised to the extent that a future economic benefit associated with the development of identifiable intangible assets and costs can be reliably measured. Otherwise, the costs are expensed as incurred. Capitalised development is amortised over their useful lives. Research costs are expensed as incurred.

Goodwill

The goodwill and customer relationships & contracts in the table above relate to the acquisitions of sumarum AG (sumarum) and Roc Global Solution Ltd. (ROC) in 2017 and ba.se services and consulting GmbH (ba.se) in 2021. NOK 132.0 million of the goodwill relates to Managed Services and NOK 92.2 million relates to Zalaris Consulting.

The calculated recoverable amount of goodwill has been calculated based on the corresponding CGU in each of its segments Managed Services and Zalaris Consulting.

The recoverable amount is based on a value-in-use calculation, using cash flow projections for the next 5 years. The cash flow projections are based on segment estimates for the period 2025 to 2029, with the first year being based on board approved budgets, and the remaining years based on the business plan. Only expected organic growth has been included in the revenue projections. A terminal value is included in the calculations. Estimates and pertaining assumptions are made to the best of the management's knowledge of historical and current events, experience and other factors that are deemed reasonable in the circumstances. The revenue growth and EBITDA margins assumptions are partly based on known new customer contracts, that will have a revenue effect in later years, the size of the pipeline of potential new customers and projects, and general developments in the cost base. Capital investments required and the development in working capital, which are part of the cash flow projections, are largely based on historical figures.

The value-in-use calculation is most sensitive to the following assumptions:

- Revenue: (5 % organic growth)
- EBITDA margin (MS 20.0% and ZC 12%)
- Discount rate (MS 10.5 % and ZC 9.5%)

Discount rates represent the current market assessment of the risks, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC considers both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. The beta factor is evaluated annually based on publicly available market data and is the same for all segments.

A conservative growth assumption of 1.5% is applied for the terminal value, which is slightly below the inflation targets for the markets in which the Group operates.

A headroom sensitivity analysis has been carried out, which indicates sensitivity to changes in WACC and operating profit. The range is +/-20% in EBITDA and +/-2% in WACC.

2024

Managed Services
Headroom sensitivity analysis in NOK million

		Weighted average cost of capital				
		8.5%	**9.5%**	**10.5%**	**11.5%**	**12.5%**
Percentage change in EBITDA	**-20.0%**	1 130	907	735	596	483
	-10.0%	1 477	1 211	1 005	839	704
	0.0%	1 824	1 515	1 275	1 082	925
	10.0%	2 171	1 819	1 545	1 326	1 146
	20.0%	2 518	2 123	1815	1 569	1 367

Zalaris Consulting
Headroom sensitivity analysis in NOK million

		Weighted average cost of capital				
		7.5%	**8.5%**	**9.5%**	**10.5%**	**11.5%**
Percentage change in EBITDA	**-20.0%**	237	180	137	104	78
	-10.0%	309	242	191	152	120
	0.0%	380	303	245	199	163
	10.0%	452	364	298	247	206
	20.0%	523	425	352	295	249

2023

Managed Services
Headroom sensitivity analysis in NOK million

		Weighted average cost of capital				
		8.1%	9.1%	10.1%	11.1%	12.1%
Percentage change in EBITDA	-20.0%	812	630	490	379	290
	-10.0%	1 099	878	710	576	468
	0.0%	1 385	1 127	929	773	646
	10.0%	1 672	1 376	1 149	969	824
	20.0%	1 958	1 625	1 369	1 166	1 002

Zalaris Consulting
Headroom sensitivity analysis in NOK million

		Weighted average cost of capital				
		7.4%	8.4%	9.4%	10.4%	11.4%
Percentage change in EBITDA	-20.0%	332	260	206	165	132
	-10.0%	417	332	270	221	182
	0.0%	501	405	333	277	232
	10.0%	586	477	396	333	283
	20.0%	671	549	459	389	333

Note 11 – Finance income and finance expenses

(NOK 1000)	2024	2023 *
Interest income on bank accounts and receivables	4 606	2 448
Currency gain	4 188	5 902
Other financial income	1 799	147
Finance income	**10 593**	**8 497**
Interest expense on financial liabilities measured at amortised cost	43 219	38 317
Currency loss	7 440	36 690
Interest expense on leasing	4 003	2 677
Other financial expenses	4 523	5 502
Finance expenses	**59 185**	**83 186**
Unrealised foreign exchange profit/(loss)	**(15 604)**	**61**
Net financial items	**(64 196)**	**(74 628)**

* 2023 accounts are reclassified with vyble from discontinued to continued operations

All borrowing costs, except borrowing costs directly attributable to acquisitions, are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds as defined in IAS 23.

Gains and losses are recognised in profit or loss when the liabilities are derecognised. For further information see note 13.

Amortised cost of capitalised borrowing costs is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Note 12 – Interest-bearing loans and borrowings

(NOK 1000)					2024			2023		
Financial institution	**Agreement**	**Maturity**	**Duration**	**Interest rate**	**non-current**	**current**	**Total**	**non-current**	**current**	**Total**
Oslo Stock Exchange	Bond loan	Mar 2028	5 years	see below*	463 711	-	463 711	439 205	-	439 205
Commerzbank, Bank**	Bank loan	Dec 2031	14 years	1.3%	-	-	-	-	10 506	10 506
De Lage Landen Finans	Leasing	Jan 2028	5 years	7.05%	498	251	749	759	251	1 010
AHAG Vermögensverwaltung GmbH	Minority share loan	Mar 2025	5 years	0.00%	-	4 759	4 759	-	-	-
Interest-bearing debt and borrowings					**464 209**	**5 010**	**469 219**	**439 964**	**10 757**	**450 721**

* Interest is EURBOR 3 months + 5.25%
** Zalaris Deutschland GmbH entered a loan agreement with Commerzbank in March 2017 related to the financing of the office building in Leipzig. This was fully repaid in February 2024.

Total loans

(NOK 1000)	2024			2023		
	Lease	Interest-bearing debt and borrowings	Total	Lease	Interest-bearing debt and borrowings	Total
At 1 January 2024	47 054	450 721	497 775	50 110	380 584	430 694
Additions	55 554	4 759	60 313	16 909	439 736	456 645
Payments 2024	(32 604)	(10 995)	(43 338)	(22 790)	(400 547)	(423 337)
Currency changes	(26)	24 734	24 447	2 825	30 948	33 773
At 31 December 2024	**69 978**	**469 219**	**539 197**	**47 054**	**450 721**	**497 775**

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts. The measurement of financial liabilities depends on their classification. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalised and amortised over borrowing period.

Financial liabilities at amortised cost (loans and borrowings) is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are initially and then subsequently measured at amortised cost using the EIR method.

There are not issued any guarantees from the parent company on behalf of the Company against third parties. For leasing liabilities relating to right-of-use assets, see note 9.

Note 13 – Financial instruments

Financial instruments by category

2024 (NOK 1000)	**Financial assets at amortized cost**	**Fair value through profit or loss**	**Financial liabilities at amortized cost**	**Total book value**
Financial assets				
Trade accounts receivable	291 862			291 862
Other short-term receivables	65 572			65 572
Cash and cash equivalents	221 751			221 751
Total	**579 185**	-	-	**579 185**
Financial liabilities at amortized cost				
Borrowings, short term			5 010	5 010
Borrowings, long term			464 210	464 210
Trade accounts payables			42 736	42 736
Other short-term debt			143 223	143 223
Total	-	-	**655 179**	**655 179**

2023 (NOK 1000)	Financial assets at amortized cost	Fair value through profit or loss	Financial liabilities at amortized cost	Total book value
Financial assets				
Trade accounts receivable	262 690			262 690
Other short-term receivables	46 083			46 083
Cash and cash equivalents	135 722			135 722
Total	**444 495**	-	-	**444 495**
Financial liabilities at amortized cost				
Contigent considerations		1 544		1 544
Borrowings, short term			10 757	10 757
Borrowings, long term			439 964	439 964
Trade accounts payables			38 159	38 159
Other short-term debt			108 815	108 815
Total	-	**1 544**	**597 695**	**599 239**

Fair value of financial instruments

The Group classifies fair value measurements by using a fair value hierarchy which reflects the importance of the input used in the preparation of the measurements. The fair value hierarchy has the levels that follows below. It is assessed that the carrying amounts of financial instruments recognised at amortised cost in the financial statements approximate their fair values. The assessment is based on a judgment that difference between interest rate at year-end compared to draw down.

Value assessment of liabilities of financial instruments is set Level 3 in the fair value hierarchy.

Financial risk management

The Group has some exposure to risks from its use of financial instruments, including credit risk, liquidity risk, interest rate risk and currency risk. This note presents information about the Group's exposure to each of the above-mentioned risks, and the Group's objectives, policies and processes for managing such risks. At the end of this note, information regarding the Group's capital management is provided.

Market Risk from Financial Instruments

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: market risk (e.g. interest rate risk and currency risk), commodity price risk and other price risk. The Company's financial instruments are mainly exposed to interest rate and currency risks.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest risk mainly relates to the Company's bond loan of EUR 40 million (ref. Note 12), which has an interest rate equal to the 3 months Euribor plus 5.25%. Any +0.5 percentage point increase in the 3 months Euribor would increase the Group's annual interest expense by approximately NOK 2.3 million. The interest risk is thus considered to be moderate.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is primarily exposed to foreign exchange risk arising from various currency exposures with respect to the EUR, SEK, GBP, PLN and AUD in relation to its debt obligations as well as from commercial transactions.

For operational transactions denominated in currencies other than the functional currency of the entities in the Group, the Company's policy is to exchange into foreign currency as required on a spot basis. Most transactions carried out by Group entities are done in the functional currency of those entities.

As of 31 December 2024 the Company has a Euro-based bond loan of EUR 40 million. As at 31 December 2024 the Company had an unrealised currency loss amounting to NOK 20.8 million related to this loan. Except for this, the Group has limited exposure to currency risk from assets and liabilities recognised as of 31 December 2024 that are denominated in currencies other than the functional currency of the Group entities. As of 31 December 2024 the Group has currency exposure from EUR, DKK, INR, SEK, GBP, HUF, PLN, CZK, AUD and SGD. It is mainly the EUR exchange rate that constitutes a currency risk for the Company. A +/-5% negative change in the exchange rate of EUR would have resulted in a finance loss pre-tax of approximately NOK 23.6 million, with most of the potential gain/(loss) related to the EUR 40 million bond loan.

The following table shows effect in NOK of change of +/- 5% on cash balances in each currency held at year end.

