



INFORMATION MEMORANDUM

Zalaris ASA

(registration number 981 953 134)

The information contained in this information memorandum (the "**Information Memorandum**") relates to the acquisition (the "**Acquisition**") of 52,950 shares, representing 97.32% of the total share capital and 98.64% of the votes in sumarum AG, a German joint stock corporation registered with the commercial register maintained at the local court of Kiel with registration number HRB 8473 KI and registered address at Rathausplatz 3, D-24558 Henstedt-Ulzburg, Germany ("**sumarum**", and together with its directly and indirectly owned subsidiaries, the "**sumarum Group**") by Zalaris ASA, a public limited company with registration number 981 953 134 organized under the laws of Norway ("**Zalaris**" or the "**Company**", and together with its directly and indirectly owned subsidiaries, the "**Zalaris Group**") from certain selling shareholders of sumarum (the "**Sellers**") against a total purchase price in the amount of EUR 18,637,134.20 (the "**Purchase Price**") settled through (i) a cash consideration in the amount of EUR 15,833,222 (the "**Cash Consideration**") and (ii) the issuance of 720,219 new shares in Zalaris, each with a nominal value of NOK 0.10 (the "**Consideration Shares**"). The Acquisition was completed and the Cash Consideration was paid by Zalaris to the Sellers on 18 May 2017. The share capital increase pertaining to the issuance of the Consideration Shares was registered with the Norwegian Register of Business Enterprises on 22 May 2017. The Consideration Shares were delivered to the relevant Sellers on 23 May 2017 and correspond to 3.63% of the shares in issue in Zalaris (the "**Shares**") following their issuance.

This Information Memorandum serves as an information memorandum as required under Section 3.5 of the Continuing Obligations for Stock Exchange Listed Companies (the "**Continuing Obligations**"), which apply in respect of agreements entered into by a company with shares admitted to trading on Oslo Børs ASA (the "**Oslo Stock Exchange**") concerning a transaction that constitutes a change of more than 25% in respect of assets, operating revenue or annual result. This Information Memorandum has been submitted to the Oslo Stock Exchange for inspection and review before it was published. This Information Memorandum is not a prospectus and has neither been inspected nor approved by the Norwegian Financial Supervisory Authority (*Nw.: Finanstilsynet*) in accordance with the rules that apply to prospectuses.

This Information Memorandum does not constitute an offer or solicitation to buy, subscribe or sell the securities described herein, and no securities are being offered or sold pursuant to this Information Memorandum.

In reviewing this Information Memorandum, you should carefully consider the matters described in Section 1 "Risk Factors" beginning on page 4.

The date of this Information Memorandum is 13 June 2017

IMPORTANT INFORMATION

For the definitions of terms used throughout this Information Memorandum, including the preceding page, see Section 12 "Definitions and Glossary".

No shares or other securities are being offered or sold in any jurisdiction pursuant to this Information Memorandum.

The Company has furnished the information in this Information Memorandum. The Company acknowledges responsibility for the information contained in this Information Memorandum and confirms, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), that the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of the information.

All inquiries relating to this Information Memorandum should be directed to the Company. No other person is authorised to give any information about, or to make any representation on behalf of, the Company in connection with the Acquisition. If any such information is given or representation made, it must not be relied upon as having been authorised by the Company.

The information contained herein is as of the date hereof and subject to change, completion or amendment without further notice. There may have been changes affecting the Zalaris Group subsequent to the date of this Information Memorandum. The delivery of this Information Memorandum shall not imply that there has been no change in the Zalaris Group's affairs or that the information set forth herein is correct as of any time subsequent to the date hereof.

The contents of this Information Memorandum are not to be construed as legal, business or tax advice. Each reader of this Information Memorandum should consult with its own legal, business or tax advisor as to legal, business or tax advice. If you are in any doubt about the contents of this Information Memorandum, you should consult your stockbroker, bank manager, lawyer, accountant or other professional adviser.

The distribution of this Information Memorandum in certain jurisdictions may be restricted by law. The Company requires persons in possession of this Information Memorandum to inform themselves about, and to observe, any such restrictions. No action has been taken or will be taken in any jurisdiction by the Company that would permit publication or distribution, directly or indirectly, of any documents relating to the Acquisition or any amendment or supplement thereto, including, but not limited to, this Information Memorandum, in any country or jurisdiction where specific action for that purpose is required. The Company has not registered any of the Shares issued by the Company under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and the Company does not intend to register any of its Shares pursuant to the U.S. Securities Act.

Governing law

This Information Memorandum is subject to Norwegian law, unless otherwise indicated herein. Any dispute arising in respect of this Information Memorandum is subject to the exclusive jurisdiction of the Norwegian courts, with Oslo City Court as legal venue.

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1 RISK FACTORS

In addition to the other information set out in this Information Memorandum, the following risk factors should be carefully considered when analysing Zalaris, the Zalaris Group and/or the Acquisition. The risks described below could have a material adverse effect on the business, results of operations, cash flows and financial condition of the Zalaris Group, which, following closing of the Acquisition, includes the sumarum Group. Accordingly, the risks described herein could have a material adverse effect on the trading price of the Shares.

1.1 Risks relating to the Zalaris Group and the industry in which they operate

The Zalaris Group has a broad customer base, but the majority of revenues come from a relatively low number of customers. Hence losing some of the main customers will have notable adverse effect on the Zalaris Group's revenues and earnings.

For the year ended 31 December 2016, 82% of the Zalaris Group's revenue was attributable to its 20 largest customers and 10% was attributable to its largest customer. After contracts are entered into, the deterioration of relations with, or the termination of any major contracts by, the Zalaris Group's largest customers could have a material adverse effect on the Zalaris Group's operating performance. Financial difficulties experienced by any of its significant customers could have a significant impact on the Zalaris Group. In addition, should any of the Zalaris Group's significant customers divest large portions of their operations, experience consolidation or a change of control, the functions outsourced by such customer may face significant alteration which could lead to reductions or changes of the scope of, or termination of, major contracts with the Zalaris Group.

The scale of major contracts requires long lead time and significant input of resources.

The Zalaris Group's growth is, among others, dependent upon its ability to attract new customers. If the Zalaris Group does not succeed in continuing to attract and retain such customers, it could have a material adverse effect on its results of operations, financial condition and cash flows. Moreover, there can be no guarantee that the Zalaris Group will continue to achieve its historic rates of growth. The tendering, planning and preparations for, and establishment of, the large and complex arrangements that the Zalaris Group targets incur time and money. The failure to successfully conclude such arrangements once tentatively approved, can result in unrecovered costs and impede the growth of the Zalaris Group.

Contracts may be terminated before their full term or may not be renewed.

The service contracts provided by the Zalaris Group to its customers have terms in the range of 5-10 years, and the contracts provided by the sumarum Group to its customers have terms in the range from 6 months to 5 years. These service contracts and outsourcing contracts may include rights for the customer to terminate for cause, change of control and convenience at or after specified times. Such terminations may have an adverse effect on the Zalaris Group's business, results of operations and financial condition.

The Zalaris Group might fail to accurately forecast its ability to deliver outsourcing services efficiently and contracts may not be implemented within appropriate timescales or could be implemented poorly and fail to deliver savings to the customers.

If the Zalaris underestimates the cost, complexity or time requirements to deliver a contract it may incur losses. Likewise, if the Zalaris Group encounters difficulties or delays in implementing the methodologies through which it is planned to generate the required savings, these savings may be delayed or may never materialize. Such delays or failures may have an adverse effect on the Zalaris Group's business, results of operations, cash flows and on its reputation as an outsourcing provider.

Price pressure may impact ability to win new contracts and impact revenues from extended, existing contracts.

There is significant competition in the Zalaris Group's. Contracts are awarded 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 Zalaris 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 Zalaris Group, and the failure to maintain a competitive service offering could have a material adverse effect on the Zalaris Group's business, growth prospects, operating results and financial condition.

The Zalaris Group is dependent on attracting and retaining key personnel.

The successful development and performance of the Zalaris Group's business depends on its ability to attract and retain skilled professionals with appropriate experience and expertise, including inter alia the senior management. Failure to do so could result in the inability to maintain the business improvements or take advantage of new

opportunities that may arise, which may in turn lead to a subsequent decline in competitiveness which could have a material adverse effect on the Zalaris Group's business, operating results and financial condition.

The Zalaris Group is reliant on the SAP platform in addition to other third party suppliers.

The Zalaris Group's core services are based on the SAP platform and consequently a potential future deterioration in the relationship with SAP and/or inability or difficulties of implementing third party solutions may significantly impede the Zalaris Group's ability to provide its services and in turn may have an adverse effect on the Zalaris Group's ability to attract and retain customers and in turn adversely affect the Zalaris Group's business and profitability. SAP is a global developer and provider of enterprise resource planning ("ERP") systems to corporates.

Business may be adversely affected by disruptions to IT systems and/or other third party supplied services/solutions.

Third-party suppliers are key to business operations; quality issues or supply disruptions may negatively affect the Zalaris Group and in turn may have an adverse effect on the Zalaris Group's ability to attract and retain customers and in turn adversely affect the Zalaris Group's business and profitability.

Risk related to technology and solution disruptions.

New technology and new solutions that are disrupting the industry might put pressure on Zalaris business model. The Zalaris Group's future success and profitability will among other factors be dependent upon its ability to (i) address the increasingly sophisticated needs of its customers and (ii) anticipate major changes in technology and respond to technological developments on a timely basis. A failure by the Zalaris Group to respond to technological developments on a timely and cost effective basis may have a material adverse effect on the Zalaris Group's business, results of operation, cash flows, financial condition and/or prospects.

Risk related to commercialization of new products and services.

The future performance of Zalaris' operations will depend on the successful development, introduction and market acceptance of existing and new products and services that address customer requirements in a cost effective manner. If Zalaris does not expand or enhance its product and/or service range or respond effectively to technological change, its businesses may not grow. The introduction of new products and services, market acceptance of products and services based on new or alternative technologies, or the emergence of new industry standards could render Zalaris' existing products obsolete or make it easier for other products and/or services to compete with its products and services.

Risk related to cyber security

The Zalaris 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. This exposes the Zalaris 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 the Zalaris Group's processing for financial gain or collecting of information for other illegal purposes.

As a result of these cyber security threat scenarios, and their potential for severe disruptions to the services, Zalaris has setup numerous countermeasures both of a technical and organizational nature. A dedicated Cyber Security Operations Center (CSOC) has been established with continuous monitoring of all systems and user activities with the explicit goal of preventing threats from converging into actual attacks or exploits of our systems and the customer data contained within them.

The Zalaris Group is vulnerable to adverse market perception.

The Zalaris Group must display a high level of integrity and maintain the trust and confidence of its customers. Any mismanagement, fraud or failure to satisfy fiduciary or regulatory responsibilities, allegations of such activities, or negative publicity resulting from such activities, or the association of any of the above with the Zalaris Group, or a relevant industry sector generally, could adversely affect the Zalaris Group's reputation and the value of the Zalaris Group's brands, as well as its business, operating results and financial position.

Risks associated with handling personal data and other sensitive information and system critical tasks for its customers.

The Zalaris 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. Unauthorised disclosure of any such information may result in significant fines and may damage the Zalaris Group's brand and/or reputation and in turn have an adverse

effect on the Zalaris Group's ability to attract and retain customers and in turn adversely affect the Zalaris Group's business and profitability.

With operations in several countries, the Zalaris Group is exposed to a variety of work environments and cultures.

The correct understanding and adoption of cultures in which the countries that the Zalaris Group currently has operations, and/or in countries where the Zalaris Group may in the future expand, is critical in the successful operation and fulfilment of contractual obligations, and in turn failure to accommodate such cultural sensitivity may in turn have an adverse effect on the Zalaris Group's business, reputation, operating results and financial condition.

With operations in several countries, the Zalaris Group is exposed to a variety of foreign currencies.

The Zalaris Group and its subsidiaries received revenues and incur costs in several currencies. Changes in the relative values of these currencies may adversely affect the Zalaris Group's results and financial condition.

Risk of change in legislation and tax laws.

The Zalaris Group's services are dependent on strict adherence to local rules and regulation, and customers will rely on the Zalaris Group's ability to adapt to changes in these. Failure to stay updated could risk breach which may in turn have adverse contractual financial consequences for the Zalaris Group.

The Zalaris Group has a strategy to expand in size and may experience difficulties in managing its growth.

The future growth and performance of Zalaris and its operations will partly depend on its ability to manage growth effectively, including its ability to adequately manage the number of employees, technical solutions, operational efficiency, Zalaris' organisation and locations, and integrating any acquisitions. Growth may lead to inefficiency during changing/reorganising the daily operations like reorganizing the operations centers, updating software or systems, hiring and training new employees, adversely affecting profitability and cash flows. Presence and focus in local communities could also be challenging with operations in several countries.

The HRO industry is relatively new and its growth rate may not be sustained

The Human Resources Outsourcing ("HRO") industry as a whole is relatively new and has experienced significant growth historically. Due to the industry's relatively young age, it is difficult to determine whether demand for Business Process Outsourcing ("BPO") services generally, and for HRO services specifically, will continue to grow in line with recent trends if at all. A slowdown in HRO industry growth is likely to have an adverse effect on the Zalaris Group's ability to sustain its own growth rate.

1.2 Risks relating to the Shares

The price of the Shares may fluctuate significantly.

The trading price of the Shares could fluctuate significantly in response to a number of factors beyond the Company's control, including quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, significant contracts, acquisitions or strategic relationships, publicity about the Company, its products and services or its competitors, lawsuits against the Company, unforeseen liabilities, changes to the regulatory environment in which it operates or general market conditions.

In recent years, the stock market has experienced significant price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies, including companies in the industry in which the Company operates. Those changes may occur without regard to the operating performance of these companies. The price of the Shares may therefore fluctuate based upon factors that have little or nothing to do with the Company, and these fluctuations may materially affect the price of its Shares.

Future issuances of shares or other securities in the Company may dilute the holdings of shareholders and could materially affect the price of the Shares.

It is possible that the Company may decide to offer additional shares or other securities in order to finance new capital-intensive investments in the future in connection with unanticipated liabilities or expenses, or for any other purposes. Any such additional offering could reduce the proportionate ownership and voting interests of holders of Shares as well as the earnings per Share and the net asset value per Share of the Company, and any offering by the Company could have a material adverse effect on the market price of the Shares.

Investors may not be able to exercise their voting rights for Shares registered in a nominee account.

Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may not be able to vote for such Shares unless their ownership is re-registered in their names with the VPS prior to the Company's general meetings. The Company cannot guarantee that beneficial owners of the Shares will receive the notice of a general meeting of shareholders of the Company in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners.

Norwegian law may limit the shareholders' ability to bring an action against the Company.

The Company is a public limited company incorporated under the laws of Norway. The rights of holders of Shares are governed by Norwegian law and by the Articles of Association. These rights differ from the rights of shareholders in e.g. typical US corporations or companies incorporated in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. Under Norwegian law, any action brought by a company in respect of wrongful acts committed against the company takes priority over actions brought by shareholders in respect of such acts. In addition, it may be difficult to prevail in a claim against the Company under, or enforce liabilities predicated upon, U.S. securities laws or related to laws of other jurisdictions.

Difficulties for foreign investors to enforce non-Norwegian judgements.

The Company is organized under the laws of Norway. As at the date of this Information Memorandum, all of its directors are residents of Norway, Denmark, Sweden and Finland, and the vast majority of its assets are in Norway. As a result, it may not be possible for non-Norwegian investors to affect service of process on the Company or the Company's directors in the investor's own jurisdiction, or to enforce against them judgements obtained in non-Norwegian courts. However, Norway is party to the Lugano Convention and a judgement obtained in another Lugano Convention state will in general be enforceable in Norway. However, there is no regulation providing for general recognition or enforceability in Norway of judgements of non-Lugano Convention state courts, such as the courts of the United States.

Shareholders outside of Norway are subject to exchange rate risk.

The Shares are priced in NOK and any future payments of dividends on the Shares will be denominated in NOK. Accordingly, any investor outside Norway is subject to adverse movements in the NOK against their local currency as the foreign currency equivalent of any dividends paid on the Shares or price received in connection with any sale of the Shares could be materially adversely affected.

Zalaris' ability to pay dividends is dependent on the availability of distributable reserves.

Norwegian law provides that any declaration of dividends must be adopted by Zalaris' general meeting of shareholders. Dividends may only be declared to the extent that Zalaris has distributable funds and provided that the declaration is prudent taking into consideration the size, nature, scope and risks associated with its operations, and the need to strengthen its statement of financial position, liquidity and financial position. As Zalaris' ability to pay dividends is dependent on the availability of distributable reserves, it is, among other things, dependent upon receipt of dividends and other distributions of value from its subsidiaries.

As a general rule, the general meeting of shareholders may not declare higher dividends than the board of directors has proposed or approved. If, for any reason, the general meeting of shareholders does not declare dividends in accordance with the above, a shareholder will, as a general rule, have no claim in respect of such non-payment, and Zalaris will, as a general rule, have no obligation to pay any dividend in respect of the relevant period.

1.3 Risks related to the Acquisition

The unaudited pro forma financial information included in this Information Memorandum has been prepared solely to show what the significant effects of the Acquisition might have been had the Acquisition occurred at an earlier date and does not purport to present the results of operations or financial condition of the Zalaris Group, nor should it be used as the basis of projections of the results of operations or financial condition of the Zalaris Group for any future period or date.

