

# ZALARIS HR SERVICES DANMARK A/S

Høje Taastrup Boulevard 33, 1

2630 Taastrup

CVR No. 25507061

## Annual Report 2023

23. financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 3 July 2024

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Hans Petter Møllerud  
Chairman

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## Management's Statement

Today, Management has considered and adopted the Annual Report of ZALARIS HR SERVICES DANMARK A/S for the financial year 1 January 2023 - 31 December 2023.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January 2023 - 31 December 2023.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Oslo, 3 July 2024

### Executive Board

Hans Petter Mellerud  
Managing Director

### Supervisory Board

Gunnar Manum  
Chairman

Hans Petter Mellerud  
Member

Kathrine Botten Lundgaard  
Member

## Independent Auditors' Report

To the shareholders of ZALARIS HR SERVICES DANMARK A/S

### Opinion

We have audited the financial statements of ZALARIS HR SERVICES DANMARK A/S for the financial year 1 January – 31 December 2023, which comprise income statement, balance sheet[, statement of changes in equity] and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023 in accordance with the Danish Financial Statements Act.

### Basis of opinion

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

### Independence

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

### Management's responsibilities for the financial statements

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

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

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

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- \* Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

## Independent Auditors' Report

- \* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- \* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- \* Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- \* Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Kolding, 3 July 2024

**EY Godkendt Revisionspartnerselskab**

CVR-no. 30700228

Claus E. Andreasen

State Authorised Public Accountant

mne16652

## ZALARIS HR SERVICES DANMARK A/S

### Company details

<b>Company</b>	ZALARIS HR SERVICES DANMARK A/S Høje Taastrup Boulevard 33, 1 2630 Taastrup
Telephone	70210530
CVR No.	25507061
Date of formation	15 July 2000
Registered office	Høje-Taastrup
Financial year	1. januar 2023 - 31. december 2023
<b>Supervisory Board</b>	Gunnar Manum Hans Petter Mellerud Kathrine Botten Lundgaard
<b>Executive Board</b>	Hans Petter Mellerud
<b>Auditors</b>	EY Godkendt Revisionspartnerselskab Lystholt Allé 10 7100 Vejle CVR-no.: 30700228

## Management's Review

### **The Company's principal activities**

The Company renders public services and service to companies in the area of outsourced HR and payroll services.

### **Development in activities and the financial situation**

The Company's Income Statement of the financial year 1 January 2023 - 31 December 2023 shows a result of DKK 2.294.218 and the Balance Sheet at 31 December 2023 a balance sheet total of DKK 40.853.694 and an equity of DKK 8.378.543.

### **Post financial year events**

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

## Accounting Policies

### Reporting Class

The annual report of ZALARIS HR SERVICES DANMARK A/S for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with elective choice of certain provisions applying to reporting class C.

The accounting policies applied remain unchanged from last year.

### Changed accounting policies

There has been made a reclassification of prior year cash and cash equivalents to short term receivables group enterprise. The reclassification has no impact on profit loss, and is solely a reclassification.

### Reporting currency

The annual report is presented in Danish kroner.

### Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the income statement under financial income and expenses.

## General information

### Basis of recognition and measurement

The financial statement have been prepared under the historical cost principle.

Income is recognised in the income statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the financial statement, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.



## Accounting Policies

### Income statement

#### Revenue

Income from the rendering of services is recognised as revenue as the services rendered, implying that revenue corresponds to the market value of the services rendered in the year (percentage - of completion method).

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

The company has chosen IFRS 15 as interpretation for revenue recognition.

#### Other external expenses

Other external expenses include expenses for distribution, sales, advertising, administration, premises, bad debts, operating leasing expenses etc.

#### Staff costs

Staff costs include wages and salaries including compensated absence and pension to the Companies employees, as well as other social security contributions etc. The item is deducted from refunds from public authorities.

Other staff expenses are recognised in other external expenses.

#### Amortisation and impairment of tangible and intangible assets

Amortization and impairment of intangible assets, property, plant and equipment has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortized on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life	Residual value
Completed development projects	3-5 years	0%
Other fixtures and fittings, tools and equipment	3-5 years	0%

Profit or loss resulting from the sale of intangible assets or property, plant and equipment is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the income statement under other operating income or expenses.

#### Other operating expenses

Other operating expenses include items relating to activities secondary to the main activity of the enterprises.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement based at the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies and surcharges and allowances under the advance-payment of tax scheme.

Dividends from other investments are recognised as income in the financial year in which the dividends are declared.

#### Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

### Balance sheet

## Accounting Policies

### Intangible assets

Development projects that are clearly defined and identifiable, and where the degree of technical utilization, sufficient resources and a potential future market or development potential in the Company are provable and where the intention is to manufacture, market or use the product or process are recognised as intangible assets if the value in use can be determined reliably and it is sufficiently certain that future earnings can cover production, sales and administration costs as well as total development costs.