Currency change effect

Per 31 December 2024

(1000)	Local currency	Exch rate	NOK	Effect in NOK of +/- 5% change
GBP	4 665	14.22	66 366	+/- 3 318
SEK	32 494	1.02	33 424	+/- 1 671
DKK	18 436	1.58	29 141	+/- 1 457
PLN	4 137	2.75	11 405	+/- 570
Other currencies			20 925	+/- 304
NOK	60 490	1	60 490	+/- 286
Total		**NOK**	**221 751**	**+/- 8 063**

(1000)	EUR	Exch rate	NOK	Effect in NOK of +/- 5% change
Bond loan	40 000	11.78	471 517	+/- 23 576
Total		**NOK**	**471 517**	**+/- 23 576**

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, derivatives, debt instruments and account receivables. The counterparty to the cash and cash equivalents and deposits banks which are assessed to be solid.

Trade Receivables and Contract Assets

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables and contract assets are regularly monitored. The Group has a customer portfolio of well-known companies and has had low credit losses (Note 16).

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are in several jurisdictions and industries and operate in largely independent markets.

Liquidity risk

Liquidity risk is the risk of being unable to pay financial liabilities as they fall due. The Group's approach to managing liquidity risk is to ensure that it will always have enough liquidity to meet its financial liabilities as they fall due, under normal as well as extraordinary circumstances, without incurring unacceptable losses or risking damage to the Group's reputation.

Prudent liquidity risk management implies maintaining enough cash and the availability of appropriate funding. The group has for the majority of its customers 30 days payment terms although in some exceptional customers may have up to 90 days payment terms. The table below details the contractual maturities for the Group's financial liabilities. The tables do not include interest payments. The contractual amounts were estimated based on the closing exchange rates at balance sheet date.

Per 31 December 2024

(NOK 1000)	Less than 3 months	3 to 12 months	1 to 5 years	6 to 10 years	Total
Borrowings, long term			464 210		464 210
Borrowings, short term	389	4 621			5 010
Trade creditors and other short term liabilities	67 290	118 669			185 959
Leasing IFRS 16	6 964	20 839	40 484	1 691	69 978
Total liabilities	**74 642**	**144 129**	**504 694**	**1 691**	**725 157**

Per 31 December 2023

(NOK 1000)	Less than 3 months	3 to 12 months	1 to 5 years	6 to 10 years	Total
Borrowings, long term			439 964		439 964
Borrowings, short term	370	10 387			10 757
Trade creditors and other short term liabilities	54 152	92 822			146 974
Leasing IFRS 16	7 238	9 653	26 950	3 214	47 055
Total liabilities	**61 760**	**112 862**	**466 914**	**3 214**	**644 750**

Capital management

A key objective in relation to capital management is to ensure that the Company maintains a sufficient capital structure to support its business development and to maintain a strong credit rating. The Company evaluates its capital structure considering current and projected cash flows, potential new business opportunities and the Group's financial commitments.

The Company has a long-term equity ratio target of between 25 – 30%. The equity ratio as of 31 December 2024 was 19.8% (18.3%).

The Group aims to maximise shareholder return over time, and the long-term target is to distribute dividends to shareholders of around 50% of the annual net profit before tax, taking into consideration its outlook, investment opportunities and financial position. There are restrictions on dividend payments in the bond loan agreement.

To maintain or adjust the capital structure, the Company may issue new shares or obtain new loans.

Note 14 – Income taxes

Income tax

Income tax expense for the period comprises current tax expense and deferred tax expense. Tax is recognised in the income statement, except to the extent that it relates to items in other comprehensive income or directly in equity where it is then presented. Items of the other comprehensive income presented net of related tax effects in the Statement of Other Comprehensive Income.

Income tax expense:

(NOK 1000)	2024	2023
Tax paid / payable	(14 913)	(8 763)
Changes in deferred taxes	(1 096)	20 309
Tax expense	**(16 009)**	**11 546**

Effective tax rate:

(NOK 1000)	2024	2023
Ordinary profit before tax	49 457	(14 508)
Tax at Zalaris ASA's statutory tax rate of 22 %	(10 881)	3 192
Effect of different tax rates and impact of changes in rates and legislation	(653)	(1 383)
Non tax deductible costs and other permanent differences	(2 619)	(66)
Losses not recognised as deferred tax assets	54	9 738
Adjustments in respect of prior years and other adjustments	(1 910)	65
Tax expense	**(16 009)**	**11 546**
Effective tax rate	**32.4%**	**79.6%**

Tax payable in balance sheet:

(NOK 1000)	2024	2023
Calculated tax payable	5 476	4 537
Total income tax payable	**5 476**	**4 537**

Specification of temporary differences basis for deferred tax:

(NOK 1000)	2024	2023
Property, plant, equipment and immaterial assets	87 671	119 428
Other differences	(2 582)	(5 942)
Tax losses carry forward	(187 535)	(199 087)
Total temporary differences	**(102 445)**	**(85 601)**

Deferred tax:

(NOK 1000)	2024	2023
Total deferred tax assets	45 409	52 065
Total deferred tax liability	22 383	27 418
Net recognised deferred tax/(liability)	**23 026**	**24 647**

Deferred tax assets and liabilities are calculated based on existing temporary differences between the carrying amounts of assets and liabilities in the financial statement and their tax bases, together with tax losses carried forward at the balance sheet date. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

The companies included in the consolidated financial statement are subject to income tax in the countries where they are domiciled.

The Group has tax losses, which have arisen in Norway, of NOK 148.1 million as of 31 December 2024 that has no expiration date (NOK 166.8 million).

Note 15 – Earnings per share

The calculation of basic earnings per share is based on the net income attributable to the shareholders of the parent company and a weighted average number of shares outstanding during the years ending 31 December 2024 and 31 December 2023 respectively. Shares issued during the periods are included in the calculations of weighted average number of shares from the date the shares issue was approved by the general meeting.

Diluted equity instruments outstanding are related to employee share-based payment programs. The calculation is consistent with the calculation of the basic earnings per share, but gives at the same time effect to all dilutive potential ordinary shares that were outstanding during the period, by adjusting the profit/loss and the weighted average number of shares outstanding for the effects of all dilutive potential shares, i.e.:

- The profit/loss for the period attributable to ordinary shares is adjusted for changes in profit/loss that would result from the conversion of the dilutive potential ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

(NOK 1000)	2024	2023
Net profit/(loss) attributable to ordinary equity holders of the parent	33 758	(1 752)
Weighted average number of shares	21 681 664	21 645 209
Weighted average diluted number of shares	24 055 812	24 513 872
Basic earnings per share (NOK)	**1.56**	**(0.08)**
Diluted earnings per share	**1.40**	**(0.08)**

The weighted average number of ordinary shares is increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary.

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

Note 16 – Trade accounts receivable

(NOK 1000)	2024	2023
Gross trade accounts receivable	293 445	263 058
Provisions for losses	(1 583)	(368)
Trade accounts receivable	**291 862**	**262 690**

Losses on trade accounts receivable are classified as other operating expenses in the income statement. See note 13 for assessment of credit risk.

Movements in the provision for loss are as follows:	2024	2023
Opening balance	(368)	(125)
Provision of the year	(1 308)	(308)
Realised loss this year	93	65
Closing balance	**(1 583)**	**(368)**

Determine the expected credit loss	0 days past due	1-30 days past due	31-60 days past due	61-90 days past due	More than 90 days past due	Total
Balances outstanding at reporting date	233 200	53 620	5 032	1 170	423	293 445
Expected credit losses	0.02%	2.86%	0.10%	0.11%	0.11%	
Expected credit loss allowance	**43**	**1 533**	**5**	**1**	**0**	**1 583**

Details on the credit risk concerning trade accounts receivable are given in note 13.

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method, less impairment.

As Zalaris does not have trade receivable with terms longer than one year there are no significant financing component in the accounts receivables as defined by IFRS 15 – Revenue from Contracts with customers.

The Group had the following trade accounts receivable due, but not paid or written off:

(NOK 1000)	Total	Not due	<30 d	30-60d	60-90d	>90d
31 December 2024	291 863	232 266	53 605	4 251	1 178	563
31 December 2023	262 694	186 178	62 227	5 882	3 668	4 740

Further, according to IFRS 9, Zalaris recognises a loss allowance based on lifetime ECLs (Expected Credit Loss) after the simplified approach when the asset does not consist of a significant financing component in accordance with IFRS 15. Zalaris uses a provision matrix as a practical approach for measuring expected credit losses for trade receivables. The provision matrix is based on historical default rates within different ranges of overdue receivables for groupings of trade receivables that share similar default patterns. Groupings are made based on segment and product type. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

Note 17 – Other current assets

(NOK 1000)	2024	2023
Advances to employees	1 566	1 168
Prepaid rent	756	1 784
Prepaid hardware	3 415	1 585
Prepaid software	4 358	3 038
Prepaid insurance	1 555	1 081
Prepaid other expenses	1 299	466
Prepaid maintenance and service	621	280
Prepaid travel/entertainment cost	683	-
Accrued income	34 227	18 928
Public duties and taxes	-	8 112
Deposit accounts	10 170	9 039
Other receivables	6 922	601
Total other short-term receivables	**65 572**	**46 082**

Note 18 – Cash and cash equivalents and short term deposits

Cash and cash equivalents

(NOK 1000)	2024	2023
Cash in hand and at bank - unrestricted funds	218 341	131 630
Employee withheld taxes - restricted funds	3 410	4 092
Cash and cash equivalents in the balance sheet continuing operations	**221 751**	**135 722**
Cash discontinuing operation	-	248
Cash and cash equivalents in the balance sheet continuing and discontinuing operations	**221 751**	**135 970**

Short-term deposits

(NOK 1000)	2024	2023
Customer deposits	2 751	49

Cash and the equivalents include cash on hand, deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

The Group pays salaries on behalf of a few of its customers. For this purpose, separate deposit accounts are established. These deposits accounts are not recognised in the Group's balance sheet. The table to the left provides information about the total balance of these deposit accounts.

Note 19 – Share capital and shareholder information

Shares	2024	2023
Shares - nominal value NOK 0,10	22 135 279	22 135 279
Total number of shares	**22 135 279**	**22 135 279**

The nominal value of the share is NOK 0.10. All the shares in the company have equal voting rights and are entitled to dividend.

The computation of earnings per share is shown in note 15.