This Information Memorandum includes unaudited pro forma condensed consolidated financial information for the Zalaris Group as of and for the year ended 31 December 2016. Although the unaudited pro forma financial information is based on estimates and assumptions based on current circumstances believed to be reasonable, actual results could have materially differed from those presented herein. There is a greater degree of uncertainty associated with pro forma figures than with actual reported results. The unaudited pro forma financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and, therefore, does not

purport to present the results of operations of the Zalaris Group as if the Acquisition had occurred at the commencement of the period being presented, or the financial condition of the Zalaris Group as of the date being presented, nor should it be used as the basis of projections of the results of operations for the Zalaris Group for any future period or the financial condition of the Zalaris Group for any date in the future.

2 RESPONSIBILITY STATEMENT

This Information Memorandum has been prepared by Zalaris ASA to provide information regarding the Acquisition.

The Board of Directors of Zalaris ASA confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Information Memorandum is, to the best of its knowledge, in accordance with the facts and contains no omissions likely to affect its import.

Oslo, 13 June 2017

The Board of Directors of Zalaris ASA

Lars Laier Henriksen
Chairman

Karl Christian Agerup

Tina Steinsvik Sund

Liselotte Hægert Engstam

Jan M. Koivurinta

3 GENERAL INFORMATION

3.1 Information sourced from third parties

The information in this Information Memorandum that has been sourced from third parties has been accurately reproduced and as far as the Company is aware and able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

3.2 Cautionary note regarding forward-looking statements

This Information Memorandum contains forward-looking statements, including, without limitation, projections and expectations regarding the Company's future financial position, business strategy, plans and objectives. When used in this document, the words "anticipate", "believe", "estimate", "expect", "seek to", "may", "plan" and similar expressions, as they relate to the Company, its subsidiaries or its management, are intended to identify forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company and its subsidiaries, or, as the case may be, the industry, to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company and its subsidiaries will operate. Factors that could cause the Company's actual results, performance or achievements to materially differ from those in the forward-looking statements include but are not limited to:

- the competitive nature of the markets in which the Company and its subsidiaries operate;
- global and regional economic conditions;
- government regulations;
- changes in political events; and
- force majeure events.

Some important factors that could cause actual results to differ materially from those in the forward-looking statements are, in certain instances, included with such forward-looking statements and in Section 1 "Risk Factors" in this Information Memorandum. Any forward-looking statements contained in this Information Memorandum should not be relied upon as predictions of future events.

Readers are cautioned not to place undue reliance on the forward-looking statements contained in this Information Memorandum, which represents the best judgement of the Company's management as of the date of this Information Memorandum. Except as required by applicable law, the Company does not undertake responsibility to update these forward-looking statements, whether as a result of new information, future events or otherwise. Readers are advised, however, to consult any further public disclosures made by the Company.

3.3 Other Information

In this Information Memorandum, all references to "NOK" are to the lawful currency of Norway, all references to "Euro" or "EUR" are to the lawful currency of the participating Member States in the European Union ("**Member States**") and all references to "USD" are to the lawful currency of the United States of America.

In this Information Memorandum all references to "EU" are to the European Union and its Member States as of the date of this Information Memorandum; all references to "EEA" are to the European Economic Area and its member states as of the date of this Information Memorandum; and all references to "US", "U.S." or "United States" are to the United States of America.

Certain figures included in this Information Memorandum have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly.

3.4 Presentation of Financial Information

The financial information contained in this Information Memorandum relating to Zalaris has been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("**IFRS**"). This Information Memorandum presents financial information derived from Zalaris' audited consolidated financial statements as of, and for the years ended, 31 December 2016, 2015 and 2014 (the "**Financial Statements**") and from Zalaris' unaudited consolidated financial statement as of, and for the three months ended, 31 March 2017 and 2016 (the "**Interim Financial Statements**"), each as incorporated by reference hereto, see Section 11.2 "Incorporation by reference".

4 THE ACQUISITION

This Section provides an overview of the Acquisition and the strategic development of the Company relating thereto. This Section should be read in conjunction with, in particular, Section 1 "Risk Factors", Section 5 "Presentation of Zalaris" and Section 9 "Pro Forma Financial Information".

4.1 Background and reasons for the Acquisition

The Company has entered into one main and three short form, in total four, share purchase agreements regarding the Acquisition. The main share purchase agreement ("**SPA I**"), dated 26 April 2017, is entered into with AHAG Vermögensverwaltung GmbH ("**Seller 1**"), Lutz Friedrich ("**Seller 2**") and MoMa 1. Beteiligungsgesellschaft mbH ("**Seller 3**") and Harald Goetsch and Volker Müller, being the sole shareholders of Seller 1 and Seller 3, respectively, (hereinafter each an Indirect Seller and collectively the "**Indirect Sellers**") for the purchase of 48,000 shares in sumarum. The second share purchase agreement, dated 26 April 2017, is entered into with Ralph Manitz and comprises 2,000 shares in sumarum ("**SPA II**"). The third share purchase agreement, dated 11 May 2017, is entered into with Martin Engelbrecht and comprises 1,662 shares in sumarum ("**SPA III**"). The fourth share purchase agreement, dated 11 May 2017, is entered into with Martin Krick and comprises 1,288 shares in sumarum ("**SPA IV**"). The Acquisition was completed on 18 May 2017.

The combination of the Zalaris Group and the sumarum Group (the "**Combined Group**") is expected to provide improved offerings for all customers, and better match the geographical footprint of several of the Combined Group's current and prospective customers. Further, the Combined Group will be able to service customers across most of Europe with innovative cloud based SAP Human Capital Management ("**HCM**") and SuccessFactors Outsourcing and consulting services. The Combined Group will employ about 650 employees in the Nordics, Baltics, Poland, Germany and India. In addition to a broader geographical reach, the Combined Group has a significant potential for adding new services and utilizing the scale of its innovative cloud based solution powered by SAP HCM and SuccessFactors to target new customers and customer segments with outsourcing and consulting services. Further, the Acquisition is in line with the Company's announced strategy to expand in the European market through acquisitions of well-managed companies positioned for capturing market opportunities.

Through the Acquisition, Zalaris has acquired 97.32% of the total share capital and 98.64% of the votes in sumarum. Zalaris intends to acquire the remaining shares in sumarum, representing 2.68% of the total share capital in sumarum, by way of a squeeze-out procedure pursuant to German law if and to the extent the remaining shareholders in sumarum do not accept an offer to sell their shares to Zalaris on the terms offered.

4.2 Consideration

The total purchase price paid by the Zalaris to the Sellers for 52,950 shares, representing 97.32% of the total share capital and 98.64% of the votes in sumarum, was in the amount of EUR 18,637,134.20 and has been settled through (i) a cash consideration in the amount of EUR 15,833,222 and (ii) the issuance of 720,219 Consideration Shares in Zalaris, each with a nominal value of NOK 0.10. The cash component of the consideration for the shares in sumarum was debt financed.

4.3 Conditions for closing and closing of the Acquisition

Under the terms of SPA I, closing of the Acquisition was subject to the satisfaction of certain closing conditions, including: (i) no material adverse change shall have occurred, (ii) Zalaris shall acquire at least 95.1% of the overall share capital in sumarum, and (ii) Zalaris shall have conducted customer satisfaction calls with certain specified customers. The closing conditions were satisfied on or before 18 May 2017. At closing of the Acquisition, on 18 May 2017, among other the following occurred:

- (i) the Sellers' shares in sumarum were transferred to Zalaris in accordance with SPA I – IV;
- (ii) Zalaris paid the Cash Consideration pursuant to SPA I – IV;
- (iii) the Board of Directors of Zalaris resolved to issue the Consideration Shares pursuant to authority granted by the general meeting of Zalaris on 16 May 2017; and
- (iv) the relevant Sellers subscribed for the Consideration Shares.

4.4 Issuance and delivery of the Consideration Shares

The share capital increase pertaining to the issuance of the Consideration Shares was registered with the Norwegian Register of Business Enterprises on 22 May 2017. The Consideration Shares were delivered to the relevant Sellers on 23 May 2017.

4.5 Other terms and conditions under SPA I

The main SPA, SPA I, contains customary terms and conditions for a transaction of this nature, including customary representations and warranties. Further, the sellers under SPA I have agreed to indemnify and hold the Company and its affiliates (including the sumarum Group Companies), and their respective successors and assigns, harmless from and against certain specific circumstances further described in SPA I. In addition, SPA I contains restrictive covenants pursuant to which Seller 2, the Indirect Sellers and their affiliates are subject to non-compete and non-solicitation obligations for a period of three years from closing of the Acquisition.

The parties to SPA I may not after the closing date rescind, terminate or otherwise require the reversal of any transactions contemplated by SPA I.

The parties to SPA I cover their respective costs and expenses in connection with SPA I and the completion of the transactions contemplated by SPA I, including professional fees and costs of legal and financial advisers, accountants and other advisers. No such costs and expenses shall be covered by the sumarum Group companies.

SPA I is governed by and construed in accordance with the laws of the Federal Republic of Germany excluding conflict of laws rules and the UN Convention on Contracts for the International Sale of Goods (CISG). To the extent legally permissible, the ordinary courts in Germany shall have exclusive jurisdiction for any dispute, controversy or claim arising from or in connection with SPA I with exclusive venue being in Hamburg.

4.6 Terms and conditions of SPA II-IV

Pursuant to the short form SPAs, SPA II-IV, the relevant Sellers have given customary title warranties, including that the shares sold under SPA II-IV are free of any third party rights and that the relevant Sellers have full power and authority to dispose thereof.

The sale and purchase of the shares under SPA II-IV was subject to certain conditions precedent, including that the transactions contemplated by SPA I having been closed.

SPA II-IV are governed by, and construed in accordance with, the laws of the Federal Republic of Germany, without regard to principles of conflicts of laws. Exclusive venue for all disputes arising under or in connection with these agreements shall be Hamburg.

4.7 Lock-up

At closing of the Acquisition, the Sellers receiving Consideration Shares entered into lock-up agreements with the Company pursuant to which the relevant Sellers undertake that they will not, directly or indirectly, without the prior written consent of Zalaris, during the period from the date of the lock-up agreement to and including the date falling 36 months after the closing of the Acquisition (i.e. on 18 May 2020):

- a) sell, offer to sell, contract or agree to sell, hypothecate, pledge, grant any option to purchase or otherwise dispose of or agree to dispose of, directly or indirectly any Consideration Shares or any securities convertible into or exercisable or exchangeable for Consideration Shares, or warrants or other rights to purchase Consideration Shares;
- b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Consideration Shares or any securities convertible into or exercisable or exchangeable for Consideration Shares, or warrants or other rights to purchase Consideration Shares, whether any such transaction is to be settled by delivery of Consideration Shares or such other securities, in cash or otherwise; or
- c) publicly announce an intention to effect any transaction specified in clause a) or b) above,

provided, however, that the foregoing shall not prevent the relevant Sellers from transferring Consideration Shares to a wholly-owned subsidiary of the relevant Seller which in writing assumes all of the obligations of the Seller to Zalaris set forth in the lock-up agreement.

The above described lock-up undertaking has been registered at the relevant Sellers' VPS accounts with Zalaris as beneficiary.

4.8 Call option

Certain good and bad leaver provisions have been agreed which makes Zalaris entitled to buy back Consideration Shares from employed Sellers if the relevant Sellers (or their respective owners, if applicable) cease their employment with the Zalaris group during the initial 36 months period. If the relevant Seller is a good leaver in good standing, the price payable for each Consideration Share shall be a price equal to volume weighted average price during the last five consecutive trading days prior to the termination date. If the relevant Seller is not a good leaver in good standing, the price payable for each Consideration Share shall equal NOK 0.1. However, Zalaris shall not exercise its call option for 30% of the Consideration Shares after the expiry of the initial 18 months period following closing of the Acquisition.

Notwithstanding clause 4.6 and the above, the relevant Sellers may at its sole discretion accept a takeover offer for all shares in the Company made in accordance with chapter 6 of the Norwegian Securities Trading Act.

4.9 Claw-back of Consideration Shares

Pursuant to the compensation clause included in SPA I, Seller 1, Seller 2 and Seller 3 shall be given the opportunity to factual remedy a breach for a period of two months after having been duly notified of a breach of their warranties. If factual remediation is not achieved or impossible or finally refused, Seller 1, Seller 2 and Seller 3 are obliged to compensate the Company, or at the Company's written request, any of the sumarum Group Companies, by way of monetary damages. If a claim has not been settled in cash within 30 business days or other mutually agreed time, Zalaris shall be entitled to settle any claim against any of the sellers under SPA I resulting from a breach of their warranties under SPA I, in whole or in part, by way of repurchasing Consideration Shares at a price of NOK 0.1 per Consideration Share, and the amount resulting in a claim so compensated shall be equal to the difference between NOK 0.1 and the volume weighted average price of the Company's shares on the Oslo Stock Exchange during the last five trading days prior to such repurchase less any transaction costs. The Company's right to compensation is subject to certain time and financial limits.

4.10 The rights conferred by the Consideration Shares

The Consideration Shares rank *pari passu* with all other Shares in issue, and are eligible for any dividend that the Company may declare on the Shares from the time the share capital increase was registered in the Norwegian Register of Business Enterprises, i.e. on 22 May 2017. For a description of rights attached to the Shares in the Company, see Section 10 "Corporate Information and share capital".

4.11 VPS registration

The Consideration Shares have been issued in accordance with the Norwegian Public Limited Companies Act registered in the VPS with ISIN NO 001 070 8910. The Company's register of shareholders with the VPS is administrated by Nordea Bank Norge ASA, Securities Services – Issuer Services, P.O. Box 1166 Sentrum, N-0107 Oslo, Norway.

4.12 Dilution

The dilutive effect of the issue of the Consideration Shares is 3.63%.

	Prior to Acquisition	After issue of 720,219 Consideration Shares
Number of Shares	19,124,263	19,844,482
Number of Shares prior to the Acquisition in % of new number of Shares	-	96.37%

4.13 Continued trading of the Shares

The Shares continue to be traded on the Oslo Stock Exchange after closing of the Acquisition under the name Zalaris ASA and under the current ticker "ZAL".

4.14 Expenses related to the Acquisition

The expenses relating to the Acquisition, primarily the fees to Zalaris' auditor, advisers and lawyers, are currently estimated to approximately NOK 9.8 million. Additional expenses may be incurred in relation to the Acquisition.

4.15 Agreements to the benefit of senior employees or the board of directors

The existing sumarum management team, consisting of Harald Goetsch, Lutz Friedrich and Volker Müller, will directly or indirectly benefit from entering into SPA I through selling 88.22% of the shares in sumarum to Zalaris.

Five year employment agreements with sumarum, signaling the commitment to work long term with the Combined Group, have been entered into with Mr. Goetsch, Mr. Friedrich and Mr. Müller.

Mr. Goetsch will continue as CEO for sumarum, and join the Zalaris Group management team as responsible for the DACH (Germany, Austria and Switzerland) region.

5 PRESENTATION OF ZALARIS

5.1 Business overview

5.1.1 Introduction

The Zalaris Group is a provider of comprehensive cloud-based HR and payroll services and related consulting services to large corporate clients in the Nordics, Baltics, Germany, and Poland. The Zalaris Group's main technology collaboration is with SAP, a global developer and provider of ERP systems to corporates. Specifically, the Zalaris Group uses SAP's Human Capital Management (HCM) platform as its preferred software to power Human Resources Outsourcing (HRO) solutions to its customers, delivered on a cloud based "Software as a Service" ("**SaaS**") model.

Scale through serving more than 210,000 employees, coupled with local based expertise and support in all countries covered, enables the Zalaris Group to deliver an offering that combines a cost efficient, cross-border uniform technology solution with local reach, local language customer support and local expertise.

The Zalaris Group's services include maintaining employee master data, payroll processing, handling of travel & expenses, time & absence administration, recruitment management and administration of employee benefits such as pension, insurance, telephone, subscriptions and other items. Based on a common web and mobile technology platform, the Zalaris Group is able to capture relevant payroll data in a standardized process for all clients. Through the utilization of best-practice processes, supported by web based self-service for employees and managers, the Zalaris Group aims to reduce and variabilize the client's transactional HR process costs.

The Zalaris Group also offers a cloud-based solution covering the majority of functionality needed to support the HR function such as recruiting, onboarding, e-learning, performance reviews, competency management, succession planning and HR analytics based on SuccessFactors, a SAP solution. The company is certified as a SAP SuccessFactors consulting partner.

In addition to the outsourcing division, the Zalaris Group also supports customers with own on premise (the IT solution is owned and operated by the customer) solutions through its consulting unit. The consulting division offers full service implementation of SAP HCM and SuccessFactors functionality for clients including pre-study, blueprint/design, configuration, testing, migration and go-live support.

The Zalaris Group's vision is to become a leading European provider of outsourced payroll, HR and consulting services by helping its clients reaching the maximum value of their Human Resources through best-practice HR processes.

The Zalaris Group today has service centers in Norway, Sweden, Denmark, Finland, Estonia, Latvia, Lithuania, Poland and India where they speak the local language and offers in-depth knowledge on local laws and regulations. In total, the Zalaris Group has c. 494 employees, serving a portfolio of more than 40 medium sized and large BPO customers and a number of smaller customers across several industries, with more than 208,000 employees being served (as of March 2017) each month.