Other development costs are recognised as costs in the income statement as they incur.

Development costs comprise costs, including wages, salaries and amortization, that are directly or indirectly attributable to the development activities of the enterprise and meet the recognition criteria.

Capitalized development costs are measured at cost on initial recognition and subsequently at the lower of cost less accumulated amortization and the recoverable amount.

### Property, plant and equipment

Property, plant and equipment are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the data of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

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

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual component differ.

Other fixtures and fittings, tools and equipment	3-5 years	0%
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### Receivables

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

Receivables are measured at amortized cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank. Given the nature of the Group's cash pool arrangement, cash pool balances are not considered cash, but are recognised under "Short-term receivables from group enterprises".

## Accounting Policies

### Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

### Development cost reserve

Development cost reserve includes recognised development costs. The reserve is not available for the payment of dividend or losses. The reserve is deducted or dissolved by depreciation of the recognized costs or abandonment of the activity. Such reduction or dissolution is made by means of a transfer to distributable reserves.

### Dividends

Proposed dividend for the year are recognised as a separate item under equity. Proposed dividends are recognised as a liability when approved by the Annual General Meeting.

### Provisions

#### Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax.

#### Current tax liabilities

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

### Liabilities

The Company has chosen IAS 39 as interpretation for liabilities. Other liabilities are measured at net realisable value.

#### Accruals and deferred income entered as liabilities

Accruals and deferred income entered as liabilities consist of payments received regarding income in the subsequent financial years.

#### Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

ZALARIS HR SERVICES DANMARK A/S

**Income Statement**

	<b>Note</b>	<b>2023</b> <b>kr.</b>	<b>2022</b> <b>kr.</b>
Revenue		64.299.118	65.709.523
Other external expenses		-34.521.516	-34.422.582
<b>Gross profit</b>		<b>29.777.602</b>	<b>31.286.941</b>
Employee benefits expense	1	-24.004.321	-21.575.429
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-3.233.029	-2.931.161
<b>Profit from ordinary operating activities</b>		<b>2.540.252</b>	<b>6.780.351</b>
Finance income	2	660.807	106.168
Finance expenses		-470.534	-241.886
<b>Profit from ordinary activities before tax</b>		<b>2.730.525</b>	<b>6.644.633</b>
Tax expense on ordinary activities	3	-436.307	-1.484.808
<b>Profit</b>		<b>2.294.218</b>	<b>5.159.825</b>
<b>Proposed distribution of results</b>			
Proposed dividend recognised in equity		0	15.300.000
Sundry reserves		5.790.269	-1.232.052
Retained earnings		-3.496.051	-8.908.123
<b>Distribution of profit</b>		<b>2.294.218</b>	<b>5.159.825</b>

## Balance Sheet as of 31 December

	Note	2023 kr.	2022 kr.
<b>Assets</b>			
Concessions originating from development projects	4	7.118.734	5.500.850
Development projects in progress and prepayments for intangible assets	5	7.170.218	1.364.681
<b>Intangible assets</b>		<b>14.288.952</b>	<b>6.865.531</b>
Fixtures, fittings, tools and equipment	6	50.526	105.954
<b>Property, plant and equipment</b>		<b>50.526</b>	<b>105.954</b>
Other long-term receivables		38.867	0
<b>Investments</b>		<b>38.867</b>	<b>0</b>
<b>Fixed assets</b>		<b>14.378.345</b>	<b>6.971.485</b>
Short-term trade receivables		16.062.632	8.361.905
Short-term receivables from group enterprises	7	9.142.142	21.820.396
Short-term tax receivables		37.000	0
Other short-term receivables		1.233.575	388.214
<b>Receivables</b>		<b>26.475.349</b>	<b>30.570.515</b>
<b>Current assets</b>		<b>26.475.349</b>	<b>30.570.515</b>
<b>Assets</b>		<b>40.853.694</b>	<b>37.542.000</b>

## Balance Sheet as of 31 December

	Note	2023 kr.	2022 kr.
<b>Liabilities and equity</b>			
Contributed capital		501.000	501.000
Reserve for development expenditure		11.145.383	5.355.114
Retained earnings		-3.267.840	26.064
Proposed dividend recognised in equity		0	15.300.000
<b>Equity</b>		<b>8.378.543</b>	<b>21.182.178</b>
Provisions for deferred tax		1.948.971	1.345.440
<b>Provisions</b>		<b>1.948.971</b>	<b>1.345.440</b>
Trade payables		3.296.932	1.054.230
Payables to group enterprises		9.621.056	3.634.398
Tax payables		0	1.809.248
Other payables	8	3.831.913	5.494.591
Deferred income, liabilities		13.776.279	3.021.915
<b>Short-term liabilities other than provisions</b>		<b>30.526.180</b>	<b>15.014.382</b>
<b>Liabilities other than provisions within the business</b>		<b>30.526.180</b>	<b>15.014.382</b>
<b>Liabilities and equity</b>		<b>40.853.694</b>	<b>37.542.000</b>
Collaterals and assets pledges as security	10		
Related parties	11		