The major shareholders at 31 December 2024 are:

Shareholder	Number of shares:	% of total
Norwegian Retail AS	2 891 482	13.06%
Verdipapirfondet Alfred Berg Gamba	2 106 346	9.52%
Danske Bank A/S	1 485 417	6.71%
Verdipapirfondet DNB Smb	1 343 824	6.07%
J.P. Morgan SE	1 327 608	6.00%
Codee Holding AS	1 110 735	5.02%
Vestland Invest AS	950 659	4.29%
J.P. Morgan SE	772 759	3.49%
VPF DNB Norge Selektiv	700 249	3.16%
Skandinaviska Enskilda Banken AB	653 734	2.95%
AS Mascot Holding	430 026	1.94%
Harlem Food AS	386 837	1.75%
Ølja AS	366 261	1.65%
Skandinaviska Enskilda Banken AB	300 000	1.36%
Taconic AS	262 040	1.18%
BSN AS	240 000	1.08%
A/S Skarv	225 000	1.02%
BNP Paribas	223 217	1.01%
Shares owned by the Company	449 844	2.03%
Others	**5 909 241**	**26.70%**
Total	**22 135 279**	**100.00%**

Equity and dividend
The board proposes to pay a dividend for 2024 of NOK 0.90 per outstanding share, which amounts to NOK 19.5 million, to be paid to the shareholders of the parent company. The Company has not accrued for the proposed dividend for 2024. No dividend was paid for the financial year 2023.

Assets pledged as security
Shares in all subsidiaries of Zalaris ASA have been pledged as guarantee for the bond loan. In addition, assets in the subsidiaries Zalaris HR Services Norway AS, Zalaris HR Services Sweden AB, Zalaris HR Services Denmark AS, Zalaris HR Services Finland OY and Zalaris Deutschland GmbH have been pledged as guarantees for the loan.

Note 20 – Other short-term liabilities

(NOK 1000)	**2024**	**2023**
Prepayments from customers*	24 554	15 993
Wages, holiday pay and bonus	36 341	31 567
Accrued expenses and other current liabilities	82 328	61 255
Total	**143 223**	**108 815**

* Prepayments from customers both relate to prepayments of fixed service fees for the first month starting outsourcing deliveries, and prepayments related to liabilities for transferred personnel.

Note 21 – Transactions with related parties

a) Purchase from related parties

Related Party	**Transaction**	**2024**	**2023**
Rayon Design AS*	Management Services	1 369	1 566
Total		**1 369**	**1 566**

* Hans-Petter Mellerud, CEO of Zalaris ASA, owns 40% of the shares in Rayon Design AS.

b) Remuneration to senior group management and the board

(NOK 1000)	**2024**	**2023**
Short-term benefit	17 350	15 060
Pension benefits	867	813
Share-based payment	3 195	7 977
Total	**21 412**	**23 850**

Further details can be found in the annual remuneration report for 2024 published on www.zalaris.com

Note 22 – Overview of subsidiaries

The following subsidiaries are included in the consolidated accounts:

Company	Country	Ownership/Voting share
vyble GmbH	Germany	90%
Zalaris Australia Pty Ltd	Australia	100%
Zalaris Česká Republika s.r.o.	Czechia	100%
Zalaris Deutschland GmbH	Germany	100%
Zalaris France SAS	France	100%
Zalaris HR Services Denmark A/S	Denmark	100%
Zalaris HR Services España SL	Spain	100%
Zalaris HR Services Estonia	Estonia	100%
Zalaris HR Services Finland OY	Finland	100%
Zalaris HR Services India Pvt Ltd	India	100%
Zalaris HR Services Ireland Ltd	Ireland	100%
Zalaris HR Services Latvia SIA	Latvia	100%
Zalaris HR Services Lithuania UAB	Lithuania	100%
Zalaris HR Services Norway AS	Norway	100%
Zalaris HR Services Sverige AB	Sweden	100%
Zalaris Magyarország Kft	Hungary	100%
Zalaris Polska Sp Z.o.o	Poland	100%
Zalaris Retail Services & Solutions GmbH	Germany	100%
Zalaris Singapore Pte Ltd	Singapore	100%
Zalaris UK Ltd	UK	100%

Note 23 – Discontinued operation

In 2022, the Group started a process to reduce its ownership in vyble GmbH (“vyble”), a subsidiary in which the Group has a 90 % ownership, classifying it as held for sale and a discontinued operation. Despite discussions with potential buyers, no offers met Zalaris' expectations. Hence, following IFRS's limitation on period it could be held for sale, it was incorporated in the accounts in 2024. During this period, the company has been restructured and operating expenses significantly reduced. The process was in 2024 put on hold and the financial statements for 2023 have been reclassified accordingly. vyble GmbH that delivers services to the SME marked is reported separately in the segment report.

The reclassification for the year of 2023 are as follows:

Consolidated statement of profit or loss	Reclassified	Published	Effect of reclassification
(NOK 1000)	**2023**	**2023**	**2023**
Revenue	**1 133 971**	**1 131 209**	**2 762**
Operating expenses			
License expense	103 231	99 527	3 704
Personell expenses	589 845	584 324	5 521
Other operating expenses	287 068	284 751	2 317
Depreciation and impairments	4 272	4 269	3
Depreciation right-of-use assets	23 002	23 002	-
Amortisation intangible assets	32 666	31 068	1 598
Amortisation implementation costs customer projects	33 765	33 765	-
Total operating expenses	**1 073 850**	**1 060 707**	**13 143**
Operating profit	**60 122**	**70 503**	**(10 381)**

Consolidated statement of profit or loss	Reclassified	Published	Effect of reclassification
(NOK 1000)	2023	2023	2023
Financial items			
Financial income	8 557	8 557	-
Financial expense	(83 186)	(82 781)	(405)
Net financial items	**(74 630)**	**(74 225)**	**(405)**
Profit/(loss) before tax from continuing operations	**(14 508)**	**(3 722)**	**(10 786)**
Tax expense	11 546	9 173	2 373
Profit/(loss) for the period from continuing operations	**(2 962)**	**5 451**	**(8 414)**
Profit/(loss) after tax for the year from discontinued operations	-	(8 414)	8 414
Profit/(loss) for the year	**(2 962)**	**(2 962)**	**-**
Profit attributable to:			
- Owners of the parent	(1 752)	(2 121)	368
- Non-controlling interests	(1 210)	(841)	(369)
Earnings per share:			
Basic earnings per share (NOK)	(0.08)	(0.14)	0.06
Diluted earnings per share (NOK)	(0.08)	(0.14)	0.06
Earnings per share for continuing operations:			
Basic earnings per share (NOK)	-	0.25	(0.25)
Diluted earnings per share (NOK)	-	0.22	(0.22)

Consolidated statement of comprehensive income	Reclassified	Published	Effect of reclassification
(NOK 1000)	2023	2023	2023
Profit for the period	**(2 962)**	**(2 962)**	**-**
Other comprehensive income			
Items that may be reclassified to profit and loss in subsequent periods			
Currency translation differences	29 760	29 760	-
Total other comprehensive income	29 760	29 760	-
Total comprehensive income	**26 798**	**26 798**	**-**
Total comprehensive income attributable to:			
- Owners of the parent	28 009	27 640	369
- Non-controlling interests	(1 210)	(841)	(369)

Note – 24 Events After the Balance Sheet Date

There have been no events after the balance sheet date which have had a material effect on the issued accounts.

5.2 Financial statement for Zalaris ASA

The parent company annual accounts report for Zalaris ASA contains the following documents:

- **Statement of Income**
- **Statement of Balance Sheet**
- **Statement of Cash Flows**
- **Statement of Changes in Equity**
- **Notes to the Financial Statement**

The financial statements, which have been drawn up by the Board and management, should be read in relation to the Annual Report and the independent auditor's opinion.

Zalaris ASA Income statement

(NOK 1000)	Note	2024	2023
Revenue		1 342	934
Other revenue	1	339 324	262 299
Total Revenue		**340 666**	**263 233**
Operating expenses			
License costs		63 010	54 953
Personell expenses	2	47 755	42 240
Other operating expenses	3,5	167 268	124 554
Amortisation intangible assets	5	14 219	14 466
Depreciation and impairments	6	431	344
Total operating costs		**292 683**	**236 557**
Operating profit		**47 983**	**26 677**
Financial items			
Financial income	7	50 326	127 531
Financial expenses	7	(54 882)	(89 402)
Unrealised foreign currency loss	7	(17 375)	2 120
Net financial items		**(21 931)**	**40 249**
Ordinary profit before tax		**26 052**	**66 926**
Income tax expense			
Tax expense/(income) on ordinary profit	8	4 537	(13 760)
Total tax expense/(income)		**4 537**	**(13 760)**
Profit for the year		**21 515**	**80 686**
Attributable to:			
Other Equity		21 515	80 685

Zalaris ASA
Balance Sheet

(NOK 1000)	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Non-current assets			
Intangible assets			
Deferred tax asset	8	32 600	36 694
Other intangible assets	5	51 990	39 744
Total intangible assets		**84 590**	**76 438**
Fixed assets			
Property, plant and equipment	6	871	986
Total fixed assets		**871**	**986**
Financial non-current assets			
Shares in subsidiaries	9	262 367	281 291
Receivables from group companies	12	105 106	62 474
Total financial non-current assets		**367 473**	**343 765**
Total non-current assets		**452 934**	**421 189**

(NOK 1000)	Note	31 Dec 2024	31 Dec 2023
Current assets			
Trade accounts receivable	10	768	400
Prepayments		5 551	3 306
Other short-term receivables	10	4 723	2 901
Other short-term receivables from group companies	10	196 865	146 252
Cash and cash equivalents	11	120 362	75 229
Total current assets		**328 269**	**228 088**
TOTAL ASSETS		**781 203**	**649 277**

BALANCE SHEET

(NOK 1000)	Note	31 Dec 2024	31 Dec 2023
EQUITY AND LIABILITIES			
Equity			
Paid-in capital			
Share capital	12	2 169	2 165
Other paid in equity		21 400	21 481
Share premium		143 956	143 045
Total paid-in capital		**167 525**	**166 691**
Other equity		(35 525)	(57 274)
Total earned equity		**(35 525)**	**(57 274)**
Total equity		**132 000**	**109 417**

BALANCE SHEET

(NOK 1000)	Note	31 Dec 2024	31 Dec 2023
Non-current liabilities			
Interest-bearing loans and borrowings	13	464 209	439 964
Total long-term debt		**464 209**	**439 964**
Current liabilies			
Trade accounts payable	14	16 829	7 960
Interest-bearing loans	13,15	251	251
Interest-bearing loans group companies	13,15	120 390	48 854
Short-term debt to group companies	14	18 182	18 777
Public duties payable		8 865	3 628
Other short-term debt	15	20 478	20 426
Total short-term debt		**184 995**	**99 896**
Total liabilities		**649 204**	**539 860**
TOTAL EQUITY AND LIABILITIES		**781 203**	**649 277**