5.1.2 Historical background and development

Founded in April 2000 by Hans-Petter Møllerud, the current CEO, with the support by Nordic Capital Partners IV AS, a private equity limited liability company managed by Reiten & Co, the Company started out as a comprehensive HRO service provider targeting large- and medium sized corporates.

In 2001, the Zalaris Group became a SAP Partner and launched their first cloud-based solution. Later that same year the Zalaris Group's first major contract was signed when they entered into an agreement with Bravida (now Relacom) that included master data maintenance, payroll, time and attendance, travel expenses and certain recruitment services. On the basis of transferred staff from Bravida, the Zalaris Group established their first service centre on Lødingen (in northern Norway) providing the Zalaris Group with a solid platform for further expansion of the business. In 2000 and 2001 respectively, the Company acquired the Danish competitor FlexLøn (with sales of c. NOK 4 million) and the Swedish competitor LP Lön (with sales of c. NOK 8 million), thus establishing a presence across the whole Scandinavian market. The first SAP based payroll customers in Denmark and Sweden were implemented in 2003.

The Zalaris Group entered the Finnish market and established their Finnish service center in 2003 as part of their agreement with Exxon Mobil that covered Denmark, Sweden and Finland. At the same time they established a consulting unit in Norway, and the following year in Sweden, to support the need for in-house capacity to implement and maintain SAP HCM solutions. Furthermore, the consulting division ensured that the Zalaris Group had sufficient availability of capacity as well as enabling the reuse of competence and experience across the Zalaris Group's different customers.

2006 marked a breakthrough with the signing of the agreement with Nordea, a contract that covered some 33,000 employees with fully outsourced payroll services in Sweden, Denmark, Finland and Norway. The Nordea contract was fully implemented in all countries over a period of 20 months.

In recent years, the Zalaris Group has signed or re-signed a number of contracts with blue-chip companies, including Norsk Hydro, Siemens, Storebrand, Codan, CircleK, Telenor, Teliasonera, Statoil, Yara, Siemens, Statkraft, SAS and Norwegian Railways.

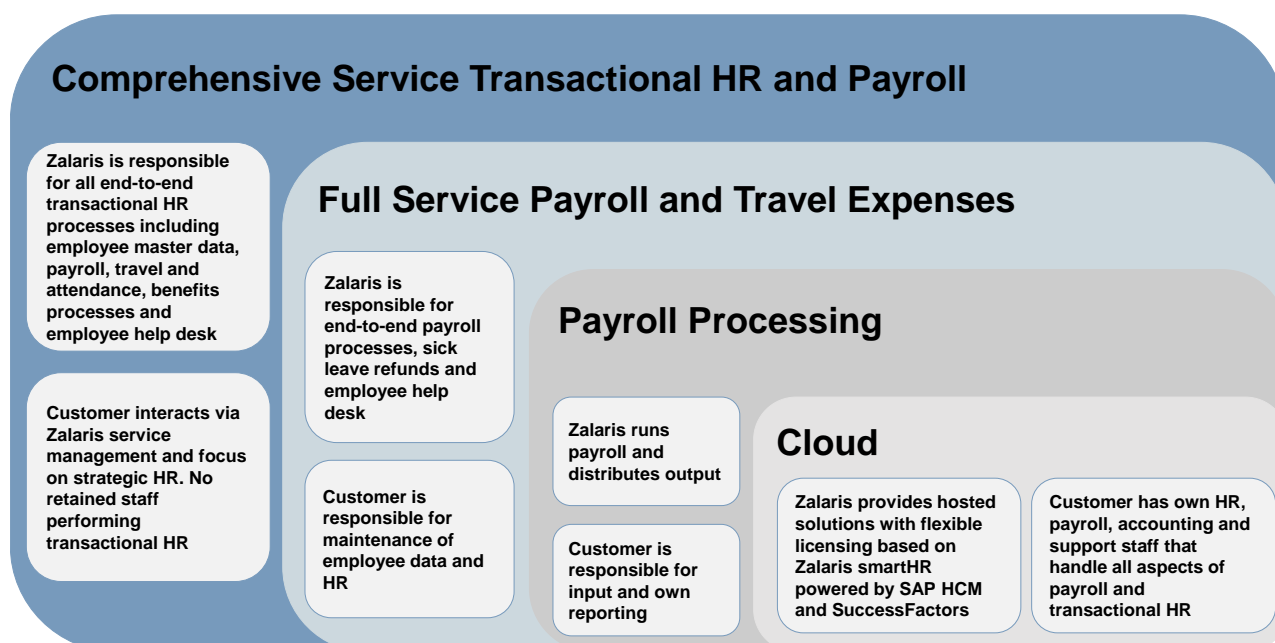
The Zalaris Group passed NOK 100 million in revenues for the first time in 2007. In 2008, the Zalaris Group established operations nearshore in Riga, Latvia and offshore in Chennai, India in order to reduce costs and gain access to competent resources. The turnover for 2016 came in above of NOK 396m, representing an annual growth of 6,1 per cent from 2015.

Since inception, the Zalaris Group has developed from a one-solution-fits-all HRO service provider to one that offers a full range of payroll and HRO services through modules to suit each customer's specific needs. The current service modules offered range from simple payroll to comprehensive transactional HR. Their services are mainly focused on medium sized and larger corporates with more than 1,000 employees to best utilize the Zalaris Group's implementation capacity.

5.1.3 Business description

5.1.3.1 Payroll and HR Outsourcing

The Zalaris Group offers a full range of web and mobile technology based payroll and HRO services in aggregate representing c. 92% of the group turnover. All of the Zalaris Group's services are based on one common technology platform delivered through local language service centers supported by nearshore and offshore delivery capability for select transactional back-office processes. The service portfolio is structured in four main offerings to fit the customers' needs: Cloud, Payroll Processing, Full Service Payroll and Travel Expenses and Comprehensive Service Transactional HR and Payroll.



Source: Company information

Cloud

Cloud is the core service, offering the customers a preconfigured SAP HCM solution in a SaaS capacity optionally seamlessly integrated with SAP SuccessFactors functionality. The Zalaris Group delivers the complete technology backbone used by their own service operations, including necessary licensing on a pay-as-you-go model.

The Zalaris Group has found SAP HCM to be the most cost- and operationally efficient platform for their types of services, particularly towards medium size and larger, multi-national customers. The Zalaris Group does support a number of different, non-SAP HCM delivery platforms, however, although this is considerably less prevalent. Similarly, while beneficial, it is not a pre-requisite for the Zalaris Group's customers to have SAP as their in-house ERP financial system, as Zalaris Group also supports and works with other commonly used ERP systems, including inter alia

Oracle/JD Edwards, IFS and Agresso etc. Approximately half of the Zalaris Group's customers use an ERP system different to SAP today.

In Zalaris' experience, through the use of the Zalaris Group's template-based implementation methodology costs and time requirements can be reduced by 20-30% compared to regular on premise implementations. Application Maintenance, including the implementation of required legal changes and system updates, is performed continuously by the Zalaris Group, ensuring that the system is optimally configured and legally compliant at all times. The Cloud service offering is a great alternative for organisations wanting to keep payroll operations in-house in combination with reaping the cost savings and implementation speed advantages of a hosted cloud-based solution.

Early in 2017, Zalaris became one of the first SAP® SuccessFactors® Cloud BPO service providers, offering customers additional services expertise and value on the industry's top cloud-based suite for human capital management (HCM). The development signifies a new level of partnership reflecting Zalaris' success in the cloud as well as the Company's long-term history of innovation. Cloud services are of increasingly importance for Zalaris – representing a strong growth over the past year driven by demand from existing and new customers. In the first quarter of 2017, cloud services constituted 14 per cent of Zalaris' total operating profit.

Payroll Processing

The Payroll Processing offering builds on the Cloud concept. The solution is configured to fit client needs, including configuring and operating required interfaces to client systems and external stakeholders. In the Payroll Processing offering, the client is responsible for all input and Zalaris Group provides the payroll engine and distributing output. The customers retain their own payroll competence service center and employee help desk in-house. This also includes updating all systems with relevant master data, variable payroll data, tax cards, deductions, handling of sick-leave refunds, as well as interfacing with pension/insurance/benefit providers. The Zalaris Group is responsible for performing payroll run according to schedule and producing required reporting and output to banks, tax agencies/ governmental bodies, and client accounting systems.

Full-Service Payroll

The Full-Service Payroll offering further builds on the Payroll Processing model. In this model, the Zalaris Group is fully responsible for all aspects of payroll and travel expenses including input, processing, output, and employee help desk. The customer, however, is responsible for updating employee master data including new hires, terminations and salary changes. This is frequently handled through an interface from the customers' own HR system to the Zalaris Group solution. The Zalaris Group is responsible for maintaining all payroll relevant data as tax cards, wage types, etc. Likewise, the Zalaris Group will handle registering of all variable payroll input, final settlements, maternity leaves, sick-leave processing, including refunds, where applicable, administer employee loans, interface with pension/insurance/benefit providers, perform payments, report to tax authorities and governmental bodies, own and reconcile all payroll-relevant General Ledger and bank accounts. The staff will contact the Zalaris Group help desk for all enquiries relevant for payroll while the customers' own help desk will handle enquiries relevant for HR. Under this option, the customer has no need of maintaining own payroll competence in-house.

This solution is frequently used by multinational clients operating a global service centre concept responsible for maintaining employee master data. The client service centre is frequently located in a regional delivery centre outside the country of which the services are being delivered, such as Poland, Latvia or Czech Republic, and staffed with personnel without competence on local compensation issues. In addition, to provide a fully configured system/ solution, the Zalaris Group delivers all services requiring competence in local payroll, tax and interaction with local authorities and stakeholders.

Comprehensive Service Transactional HR and Payroll

The Comprehensive Service offering builds on the Zalaris Group's Full-Service Payroll solution. In this model, the Zalaris Group is fully responsible for end-to-end transactional HR processes, including payroll, time and attendance, and travel expenses for the client. The customer can maximize time focusing on strategic HR issues and typically uses Zalaris Group powered by SAP HCM or SuccessFactors as their global HR solution. In addition to the services provided under the Full-Service Payroll offering, the Zalaris Group will take responsibility for maintaining all aspects of transactional HR. This includes implementing best-practice electronic forms to ensure optimal processes for maintaining employee and organizational master data. This gives the customer a number of advantages such as simplifying data entry through defaulting of available options, data validation at source (reducing the need for error correction), timely updating of core HR systems (simplifying the use of the solution) as employee master data repository for other systems, and so forth. Standardized electronic employment agreements combined with electronic

document archive are offered as an option. The Zalaris Group will interface directly with all relevant stakeholders in the customer organization, such as HR, line managers, HR Controllers, IT and accounting.

5.1.3.2 Consulting Services

The Zalaris Group is a leading provider of SAP HCM, payroll, portal-related consulting services as well as SuccessFactors consulting and implementation services in the Nordic and Baltic region. The Zalaris Group consultants do not only work on their own consulting projects, but take a hands-on approach in the Zalaris Group's other outsourcing projects too, meaning their skills and methodology are continuously challenged and improved at the real-world implementation level.

The Zalaris Group's consultants can deliver turnkey projects based on the Zalaris Group template or implement customer-specific SAP HCM and SuccessFactors functionality. The consulting unit has extensive experience in delivering the complete range of SAP HCM and portal solutions for some of the Nordic's largest and most complex organizations. The continuity of implementation teams ensures continuous improvement in the Zalaris Group's methodology and the skillset of the consultants. The consultants are also available for delivery of small functional enhancement work.

The consultant unit covers the following modules:

- | | |
|--------------------------------------|--|
| • Employee Data Management – Core HR | • Process Integration (PI) |
| • Payroll | • Business Intelligence (BI) and Business Objects (BO) |
| • Time and attendance | • Shared Service Centre Framework |
| • Travel expenses | • Learning Solutions |
| • Talent management | • Compensation management |
| • Organizational management | • Recruiting solutions |
| • Portals | |

5.1.3.3 Talent Management / HR Analytics

Zalaris Talent Management solutions are services aimed at addressing various mission-critical functions on behalf of the Zalaris Group's customers. Examples of such services include communicating, distributing and following up on corporate goals, and identifying and developing the skills to meet current and emerging requirements within the business to develop short- and long-term development plans and ways to monitor progress. The service further addresses the establishment of succession planning processes for key positions, efficient recruiting of internal and external talent from a global talent pool, and implementing innovative incentives and pay-for-performance programs. SAP HCM and SuccessFactors serve as the foundation for responding to such dynamic challenges in a rapid and cost-effective manner as these solutions contain fully integrated functionality to instill the right standards, structure and best practices for developing a company's resources. SAP HCM Talent Management suite builds on the system foundation, including an organizational model used by the employee data maintenance and payroll processes.

5.1.4 Operations

The Zalaris Group is headquartered in Oslo, Norway, where the Company was founded. The Zalaris Group's centralized functions consists of around 20 employees of which the majority is located in Oslo. To increase the internationalization process and strengthen management capabilities outside of Norway, group management is increasingly being recruited and located abroad.

The Zalaris Group today has operations in ten countries in Northern Europe and one off-shoring operation in India. The Zalaris Group has since inception grown its geographical footprint in line with the demand from current and in-coming customers, and not as a result of "greenfield" initiatives.

The operation was in 2000 and 2001 extended to cover Denmark and Sweden, respectively, as a result of the acquisitions of two smaller Nordic competitors. In 2003, Zalaris Group entered into Finland, following the signing of a contract with Exxon Mobil. In 2008, following market trends to realize further cost reductions and to gain access to a competent pool of service representatives, the Zalaris Group near-shored to Riga, Latvia, and Chennai, India. The site in India was hosted and manned by Neeyamo Enterprise Solutions, an India based HRO provider. Through a carve out option in the agreement with Neeyamo, Zalaris opened its own service center in Chennai in October 2015. The Zalaris Group established services in Latvia in December 2007 and neighboring Poland in September 2012 and Lithuania in August 2013. In addition, an office in Estonia was established in 2014 as a part of the recent agreement with CirkleK.

In 2016 Zalaris opened an office in Barcelona, Spain, with consultants focusing on implementing SuccessFactors. In 2017 Zalaris opened its first office in Germany, the milestone for the Company's expansion into central Europe.

The Zalaris Group is currently evaluating the possibility of extending its services to process payroll for customers in UK, Ireland and Spain and certain other CEE countries as a part of an ongoing tender process. In addition, The Zalaris Group is continuously evaluating the possibilities for entering other, new geographies and the establishment of new bases.

Exhibit 1 summarizes the Zalaris Group's current operations.

Exhibit 1: Operations overview (per 31 December 2016)

Country	Services provided	Language delivery capabilities	Employees	% of revenue 2016
Norway	Local payroll services and consulting services	Norwegian, English	141	43%
Sweden	Local payroll services and consulting services	Swedish, English	65	25%
Denmark	Local payroll services and consulting services	Danish, English	38	15%
Finland	Local payroll services and consulting services	Finnish, English	37	13%
Latvia	Near-shoring services, local payroll services and consulting services	Latvian, Norwegian, Swedish, Danish, Finnish, Russian, English	100*	<1%
Lithuania	Near shore SAP Business Intelligence, local payroll services and consulting services	Lithuanian, English	100*	<1%
Poland	Local payroll services	Polish, English	100*	<1%
Estonia	Local payroll services to be established in 2014	Estonian, English	100*	n.a.
Spain	SuccessFactors implementation services	English, Spanish	5	n.a.
Germany	Local payroll services	German, English	1	n.a.
India	Off-shoring services	English	86	n.a.

Source: Company management. * Baltics and Poland consisted of 100 employees at the end of 2016.

The Zalaris Group's growth track record underlines the validity of the Zalaris Group's initial vision and strategy of growth based on existing and in-coming customers' demand, creating a niche, specialist, regional player with local language support and presence. The Zalaris Group currently has language delivery capabilities in Norwegian, Swedish, Danish, Finnish, English, Latvian, Lithuanian, Polish, Estonian, German, Spanish and Indian.

5.1.5 Customers and contracts

The Zalaris Group currently has over 40 medium and large size customers in its portfolio, which comprises mainly large, blue-chip companies such as Nordea, Statoil, CircleK, Norsk Hydro, Storebrand, Siemens, TeliaSonera and Telenor. The Zalaris Group does not target specific industries and thus has built up a diversified customer base in terms of industry sectors. In 2016, the largest customer accounted for 10% of revenues, top five customers accounted for 48% of revenues and top 20 accounted for 82% of revenues.