## Statement of changes in Equity

	Contributed capital	Development expenditure	Retained earnings	Proposed dividend recognised in equity	Total
Equity 1 January 2023	501.000	5.355.114	26.064	15.300.000	21.182.178
Dividend paid	0	0	0	-15.300.000	-15.300.000
Other adjustments of equity	0	0	202.147	0	202.147
Equity transfers to reserves	0	7.423.421	-5.129.203	0	2.294.218
Tax on changes in equity	0	-1.633.152	1.633.152	0	0
<b>Equity 31 December 2023</b>	<b>501.000</b>	<b>11.145.383</b>	<b>-3.267.840</b>	<b>0</b>	<b>8.378.543</b>

The share capital has remained unchanged for the last 5 years.

## Notes

**1. Staff costs**

	<b>2023</b>	<b>2022</b>
Wages and salaries	21.831.437	19.609.726
Post-employment benefit expense	1.988.876	1.792.765
Social security contributions	184.008	172.938
	<b>24.004.321</b>	<b>21.575.429</b>
Average number of employees	33	33

**2. Finance income**

Interest received from group entities	403.594	57.118
Other financial income	257.213	49.050
	<b>660.807</b>	<b>106.168</b>

**3. Tax expense**

Payable income tax	0	1.806.728
Change in deferred tax	603.531	-323.180
Tax prior year	-167.224	1.260
	<b>436.307</b>	<b>1.484.808</b>

**4. Completed development projects**

	<b>2023</b>	<b>2022</b>
Cost at the beginning of the year	12.651.762	12.651.762
Addition during the year, incl. improvements	4.795.486	0
Disposal during the year	-1.488.488	0
<b>Cost at the end of the year</b>	<b>15.958.760</b>	<b>12.651.762</b>
Depreciation and amortisation at the beginning of the year	-7.150.912	-4.243.050
Amortisation for the year	-3.177.602	-2.907.862
Reversal of impairment losses and amortisation of disposed assets	1.488.488	0
<b>Impairment losses and amortisation at the end of the year</b>	<b>-8.840.026</b>	<b>-7.150.912</b>
<b>Carrying amount at the end of the year</b>	<b>7.118.734</b>	<b>5.500.850</b>

**5. Development projects and prepayments for intangible assets**

	<b>2023</b>	<b>2022</b>
Cost at the beginning of the year	1.364.681	36.373
Addition during the year, incl. improvements	5.841.910	1.328.308
Disposal during the year	-36.373	0
<b>Cost at the end of the year</b>	<b>7.170.218</b>	<b>1.364.681</b>
<b>Carrying amount at the end of the year</b>	<b>7.170.218</b>	<b>1.364.681</b>



## Notes

**6. Fixtures, fittings, tools and equipment**

	<b>2023</b>	<b>2022</b>
Cost at the beginning of the year	678.176	567.073
Addition during the year, incl. improvements	44.532	111.103
Disposal during the year	-57.256	0
<b>Cost at the end of the year</b>	<b>665.452</b>	<b>678.176</b>
Depreciation and amortisation at the beginning of the year	-572.222	-548.922
Amortisation for the year	-42.704	-23.300
<b>Impairment losses and amortisation at the end of the year</b>	<b>-614.926</b>	<b>-572.222</b>
<b>Carrying amount at the end of the year</b>	<b>50.526</b>	<b>105.954</b>

**7. Short-term receivables from group enterprises**

Zalaris HR Services Danmark' account in the cash pool arrangement which is included in receivables from group entities, per 31. December 2023 amount to 7.718 t.DKK (2022: 19.640 t.DKK).

At 31. December, restriction on the use of balances of cash with a carrying amount of DKK 4.904.050 exists as these are held by the company on behalf of third party customers.

**8. Other payables**

VAT and duties payables	1.265.089	1.801.700
Other payables	2.566.824	3.692.891
	<b>3.831.913</b>	<b>5.494.591</b>

**9. Contractual obligations and contingencies, etc.****Other Contigent Liabilities**

	<b>2023</b>	<b>2022</b>
Guarantee commitments	388.193	388.193

Other contingent liabilities include a bank guarantee provided to the lessor in respect of the Company's office premises.

**Other financial obligations**

	<b>2023</b>	<b>2022</b>
Rent and lease Liabilities	1.110.357	1.662.683

## Notes

### **10. Collaterals and securities**

The Company has provided a guarantee of the equity of the Company, when a claim for payment is made against the Company under the Guarantee.

### **11. Related parties**

The Company is included in the consolidated report for the Parent Company:

Zalaris ASA, Norway, Hoffsvæien 4, 0275 Oslo.