Oslo, 11 April 2025

This document is signed electronically

Adele Norman Pran
Chair of the Board

Liselotte Hägertz Engstam
Board Member

Kenth Eriksson
Board Member

Jan M. Koivurinta
Board Member

Erik Langaker
Board Member

Hans Petter Mellerud
Chief Executive Officer

Zalaris ASA
Statement of cash flows

(NOK 1000)	2024	2023
Cash flows from operating activities		
Ordinary profit before tax	26 052	66 925
Net financial items	21 931	(53 147)
Amortisation and depreciation	14 650	14 810
Changes in trade accounts receivable and payables	8 501	(10 381)
Changes in other accruals	(56 010)	(48 529)
Share based payment program	7 845	7 473
Interest received	29 102	17 662
Interest paid	(53 423)	(45 600)
Net cash flows from operating activities	**(1 352)**	**(50 787)**
Cash flows from investing activities		
Investments in Intangible assets and property, plant and equipment	(26 781)	(14 316)
Purchase and investment in subsidiary	(9)	-
Long term loans subsidiaries	(42 632)	(5 466)
Net cash flows from investing activities	**(69 422)**	**(19 782)**
Cash flows from financing activities		
Group contribution and dividends from subsidiaries	43 111	106 567
Own shares	779	881

(NOK 1000)	2024	2023
New loan	-	438 948
Repayment of borrowings	(261)	(398 140)
Revolving credit	71 536	(65 058)
Net cash flows from financing activities	**115 165**	**83 197**
Net changes in cash and cash equivalents	**44 392**	**12 628**
Net foreign exchange difference	**742**	**4 450**
Cash and cash equivalents at the beginning of the year	**75 228**	**58 150**
Cash and cash equivalents at the end of the year	**120 362**	**75 228**

Zalaris ASA
Statement of changes in equity

(NOK 1000)	Share capital	"Own shares"	Share premium	Other paid in equity	Total paid-in capital	Other equity	Total equity
Equity at 01.01.2023	**2 214**	**(55)**	**141 898**	**10 037**	**154 096**	**(137 820)**	**16 276**
Income for the year						80 685	**80 685**
Share based payments				7 473	**7 473**		**7 473**
Settlement of share based payments				4 102	**4 102**		**4 102**
Exercise of share based payments		1	130	(131)	-		-
Sale of own shares		5	1 016		**1 021**	(140)	**881**
Equity at 31.12.2023	**2 214**	**(49)**	**143 045**	**21 481**	**166 692**	**(57 274)**	**109 417**
Income for the year						21 515	**21 515**
Share based payments				7 845	**7 845**		**7 845**
Share based payments subsidiaries				(7 556)	**(7 556)**		**(7 556)**
Exercise of share based payments		4	912	(370)	**546**	234	**779**
Equity at 31.12.2024	**2 214**	**(45)**	**143 956**	**21 400**	**167 525**	**(35 525)**	**132 000**

Accounting principles and basis for preparation

Zalaris ASA ("the Company") is a limited liability company incorporated and domiciled in Norway. The Company's main office located in Hoffsveien 4, Oslo, Norway. The Company delivers full-service outsourced personnel and payroll services.

The financial statements of Zalaris ASA for the period ending on 31 December 2024 were approved in a board meeting on 11 April 2025.

The basis for the preparation of the financial statements

The financial statements of Zalaris ASA for the accounting year 2024 have been prepared in accordance with the Norwegian Accounting act and generally accepted accounting principles in Norway ("NGAAP").

Accounting principles

Foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates at the transaction date. Monetary balances in foreign currencies are translated into the functional currency at the exchange rates on the date of the balance sheet. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Revenue Recognition

The Company's revenue consists of revenue from providing services to subsidiaries and basic consulting services. Revenue is in general recognised when it is probable that transactions will generate future financial benefits for the Company and the size of the amount can be reliably estimated. Sales revenue is presented net of value-added tax and potential discounts.

The service revenue and the revenue from basic consulting services are recognised according to the rendering of the service. Small projects and change orders beyond the terms of the main contract with the customer service delivery are recognised according to the rendering of the services.

Income Tax

Income tax expense for the period comprises current tax expense and deferred tax expense. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are calculated based on existing temporary differences between the carrying amounts of assets and liabilities in the financial statement and their tax bases, together with tax losses carried forward at the balance sheet date. Deferred tax assets and liabilities are calculated based on the tax rates and tax legislation that are expected to apply when the assets are realised or the liabilities are settled, based on the tax rates and tax legislation that have been enacted or substantially enacted on the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax assets and liabilities are not discounted.

Intangible Assets: Internally Developed Software

Costs related to internally developed software are capitalised to the extent that a future economic benefit associated with the development of identifiable intangible assets and costs can be reliably measured. Otherwise, the costs are expensed as incurred. Capitalised development is amortised over their useful lives. Research costs are expensed as incurred.

Fixed Assets

Fixed assets are valued at cost less accumulated depreciation and impairment losses. When assets are sold or disposed of, the gross carrying amount and depreciation are derecognised, and any gain or loss on the sale or disposal is recognised in the income statement.

The gross carrying amount of fixed assets is the purchase price, including duties/taxes and direct acquisition costs related to making the fixed asset ready for use.

The depreciation periods and methods are assessed each year. The residual value is estimated every year-end and changes in the estimate for residual value are accounted for as an estimation change.

Leases (as Lessee)

Financial Leases

Leases where the Group assumes most of the risk and rewards of ownership are classified as financial leases. Financial leasing contracts are recognised on the balance sheet and depreciated on a linear basis over the expected useful life of the assets. The leasing debt is classified as a long-term debt and the leasing debt is reduced by the payments according to the leasing contract deducted by an interest element which is expensed.

Operating Leases
Leases in which most of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Shares in Subsidiaries
Shares in subsidiaries are measured using the cost method of accounting in the parent company accounts. Investments are valued at the acquisition cost of the shares unless impairment losses have been made.
Shares in subsidiaries are impaired to fair value when the decrease in value is not considered as temporary. Impairment losses are reversed when the reason for the impairment no longer applies.

Trade and Other Financial Receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method (if the amortisation effect is material), less impairment.

Cash and Cash Equivalents
Cash and the equivalents include cash on hand, deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

Borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Pension Plans
The Company has a defined contribution pension plan. Contributions are paid to pension insurance plans and charged to the income statement in the corresponding period. Once the contributions have been paid, there are no further payment obligations.

Cost of Equity Transactions
Transaction costs directly attributable to an equity transaction are recognised directly in equity, net after deducting tax.

Events After the Balance Sheet Date
New information on the Company's position at the balance sheet date is taken into account in the financial statements. Events after the balance sheet date that do not affect the Company's position at the balance sheet date, but will affect the Company's position in the future, are stated if significant.

Use of Estimates
The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway.

Cash Flow Statement
The cash flow statement is presented using the indirect method. Cash and cash equivalents include cash, bank deposits and other short term, highly liquid investments.

Profit distribution
This years profit will be distributed to free equity.

Note 1 – Segment information

The only segment in the Company is service deliveries to the Group (Group services). This segment also includes the exercising of ownership.

The Company is the business owner of Zalaris' multi-country network, as well as payroll and HR solutions, implemented through its integrated PeopleHub platform. Zalaris ASA is responsible for the development of the Group's technology platform and payroll solution, PeopleHub, and providing this to customers throughout the Zalaris group companies. The Company also provides shared services, such as accounting, HR and internal IT, as well as treasury services to group companies. The key management in the Company is the chief decision maker in the Group. The investing activities comprise total expenses in the period for the acquisition of assets that have an expected useful life of more than one year.

Geographic information

The Company is delivering services to its subsidiaries in different countries in the Nordic, Baltic and Poland, Germany, UK, Ireland and Asia, and information regarding revenue based on geography is provided below.

(NOK 1,000)	as % of total	2024	as % of total	2023
Norway	37.4%	127 522	42.6%	112 089
Sweden	13.7%	46 535	15.3%	40 182
Germany	17.5%	59 526	8.4%	22 150
Denmark	9.5%	32 454	9.5%	25 136
Finland	7.3%	24 832	9.1%	24 021
UK	3.6%	12 245	4.7%	12 322
Poland	3.5%	11 848	5.2%	13 762
Latvia	2.8%	9 692	2.0%	5 317
Australia	1.9%	6 572	0.7%	1 773
Lithuania	0.8%	2 787	0.9%	2 357
Ireland	0.7%	2 369	0.8%	1 983
Singapore	0.5%	1 622	0.2%	580
Spain	0.4%	1 274	0.2%	406
Other	0.4%	1 388	0.4%	1 155
Total	**100.0%**	**340 666**	**100.0%**	**263 233**

Note 2 – Personnel expenses

(NOK 1,000)	2024	2023
Salary	32 921	27 301
Social security tax	8 856	5 888
Share based payments	7 845	7 473
Pension costs (see note 12)	1 940	1 301
Capitalised development expenses	(15 589)	(8 779)
Other expenses	11 782	9 056
Total personnel costs	**47 755**	**42 240**

	2024	2023
Average number of employees	22	23
Average number of FTE	20	22

See note 4 for transactions with related parties.

Pensions

The Company is required to have an occupational pension plan in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"). The Company's pension plan satisfies the requirements of this law, and represent a defined contribution plan, with disability coverage. At the end of year there were 23 participants (22) in this defined contribution plan.

Expenses equal this year's calculated contribution and amount to NOK 1.9 million (NOK 1.3 million). The plan is administered by Storebrand.

Note 3 – Other operating expenses

(NOK 1,000)	2024	2023
External services	104 213	75 908
IT services and telecom	46 778	35 303
Office premises	4 827	4 903
Travel and transport	1 254	1 180
Postage and freight	3 100	1 260
Other expenses	7 096	6 000
Total other operating expenses	**167 268**	**124 554**

Auditors fee

(NOK 1000)	2024	2023
Auditor fee	3 312	2 765
Other attestation services	1 914	1 100
Fee for tax services	844	-
Other fees	3	-
Total, excl VAT	**6 073**	**3 865**

Note 4 – Transactions with related parties

(NOK 1,000)	Transaction	2024	2023
Rayon Design AS[1])	Management services	1 369	1 566
Total		**1 369**	**1 566**

1) Hans-Petter Mellerud, CEO of Zalaris ASA, owns 40% of the shares in Rayon Design AS.

For further information see the annual remuneration report published on www.zalaris.com.