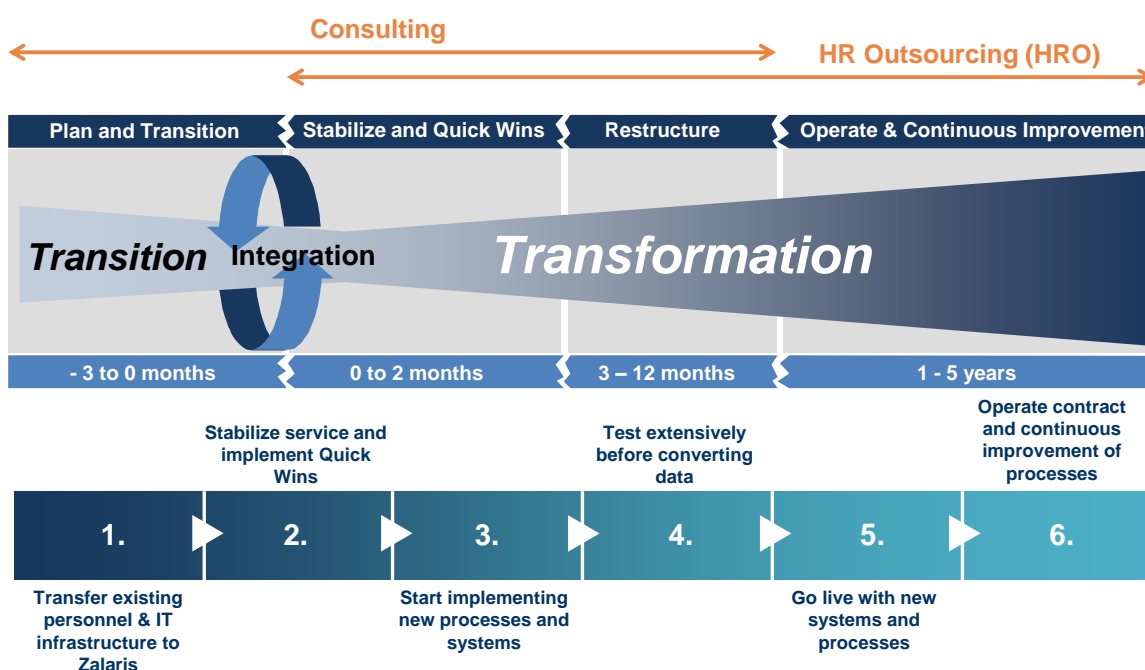
The contracts are usually long-term with an average duration of five years. The average outstanding contract duration of the top 20 contracts is approximately 3 years. Typically, clients renew/prolong contracts by additional 3-5 years when they come to the end of the initial contract. Since incorporation, the Zalaris Group has had a low churn that has historically been averaging around 1.5-2% of revenues per annum with a maximum of 5% in any year to date. As of May 2017, no significant customer agreement has been terminated or is in a wind down.

Customers tend to add more services over time, and the Zalaris Group actively works with the customers, both on upselling services from the existing service range and to grow the Group's service offerings. Zalaris' management has identified a cross-selling potential of services estimated of up to c. 50% of current recurring revenues.

Customer contracts are established after an initial assessment phase, where Zalaris estimates the cost of the service going forward and the contract is priced accordingly. The price structure of each contract is typically a combination of a fixed monthly service charge and a variable component dependent on the number of employees, i.e. payrolls-, travels processed etc. To mitigate the risk of cost overruns, and to best accommodate the customer's needs, the Zalaris Group will negotiate change orders in the event of material alterations in scope by the customers, and consequently seek to maintain a close dialogue with its customers during the contractual period. At the end of any contractual period, the contract either lapses or is automatically renewed with a twelve months' notice period. The cost of implementation of the initial outsourcing is normally carried by the customers, although the Zalaris Group does offer part financing to those customers that do not. The cost is, in such event, recovered over the duration of the contract.

The Zalaris Group structures the implementation of new clients in a Transition Program and a Transformation Program. These are summarized in Exhibit 2 below.

Exhibit 2: Implementation procedure for new clients



5.1.6 Business strategy

One of the key strengths within the Zalaris Group's offering is the cross-border dimension, having one uniform IT platform offered across all territories, supported by local expertise. The Zalaris Group's main growth strategy is thus to target new customers with large international organizations with an outsourcing strategy, which in practice means customers with in excess of 1,000 employees as well as multinational groups. The Company still sees significant growth potential in the relatively underpenetrated European HRO market. Within their existing Nordic geographic markets, the Zalaris Group has identified over one thousand companies, with an in aggregate number of 3m employees that fulfil this criterion. Of these, the management estimates that only 25% currently outsource their HR operations. Zalaris also targets smaller clients that might serve as a gateway to larger projects.

Furthermore, BPO is gradually gaining momentum in the public sector and increased levels of outsourcing by public bodies are expected. An opening of this market would create a substantial opportunity for the Zalaris Group, given that up to 50% of the total workforce in the countries currently within the Zalaris Group's footprint, are public sector employees. In Norway, the contracts with the Norwegian Railways (NSB), its subsidiaries and Sporveien mark that strong partnerships already have been established with public sector institutions.

BPO services across all delivery types, according to studies, typically starts with a more limited scope in service and geography, only to be extended over time as contracts are extended and renewed.

The Zalaris Group's portfolio of additional services that will help customers maximizing the value of their Human Capital includes the following:

- **HR analytics:** SAP Business Intelligence based on SAP HANA in-memory based business warehouse. The main big data and HR analytics offering, enabling customers to analyze their workforce in detail;

- **SuccessFactors Talent management suite:** Comprehensive talent management solution covering nearly all of an HR departments required system support functionality enabling customers to streamline HR processes and actively using goal management to drive organizational performance;
- **Digital Personnel Archive:** Digitizing traditional personnel archives and enabling secure access for employees, managers and HR to relevant employee files independent of office location;
- **HR Help desk solution:** Supporting establishing HR as a self-service ensuring that service levels are maintained and effective communication channels are being established with relevant stakeholder groups;
- **Mobile solutions:** Mobile solutions give employees and managers access to relevant functionality as viewing of pay slip, registering of approval of absence and travel expenses and KPI reporting via IOS / Android / Windows mobile devices;
- **Electronic forms:** Simplifying HR operations for customers by enabling input validation and defaulting when entering data;
- **Enterprise Compensation management:** Simplifying salary reviews through introducing a fully web enabled process totally removing the need of cumbersome "excel logistics" and improving process governance;
- **Learning Solution:** Comprehensive solution for managing training of employees from administrating classroom sessions, production of electronic content, distribution and follow up of web based training;
- **Correspondence management:** Template based correspondence generation directly out of SAP enabling simplified communication with all stakeholder groups;
- **Electronic personnel handbook:** Wiki based employee handbook integrated in the Company's portal, with relevant laws and regulations maintained by Zalaris Group. Customers maintain their own content that can be linked directly to relevant law; and
- **Foreign VAT refund:** Refund of VAT on certain foreign travel expenses.

In addition, the Zalaris Group is continuously evaluating other HR related services that assist its customers – in particular the HR directors – to maximize the value of their Human Capital through more effective processes.

There is also scope to follow existing customers that currently are contracted only in one or two countries, into other countries within the Zalaris Group's existing footprint.

The Zalaris Group actively seeks to grow with their existing and in-coming clients into new geographic markets and to then use this as platform for further expansion. Having established a base in the new geography, with local track record and knowledge, the Zalaris Group aims to attract new clients in the newly entered markets. The Zalaris Group offers significant cross-border potential on the back of its centralized platform. Consequently all 50+ countries that SAP HCM and payroll currently covers – including all Western European countries, US, Brazil, China, and India – represent lower risk potential expansion markets for the Zalaris Group.

5.1.7 *Material contracts*

Neither the Company nor any member of the Zalaris Group has entered into any material contracts outside the ordinary course of business. Furthermore, the Zalaris Group has not entered into any other contract outside the ordinary course of business which contains any provision under which any member of the Zalaris Group has any obligation or entitlement.

5.2 **Board of directors and management**

5.2.1 *Board of directors*

5.2.1.1 *Overview*

The Board of Directors is responsible for the overall management of the Company and may exercise all the powers of the Company. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business; ensuring proper organisation, preparing plans and budgets for its activities; ensuring that the Company's activities, accounts and asset management are subject to adequate controls and to undertake investigations necessary to ensure compliance with its duties. The Board of Directors may delegate such matters as it seems fit to the executive management of the Company.

The Company's Articles of Association provide that the Company's Board of Directors shall consist of a minimum of three and a maximum of ten members. The names and positions and current term of office of the Board Members, as well as number of Shares held, at the date of this Information Memorandum are presented in the table below.

Name	Position	Served since	Expiry of Term of Office	Number of Shares held
Lars Laier Henriksen	Chairman	14 April 2000 ¹	May 2019	36,112
Karl Christian Agerup	Director	18 May 2015	May 2018	0
Tina Steinsvik Sund	Director	5 May 2014	May 2018	0
Liselotte Hågertz Engstam	Director	5 May 2014	May 2019	0
Jan Koivurinta	Director	19 May 2014	May 2019	0

1 Served as Chairman since 1 January 2009

The Company's registered business address, Hovfaret 4B, P.O. Box 1053 Hoff, NO-0218 Oslo, Norway, serves as c/o address for the members of the Company's board of directors in relation to their directorship in the Company.

The composition of the board of directors is in compliance with the independence requirements of the Corporate Governance Code (as defined below), meaning that (i) the majority of the shareholder-elected members of the board of directors are independent of the Company's executive management and material business contacts, (ii) at least two of the shareholder-elected board members are independent of the Company's main shareholders (shareholders holding more than 10% of the Shares), and (iii) no member of the Company's management serves on the board of directors.

5.2.1.2 Brief biographies of the Board Members

Set out below are brief biographies of the board members of the Company, including their relevant management expertise and experience and an indication of any significant principal activities performed by them outside Zalaris.

Lars Laier Henriksen, Chairman

Lars L. Henriksen (Chairman), a Danish citizen, has been a member of the Zalaris Board of Directors since its formation and became chairman in 2009. He has a background as a consultant from 30 years with Andersen Consulting (now Accenture), of which 20 years as an international partner. He has worked from offices in London, Copenhagen, Chicago and Oslo. He has extensive experience in developing and running Nordic businesses as a Managing Partner for Accenture in the Nordic region. At retirement from Accenture in 2000 he was Managing Partner for Facilities and Services for EMEAI (Europe, Middle East, Africa and India), and a member of the Global Management Team. Mr. Henriksen holds an MSc of Economics and Business Administration from Copenhagen Business School, where he currently acts as a strategic advisor for the eMBA programme.

Karl Christian Agerup, Board member

Mr. Agerup, a Norwegian citizen, is currently CEO of Oslotech AS. Karl-Christian Agerup has an MBA from Copenhagen Business School and a Master of Science from Massachusetts Institute of Technology (MIT). Karl-Christian established Venture Partners (Later renamed Northzone Ventures) in 1994 together with Ingar Østby. Northzone Ventures developed to become one of the largest venture investors in the Nordic countries. Karl-Christian was for five years co-founder and CEO of Hugin ASA, today a part of Thomson Reuters.

Since 2010, Karl-Christian has held the position as CEO of Oslotech AS. He is currently a board member of Admincontrol AS, Nevion AS and Aftenposten AS.

Tina Steinsvik Sund, Board member

Mrs. Sund, a Norwegian citizen, currently holds a position as Strategic Advisor to the CEO at PayU, a Netherlands based global operator of online payments. Prior to joining PayU in April 2014, Mrs. Sund held various Executive Vice President/Chief Operating Officer positions within SpareBank 1 SMN, since 2006, where she was responsible for establishing and developing a new department Digital Business, Head of Strategy and HR, as well as IT, purchasing, property management, bank operations and strategy. Prior to joining SpareBank 1 SMN, Mrs. Sund spent 6 years with Intel Corporation (UK) Ltd, as part of the Intel Capital subsidiary, as Senior Investment Manager, Investment Manager, and Investment Associate, respectively. Mrs. Sund also has five years' experience from Accenture (Andersen Consulting) as a Consultant, specialising in Change Management. Mrs. Sund holds an MBA from INSEAD, and an M.Sc. in Engineering (Sivilingeniør) from the Norwegian Institute of Technology.

Liselotte Hägertz Engstam, Board member

Mrs. Engstam, a Swedish citizen, is an Independent Board Director, Corporate Business Advisor from own company Innovisa AB, and a partner at venture capital firm Stockholm Business Angels. Mrs. Engstam recently concluded 5 years as Nordic CEO of HCL, a leading global technology-, IT- and BPO services provider with Indian origin. Mrs. Engstam also has more than 20 years in Nordic and international positions at IBM where she, amongst other, established and led the BPO division in Nordics and the Strategy and Change Consulting division in EMEA. Mrs. Engstam holds a M.Sc. in Civil Engineering from Chalmers University of Technology, as well as executive education from institutions like Harvard, IMD, INSEAD, London Business School and Stockholm School of Economics.

Jan Koivurinta, Board member

Jan M. Koivurinta is a Finnish Citizen. He has extensive international business experience gained through various leadership positions in several industry sectors ranging from oil & chemicals, recreational facilities and spa's, asset management, M&A advisory to the defence and security industry. Mr. Koivurinta has broad experience of implementing international acquisitions and integrations in Europe, US and Asia. Today, he mainly works with his own SME companies and investments in start-ups. He also acts as Advisor to international companies regarding business & industrial restructurings.

Mr. Koivurinta's educational background includes an M.Sc. in political sciences and law from Helsinki University in Finland, a MBA from IMD in Switzerland, as well as being alumni of MIT's Entrepreneurship Center in Cambridge, Massachusetts in the United States, and of the Finnish National Defence Programme and the French L'Institut des hautes études de défense nationale.

5.2.2 Management**5.2.2.1 Overview**

The Company's Management is responsible for the day-to-day management of the Company's operations in accordance with instructions set out by the Board of Directors. Among other responsibilities, the Company's CEO is responsible for keeping the Company's accounts in accordance with existing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner. In addition, at least once a month the Company's CEO must brief the Board of Directors about the Company's activities, financial position and operating results.

The Company's management team consists of nine individuals. The names of the members of the management as at the date of this Information Memorandum, and their respective positions, as well as number of Shares held, are presented in the table below:

Name	Position	Employed with the Company since	Number of Shares held	Number of restricted stock units held
Hans-Petter Møllerud ¹	Chief Executive Officer	April 2000	3,041,482	-
Nina Stemshaug	Chief Financial Officer	February 2007	2,375	24,589
Peter Thomas Gogstad	Executive Vice President Quality & Compliance	January 2001	40,638	34,840
Jan Erik Nessmo	Vice President Consulting	March 2004	1,600	19,141
Halvor Leirvaag	Chief Technology Officer	April 2006	3,260	20,841
Øyvind Reiten	Vice President Business Development	August 2007	3,200	36,857
Ismet Muratspahić	Vice President Cloud Services	November 2007	4,000	20,905
Richard E. Schjørn	Vice President Strategic Projects	September 2015	1,514	18,162
Jörg John	Chief Human Resources Officer	February 2017	0	-

1 The shares are held through Norwegian Retail AS (100% owned by Hans-Petter Møllerud).

Save for Jörg John, Management is based at the Company's head office at Hovfaret 4B, P.O. Box 1053 Hoff, NO-0218 Oslo, Norway. Jörg John is based out of Hamburg, Germany.

As of 31 December 2016, Zalaris has a share purchase program for executive management in accordance with the share program approved by the Board of Directors on 9 March 2016 and by the General Meeting on 18 May 2016. The

key parameters of the approved and implemented share purchase program for executives including a matching with restricted stock units are as follows:

Eligibility:	Executive management
Frequency:	Two allocations of shares subject to be matched by executives own purchase of shares: <ul style="list-style-type: none"> Allocation 1: November 2016 Allocation 2: During first six months of 2017
Principle for allocation:	Allocation to be made on the basis of tenure, perceived value for company and reaching of individual targets
Allocation of Restricted Stock Units (RSU) subject to Executive still employed at vesting date and holding required number of shares	Allocation 1: 199,935 shares Allocation 2: 100,065 shares Total: 300,000 shares
Matching requirement (i.e.) the number of shares needed to be hold by the executive at the vesting date to receive the matching shares:	Allocation 1: $1/12 \times$ of allocation (8,3%) – i.e. a total of 16,661 shares Allocation 2: $1 \times$ of allocation (100%) – i.e. a total of 100,000 shares
Vesting:	Allocation 1: 60 months from 30 May 2016 Allocation 2: 60 months from date of allocation

5.2.2.2 Brief biographies of the members of the Management

Set out below are brief biographies of the members of the Management, including their relevant management expertise and experience and an indication of any significant principal activities performed by them outside the Company.

Hans-Petter Mellerud, Chief Executive Officer

Prior to his founding of Zalaris, Mellerud was a partner with Accenture, where he was responsible for business development in the company's Nordic Outsourcing Unit. He also held a director position with Accenture in which he establishing their Stavanger-based Accounting Shared Services Unit, integrating accounting operations for large oil companies. Prior to joining Accenture, Mellerud held various leadership positions focused on outsourcing-related business needs and issues as managing director and consultant with companies in Germany and Switzerland. His educational background includes an MBA from IMD, Lausanne, Switzerland, and a Bachelor of Science, magna cum laude, as well as a Master of Science, in Computer Science from The University of Tulsa, USA. Mr. Mellerud is a Norwegian citizen and resides in Asker, Norway.

Nina Stemshaug, Chief Financial Officer

Prior to joining Zalaris Stemshaug had 12 years' experience working within finance and controlling, sales and purchasing areas within multiple industries in Germany. Mrs. Stemshaug's expertise also includes deep knowledge in structuring and optimizing internal processes based on change management best practices. She holds a Master of Business and Economics degree from the Norwegian School of Management. Mrs. Stemshaug is a Norwegian citizen and resides in Bærum, Norway.

Peter Thomas Gogstad, Vice President HR Business Consulting

Throughout his more than 16 years with Zalaris, Gogstad has gained extensive experience across all of the Company's operations and project-related activities, including the roles as, COO, CTO and executive vice president of projects. He has led and managed some of Zalaris Group's largest pan-Nordic implementations.