Note 5 – Other intangible assets

(NOK 1,000)	Licenses and software	Internally developed software	Internally developed software under construction	Total
Acquisition cost				
Accumulated 1 January 2023	10 459	81 457	11 836	103 751
Additions of the year	-	6 144	7 911	14 054
Internal AUC reclassified	-	8 998	(8 998)	-
Accumulated 31 December 2023	**10 459**	**96 598**	**10 749**	**117 806**
Additions of the year	-	11 540	14 924	26 465
Disposals	(470)	(1 068)	-	(1 538)
Internal AUC reclassified	-	5 726	(5 726)	-
Accumulated 31 December 2024	**9 989**	**112 796**	**19 947**	**142 732**
Amortisation				
Accumulated 1 January 2023	10 317	53 279	-	63 596
This year's ordinary amortisation	126	14 340	-	14 466
Accumulated 31 December 2023	**10 443**	**67 619**	**-**	**78 062**
This year's ordinary amortisation	16	14 203	-	14 219
Disposals of amortisation	(470)	(1 068)	-	(1 538)
Accumulated 31 December 2024	**9 989**	**80 754**	**-**	**90 743**
Book value at 31 December 2023	**16**	**28 979**	**10 749**	**39 743**
Book value at 31 December 2024	**-**	**32 042**	**19 947**	**51 989**
Useful life	5-10 years	5 years	N/A	
Depreciation method	linear	linear		

Note 6 – Property, plant and equipment

(NOK 1,000)	Furniture and fixtures	IT-equipment	Total
Acquisition cost			
Accumulated 1 January 2023	774	544	1 318
Additions of the year	202	60	262
Disposals of the year	-	(30)	(30)
Accumulated 31 December 2023	**976**	**574**	**1 550**
Additions of the year	-	316	316
Disposals of the year	-	(50)	(50)
Accumulated 31 December 2024	**976**	**840**	**1 816**
Depreciations			
Accumulated 1 January 2023	83	168	251
This year's ordinary depreciation	176	168	344
Disposals of the year	-	(30)	(30)
Accumulated 31 December 2023	**259**	**306**	**565**
This year's ordinary depreciation	205	226	431
Disposals of the year	-	(50)	(50)
Accumulated 31 December 2024	**464**	**482**	**946**
Book value at 31 December 2023	**716**	**270**	**986**
Book value at 31 December 2024	**511**	**360**	**870**

Note 7 – Financial items

(NOK 1,000)	2024	2023
Interest income on bank accounts and receivables	29 102	17 662
Group contribution	11 306	7 718
Dividend received	7 521	98 849
Foreign exchange gains	2 397	3 302
Finance income	**50 326**	**127 531**
Interest expenses	53 423	45 600
Foreign exchange loss	1 655	28 784
Impairment subsidiaries	-	11 242
Other financiel expenses	(196)	3 776
Finance expenses	**54 882**	**89 402**
Unrealised foreign currency gain/(loss)	**(17 375)**	**2 120**
Net financial items	**(21 931)**	**40 249**

Note 8 – Income taxes

Income tax expense:

(NOK 1,000)	2024	2023
Changes in previous years	449	-
Changes in deferred taxes	4 088	(13 760)
Tax expense/income	**4 537**	**(13 760)**

Tax payable in balance sheet:

(NOK 1,000)	2024	2023
Ordinary profit before tax	26 052	66 925
Permanent differences	(7 473)	13 640
Dividend from subsidiaries	-	(98 849)
Change in temporary differences	(19 111)	(23 484)
Basis for tax payable	**(532)**	**(41 768)**
Tax payable	**-**	**-**

Reconciliation of effective tax rate:

Ordinary profit before tax	26 052	66 925
Calculated tax	5 731	14 724
Other permanent differences	(1 195)	(18 746)
Deferred tax capitalised	-	(9 738)
Tax expense	**4 536**	**(13 760)**
Effective tax rate	**17%**	**-21%**

Specification of tax effects of temporary differences:

(NOK 1,000)	2024	2023
Property, plant and equipment	9 437	8 195
IFRS amortisation loan	7 806	10 208
Tax losses carry forward	(165 488)	(185 193)
Total temporary differences	**(148 205)**	**(166 790)**
Total deferred tax assets	(32 600)	(36 694)
Net deferred tax	**(32 600)**	**(36 694)**

Note 9 – Overview of subsidiaries

Company	Consolidated	Location	Ownership
Zalaris Australia Pty Ltd	01/12/22	Sydney	100%
Zalaris Česká Republika s.r.o.	07/08/24	Prague	100%
Zalaris Deutschland GmbH	18/05/17	Henstedt-Ulzberg	100%
Zalaris France SAS	19/01/21	Paris	100%
Zalaris HR Services Denmark A/S	15/07/00	Copenhagen	100%
Zalaris HR Services España SL	18/01/22	Madrid	100%
Zalaris HR Services Estonia	04/06/13	Tallinn	100%
Zalaris HR Services Finland OY	26/09/03	Helsinki	100%
Zalaris HR Services India Pvt Ltd	01/10/15	Chennai	100%
Zalaris HR Services Ireland Ltd	01/02/18	Dublin	100%
Zalaris HR Services Latvia SIA	27/12/06	Riga	100%
Zalaris HR Services Lithuania UAB	08/05/13	Vilnius	100%
Zalaris HR Services Norway AS	30/11/06	Lødingen	100%
Zalaris HR Services Sverige AB	19/04/01	Stockholm	100%
Zalaris Magyarország Kft	06/12/22	Budapest	100%
Zalaris Polska Sp Z.o.o	26/04/13	Warszawa	100%
Zalaris Singapore Pte Ltd	28/03/22	Singapore	100%
Zalaris UK Ltd	26/09/17	London	100%
vyble GmbH	05/01/22	Hamburg	90%
Indirect owned subsidiaries			
Zalaris Retail Services & Solutions GmbH	03/08/21	Hagen	100%

Company

(1,000)	Other equity *	Share capital in local currency	Local currency	Number of shares	Nominal value per share	Carrying value	Equity	Profit/ (loss)
Zalaris Australia Pty Ltd		-	AUD	100	1	477	(16 480)	(5 289)
Zalaris Česká Republika s.r.o.		20	CZK	200	100	9	265	255
Zalaris Deutschland AG		55	EUR	54 552	1	195 013	60 599	14 600
Zalaris France SAS		1	EUR	1 000	1	10	(253)	(80)
Zalaris HR Services Denmark A/S		501	DKK	5 010	100	6 466	17 333	4 163
Zalaris HR Services España SL		4	EUR	3 600	1	66	(49)	175
Zalaris HR Services Estonia		3	EUR	2 500	1	2 418	3 830	183
Zalaris HR Services Finland OY		8	EUR	1 000	8	-	-	-
Zalaris HR Services Finland OY	2 450	-	EUR	-	-	1 014	4 452	3 202
Zalaris HR Services India Pvt Ltd		40 000	INR	4 000 000	10	6 211	13 621	3 839
Zalaris HR Services Ireland Ltd		-	EUR	100	1	-	972	113
Zalaris HR Services Latvia SIA		3	EUR	2 000	1	775	24 518	7 585
Zalaris HR Services Lithuania UAB		10	EUR	1 000	10	-	(72)	39
Zalaris HR Services Norway AS		100	NOK	1 000 000	-	2 336	9 949	224
Zalaris HR Services Sverige AB		300	SEK	3 000	100	10 415	(1 795)	4 697
Zalaris Magyarország Kft		3 000	HUF	1	3 000 000	82	1 719	1 661
Zalaris Polska Sp Z.o.o		5	PLN	100	50	12 857	20 816	1 428
Zalaris Singapore Pte Ltd		-	SGD	100	1	1	(813)	(476)
Zalaris UK Ltd		10	GBP	10 100	1	24 218	58 428	11 830
vyble GmbH		26	EUR	25 000	1	-	(47 611)	(88 041)
Total						**262 368**	**149 429**	**(39 892)**

* Other Equity is converted subordinated loan to subsidiary to equity.

Note 10 – Other short-term receivables

(NOK 1,000)	2024	2023
Trade accounts receivable	768	400
Other receivables	4 723	2 901
Receivables group companies	196 865	146 252
Total other short-term receivables	**202 356**	**149 553**

Note 11 – Cash and cash equivalents

(NOK 1,000)	2024	2023
Cash in hand and at bank - unrestricted funds	116 104	70 799
Deposit accounts - guarantee rent obligations	2 755	2 720
Employee withheld taxes - restricted funds	1 503	1 710
Cash and cash equivalents in the balance sheet	**120 362**	**75 229**

The company is included in a cash pool agreement through Nordea Bank ASA with it's subsidiaries.

Note 12 – Share capital, shareholder information and dividend

Shares	2024	2023
Shares - nominal value NOK 0,10	22 135 279	22 135 279
Total number of shares	**22 135 279**	**22 135 279**

Share Capital		
(NOK 1,000)	**2024**	**2023**
Total paid in share capital	2 214	2 214
Own shares	45	49
Net share capital	**2 169**	**2 165**

The nominal value of the share is NOK 0.10. All the shares in the Company have equal voting rights and are entitled to dividend. The computation of earnings per share is shown in note 15 in the consolidated financial statement.

The major shareholders at 31.12.2024 are:

Shareholder	Number of shares:	% of total	Type of account
Norwegian Retail AS	2 891 482	13.06%	Ordinary
Verdipapirfondet Alfred Berg Gamba	2 106 346	9.52%	Ordinary
Danske Bank A/S	1 485 417	6.71%	Nominee
Verdipapirfondet DNB Smb	1 343 824	6.07%	Ordinary
J.P. Morgan SE	1 327 608	6.00%	Nominee
Codee Holding AS	1 110 735	5.02%	Ordinary
Vestland Invest AS	950 659	4.29%	Ordinary
J.P. Morgan SE	772 759	3.49%	Nominee
VPF DNB Norge Selektiv	700 249	3.16%	Ordinary
Skandinaviska Enskilda Banken AB	653 734	2.95%	Nominee
AS Mascot Holding	430 026	1.94%	Ordinary
Harlem Food AS	386 837	1.75%	Ordinary
Ølja AS	366 261	1.65%	Ordinary
Skandinaviska Enskilda Banken AB	300 000	1.36%	Nominee
Taconic AS	262 040	1.18%	Ordinary
BSN AS	240 000	1.08%	Ordinary
A/S Skarv	225 000	1.02%	Ordinary
BNP Paribas	223 217	1.01%	Nominee
Shares owned by the Company	**449 844**	**2.03%**	
Others	**5 909 241**	**26.70%**	
Total	**22 135 279**	**100.00%**	

Dividend

The board proposes to pay a dividend for 2024 of NOK 0.90 per outstanding share, which amounts to NOK 19.5 million, to be paid to the shareholders of the parent company. No dividend was paid for the financial year 2023.

Note 13 – Interest-bearing loans and borrowings

2024

(NOK 1,000)

Financial institution	Agreement	Maturity	Duration	Interest rate	Non-current	Current	Total
Oslo Stock Exchange*	Bond loan	Mar 2028	5 years	see below	463 711	-	463 711
De Lage Landen Finans	Software lease	Jan 2028	5 years	7.05%	498	251	749
Nordea Bank Norge ASA	Group cash pool				-	120 390	120 390
Interest-bearing debt and borrowings					**464 209**	**120 641**	**584 850**

2023

(NOK 1,000)

Financial institution	Agreement	Maturity	Duration	Interest rate	Non-current	Current	Total
Oslo Stock Exchange*	Bond loan	Sep 2023	5 years	see below	439 205	-	439 205
De Lage Landen Finans	Software lease	Jan 2028	5 years	7.05%	759	251	1 010
Nordea Bank Norge ASA	Group cash pool				-	48 854	48 854
Interest-bearing debt and borrowings					**439 964**	**49 105**	**489 069**

* Bond loan , Oslo Stock Exchange

The Company secured a EUR 40 million bond loan registered on the Oslo Stock Exchange in September 2023. The bond has maturity on 28 March 2028 with no principal payments before maturity. Interest rate to be paid is 3 months Euribor +5.25%.

The Company has deferred NOK 12.0 million in issuing costs (2.7 % of the bond loan), which are being amortised over the term of the loan. The balance at 31 December 2024 is NOK 7.8 million (NOK 10.2 million).

Assets Pledged as Security

Assets in the subsidiaries Zalaris HR Services Norway AS, Zalaris HR Services Sweden AB, Zalaris HR Services Denmark AS, Zalaris HR Services Finland OY and Zalaris Deutschland AG have been pledged as guarantees for the loan.

Guarantees and Commitments

There are not issued any guarantees from the parent company on behalf of the Company against third parties.

Note 14 – Financial instruments

2024

Financial instruments by category

(NOK 1,000)	Loans and receivables	Liabilities at amortized cost	Total book value
Financial assets			
Trade accounts receivable	768		768
Receivables from group companies	105 106		105 106
Other short-term receivables from group companies	196 865		196 865
Other short-term receivables	4 723		4 723
Cash and cash equivalents	120 362		120 362
Total	**427 824**	**-**	**427 824**
Financial liabilities			
Borrowings, long term		464 209	464 209
Borrowings, short term, revolving credit		120 390	120 390
Borrowings, short term, loan		251	251
Short-term debt to group companies		18 182	18 182
Trade accounts payables		16 829	16 829
Public duties payable		8 865	8 865
Other short-term debt		20 478	20 478
Total	**-**	**649 204**	**649 204**

2023

Financial instruments by category

(NOK 1,000)	Loans and receivables	Liabilities at amortized cost	Total book value
Financial assets			
Trade accounts receivable	400		400
Receivables from group companies	62 474		62 474
Other short-term receivables to group companies	146 252		146 252
Other short-term receivables	2 901		2 901
Cash and cash equivalents	75 229		75 229
Total	**287 256**	**-**	**287 256**
Financial liabilities			
Borrowings, long term		439 964	439 964
Borrowings, short term, revolving credit		48 854	48 854
Borrowing, short term, bond loan		251	251
Other short-term debt to group company		18 777	18 777
Trade accounts payables		7 960	7 960
Public duties payable		3 628	3 628
Other short-term debt		20 426	20 426
Total	**-**	**539 860**	**539 860**

Fair value of financial instruments

The Company classifies fair value measurements by using a fair value hierarchy which reflects the importance of the input used in the preparation of the measurements. The fair value hierarchy has the following levels:

Level 1: Non-adjusted quoted prices in active markets.

Level 2: Other data than the quoted prices included in Level 1, which are observable for assets or liabilities either directly, i.e. as prices, or indirectly, as derived from prices.

Level 3: Data for the asset or liability which is based on unobservable market data.

It is assessed that the carrying amounts of financial instruments recognised at amortised cost in the financial statements approximate their fair values. The assessment is based on a judgment that difference between interest rate at year-end compared to draw down. Value assessment is level 3 in the fair value hierarchy.

Financial risk management

Overview

The Company has some exposure to risks from its use of financial instruments, including credit risk, liquidity risk, interest rate risk and currency risk. This note presents information about the Company's exposure to each of the above-mentioned risks, and the Company's objectives, policies and processes for managing such risks. At the end of this note, information regarding the Company's capital management is provided.

Market Risk from Financial Instruments

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: market risk (e.g. interest rate risk and currency risk), commodity price risk and other price risk. The Company's financial instruments are mainly exposed to interest rate and currency risks.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest is managed by the mix of fixed and variable rate loans.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is primarily exposed to foreign exchange risk arising from various currency exposures with respect to the USD, EUR and GBP in relation to its debt obligations as well as from certain commercial transactions.

For operational transactions denominated in foreign currencies, the Company's policy is to exchange into foreign currency as required on a spot basis.

As of 31 December 2024, the Company has a bond loan listed on the Oslo Stock Exchange. Per 31 December the Company had an unrealised currency loss amounting to NOK 20.8 million related to this loan. Otherwise, the Group has limited exposure to currency risk from assets and liabilities recognised as of 31 December 2024 that are denominated in currencies.

A change in EUR of +/- 5% will give an effect on the bond loan of NOK 23.6 mill. Further the company has currency accounts in GBP, SEK, DKK, PLN, AUD, SGD, HUF and USD. The major changes of +/- 5% for GBP, PLN, EUR and USD would give an effect for respectively currencies of NOK 3.1, 4.9, 2.7 and 1.7 million.

Credit Risk

The carrying amounts of financial assets represents the Company's maximum credit exposure. The counterparty to the cash and cash equivalents and deposits banks which are assessed to be solid.

Per 31 December 2024				
(Amounts in NOK 1,000)	Less than 3 months	3 to 12 months	1 to 5 years	total
Borrowings, long term			464 209	464 209
Borrowings, short term	-	120 641		120 641
Trade creditors and other short term liabilities	16 829	47 525		64 354
Total liabilities	**16 829**	**168 166**	**464 209**	**649 204**

Per 31 December 2023				
(Amounts in NOK 1,000)	Less than 3 months	3 to 12 months	1 to 5 years	total
Borrowings, long term			439 964	439 964
Borrowings, short term	-	49 105		49 105
Trade creditors and other short term liabilities	7 960	42 831		50 791
Total liabilities	**7 960**	**91 936**	**439 964**	**539 860**

Capital management

A key objective in relation to capital management is to ensure that the Company maintains a sufficient capital structure to support its business development and to maintain a strong credit rating. The Company evaluates its capital structure considering current and projected cash flows, potential new business opportunities and the Group's financial commitments. To maintain or adjust the capital structure, the Company may issue new shares or obtain new loans.

Note 15 – Other short term debt

(NOK 1000)	2024	2023
Wages, holiday pay and bonus	9 362	6 655
Accrued expenses and other current liabilities	11 116	13 771
Total	**20 478**	**20 426**

Note 16 – Share-based payment plan

Zalaris ASA (the "Company") operates a share-based payment plan for members of the executive management and key employees. The share-based payment plan consists of a share option program and restricted stock units ("RSUs").

The costs recognised for the share-based payment plan are shown in the following table:

(NOK 1000)	2024	2023
Restricted Stock Units	2 188	1 656
Employee share options	5 657	9 933
Accrued social security costs	3 947	3 014
Total recognised costs	**11 792**	**14 603**
Accrued payroll tax at the end of the period	**5 499**	**1 816**

Restricted stock units

The general meeting of Zalaris ASA held on 19 June 2024, gave the Board through the approval of the executive remuneration policy, the authority to grant up to 127,000 RSUs annually to executive management, with matching requirements. Under this plan the executive management may convert up to 50% of approved bonuses to RSUs at a 100% higher value (e.g. NOK 50k of annual bonus is converted to NOK 100k worth of RSUs). The purpose of the RSUs is to further align the interests of the Company, its subsidiaries and its shareholders by providing long term incentives in the form of an own investment in the Company done by the participant and matching awards (the RSUs).

The granted RSUs have a three-year vesting period. The RSUs require the employee to purchase the required number of matching shares at the grant date and hold these until the RSUs are fully vested. Non-vested RSUs are cancelled when the employee has given notice of termination and are treated as forfeited. If for some reason the Company is not holding a sufficient number of shares at the relevant settlement date, any RSUs awarded and settled under the plan shall be settled by a cash bonus payment equal to the fair market value per share on the date of settlement multiplied by the number of RSUs.

The Company will do its utmost to settle the granted RSUs as shares, and thus accounts for the RSUs as an equity-settled plan.

There were not granted any RSUs in 2024, and the following table illustrates the number of RSUs outstanding:

Number of RSUs	2024	2023
Outstanding at the beginning of the period	136 663	66 299
Granted	63 044	82 343
Released	(16 346)	(11 979)
Outstanding at the end of the period	**183 361**	**136 663**

The fair value of the RSUs is the weighted average share price at grant date:

The weighted average assumptions used	2024	2023
Expected life of RSUs (year)	3.08	3.08
Weighted average share price	60.00	40.95

Share Option Program

The general meeting of Zalaris ASA held on 19 June 2024, gave the Board through the approval of the executive remuneration policy, the authority to grant up to 1 million employee share options annually for a three-year period, subject to annual renewal. The strike price is based on the weighted average share price for seven days preceding the grant. The options granted vest after 36 months. Each share option corresponds to one share.

Employee share options are not subject to any performance-based vesting conditions. The Company has the option to settle the share options in cash, however they have no legal or constructive obligation to repurchase or offer cash-settlements for options granted. Non-vested share options are cancelled when the employee has given notice of termination and are treated as forfeited. No options were granted in 2024.

The following table illustrates the number of options outstanding and their weighted average exercise price (WAEP):

	2024		2023	
	Number of options	WAEP (NOK)	Number of options	WAEP (NOK)
Outstanding at the beginning of the period	2 732 000	44.25	2 246 500	46.57
Granted	-	-	1 000 000	37.18
Exercised	(979 800)	56.15	(34 212)	35.04
Terminated	(7 000)	39.16	(340 800)	44.92
Expired	-	-	(139 488)	31.75
Outstanding at the end of the period	**1 745 200**	**37.59**	**2 732 000**	**44.25**
Exercisable at the end of the period	**48 600**	**44.76**	**-**	**-**

The fair value of the share options is estimated at the grant date using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the share options were granted.

The weighted average assumptions used	2024	2023
Expected volatility (%)	N/A	47.16
Risk-free interest rate (%)	N/A	3.19
Expected life of options (year)	N/A	3.25
Weighted arverage share price	N/A	41.21
Expected dividend	-	-

Historic volatility is assumed to be a reasonable indicator of expected volatility. Expected volatility is therefore defined as historic volatility. The risk-free interest rate used for share option calculations is collected as of grant date from Norges Bank. Where there is no exact match between the term of the interest rates and the term of the share options, interpolation is used to estimate a comparable term.

Social security costs on employee share options outstanding are estimated at the end of each quarter based on the difference between actual share price and exercise price for the option and recognised as an expense over the vesting period.