Prior to joining Zalaris, Gogstad was an executive with Arthur Andersen Business Consulting, where he was responsible for implementing large-scale ERP systems in Norwegian and international companies. Gogstad earned a Master of Economics (Siv.Øk.) and a certification as Information Systems Auditor from the Norwegian School of Management (BI). Mr. Gogstad is a Norwegian citizen and resides in Bærum, Norway.

Jan Erik Nessmo, Vice President Consulting

Nessmo's diverse experience includes all aspects of project management, from a broad range of major undertakings for the company's largest clients – ranging from their outsourcing needs as well as in-house requirements. His responsibilities have included developing Zalaris Group's project methodology based on SAP standards. Mr. Nessmo was the managing partner of Zalaris Consulting in Norway from 2005 to 2011.

Prior to joining Zalaris, Nessmo was a senior manager with Accenture, where he worked as project manager implementing ERP systems and custom solutions for Norwegian and international companies in the region. Nessmo has a Master of Science (Siv.Ing.). Mr. Nessmo is a Norwegian citizen and resides in Oslo, Norway.

Halvor Leirvaag, Chief Technology Officer

Leirvaag 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. Leirvaag was responsible for establishing Zalaris integration platform based on SAP PI. He was appointed CTO in 2011.

Prior to joining Zalaris, Leirvaag held positions at Hewlett-Packard and the Swedish IT consultancy WM-data, working with SAP administration and support within the Statoil environment in Stavanger. Leirvaag has a Master's of Information Technology, with a graduate certificate in enterprise systems from Queensland University of Technology in Brisbane, Australia. In total, Leirvaag has 15 years experience working with ERP-systems. Mr. Leirvaag is a Norwegian citizen and resides in Bærum, Norway.

Øyvind Reiten, Vice President Business Development

Reiten joined Zalaris in 2007 after earning his bachelor's degree in Business & Economics at the Norwegian School of Management.

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. Mr. Reiten is a Norwegian citizen and resides in Oslo, Norway.

Ismet Muratspahić, Vice President Cloud Services

Ismet Muratspahić is responsible for the business area Zalaris Cloud Services. Muratspahić joined Zalaris in 2007 after earning his degree in System Analysis from Lund University. Before being appointed Vice President of Cloud Services 2014, he held several positions within Zalaris Consulting, management of pan-group projects and new business and sales. Mr. Muratspahić has extensive experience working within strategic-HR space, supporting Nordic and global clients streamlining processes and deploying talent management solutions. Mr. Muratspahić is a Swedish citizen and resides in Stockholm, Sweden.

Richard E. Schiørn, Vice President Strategic Projects

Richard E. Schiørn is responsible for Strategic Projects in Zalaris. Mr. Schiørn joined the company in September 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. The customer portfolio has covered medium and large customers in the Norwegian Market with Global expansion.

Mr. Schiørn has a Master's degree in Industrial Economy and Labour Science/Technology at the Norwegian University of Science and Technology (NTH/NTNU) and is a Mechanical, process and production engineer from the Oslo Engineer School. Mr. Schiørn is a Norwegian citizen and resides in Bærum, Norway.

Jörg John, Chief Human Resources Officer

Jörg manages all strategic personnel measures of the Zalaris Group and is in charge of the Company's expansion in Germany, Austria and Switzerland. He joined the Zalaris management team in February 2017, bringing more than 25 years of HR industry experience to the Executive Board-level position. Prior to Zalaris, Jörg served as HR Manager for T-Mobile and Wacker Chemie. He was also managing director of the former Fujitsu subsidiary fidelis HR, where he successfully restructured and repositioned operations within the HR outsourcing sector, leading to a two-digit increase in EBITDA margin. Mr. John is a German citizen and resides in Radbruch, Germany.

5.2.2.3 Benefits upon termination of employment

Except for CEO Hans-Petter Møllerud, none of the members of the Company's Management has entered into employment agreements which provide for special benefits upon termination. None of the Board Members have service contracts which entitle them to any benefits upon termination and none will be entitled to any benefits upon termination of office.

5.2.3 *Nomination committee*

The Company's Articles of Association provide for a nomination committee composed of two to three members who are elected by the general meeting. The nomination committee's duty is to propose candidates for election as members of the Board of Directors. The nomination committee shall instigate its work on the initiative of the Chairman of the Board of Directors or the chairman of the nomination committee. The nomination committee shall be responsible for proposing the remuneration to be paid to the Board Members. The nomination committee's proposals in this respect shall include an explanation of how it has arrived at its recommendations.

The nomination committee comprises the following members: Bård Brath Ingerø (chairman), Ragnar Horn and Marius Therkelsen.

5.2.4 *Audit committee*

The Company's audit committee consists of two members elected by and amongst the Board Members. At least one of the Board Members shall have accounting or auditing expertise. The purpose, responsibility and functions of the audit committee are in compliance with the Norwegian Public Limited Companies Act and the Corporate Governance Code. The committee supervises the Company's internal controls systems, and ensures that the auditor is independent and that the annual accounts give a fair picture of the Company's financial position in accordance with general accepted accounting principles. The audit committee reviews the procedures for risk management and financial controls in the major areas of the Company's business activities. It received reports on the work of the external auditor and the results of the audit.

The current audit committee comprises the following members: Tina Steinsvik Sund (chairman) and Karl Christian Agerup.

5.2.5 *Remuneration Committee*

The remuneration committee is responsible for developing proposals for the applicable remuneration policy and to make recommendations to the Board of Directors on the execution of that policy related to members of the senior management and the Board of Directors. The remuneration committee gives the annual general meeting an account of the remuneration afforded to the senior management of the Company.

The current remuneration committee comprises the following members: Lars Laier Henriksen (chairman) and Liselotte Hægert Engstam.

5.3 **Corporate governance**

The Company's corporate governance principles are based on, and comply with, the Norwegian corporate governance regime, as detailed in the Norwegian Code of Practice for Corporate Governance published on 30 October 2014 by the Norwegian Corporate Governance Board (the "**Corporate Governance Code**").

5.4 **IP and software**

The Zalaris Group operates on a technology independent basis, although they believe SAP HCM offers the best solution to their core target customer base, and the Zalaris Group can deliver its services on a number of third party technology platforms. As such, the Zalaris Group's existing business or profitability is not materially dependent on patents or licenses, or proprietary software developed or owned by the Zalaris Group itself.

5.5 **Dependency on contracts, patents and licenses**

It is in the opinion of the Company that the Zalaris Group's existing business or profitability is not dependent on any patents or licenses, industrial, commercial or financial contracts.

5.6 **SAP**

The SAP platform is the Zalaris Group's preferred delivering technology, and it forms the foundation for the services offered by the Zalaris Group to most customers. The Zalaris Group is to date the sole SAP BPO Partner in the Nordics (on a non-exclusive basis) and has been awarded Nordic SAP Innovation Partner of the year in both 2012 and 2013.

SAP is furthermore a customer of the Zalaris Group; consolidating and underpinning the strong relationship between the two. The Company has not identified any factors likely to materially adversely impact this relationship in the foreseeable future.

5.7 Disaster Recovery

All Zalaris Group SAP systems are currently hosted by Basis Consulting. Basis Consulting is a SAP advanced authorized hosting partner. The Zalaris Group SAP systems are located in Basis Consulting's data center facilities in Oslo, Norway. To secure maximum response time, scalability and redundancy, the systems utilize state of the art hardware supporting SAP HANA and storage solutions. The systems are operated at two physically separated sites in order to minimize disaster recovery time and maximize up-time. The Zalaris Group's PC/local arean network ("**LAN**") and wide area network ("**WAN**") infrastructure is managed by TeleComputing. The WAN is based on encrypted virtual private network ("**VPN**") tunnels between the Zalaris Group's offices and Basis Consulting. At Basis Consulting the Zalaris Group has VPN concentrators and two internet lines from different suppliers using different physical network infrastructure.

Basis Consulting is responsible for implementing sufficient back-up and disaster recovery procedures. These are tested regularly – minimum once per year.

5.8 The business of the Zalaris Group after closing of the Acquisition

After closing of the Acquisition, the business of the Zalaris Group will be conducted in the same manner as described in section 5.1 "Business overview", however with sumarum as a new subsidiary, fully consolidated in the accounting.

When combined, the two companies are expected to be able to provide better offerings for all customers, and better match the geographical footprint of several of their respective current and prospective customers. Further, the combined company will be able to service customers across most of Europe with innovative Cloud based SAP HCM and SuccessFactors Outsourcing and Consulting services. In addition to a broader geographical reach, the combined company has a significant potential for adding new services and utilizing the scale of its innovative cloud based solution powered by SAP HCM and SuccessFactors to target new customers and customer segments with outsourcing and consulting services. Existing sumarum products (intellectual property acquired as part of the transaction) will be adapted and sold to Zalaris' existing customer base.

5.9 The Acquisition's significance for the earnings, assets and liabilities of the Zalaris Group

The Acquisition is expected to influence the Zalaris Group's financial position substantially as revenue is expected to increase with an approximately 40% compared to pre Acquisition. A similar addition is expected to the operating profit and corresponding cash flow.

The transaction was financed through the issuance of EUR 17.2 million in debt with an interest level in the range of 1.75-2.75 over the ECB reference rate. The debt will be repaid in semiannual installments equal to 6.25% the total financed facility. Zalaris will hedge 50.0% of the debt to protect against interest rate increase. The debt financing will reduce the Company's equity ratio from 52.4% to approximately 30.0%.

5.10 Legal proceedings

From time to time, the Zalaris Group may be involved in litigation, disputes and other legal proceedings arising in the normal course of its business. Neither the Company nor any other company in the Zalaris Group are, nor have been during the course of the preceding twelve months involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Company's and/or the Zalaris Group's financial position or profitability, and the Company is not aware of any such proceedings which are pending or threatened.

5.11 Liquidity and capital resources

The Zalaris Group obtains its liquidity from cash flow from operating activities and its borrowings, where the primary source of liquidity is cash flow from operating activities. The Zalaris Group has overdraft facilities and long term loans which shall cover investments and short-term capital need related to liquidity fluctuations. The cash-pool solution within the Zalaris Group includes all legal units, except for India, which are jointly responsible for the overdraft facility. As at 31 March 2017 the Company had an unused overdraft facility limit of NOK 15.0 million. The long-term loans are financial leasing agreements related to investments. As of 31 March 2017, the Zalaris Group had cash and cash equivalents of NOK 36.2 million, compared to NOK 43.5 million at year-end 2016. The Zalaris Group is not bound by any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the Zalaris Group's operations.

As at 31 March 2017, the Company had 3 financial leasing agreements with SG Finans AS related to purchase of SAP licenses. The total interest-bearing debt amounted to approximately NOK 1.4 million, including accrued but unpaid interest. NOK 0.7 million is due in 2018, NOK 0.7 million in 2019 and the remaining NOK 39,000 is due in 2020.

As at 31 March 2017, the Company's interest cover ratio was 8 and the Company's equity ratio was 56.6%.

A key objective in relation to capital management is to ensure that the Company maintains a sufficient capital structure in order to support its business development and to maintain a strong credit rating. The Company evaluates its capital structure in light of current and projected cash flows, potential new business opportunities and the Group's financial commitments. In order to maintain or adjust the capital structure, the Company may issue new shares or obtain new loans.

The Company's approach to managing liquidity risk is to ensure that it will always have sufficient 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 sufficient cash and the availability of appropriate funding.

5.12 Significant changes in the financial or trading position of the Zalaris Group since 31 December 2016

Except for the Acquisition, there have been no significant changes in the financial or trading position of the Zalaris Group since 31 December 2016.

5.13 Recent development and significant trends

The Zalaris Group has not experienced any particular changes or trends between 31 December 2016 and the date of this Information Memorandum.

5.14 Working capital statement

The Company is of the opinion that the working capital available to the Zalaris Group is sufficient for the Group's present requirements, for the period covering at least 12 months following the date of this Information Memorandum.

5.15 Independent auditor

The Company's independent auditor is Ernst & Young AS, with registration number 976 389 387 and business address at Dronning Eufemias gate 6, N-0191 Oslo, Norway. Ernst & Young AS is a member of The Norwegian Institute of Public Accountants (*Nw.: Den Norske Revisorforening*). Ernst & Young AS has been the Company's auditors since inception of the Company.

The auditor's reports on the Financial Statements are without qualifications or emphasis of matter, and are included by reference hereto, see Section 11.2 "Incorporation by reference". Except for the Financial Statements, Ernst & Young AS has not audited any information provided in this Information Memorandum.

5.16 Legal advisor

Advokatfirmaet Thommessen AS (Haakon VII's gate 10, 0161 Oslo, Norway) is acting as legal counsel to the Company.

6 PRESENTATION OF SUMARUM

This Section provides an overview of the business of sumarum as of the date of this Information Memorandum.

6.1 Introduction

Sumarum – formerly known as IT2 solutions - offers a full range of employee services, and is a specialist on the use of and introduction of software to SAP HCM and SuccessFactors systems. The company is one of the largest owner-controlled consulting and outsourcing services firms in Germany and was founded in 2001. The company focuses as a one-stop-shop services provider for all relevant back-office processes of its clients (e.g., accounting, HCM, analytics, etc.). Today, the company has seven locations in Germany, and all specialize in different areas of the sumarum portfolio. sumarum has a broad spectrum of customers within public services, service providers, large industry players, energy companies and companies and trusts within the healthcare sector.

Sumarum is a certified SAP Partner. Further, the company is certified according to ISAE 3402 and DIN ISO 9001 and had a 2016 revenue before elimination of intercompany transactions of EUR 19,6m with a corresponding EBIT of EUR 1,9m. Approximately 60% of the revenue is related to consulting (project and technology) and 40% of revenue to Application Maintenance Outsourcing ("AMO") and Business Process Outsourcing (BPO) including serving approximately 45,000 employees per month.

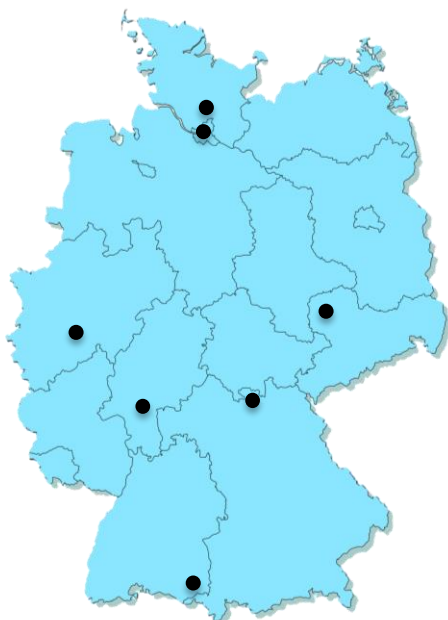
6.2 Corporate information

Sumarum's registered and commercial name is sumarum AG. Sumarum is a German joint stock corporation registered with the commercial register maintained at the local court of Kiel with registration number HRB 8473 KI. Sumarum was incorporated and is existing under the laws of Germany pursuant to the German Stock Corporation Act. The head office of sumarum, and sumarum's registered address, is at Rathausplatz 3, D-24558 Henstedt-Ulzburg, Germany. Its telephone number is +49 04193-7532-0.

6.3 Business overview

Sumarum is an independent HR consulting company which provides customers in both the private- and public sector with regard to technology and business processes. The company operates out of seven locations in Germany and currently employs around 187 employees.

The below map shows the locations sumarum operates out of in Germany.



The company has a broad range of customers across a variety of industries. To mention a few examples: Germanwings, HUK Coburg, Goethe Institut, Glaxo Smith Kline Pharma, Nintendo Europe, Unilever, Universities in Berlin and Frankfurt, Land Nordrhein Westfalen, the German government, Caritas Munich etc. The education-/university sectors, the governmental sector and non profit organizations are important segments in the public sector where sumarum has a strong position.

Sumarum is a specialist for implementing and operations of SAP HCM systems. Around 60% of sales is consulting related (project and technology consulting) while the remaining 40% is AMO (Application Management Outsourcing) and BPO (Business Process Outsourcing).

The services offered by sumarum can be summarized as set forth in exhibit 3 below.

Exhibit 3: services offered by sumarum



Sumarum's experienced consultants have comprehensive expertise in implementation, operation and maintenance of SAP HCM systems. The related business processes with innovative technology is applied in expansion of existing implementations as well as implementation of new systems.

In some areas sumarum has developed its own IP/tools to make the processes more efficient. Examples of tools are "Electronic files", "DocuGenerator", "WebReportingSuite" and "HCM Revisor".

6.4 Key figures

The following key figures have been derived from the unaudited consolidated financial statements for sumarum and its subsidiaries for the financial year ended 31 December 2016, which have been prepared by sumarum based on the audited financial statements for each of the group companies. Consolidated financial statements have not been prepared for the financial years ended 31 December 2015 and 2014.

Summary income statement

	Year ended 31 December
<i>In EUR million</i>	2016
Operating revenues¹	19.6
EBITDA	2.2
Operating profit (EBIT)	1.9
Profit / loss for the period	1.3

1) Before elimination of intercompany transactions.