Annual share purchase program

The Company completed an annual share purchase program for employees in December 2024. As part of the program, Zalaris has sold 9,126 own shares to employees at a subscription price of NOK 63.61 per share for Norwegian employees and NOK 59.87 for non-Norwegian employees. The shares were transferred to the employees by March 2025. The subscription price was based on the volume-weighted average share price in the period between 9 December to 23 December 2024, less a 20 % discount. To receive the discount the shares, have a 24-month lock-up period.

See Executive Remuneration Policy available at www.zalaris.com for detailed information on the Group's share-based payment plan.

Note 17 – Events after the balance sheet date

There have been no events after the balance sheet date which have had a material effect on the issued accounts.

5.3 Statement from the Board and the CEO of Zalaris ASA

The Board of Directors and the CEO have today considered and approved the integrated report for Zalaris ASA (“Company”) and the Zalaris Group (“Group”) for the 2024 calendar year and as of 31st December 2024.
The consolidated financial statements have been prepared in accordance with IFRS as adopted by EU, European Single Electronic Format (ESEF) regulations as well as additional information requirements as per the Norwegian Accounting Act. The financial statements for the Company have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway.

We confirm to the best of our knowledge that:

- The 2024 financial statements for the Company and the Group have been prepared in accordance with applicable accounting standards.

- The 2024 consolidated financial statements have been prepared in accordance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act
- The information in the financial statements gives a true and fair view of the Company’s and the Group’s assets, liabilities, financial position and result as of 31st December 2024

- The integrated report 2024 has been prepared in accordance with the International Integrated Reporting Framework (IR)1) and meets the information requirements of the Norwegian accounting act regarding the Report of the Board of Directors and statements on corporate governance and corporate social responsibility

- According to paragraph 3–3a of the Norwegian Accounting Act, we confirm that the consolidated financial statements and the financial statements of the parent company have been prepared based on the going concern assumption, and that it is appropriate to make that assumption.

- The integrated report for the Company and the Group;
  - gives a true and fair view of the Company’s and the Group’s development, performance and financial position, and includes a description of the principal risks and uncertainty factors facing the Company and the Group

Oslo, 11 April 2025

This document is signed electronically

Adele Norman Pran
Chair of the Board

Kenth Eriksson
Board Member

Liselotte Hägertz Engstam
Board Member

Erik Langaker
Board Member

Jan M. Koivurinta
Board Member

Hans-Petter Mellerud
Chief Executive Officer

5.4 Auditor's report

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Statsautoriserte revisorer
Ernst & Young AS

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Foretaksregisteret: NO 976 389 387 MVA
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Medlemmer av Den norske Revisorforening

To the General Meeting in Zalaris ASA

INDEPENDENT AUDITOR'S REPORT

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Zalaris ASA (the Company) which comprise:

- The financial statements of the Company, which comprise the balance sheet as at 31 December 2024 and the income statement, statement of cash flows and statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the Group, which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 23 years from the election by the general meeting of the shareholders on 5 June 2002 for the accounting year 2002.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue from outsourcing contracts

Basis for the key audit matter	*Our audit response*
For the year ended 31 December 2024, the Group recognized NOK 1 003 million of revenue related to outsourcing contracts. Revenue recognition from outsourcing contracts of the various customer projects involve management judgement in identifying performance obligations and determining when they are satisfied, as well as assessment of the allocation of transaction price relating to the service provided. Accounting for revenue from outsourcing contracts was a key audit matter due to the complexity of the various terms of the agreements and the significant management judgement involved.	We obtained an understanding of the revenue recognition process for outsourcing contracts and how management identifies the performance obligations as well as the determination and allocation of transaction price to separate performance obligations. For a sample of significant customer projects, we evaluated the assessments made by management. We read contracts and compared contract information to the identified performance obligations and allocation of transaction price. We further reviewed subsequent amendments to the contracts and assessed their impact on revenue recognition. Further, we assessed the adequacy of the disclosures in notes 1, 2 and 3 of the consolidated financial statements.

Customer project assets

Basis for the key audit matter	*Our audit response*
The Group capitalizes costs incurred during the implementation phase related to outsourcing contracts as customer project assets. Customer project assets amounted to NOK 278 million as of 31 December 2024. Costs capitalized as customer project assets are internal hours multiplied with hourly rates. The estimated hourly rates applied are calculated based on an assessment of the cost base. Costs incurred prior to the signing of the contract are only capitalized when they are reimbursable from the customer. Costs incurred from the signing of the contract and until the implementation is completed is amortized over the period the outsourcing services are provided. Accounting for customer project assets was a key audit matter due to the significant management judgement of the variable cost element in the cost base applied in the calculation of hourly rates and the criteria for capitalization.	For capitalization of customer project assets, we obtained an understanding of management's process for determining the cost base and estimation of the hourly rates. We verified fixed employee cost to contracts, assessed the various elements of the cost base and recalculated the hourly rates. Further we tested the capitalized hours against report of internal hours for a sample of customer projects. We also assessed management's detailed analysis of estimated variable cost compared to actual variable cost for 2024. We assessed the expenses capitalized to the criteria for capitalizing cost to fulfill a contract. We refer to notes 1 and 3 of the consolidated financial statements.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. The board of directors and Group Chief Executive Officer (management) are responsible for the other information. Our opinion on the financial statements does not cover the information in the Board of Directors' report and the other information presented with the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the information in the Board of Directors' report and for the other information presented with the financial statements. The purpose is to consider if there is material inconsistency between the information in the Board of Directors' report and the other information presented with the financial statements and the financial statements or our knowledge obtained in the audit, or otherwise the information in the Board of Directors' report and for the other information presented with the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report and the other information presented with the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Director's report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our statement on the Board of Director's report applies correspondingly for the statements on Corporate Governance.

Our statement that the Board of Director's report contains the information required by applicable law does not cover the sustainability report, for which a separate assurance report is issued.

Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible 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 and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, 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 about 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 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 these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment 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 and the Group'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 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 and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in 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 and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors 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.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on other legal and regulatory requirement

Report on compliance with regulation on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Zalaris ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name zalarisasa-2024-12-31-0-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (the ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation. We conduct our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we perform procedures to obtain an understanding of the company's processes for preparing the financial statements in accordance with the ESEF Regulation. We test whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 16 April 2025
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The auditor's report is signed electronically

Alexandra van der Zalm Bristol
State Authorised Public Accountant (Norway)

5.5 Sustainability assurance report

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To the General Meeting in Zalaris ASA

INDEPENDENT SUSTAINABILITY AUDITOR'S LIMITED ASSURANCE REPORT

Limited assurance conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of Zalaris ASA («the Group») included in the section "Sustainability statements" of the Board of Directors' report (the "Sustainability Statement"), as at 31 December 2024 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Group to identify the information reported in the Sustainability Statement (the "Process") is in accordance with the description set out in *Process to identify and assess material impacts, risks and opportunities [IRO-1]*, and
- compliance of the disclosures in *EU Taxonomy [Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)]* of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* ("ISAE 3000 (Revised)"), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Sustainability auditor's responsibilities section of our report.

Our independence and quality management

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities for the Sustainability Statement

The Board of Directors and Chief Executive Officer (management) are responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this Process in *Process to identify and assess material impacts, risks and opportunities [IRO-1]* of the Sustainability Statement. This responsibility includes:

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- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Statement, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the ESRS;
- preparing the disclosures in *EU Taxonomy [Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)]* of the Sustainability Statement, in compliance with the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that management determines is necessary to enable the preparation of the Sustainability Statements that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the Sustainability Statement

In reporting forward-looking information in accordance with ESRS, management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Sustainability auditor's responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process set out in *Process to identify and assess material impacts, risks and opportunities.*

Our other responsibilities in respect of the Sustainability Statement include:

- Identifying where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to where material misstatements are likely to arise in the Sustainability Statement. 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.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
  - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents), and
  - reviewing the Company's internal documentation of its Process, and
- Evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Company was consistent with the description of the Process set out in *Process to identify and assess material impacts, risks and opportunities [IRO-1].*

In conducting our limited assurance engagement, with respect to the consolidated Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement by
  - obtaining an understanding of the Group's control environment, processes, control activities and information system relevant to the preparation of the consolidated Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control; and
  - obtaining an understanding of the Group's risk assessment process.
- Evaluated whether the information identified by the Process is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;
- Performed inquires of relevant personnel and analytical procedures on selected information in the Sustainability Statement;
- Performed substantive assurance procedures on selected information in the Sustainability Statement;
- Where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the financial statement and other sections of the Board of Directors' report;
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- Obtained an understanding of the Group's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement;
- Evaluated whether information about the identified taxonomy-eligible and taxonomy-aligned economic activities is included in the Sustainability Statement; and
- Performed inquiries of relevant personnel, analytical procedures and substantive procedures on selected taxonomy disclosures included in the Sustainability Statement.

Oslo, 16 April 2025
ERNST & YOUNG AS

The assurance report has been signed electronically

Alexandra van der Zalm Bristol
State Authorised Public Accountant (Norway) - Sustainability Auditor

6. Shareholder information

6. Shareholder Information

Introduction

There were 22,135,179 issued shares at the end of 2024, of which 449,844 were owned by the Company. A total of 3.0 million Zalaris shares were traded on the Oslo Stock Exchange (“OSE”) during 2024, compared to 7.4 million in 2023. The total value of the shares traded during 2024 was NOK 199 million, compared to NOK 268 million in the previous year. The average daily trading volume in Zalaris shares on the OSE during 2024 was 12k shares compared to 29k shares in 2023. Zalaris’ share price closed at NOK 76.00 at the end of 2024.

Key Figures for Zalaris Share

(All figures in NOK unless stated)	2024	2023	2022	2021	2020	2019	2018	2017
Share price high (close)	79.20	47.20	54.60	72.80	53.20	27.60	58.20	58.50
Share price low (close)	46.50	27.30	20.70	49.60	22.00	19.90	25.20	33.00
Share price average (close)	67.75	39.36	36.03	58.06	36.35	23.63	40.55	44.62
Share price year-end	76.00	46.60	29.20	54.00	51.80	27.60	25.20	56.00
Earnings per share	1.56	(0.08)	(1.79)	0.60	(0.53)	(0.36)	(0.06)	(0.61)
Dividend per share	0.00	0.00	0.00	0.35	1.00	0.00	0.00	0.65

(Figures in 1000)	2024	2023	2022	2021	2020	2019	2018	2017
Outstanding shares, average	21 685	21 645	21 595	21 294	19 647	19 729	20 030	19 637
Diluted* shares, average	24 056	24 514	23 721	22 736	20 301	20 123	20 177	20 265
Outstanding shares, year-end	21 682	21 645	21 595	21 847	19 620	19 568	20 030	20 030
Diluted* shares, year-end	23 614	24 514	23 904	23 492	20 505	20 196	20 177	20 230

* Including employee share options and restricted stock units (RSUs)

Dividend Policy

Zalaris’ overall objective is to create value for its shareholders through an attractive and competitive return in the form of an increase in the value of the share and through the distribution of dividends. The dividends paid should reflect the Company’s growth and profitability.