Summary statement of financial position

	As of 31 December
<i>In EUR million</i>	2016
Assets	
Total assets	6.4
Equity and liabilities	
Equity	2.3
Total Liabilities	4.1
Equity and liabilities	6.4

6.5 Sumarum board of directors and management

The current members of sumarum's board of directors are Prof. Dr. Martin Ruppelt (chairman), Mr. Wolfgang Hempler, and Mr. Hartmut Rodenwald. The current members of sumarum's management team are Mr. Harald Goetsch (CEO and founder), Mr. Lutz Friedrich and Mr. Volker Müller.

6.6 Significant recent trends and developments

Sumarum's operations in 2017 are running according to expectations and 2017 plan. There is no experienced price pressure at the market. Major outstanding offerings are within the BPO/AMO sector and from existing clients with increasing business.

Sumarum's major investment for 2017, erection of the new office building in Leipzig, is progressing according to plan, and sumarum expects that its employees will move in to the new offices by end of September 2017.

The financial year 2017 has started well and is seen as a continuation of the financial year 2016 with no material changes.

6.7 Significant changes in the financial or trading position of the sumarum Group since 31 December 2016

Except for the Acquisition, there are no significant events affecting sumarum's trading or financial position. The Acquisition has been positively received by employees, customers and the general market.

6.8 Material contracts

Sumarum has signed an agreement to build own office space in Leipzig. The building will have approximately 1600 m² of office space. Sumarum considers the contract to build a new office space at its own cost and risk as a material contract outside its ordinary course of business.

Contract date:	5 December 2016
Subject of contract	Building 1600 m ² office
Contracting party	Kleusberg GmbH & Co. KG und Sumarum AG
Date of completion	11 August 2017

6.9 Legal and arbitration proceedings

Sumarum has an ongoing legal dispute with a previous customer of its LBU subsidiary, "zentegra" (a German not for profit organization), with a total maximum claim of EUR 911,000. The claim is covered by insurance and Seller 1, Seller 2 and Seller 3 have indemnified Zalaris for potential costs related to the case in SPA I.

Except from the above described dispute, neither sumarum nor any other company in the sumarum Group are, nor have been during the course of the preceding twelve months involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on sumarum and/or the sumarum Group's financial position or profitability, and sumarum is per 10 May 2017 not aware of any such proceedings which are pending or threatened.

7 INDUSTRY OVERVIEW

This Section discusses the industry and markets in which the Company operates. Certain of the information in this Section relating to market environment, market developments, growth rates, market trends, industry trends, competition and similar information are estimates based on data compiled by professional organisations, consultants and analysts in addition to market data from other external and publicly available sources, and the Company's knowledge of the markets. There are different views related to market developments reflecting the overall uncertainties. Any forecast information and other Forward-looking Statements in this Section are not guarantees of future outcomes and these future outcomes could differ materially from current expectations. Numerous factors could cause or contribute to such differences, see Section 1 "Risk Factors" for further details.

7.1 Market dynamics

7.1.1 BPO market

BPO companies offer their customers operational efficiency improvements and improved service of their non-core, but often business critical, processing operations. Business process outsourcing can be defined as the transfer of management and execution of one or more complete business activities, business processes, or entire business functions by a customer to an external (third party) services provider or an outsourcer.

Cost reduction, increased compliance focus and fewer variables in the overall cost picture have been the key items for driving the BPO trend. Successful outsourcing of operations with a low level of sensitivity such as property management, catering and cleaning services have over time given the customers increased confidence and more receptivity towards outsourcing of more sensitive operations such as IT, payroll and HR related services.

In recent years the BPO industry has experienced a high growth with the majority of demand coming from North America and Western Europe. IDC estimates the global BPO service market in 2020 to be worth USD 218.9bn and expects it to have an average annual growth rate of 4.9% over the period 2015-2020. For the EMEA region (Europe, Middle East and Africa), the BPO services spending is expected to be USD 45.3bn in 2020, implying an annual growth of 3.5% from 2015.

7.1.2 HRO market

HRO is a niche area within BPO and is the focus area for the Zalaris Group. Typical HRO services include administration of payroll, recruitment, pension & benefits, employee data management, travel & expenses, sick leave and talent management services. Customers often have two different approaches to adopt HR outsourcing: single-process outsourcing and multi-process outsourcing ("MCPO"). Hence, the value perception vary between the two: the single-process is perceived as commodity services and buying decisions are primarily based on cost. Multi-process is based on a combination of cost, quality and expertise. According to a report from Everest Group from 2016, the MCPO market has grown rapidly over the past years to USD 1.3-1.5 billion in 2015 – up 20-25% from 2014. Europe and North America are the largest markets with approximately 1/3 of the global market each.

In the said research report from 2016, Everest Group assessed the key demand drivers within the HRO market. In addition to an increased focus on talent management from the companies surveyed, they also listed cost savings, compliance, lack of scale and control as key. The cost saving potential for HRO customers is considerable, with Zalaris Group's customers saving on average 20%-30% of their HRO cost upon outsourcing. An additional key driver is large corporates' increased focus on establishing global and regional operations that require one common solution that support unified processes and management practices across borders.

In line with other outsourcing services, HRO is a trend stemming from the Anglo-Saxon markets where a common language has made it possible to produce services in countries with lower cost, with other parts of the world catching up. Increased competition and higher quality from the supply side of the market, combined with the positive effects of seeing increasing numbers of large blue-chip companies choosing to outsource their payroll and HR services out to third party providers, has helped to create a virtuous circle leading to growth in the total HRO market.

5 major trends shaping Zalaris' future:

HR as Partner

Companies increasingly seek strategic advisors with proven Business Process Outsourcing (BPO) success in HR, HCM and payroll functions. Cost savings and cloud efficiencies bolster the trend. Zalaris is a trusted advisor instilling proven best practices that also support privacy regulation compliance.

The Employee "Experience"

Employers have always cared about the experience and performance of their hires. Now it's imperative to make the workforce experience at their companies a competitive advantage, including to an increasingly millennial labor market. Zalaris' "process and platform" expertise makes the difference.

Analytics-based Talent and Performance Management

As one of SAP's first certified BPO partners for their industry-leading SAP SuccessFactors HCM suite, Zalaris is especially well-positioned here. Zalaris operates a Center of Excellence dedicated to related solutions, including SAPS/4HANA – a breakthrough "in-memory" technology enabling incomparable insight.

Secure Mobile Advantages

Mobile demands span just about every aspect of modern enterprises, with HR, HCM and payroll at the center of the movement. Customers continue to move with Zalaris in mobile directions that enable on-the-go flexibility for leaders and staff with security measures companies need.

Managing "Blended" Workforce

Enterprises need help adapting to the digitally connected workforce. The "Gig Economy" has arisen where short-term contracts and freelancing are far more prevalent, along with the steady shift towards working remotely. In Europe Zalaris sees an increasing percentage of aging workforce and retirement age is pushed out. Zalaris' solutions keep pace as workforce dynamics evolve, all part of Zalaris' BPO value.

7.1.3 Geographic markets

Zalaris Group is currently present in the Nordic countries, the Baltics, Poland, Germany, Spain and India. The HRO markets in these countries are still relatively "underpenetrated" and far from mature. The Management, accordingly, sees a growth potential in these geographies going forward. According to an Everest Group analysis, UK, Germany and France are the countries that most frequently get included in multi-country payroll outsourcing deals. Germany and Benelux are identified as the most attractive countries to enter based on strategic importance of multi-country deals and market attractiveness.

Key drivers for growth in Zalaris' markets are both focus on cost reduction and the need for introducing common HR and payroll processes that enable companies to maximize the value of their Human Capital across the region while simultaneously contributing to compliance. Zalaris' customer base consists of a majority of multi-national enterprises, which requires that solutions and services to be seamless across borders.

The direct and indirect cost saving potential of outsourcing can be considerable. While the directly attributable personnel costs of the services that the Zalaris Group provides typically only amounts to less than 0.5% of the customers' total staff costs, the organizational efficiency improvements associated with the outsourcing and the introduction of improved, uniform technological solutions can in many industries amount to 10-20 times those direct costs.

According to the Everest Group the market for Multi Process HR Process Outsourcing ("**MHRPO**") was estimated to USD 3.65 billion in 2015 of which the Multi Country Payroll Outsourcing market was estimated to USD 1.3-1.5 billion.

The main focus for the Zalaris Group is medium and large size enterprises with over 1,000 employees. In the Nordic countries alone company analysis have identified more than 1,000 companies meeting this requirement with a total of around 2 million employees. This represents a total annual market value of around NOK 2-3 billion based on Zalaris' average revenue per employee served.

As part of its strategy to build a leading European HRO provider, the Zalaris Group intends to target additional EEA countries over time.

In addition to these companies, and outside of the selection criteria in the data above, there will be smaller subsidiaries of larger multi-national corporates that use HRO services across all territories, for whom the Zalaris Group" uniform cross-border offering potentially is an efficient and attractive solution.

As and when the public sector in the Group's geographic markets opens up for more BPO, and specifically for HRO services, a proportion of these contracts will also be of interest to the Zalaris Group and thus add a new dimension to the Group's total addressable market.

7.1.4 Consulting services

Worldwide HR services spending will increase to USD 171bn by 2020, according to an IDC report. This implies a CAGR of 6.2% during the five-year period. Within the HR services industry, consulting is expected to be the fastest growing segment and is estimated to grow 9% annually from 2015-2020. Consulting is closely related to HR software sales, which have been vigorous worldwide. HR consulting spending grew by 9.1% to reach USD 54.1 billion worldwide in 2015. Spending on consulting is forecast to reach USD 81 billion in 2020, at a CAGR of 8.5%, according to IDC.

7.2 Cloud solutions

Cloud-based HR services are increasingly requested by enterprises globally. Different HR solutions are moved to the cloud, and more will in the years to come. As of first quarter 2017, cloud services constituted 14% of Zalaris' operating profit, with strong growth over the past years.

IDC estimates that cloud services spending will continue to grow at double-digit rates for the next few years, gradually accounting for a larger proportion of all IT spending. In the short term and the medium term, this will have a negative impact on IT spending, enabling end users to lower their overall spending on certain solutions. Cloud computing is posing a challenge to traditional services models by presenting a lower-cost self-service alternative. The cloud model has particular ramifications for the SMB where the majority of payroll outsourcing spending takes place.

7.3 Competitors

The main "competitor" to the HRO service providers today is in-house HR departments; in as far as the market remains in development. This is particularly true for the Nordics which is the Zalaris Group's main market and to date is characterized by under-penetration in the HRO segment. Zalaris Group's main advantage over insourced HR is lower cost as a result of scalability compared to that of the in-house departments, as well as faster implementation times for new payroll, and talent management functionality. Management estimates that approximately 80% of its potential customer base still has insourced HR and payroll units.

Narrowing the scope to focus only on external BPO/HRO service providers, the Zalaris Group's direct competitors comprise large multi-national IT services firms for whom BPO/HRO is one of many areas within their business offering, such as IBM and Accenture, and a limited number of pure-play international HRO players, such as ADP and NorthgateArinso (NGA), as well as more generalist BPO players, such as Genpact, WNS, and EXL. In competition with these global players, the Zalaris Group may have a relative cost disadvantage given the scalability of the HRO services offered. The Zalaris Group's strategic target geographical market is Europe, however, which while it in size is comparable to the US market in terms of population and economy size, has markedly different structure and dynamics. Of the two, the European market is far less uniform and considerably more complex; having many different languages and different, local laws and regulations. In the Management's view, the Zalaris Group's key competitive advantage towards the global players is its narrower geographical focus and the offering of cost efficient cross-border uniform technology platform combined with local language support and knowledge of local laws, regulations and precedence, as well as culture. It is therefore the Company's expectation, that the Group will continue to be well positioned to compete against this peer group in the foreseeable future, as customers are not willing to run the risk of poor quality payroll – potentially in breach of local regulations and tariff agreements and with limited local support – as a trade-off for the potential additional cost savings they might get from employing global delivery models.

Within the region where the Zalaris Group currently is present, the Company also face competition from smaller BPO and accounting focused operators with a more narrow geographical focus, such as Visma, Amesto, OpusCapita, and Accountor, whose core service is accountancy, with payroll and HR as a separate service. In competition with these players, the pure-play HROs, such as the Zalaris Group, main competitive advantage are their specialisation on specific business critical tasks which inherently safeguards compliance and expertise, while the lack of serving as a "one-stop-shop" for all BPO services are the generalists main competitive advantage. For the larger customers that the Zalaris Group targets, the offering of one technology platform that works efficiently cross-border will typically also be more attractive than having to relate to a different local solution for each country that many of the smaller BPOs may have to rely on.

Local competition also comprise direct peers to the Zalaris Group – such as Bluegarden and Aditro covering the Nordic market, Silta (Finland), CGI (Sweden) and KMD (Denmark) – that offers good solutions combined with strong brands and customer relations. The Zalaris Group's current and potential customers tend to value these players' local expertise and native speaking service representatives when deciding upon their HRO service provider. It is in the opinion of the Company, however, that the Zalaris Group is positively differentiated from its local competitors as its services are highly specialised on HRO, and that they provide one integrated system solution and service delivery model covering all relevant geographies with local language service delivery and customer interaction.

8 SELECTED FINANCIAL INFORMATION

The following summary of consolidated financial data has been derived from the Zalaris Group's unaudited interim financial statements for the three months ended 31 March 2017, and the Zalaris Group's audited annual financial statements for the years ended 31 December 2016, 2015 and 2014. The Financial Statements have been prepared in accordance with IFRS, and the Interim Financial Statements have been prepared in accordance with IAS 34. The historical results of the Zalaris Group are not necessarily indicative of its results for any future period. For a discussion of certain risks that could impair the business, operating results, financial condition, liquidity and prospects of the Zalaris Group, see Section 1 "Risk Factors". The following summary of consolidated financial data should be read in conjunction with the other information contained in this Information Memorandum, including the financial statements of the Zalaris Group and the notes therein, which have been incorporated in this Information Memorandum by reference; see Section 11.2 "Incorporation by Reference, cross reference table". For a description for applicable accounting policies and explanatory notes; see Section 11.2 "Incorporation by Reference; cross reference table".

8.1 Income statement

The table below sets out selected data from the Zalaris Group's unaudited income statements for the three months ended 31 March 2017 and 2016, and the audited income statements for the years ended 31 December 2016, 2015 and 2014.

In NOK thousand

	Three months ended 31 March		Year ended 31 December		
	2017 (unaudited)	2016 (unaudited)	2016 (audited)	2015 (audited)	2014 (audited)
Revenue	106,389	98,496	396,646	373,719	326,145
Operating expenses					
License costs	7,175	6,388	29,353	22,785	13,031
Personnel expenses	56,613	54,516	213,193	208,140	13,031
Other operating expenses	21,439	20,409	80,189	77,390	72,111
Depreciations and impairments	464	418	1,835	1,066	5,586
Amortisation intangible assets	2,377	2,183	9,434	7,606	6,652
Amortisation implementation costs customer projects	7,575	5,321	24,661	22,903	17,037
Other costs	3,067	1,558	1,558	-	11,948
Total operating expenses	98,711	90,793	360,224	339,890	311,284
Operation Profit	7,678	7,703	36,422	33,829	14,861
Financial items					
Financial income	750	1,343	2,125	1,801	708
Financial expenses	(1,436)	(1,818)	(5,287)	(4,277)	(3,546)
Net financial items	(686)	(476)	(3,162)	(2,476)	(2,838)
Profit before tax	6,992	7,227	33,260	31,353	12,023
Income tax expense					
Tax expense on ordinary profit	1,582	1,654	7,693	8,058	3,230
Total tax expense	1,582	1,654	7,693	8,058	3,230
Profit for the period	5,411	5,573	25,567	23,295	8,793
Profit attributable to:					
- Owners of the parent	5,411	4,909	25,567	21,161	7,312
- Non-controlling interests	-	664	-	2,134	1,481

In NOK thousand

	Three months ended 31 March		Year ended 31 December		
	2017 (unaudited)	2016 (unaudited)	2016 (audited)	2015 (audited)	2014 (audited)
Earnings per share:					
Basic earnings per share (NOK)	0.28	0.26	1.34	1.11	
Diluted earnings per share (NOK)	0.28	0.26	1.34	1.11	

Earnings per share:

- Basic and Diluted		0.03%		0.11%	0.04%
- NOK		0,26		1.11	0.38

8.2 Balance sheet

The table below sets out selected data from the Zalaris Group's unaudited balance sheet for the three months ended 31 March 2017 and 2016, and the audited balance sheet for the three years ended 31 December 2016, 2015 and 2014.