Zalaris will aim to make annual dividend payments in the region of 50 percent of the net profits before tax, provided that this will not influence target growth negatively and that the capital structure is sound and at a satisfactory level. When deciding the final dividend amount to be proposed for the General Meeting, the Board of Directors will also take into consideration Zalaris’ capital requirements, including legal restrictions, capital expenditure requirements and potential investment plans.

The Board of Directors proposes a dividend for the fiscal year 2024 of NOK 0.90 per share.

Buyback of Shares

Zalaris may consider buying back shares.

This consideration will be made in the light of alternative investment opportunities and the Company’s financial situation.

In circumstances when share buybacks are relevant, the Board of Directors proposes buyback authorizations to be considered and approved by the Annual General Meeting. Authorizations are granted for a specific time period and for a specific share price interval during which share buybacks can be made. Zalaris has not bought back any shares during 2024.

Shareholders and voting rights

Zalaris has one class of share. Each share carries one vote and all shares carry equal rights, including the right to participate in general meetings. All shareholders shall be treated on an equal basis, unless there is just cause for treating them differently Zalaris shares are freely negotiable and there are no limitations of the negotiability in Zalaris' Articles of Associations.

As of 31 December 2024, the number of shareholders in Zalaris was 1,034, of which 91.4 percent were in the Nordic countries.

Investor Relations Policy

The investor relations policy at Zalaris is based on the idea that objective, detailed and relevant information to the market is essential for a proper valuation of the Company's shares; thus, the Company has continuously had a dialogue with analysts and investors.

Zalaris shall give all shareholders the same information at the same time. In contact with analysts and investors, the Board of Directors and the Management of Zalaris shall only communicate already published information.

Zalaris has established a communication channel for the shareholders on its website and all published information is made available on this website. General investor relations inquiries should be addressed to the following email address: ir@zalaris.com.

Zalaris strives at all time to publish all relevant information in a timely, correct, non-discriminatory and efficient manner to the market. All relevant information will be published on the Zalaris website and on the website of the Oslo Stock Exchange Shareholders can register to Zalaris' Investor Relations distribution list if they would like to receive investor information directly per email.

Zalaris holds quarterly web-based presentations highlighting the financial results of the closed quarter and focus areas going forward. In addition, market outlooks and special events which are considered relevant for its shareholders are addressed. The presentation is held by the CEO and the CFO of the Company.

Both the quarterly reporting and the presentations will be published on Zalaris' website.

Investor Relations Contacts

The CFO in Zalaris ASA is the main contact person for matters related to financial information, such as quarterly reporting and financial statements.

For all other matters, such as new customer contracts or other share price sensitive information, the CEO of Zalaris ASA is the contact person CEO and founder:
Hans-Petter Mellerud
hans-petter.mellerud@zalaris.com
and CFO:
Gunnar Manum
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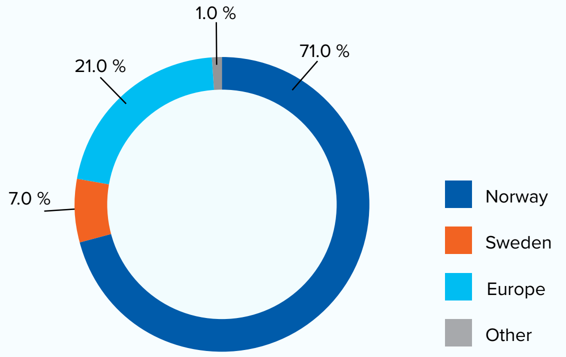
Wholesale Banking | Securities Services P O
Box 1166 Sentrum,
N-0107 Oslo, Norway

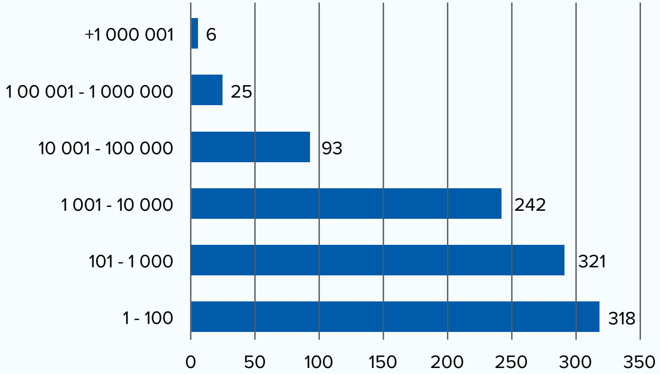
Financial Calendar 2025

- Results Q1: 30 April 2025
- Annual General Meeting: 22 May 2025
- Results Q2: 29 August 2025
- Results Q3: 24 October 2025

As of 28 February 2025

Rank	Investor	Number of shares	Shareholding (%)	Type
1	NORWEGIAN RETAIL AS	2 891 482	13.06%	Ordinary
2	VERDIPAPIRFONDET ALFRED BERG GAMBA	2 106 346	9.52%	Ordinary
3	DANSKE BANK A/S	1 484 832	6.71%	Nominee
4	VERDIPAPIRFONDET DNB SMB	1 343 824	6.07%	Ordinary
5	J.P. MORGAN SE	1 327 608	6.00%	Nominee
6	CODEE HOLDING AS	1 110 735	5.02%	Ordinary
7	VESTLAND INVEST AS	950 659	4.29%	Ordinary
8	J.P. MORGAN SE	772 759	3.49%	Nominee
9	VPF DNB NORGE SELEKTIV	700 249	3.16%	Ordinary
10	SKANDINAVISKA ENSKILDA BANKEN AB	653 734	2.95%	Nominee
11	ZALARIS ASA	446 379	2.02%	Ordinary
12	AS MASCOT HOLDING	419 026	1.89%	Ordinary
13	HARLEM FOOD AS	386 837	1.75%	Ordinary
14	ØLJA AS	366 261	1.65%	Ordinary
15	SKANDINAVISKA ENSKILDA BANKEN AB	300 000	1.36%	Nominee
16	TACONIC AS	262 040	1.18%	Ordinary
17	BSN AS	240 000	1.08%	Ordinary
18	A/S SKARV	225 000	1.02%	Ordinary
19	BNP PARIBAS	223 217	1.01%	Nominee
20	LUNDHS LABRADOREKSPORT A/S	211 500	0.96%	Ordinary
	Other shareholders	5 712 691	25.81%	
	Total number of shares	**22 135 179**	**100.00%**	
	The largest 20 shareholders (incl Zalaris)		74.19%	





7. Alternative Performance Measures (APMs)

Zalaris' financial information is prepared in accordance with IFRS. In addition, financial performance measures (APMs) are used by Zalaris to provide supplemental information to enhance the understanding of the Group's underlying financial performance. These APMs take into consideration income and expenses defined as items regarded as special due to their nature and include among others restructuring provisions and write-offs. Financial APMs should not be considered as a substitute for measures of performance in accordance with IFRS. Disclosures of APMs are subject to established internal control procedures.

Adjusted EBITDA and EBIT

EBIT, earnings before interest and tax is defined as the earnings excluding the effects of how the operations where financed, taxed and excluding foreign exchange gains & losses. EBIT is used as a measure of operational profitability. EBITDA is before depreciation, amortisation and impairment of tangible assets and in-house development projects.
To abstract non-recurring or income not reflective of the underlying operational performance, the Group also lists the adjusted EBIT and EBITDA. Adjusted EBIT is defined as EBIT excluding non-recurring costs, costs relating to share-based payments to employees, and amortisation of excess values on acquisition. Adjusted EBITDA is EBITDA excluding non-recurring costs and costs relating to share-based payments to employees, but after depreciation of right-of-use assets.

	2024	2023
(NOK 1000)	Jan-Dec	Jan-Dec
EBITDA	215 787	153 827
Gain on sale of assets	(10 473)	-
Share-based payments	21 867	11 575
Strategic process costs	5 798	-
Depreciation right-of-use assets (IFRS 16 effect)	(25 741)	(23 002)
Non-core (vyble)	2 648	10 381
Adjusted EBITDA	**209 885**	**152 781**

	2024	2023
(NOK 1000)	Jan-Dec	Jan-Dec
EBIT	113 652	60 122
Gain on sale of assets	(10 473)	-
Share-based payments	21 867	11 575
Strategic process costs	5 798	-
Amortization of excess values on acquisition	14 023	13 690
Non-core (vyble)	2 648	10 381
Adjusted EBIT	**147 514**	**95 768**

Free cash flow

Free cash flow represents the cash flow that Zalaris generates after capital investments in the Group's business operations have been made. Free cash flow is defined as operational cash flow.

Net interest-bearing debt (NIBD)

Net interest-bearing debt (NIBD), consists of interest-bearing liabilities, less cash and cash equivalents. The Group risk of default and financial strength is measured by the net interest-bearing debt.

Annual recurring revenue (ARR) and annual contract value (ACV)

ARR and ACV are defined as the annualised value of revenue the Company expects to receive from SaaS (software as a service) and BPaaS (business process as a service) contracts with customers but excludes change orders that do not result in regular future revenue. The measure is primarily used in Managed Services, where customer contracts normally have a term of five years, with mostly stable monthly revenue.

Total contract value (TCV)

The total revenue that a customer contract is expected to generate is called TCV. This metric is mainly used in Professional Services to assess the overall value of consulting projects that are contracted.

Revenue growth in constant currency

The following table reconciles the reported growth rates to a revenue growth rate adjusted for the impact of foreign currency. The impact of foreign currency is determined by calculating the current year revenue using foreign exchange rates consistent with the prior year.

	2024 Jan-Dec	2023 Jan-Dec
Revenue growth, as reported	18.7 %	26.7 %
Impact of foreign currency	-2.6 %	-10.7 %
Revenue growth, constant currency	**16.1 %**	**16.0 %**
Managed Services revenue growth, as reported	22.3 %	27.1 %
Impact of foreign currency	-2.2 %	-9.3 %
Managed Services revenue growth, constant currency	**20.1 %**	**17.8 %**
Professional Services revenue growth, as reported	-0.1 %	19.8 %
Impact of foreign currency	-3.2 %	-14.3 %
Professional Services revenue growth, constant currency	**-3.3 %**	**5.5 %**

Full time equivalents (FTEs)

The ratio of the total number of normal agreed working hours for all employees (part-time or full-time) by the number of normal full-time working hours in that period (i.e. one FTE is equivalent to one employee working full-time).

zalaris

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