In NOK thousand

	Three months ended 31 March		Year ended 31 December		
	2017 (unaudited)	2016 (unaudited)	2016 (audited)	2015 (audited)	2014 (audited)
ASSETS					
Non-current assets					
Intangible assets	40,053	35,252	39,054	36,230	29,624
Total non-current assets	40,053	35,252	39,054	36,230	29,624
Deferred tax asset	1,765	2,983	2,028	3,110	6,041
Fixed assets					
Office equipment	1,237	750	1,120	738	224
Property, plant and equipment	4,696	4,438	4,282	4,990	2,083
Total fixed assets	5,932	5,188	5,402	5,727	2,308
Total non-current assets	47,750	43,422	46,484	45,067	37,973
Current assets					
Trade accounts receivable	75,340	65,678	70,887	59,318	64,306
Customer projects	22,300	29,603	23,112	26,323	25,317
Other short-term receivables	8,565	9,013	8,021	5,439	4,346
Cash and cash equivalents	36,243	51,128	43,509	67,740	75,354
Total current assets	142,448	155,421	145,528	158,820	169,324
TOTAL ASSETS	190,197	198,843	192,012	203,887	207,297
EQUITY AND LIABILITIES					
Equity					
Paid-in capital					
Share capital	1,912	1,912	1,912	1,912	1,912
Own shares – nominal value	(6)	(6)	(6)	(6)	(6)
Other paid in equity	465		122	-	-
Share premium	37,048	53,224	37,048	53,224	67,498
Total paid-in capital	39,419	55,131	39,076	55,131	69,404
Retained earnings	68,228	47,236	61,548	43,436	19,753
Equity attributable to equity holders of the parent	107,648	102,367	100,624	98,567	89,157

In NOK thousand

	Three months ended 31 March		Year ended 31 December		
	2017 (unaudited)	2016 (unaudited)	2016 (audited)	2015 (audited)	2014 (audited)
Non-controlling interest		5,264	-	4,601	3,730
Total equity	107,648	107,631	100,624	103,168	92,887
Liabilities					
Non-current liabilities					
Deferred tax	3,113	2,291	2,792	2,349	1,531
Interest-bearing loans and borrowings	1,368	2,012	1,436	2,125	2,471
Employee defined benefit liabilities	-	304	103	34	28
Total long-term debt	4,480	4,607	4,331	4,508	4,031
Current liabilities					
Trade accounts payable	16,631	8,437	10,792	14,582	12,493
Income tax payable	5,174	5,093	5,003	4,401	3,399
Public duties payable	23,395	24,964	24,853	25,221	24,546
Other short-term debt	32,865	48,111	46,410	52,007	69,941
Total short term liabilities	78,070	86,605	87,057	96,211	110,379
Total liabilities	82,550	91,212	91,388	100,719	114,410
TOTAL EQUITY AND LIABILITIES	190,197	198,843	192,012	203,887	207,297

8.3 Statement of comprehensive income

The table below sets out selected data from the Zalaris Group's unaudited audited statements of comprehensive income as of the three months ended 31 March 2017 and 2016, and the statements of comprehensive income as of the three years ended 31 December 2016, 2015 and 2014.

In NOK thousand

	Three months ended 31 March		Year ended 31 December		
	2017 (unaudited)	2016 (unaudited)	2016 (audited)	2015 (audited)	2014 (audited)
Profit/(loss) for the year	5,411	5,573	25,567	23,295	8,793
Other comprehensive income					
Items that will be reclassified to profit and loss in subsequent periods					
Currency translation differences	690	(1,109)	(3,944)	2,644	(377)
Total other comprehensive income	690	(1,109)	(3,944)	2,644	(377)
Total comprehensive income	6,101	4,464	21,623	25,938	8,416
Total comprehensive income attributable to					
- Owners of the parent	6,101	3,800	21,623	23,804	6,935
- Non-controlling interests	0	664	-	2,134	1,481

8.4 Cash flow statement

The table below sets out selected data from the Zalaris Group's unaudited statements of cash flows for the three months ended 31 March 2017 and 2016, and the audited statements of cash flows for the three years ended 31 December 2016, 2015 and 2014.

In NOK thousand

	Three months ended 31 March			Year ended 31 December	
	2017 (unaudited)	2016 (unaudited)	2016 (audited)	2015 (audited)	2014 (audited)
Cash flow from operating activities					
Profit before tax	6,992	7,227	33,260	31,353	
Operating profit					14,861
Financial income	(542)	(980)	(1,108)	(1,799)	
Financial costs	916	1,005	3,280	3,229	
Depreciation and impairments	464	418	1,835	1,066	5,586
Amortisation intangible assets	2,377	2,183	9,434	7,606	6,652
Amortisations implementation costs customer projects	7,575	5,321	24,661	22,903	17,037
Customer projects	(6,763)	(8,600)	(21,450)	(23,909)	(23,518)
Taxes paid	(1,147)	(835)	(6,009)	(4,125)	(3,633)
Changes in accounts receivable and accounts payable	1,385	(12,505)	(15,359)	7,078	(8,811)
Changes in other accruals	(13,726)	(8,436)	(12,808)	(15,157)	29,143
Interest received	8	6	20	157	-
Interest paid	(385)	(388)	(1,490)	(1,393)	-
Net cash flow from operating activities	(2,846)	(15,585)	14,266	27,010	37,318
Cash flow from investing activities					
Purchase of fixed and intangible assets	(4,698)	(1,271)	(14,078)	(18,547)	(14,411)
Net cash flow from investing activities	(4,698)	(1,271)	(14,078)	(18,547)	(14,411)
Cash flow from financing activities					
Net financial items		(476)		(2,476)	(2,838)
Purchase of own shares					
Issuance of new shares				-	49,274
IPO related costs				-	(3,464)
Buyback of shares from minorities	-		(5,983)		
Stock purchase program	343		122		
Proceeds from issue of new borrowings			-	550	2,880
Repayments of borrowings	(68)	(114)	(690)	(896)	(3,033)
Dividend payments to owners of the parent			(16,177)	(14,273)	
Dividend payments to non-controlling interest			(990)	(1,263)	(1,172)
Net cash flow from financing activities	275	(590)	(23,717)	(15,882)	41,647
Net changes in cash and cash equivalents	(7,269)	(16,613)	(23,529)	(7,419)	64,553
Net foreign exchange difference	4	357	(702)	(195)	
Cash and cash equivalents at the beginning of the period	43,509	67,740	67,740	75,354	10,802
Cash and cash equivalents at the end of the period	36,243	51,127	43,509	67,740	75,355
Unused credit facilities			15,000	15,000	15,000

8.5 Statement of changes in equity

The table below sets out selected data from the Zalaris Group's unaudited statements of changes in equity for the three months ended 31 March 2017 and 2016, and the audited statements of changes in equity for the three years ended 31 December 2016, 2015 and 2014.

Q1 2017									
<i>In NOK thousand</i>	Share capital	Own shares	Share premium	Other paid in equity	Total paid-in equity	Transl. differences	Other equity	Non-controlling interests	Total equity
Equity at 1 January 2017	1,912	(6)	37,048	122	39,076	(2,662)	64,209	0	100,624
Profit of the year					-		5,411	-	5,411
Other comprehensive					-	690			690
Buyback of shares					-				-
Share based payments				343	343				343
Other changes					-	10	570		580
Dividend									-
Equity at 31 March 2017 - unaudited	1,912	(6)	37,048	465	39,419	(1,961)	70,190	0	107,648

Q1 2016									
<i>In NOK thousand</i>	Share capital	Own shares	Share premium	Other paid in equity	Total paid-in equity	Transl. differences	Other equity	Non-controlling interests	Total equity
Equity at 1 January 2016	1,912	(6)	53,224	-	55,131	1,852	41,585	4,601	103,168
Profit of the year					-		4,909	664	5,573
Other comprehensive income					-	(1,109)			(1,109)
Other changes					-				-
Dividend					-				-
Equity at 31 March 2016 - unaudited	1,912	(6)	53,224	-	55,131	743	46,494	5,265	107,631

<i>In NOK thousand</i>	Share capital	Own shares	Share premium	Other paid in equity	Total paid-in equity	Transl. differences	Other equity	Non-controlling interests	Total equity
Equity at 1 January 2016	1,912	(6)	53,224	-	55,131	1,852	41,585	4,601	103,168
Profit of the year					-		25,567	-	25,567
Other comprehensive income					-	(3,944)			(3,944)
Buyback of shares					-		(1,383)	(4,601)	(5,983)
Share based payments				122	122				122
Other changes					-	(569)	(570)		(1,139)
Dividend			(16,177)		(16,177)		(990)		(17,167)
Equity at 31 December 2016	1,912	(6)	37,048	122	39,076	(2,662)	64,209	0	100,624

<i>In NOK thousand</i>	Share capital	Own shares	Share premium	Other paid in equity	Total paid-in equity	Transl. differences	Other equity	Non-controlling interests	Total equity
Equity at 1 January 2015	1,912	(6)	67,498		69,404	(792)	20,545	3,730	92,887
Profit of the year					-		21,161	2,134	23,295
Other comprehensive					-	2,644			2,644
Other changes					-		(121)		(121)
Purchase/sale of own shares (net)					-				-
Dividend			(14,273)		(14,273)			(1,263)	(15,537)
Equity at 31 December 2015	1,912	(6)	53,224		55,131	1,852	41,585	4,601	103,168

<i>In NOK thousand</i>	Share capital	Own shares	Share premium	Other paid in equity	Total paid-in equity	Transl. differences	Other equity	Non-controlling interests	Total equity
Equity at 1 January 2014	339	(6)	18,442		18,774	(414)	18,536	3,421	40,318
Profit of the year					-		7,312	1,481	8,793
Other comprehensive					-	(377)			(377)
Other changes					-		(484)		(484)
Transaction costs related to IPO					-		(3,464)		(3,464)
Issue of new shares (20 June 2014)	217		49,057		49,274				49,274
Issue of new shares (15 May 2014)	1,356				1,356		(1,356)		-
Purchase/sale of own shares (net)									-
Dividend					-			(1,172)	(1,172)
Equity at 31 December 2014	1,912	(6)	67,498		69,404	(792)	20,545	3,730	92,887

8.6 Segment information

The Zalaris Group has three operating segments: HR Outsourcing, Consulting and Cloud Services.

HR Outsourcing offers a full range of payroll and HR outsourcing services including payroll, time and attendance and travel expenses. Consulting delivers turnkey projects based on the Zalaris Group's template or implementation of customer-specific functionality. They also assist customers with cost-effective maintenance and support of customers own on-premise solution.

The Cloud Services unit is offering additional cloud based HR functionality to existing outsourcing customers as talent management, digital personnel archive, HR analytics, mobile solutions etc, and divided into a separate reporting segment from 2014.

The table below sets out selected data from the Zalaris Group's unaudited statements of segment information for the three months ended 31 March 2017 and 2016, and the audited statements of segment information for the three years ended 31 December 2016, 2015 and 2014.

Q1 2017 - unaudited					
<i>In NOK thousand</i>	Outsourcing	Cloud	Consulting	Non-allocated	Total
Other operating income, external	90,642	13,553	2,193		(106,389)
Other operating expenses	(73,109)	(11,040)	(1,079)		(85,228)
Depreciation and amortization	(9,363)	(995)	(59)		(10,416)
IPO related costs				(3,067)	(3,067)
Operation profit/loss	8,171	1,518	1,056	(3,067)	(7,678)
Net financial income/(expenses)				(686)	(686)
Income tax				(1,582)	(1,582)
Profit for the period	8,171	1,518	1,056	(5,335)	5,411
Cash flow from investing activities				(4,698)	(4,698)

Q1 2016 - unaudited					
<i>In NOK thousand</i>	Outsourcing	Cloud	Consulting	Non-allocated	Total
Other operating income, external	90,390	4,996	3,110		98,496
Other operating expenses	(75,472)	(3,757)	(2,083)		(81,313)
Depreciation and amortization	(7,787)	(107)	(29)		(7,922)
IPO related costs				(1,558)	(1,558)
Operation profit/loss	7,131	1,132	997	(1,558)	7,702
Net financial income/(expenses)				(476)	(476)
Income tax				(1,654)	(1,654)
Profit for the period	7,131	1,132	997	(3,688)	5,572
Cash flow from investing activities				(1,271)	(1,271)

2016					
<i>In NOK thousand</i>	Outsourcing	Cloud	Consulting	Non-allocated	Total
Other operating income, external	355,123	29,996	11,527		396,646
Other operating expenses	(289,950)	(25,235)	(7,550)		(322,736)
Depreciation and amortization	(35,797)	(48)	(85)		(35,930)
Other costs				(1,558)	(1,558)
Operation profit/loss	29,376	4,713	3,891	(1,558)	36,422
Net financial income/(expenses)				(3,162)	(3,162)
Income tax				(7,693)	(7,693)
Profit for the period	29,376	4,713	3,891	(12,413)	25,567
Cash flow from investing activities				(14,078)	(14,078)

2015					
<i>In NOK thousand</i>	Outsourcing	Cloud	Consulting	Non-allocated	Total
Other operating income, external	349,076	10,160	14,484		373,720
Other operating expenses	(290,133)	(8,479)	(9,703)		(308,315)
Depreciation and amortization	(31,332)	(70)	(173)		(31,575)
IPO related costs					-
Operation profit/loss	27,610	1,610	4,608	-	33,829
Net financial income/(expenses)				(2,476)	(2,476)
Income tax				(8,058)	(8,058)
Profit for the period	27,610	1,610	4,608	(10,534)	23,295
Cash flow from investing activities				(18,547)	(18,547)

2014					
<i>In NOK thousand</i>	Outsourcing	Cloud	Consulting	Non-allocated	Total
Other operating income, external	308,843	6,617	10,685		326,145
Other operating expenses	(255,542)	(5,199)	(9,321)		(270,062)
Depreciation and amortization	(29,145)	(33)	(98)		(29,275)
IPO related costs					(11,948)
Operation profit/loss	24,156	1,386	1,266	(11,948)	14,861
Net financial income/(expenses)				(2,838)	(2,838)
Income tax				(3,230)	(3,230)
Profit for the period	24,156	1,386	1,266	(18,016)	8,793
Cash flow from investing activities				(14,411)	(14,411)

Unallocated costs include general administrative costs including group management, business development, marketing, finance and controlling and certain group centralised IT costs.

9 PRO FORMA FINANCIAL INFORMATION

9.1 Introduction

On 26 April 2017 Zalaris ASA entered into a share purchase agreement to acquire 88.22% of the shares in sumarum AG (SPA 1) with a closing condition to acquire 95.1% of the shares and with that obtaining the right to acquire remaining shares. The Acquisition triggers pro-forma financial information.

On 18 May 2017 Zalaris acquired in total 52,950 shares in sumarum AG representing 97.32% of the total share capital and 98.64% of the voting rights by issuing 720,219 Consideration Shares at a subscription price of NOK 35.9520 per share and making a cash settlement of NOK 148,483,642 (EUR 15,833,222).

The fair value of the consideration for 97.32% of the shares amounts to NOK 170,310,631 (EUR 18,160,695), consisting of NOK 148,483,642 (EUR 15,833,222) in cash and 720,219 Consideration Shares. The fair value of the Consideration Shares amounts to NOK 21,826,988 based on the quoted share price of Zalaris of NOK 42.50 on 18 May 2017.

The unaudited pro forma financial information has been prepared under the assumption that 100% of the shares in sumarum AG will be acquired and that the remaining shares will be acquired at the same terms. The fair value of the consideration for 100% of the shares in sumarum AG is estimated to NOK 175,619,248 (EUR 18,714,974) with a settlement through (i) a cash consideration of NOK 153,242,771 (EUR 16,340,702) and (ii) the Company's issuance and delivery of 734,703 consideration shares. The Company has obtained authorisation from the General Meeting to issue the remaining consideration shares and aims to acquire the remaining 2.68% of the shares in sumarum AG during the next weeks. If not acquired, a non-controlling interest will be presented as part of consolidated equity.

9.2 Purpose of the unaudited pro forma financial information

The unaudited pro forma condensed financial information has been prepared solely for illustrative purposes to show how the acquisitions of 100% of the shares in sumarum AG might have affected the Company's consolidated statement of profit or loss for 2016 if the Acquisition had occurred on 1 January 2016 and the consolidated statement of financial position as of 31 December 2016 if the Acquisition had occurred on the balance sheet date.

Because of its nature, the unaudited pro forma condensed financial information addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position or results if the acquisition had in fact occurred on those dates and is not representative of the results of operations for any future periods. Investors are cautioned not to place undue reliance on this unaudited pro forma financial information.

The unaudited pro forma condensed financial information has been compiled to comply with the requirements in section 3.5.2.6 of the "Continuing Obligations of Stock Exchange Listed Companies" issued by the Oslo Stock Exchange. The unaudited pro forma condensed financial information has been prepared in accordance with Annex II of Regulation (EC) 809/2004. This information is not in compliance with SEC Regulation S-X, and had the securities been registered under the U.S: Securities Act of 1933, this unaudited pro forma financial information, including the report by the auditor, would have been amended and / or removed from the Information Memorandum.

9.3 Independent assurance report on unaudited pro forma financial information

Ernst & Young AS has issued an independent assurance report on the unaudited pro forma condensed financial information included as Appendix A to the Information Memorandum.

9.4 Basis for preparation

9.4.1 Historical financial information

The unaudited pro forma condensed financial information for the Company does not include all of the information required for financial statements under International Financial Reporting Standards, and should be read in conjunction with the historical information of the Company.

The unaudited pro forma statement of profit or loss and financial position for the year ended 31 December 2016 has been compiled based on the audited consolidated financial statements of the Company for the year ended 31 December 2016 which were prepared in accordance with IFRS as adopted by EU and historical financial information for sumarum AG as specified below.

Historical financial information for sumarum AG included as Appendix B to the Information Memorandum consists of the following:

- Audited financial statements of IT2 Solution AG for 2016
- Unaudited financial information of Personal i.A. GmbH for 2016
- Unaudited financial information of MediaTrain GmbH for 2016
- Audited financial statements of LBU Systemhaus AG for 2016
- Unaudited financial information of LBU Personal Complete GmbH for 2016
- Unaudited financial information of IT2 Solution Schweiz GmbH for 2016

The historical financial information of sumarum AG is prepared based on the requirements of German Generally Accepted Accounting Principles ("**GGAAP**").

For purposes of the unaudited pro forma financial information the unaudited consolidated statement of profit or loss and the unaudited statement of financial position of sumarum AG for 2016 have been consolidated and translated from the functional currency (EUR) to NOK based on the average exchange rate for the period and the exchange rate at the balance sheet date respectively (see Section 9.8 "Unaudited historical financial information of sumarum AG"). For this purpose, the following exchange rates have been used:

- 31 December 2016: NOK/EUR of 9.0910
- Average during 2016: NOK/EUR of 9.2959

As per 31 December 2016, sumarum AG consisted of IT2 Solution AG (holding company) and its subsidiaries:

Company	Country of incorporation	Holding
Personal i.A. GmbH	Germany	100%
MediaTrain GmbH	Germany	100%
LBU Systemhaus AG	Germany	100%
LBU Personal Complete GmbH	Germany	100%
IT2 Solution Schweiz GmbH	Switzerland	100%

The unaudited pro forma financial information has been prepared in a manner consistent with the accounting policies of the Company (IFRS as adopted by EU) applied in 2016. The Company will not adopt any new policies in 2017 as a result of the Acquisition or otherwise. Please refer to the financial statements for 2016 for the Company for description of the accounting policies.

For purposes of the unaudited pro forma financial information, the historical financial information of sumarum AG has been converted to IFRS. Please see the notes to the pro forma financial information for details about adjustments made.

The unaudited pro forma financial information has been prepared under the assumption of going concern.

9.4.2 Purchase price allocation

The Company has for the purposes of the pro forma financial information performed a preliminary purchase price allocation. This allocation has formed the basis for the amortization and depreciation charges in the pro forma statement of profit or loss and the presentation in the pro forma statement of financial position. The final allocation may significantly differ from this allocation and this could materially have affected the depreciation and amortization of excess values in the pro forma statement of profit or loss and the presentation in the pro forma statement of financial position. The main uncertainty relates to customer relationships (including contracts) and contingencies. In addition, the fair value of the consideration for 100% of the shares in sumarum AG has been determined assuming that the terms for the acquisition of the remaining 2.68% of the shares will be the same as for the acquisition of 97.32% of the shares completed on 18 May 2017.

The estimated fair value of the consideration for 100% of the shares in sumarum AG amounts to NOK 175,619,248 (EUR 18,714,974), see Section 9.1 "Introduction".

The purchase price allocation is presented in the table below:

Purchase price allocation

All figures in 1000	NOK
Net assets at acquisition date	27 317
Fair value adjustment intangible assets	68 622
Fair value adjustment property, plant and equipment	816
Deferred tax liability	(20 632)
Fair value of net assets	76 124
Fair value of consideration	175 619
Goodwill	99 495

The preliminary purchase price allocation identified fair value adjustments on intangible and tangible assets. The adjustment to intangible assets consists of identified customer relations (NOK 49,463 thousand) and customer contracts (NOK 19,159 thousand). In addition, the preliminary purchase price allocation identified fair value adjustment on the office building in Leipzig, NOK 816 thousand. The deferred tax on fair value adjustments of customer relations, customer contracts and office building in Leipzig is calculated using a German nominal corporate income tax of 29.72% and amounts to NOK 20,632 thousand. Goodwill from the acquisition (NOK 99,495 thousand) reflects the value of assembled workforce with special skills and expected synergies with the existing business of Zalaris Group.

In the unaudited pro forma statement of profit or loss the fair value adjustments identified in the purchase price allocation have been amortized and depreciated with the estimated useful life as per the table below:

Fair value adjustments	Useful lifetime	Amortization/ Depreciation 2016 NOK	Fair values adjustments per 31.12.2016 NOK
All figures in 1000			
Customer relations and customer contracts	10 years	6,862	68,622
Office building Leipzig	50 years	16	816
Total		6,879	69,438

9.5 Unaudited pro forma statement of profit or loss FY 2016

The table below sets out the unaudited pro forma statement of profit or loss for the year ended 31 December 2016, as if the acquisition had occurred on 1 January 2016.

	Zalaris Group	sumarum Group	IFRS adjustments	Pro Forma adjustments	Notes	Pro Forma
All figures in 1000	NOK	see 9.8 NOK unaudited	sumarum Group NOK unaudited	NOK unaudited		NOK unaudited
Revenue	396 646	142 767	(688)		1	538 724
Other income		2 975	(2 975)		2,3	
Total operating income	396 646	145 741	(3 663)			538 724
License costs	29 353	2 016				31 370
Personnel expenses	213 193	79 220	(6 252)		1,2	286 161
Other operating expenses	80 189	47 062				127 251
Amortization intangible assets, depreciations and impairments	11 269	1 496		6 879	7	19 643
Amortization goodwill		500	(500)		4	
Amortization implementation costs customer projects	24 661		3 769		1	28 430
Other costs	1 558			9 106	8	10 664
Total operating expenses	360 224	130 294	(2 984)	15 985		503 519

	Zalaris Group	sumarum Group	IFRS adjustments sumarum Group	Pro Forma adjustments	Notes	Pro Forma
<i>All figures in 1000</i>	NOK	see 9.8 NOK unaudited	NOK unaudited	NOK unaudited		NOK unaudited
Operating profit	36 422	15 447	(679)	(15 985)		35 205
Financial items						
Financial income	2 125	7				2 132
Finance expense	(5 287)	(173)		(4 397)	9	(9 857)
Net financial items	(3 162)	(166)		(4 397)		(7 724)
Profit before tax	33 260	15 282	(679)	(20 382)		27 481
Income tax	(7 693)	(4 311)	202	5 420	5,10	(6 382)
Profit for the period	25 567	10 970	(477)	(14 962)		21 099
Profit attributable to:						
Owners of the parent	25 567	10 970	(477)	(14 962)		21 099
Non-controlling interests						

9.6 Unaudited pro forma statement of financial position

The table below sets out the unaudited pro forma statement of financial position as of 31 December 2016, as if the acquisition had occurred on 31 December 2016.

	Zalaris Group	sumarum Group	IFRS adjustments sumarum Group	Pro Forma adjustments	Notes	Pro Forma
<i>All figures in 1000</i>	NOK	see 9.8 NOK unaudited	NOK unaudited	NOK unaudited		NOK unaudited
ASSETS						
Non-current assets						
Intangible assets	39 054	4 123		68 622	6	111 800
Goodwill		3 193		99 495	6	102 688
Total intangible assets	39 054	7 316		168 118		214 488
Deferred tax asset	2 028					2 028
Fixed assets						
Office equipment	1 120	1 228				2 349
Property, plant and equipment	4 282	2 446		816	6	7 543
Total fixed assets	5 402	3 674		816		9 892
Total non-current assets	46 484	10 991		168 934		226 408
Current assets						
Trade accounts receivable	70 887	26 399				97 286
Work in progress		592	(592)		1	
Customer projects	23 112					23 112
Other short-term receivables	8 021	899				8 920
Cash and cash-equivalents	43 509	18 432		3 122	9	65 062
Total current assets	145 528	46 322	(592)	3 122		194 380
TOTAL ASSETS	192 012	57 312	(592)	172 055		420 788
EQUITY AND LIABILITIES						
Equity						
Paid in capital						
Share capital	1 912	495		(421)	12	1 986
Own shares nominal value	(6)					(6)
Other paid in equity	122					122
Share premium	37 048	4 155		20 592	13	61 794
Total paid in capital	39 076	4 650		20 171		63 896
Retained earnings	61 548	14 917	1 025	(35 811)	1,3,4,14	41 679
Equity attributable to equity holders of the parent						

	Zalaris Group	sumarum Group	IFRS adjustments sumarum Group	Pro Forma adjustments	Notes	Pro Forma
<i>All figures in 1000</i>	NOK	see 9.8 NOK unaudited	NOK unaudited	NOK unaudited		NOK unaudited
Non-controlling interests	100 624	19 566	1 025	(15 641)		105 575
Total equity	100 624	19 566	1 025	(15 641)		105 575
Liabilities						
Non-current liabilities						
Negative goodwill		2 867	(2 867)		3	
Deferred tax	2 792	149		20 632	6	23 573
Interest-bearing loans and borrowings	1 436	11 496		156 365	9	169 296
Employee defined benefit and liabilities	103					103
Total non-current liabilities	4 331	14 512	(2 867)	176 996		192 971
Current liabilities						
Trade accounts payable	10 792	4 584				15 376
Customer projects			2 310		1	2 310
Income tax payable-term debt	5 003	5 222				10 224
Public duties payable	24 853	4 040				28 893
Other short-term debt	46 410	9 389	(1 060)	10 700	1,11	65 439
Total current liabilities	87 057	23 234	1 250	10 700		122 241
Total liabilities	91 388	37 746	(1 617)	187 696		315 213
TOTAL EQUITY AND LIABILITIES	192 012	57 312	(592)	172 055		420 788

9.7 Notes to the unaudited pro forma financial information

The notes to the unaudited pro forma financial information are an integral part of the unaudited pro forma statement information.

9.7.1 Notes related to IFRS adjustment

Note 1

Under GGAAP implementation costs and advance payments from the customer during the implementation phase of an outsourcing contract are expensed as incurred and recorded as revenue when billed respectively. For certain projects sumarum capitalized cost ("WIP") as work in progress and recognized advance payments as other short term debt. According to Zalaris' accounting principles and IFRS, implementation costs and advance payments from the customer should be deferred as they are specific to a given contract, relate to future activity on the contract, will generate future economic benefits and are recoverable. Implementation costs and prepayments related to the same project are presented net. These implementation costs and advance payments should be recorded as "customer projects" and amortized ("Amortization implementation cost customer projects") and recorded as revenue over the period the outsourcing services are provided.

IFRS adjustments in the 2016 statement of profit or loss related to customer implementation projects:

<i>All figures in 1000</i>	NOK
Deferred revenue	(5 834)
Recognized revenue	5 147
Net revenue adjustment	(688)
Capitalized customer implementation projects costs (personnel expenses)	3 383
Amortization of customer implementation project costs	(3 769)
Net IFRS adjustment in the statement of profit or loss	(1,073)

Incurred customer implementation project costs amounting to NOK 3,383 thousand and advance payments from customers amounting to NOK 5,834 thousand in 2016 are capitalized and reversed in the 2016 unaudited pro forma statement of profit or loss for the FY 2016. Amortization of capitalized customer implementation project costs amounted to NOK 3,769 thousand in 2016. Recognition of advance payments revenue amounted to NOK 5,147 thousand in the same period.

Capitalized customer projects 31 December 2016

All figures in 1000	NOK
Net capitalization of customer projects	(1 842)
Reclassification of WIP	592
Reclassification of other short term debt	(1 060)
Customer projects	(2 310)

Capitalization of advance payments and implementation costs related to the implementation phase of outsourcing contracts, amounts to NOK 1,842 thousand per 31 December 2016.

In addition, previously recorded WIP of NOK 592 thousand and advanced payments of NOK 1,060 thousand recorded as short term debt was reclassified to "customer project". This resulted in a net liability related to customer projects of NOK 2,310. The IFRS adjustment of customer projects resulted in a net reduction of NOK 1,842 thousand to retained earnings per 31 December 2016.

Note 2

Under GGAAP taxable benefits amounting to NOK 2,869 thousand are recorded on a gross basis in the statement of profit or loss as an increase to personnel expense and other income. Under IFRS this gross recognition has been reversed.

Note 3

Gain on bargain purchases (negative goodwill) has been amortized over 10 years in sumarum Group under GGAAP. The amortization Under IFRS negative goodwill is recorded as a gain in the period the business combination is completed. Negative goodwill as of 31 December 2016 amounting to NOK 2,867 thousand and 2016 other income amounting to NOK 106 thousand have been reversed.

Note 4

Under GGAAP goodwill is amortized over 10 years. Under IFRS goodwill is not amortized but tested annually for impairment. The amortized goodwill in 2016 amounting to NOK 500 thousand is therefore reversed.

Note 5

Adjustment for tax effect on IFRS adjustments related to customer implementation projects, NOK 1,073 thousand, (see note 1), reversed amortization of gain on bargain purchase, NOK 106 thousand, (see note 3) and reversed amortization of goodwill, NOK 500 thousand, (see note 4).

The 2016 impact on tax expense of NOK 202 thousand is using a German corporate tax rate of 29.72%.

9.7.2 Notes related to pro forma adjustments

Note 6

The preliminary purchase price allocation identified fair value adjustments on tangible and intangible assets. See Section 9.4.2 "Purchase price allocation" for specification of the purchase price allocation. The adjustment to intangible assets consists of customer relations including contracts amounting to NOK 68,622 thousand, allocated NOK 19,159 thousand to customer contracts. The adjustment to tangible assets consists of excess value to the office building in Leipzig amounting to NOK 816 thousand. Goodwill amounts to NOK 99,495 thousand. The goodwill reflects the value of assembled workforce with special skills and expected synergies with the existing business of Zalaris. These pro forma adjustments will have continuing impact.

A deferred pro forma adjustment on tax liability of NOK 20,632 thousand is related to the excess values on customer relation including contracts and the office building in Leipzig.

Note 7

The excess value of the office building in Leipzig is depreciated based on a useful life of 50 years in the 2016 unaudited pro forma statement of profit or loss amounting to NOK 16 thousand. The excess value of customer relation and customer contracts is amortized based on a useful life of 10 years in the 2016 unaudited pro forma statement of profit or loss amounting to NOK 6,862 thousand. The useful lifetime of customer relations including customer contracts is calculated based on contract duration and historical churn rate in the company. These pro forma adjustments will have continuing impact.

Note 8

Total transaction costs related to the Acquisition of sumarum AG and its subsidiaries are estimated to NOK 10,700 thousand. Transaction costs of NOK 9,106 thousand have been recorded as other operating costs and NOK 1,594 thousand of the costs have been deducted to the share premium. This pro forma adjustment will not have continuing impact.

Note 9

The Acquisition of sumarum AG, has partly been settled through a cash consideration of EUR 16,341 thousand or NOK 153,243 thousand based on NOK/EUR exchange rates as of 18 May 2017. This cash consideration has been financed through a new term loan on EUR 17,200 thousand or NOK 156,365 thousand. A pro forma adjustment of the unused cash from the new term loan amounting to NOK 3,122 thousand has been added to cash and cash equivalents.

The estimated interest expenses amounting to NOK 4,397 thousand have been calculated based on the terms in the loan agreement. These pro forma adjustments will have continuing impact.

Note 10

Using a German corporate tax rate of 29.72% on the adjustments related to the depreciation of the office building and the amortization of the customer relation gives a tax reducing effect of NOK 2,044 thousand in the unaudited 2016 pro forma statement of profit or loss. This pro forma adjustment will have continuing impact.

Using a Norwegian corporate tax rate of 25.00% on the adjustments related to interest expenses and acquisition costs gives a tax reducing effect of NOK 3,376 thousand in the unaudited 2016 figures pro forma statement of profit or loss.

Pro forma tax adjustment related to the interest expenses will have continuing impact. Pro forma tax adjustment related to acquisition costs will not have continuing impact.

Note 11

Costs related to the acquisition of sumarum AG and fees related to the issue of consideration shares are estimated to NOK 9,106 thousand and NOK 1,594 thousand, respectively, are adjusted to other current liabilities in the unaudited pro forma statement of financial position. This pro forma adjustment will not have continuing impact.

Note 12

The Company's issuance of and delivery of 734,703 consideration shares each with a par value of NOK 0.10 increased the share capital by NOK 74 thousand. The share capital in sumarum AG, NOK 495 thousand, was eliminated. Total pro forma adjustment is NOK (421) thousand. In the annual general meeting on 16 May 2017 the board was authorized to issue 100,000 new shares. As per the date of this Information Memorandum 720,219 Consideration Shares have been issued.

Pro forma adjustments	Figures in 1000 NOK
Increase in share capital consideration shares	74
Elimination share premium sumarum	(495)
Total pro forma adjustment	(421)

Note 13

The Company's issuance of and delivery of 734,703 consideration shares each with a subscription price of NOK 35.9520 increased the share premium by NOK 26,341 thousand, deducted with NOK 1,594 thousand in expenses related to the issuance of new shares, see note 8. The share premium in sumarum AG, NOK 4,155 thousand, was eliminated. Total pro forma adjustment is NOK 20,592 thousand.

Pro forma adjustments	Note	Figures in 1000 NOK
Increase in share premium consideration shares		26 341
Fees share issue	8	(1 594)
Elimination share premium sumarum		(4 155)
Total pro forma adjustment		20 592

Note 14

The pro forma adjustments to retained earnings are specified in the table below.

Pro forma adjustments	Note	Figures in 1000 NOK
Elimination of increase in share capital		(74)
Elimination of increase in share premium		(26 341)
Acquisition costs	8	(9 106)
Share capital sumarum	12	495
Share premium sumarum	13	4 155
Cash consideration		(153 243)
Excess value assets – purchase price allocation		69 438
Goodwill – purchase price allocation		99 495
Deferred tax on excess values – purchase price allocation		(20 632)
Total pro forma adjustments on retained earnings		(35 811)

9.8 Unaudited historical financial information of sumarum AG

Based on audited financial statements for 2016 of IT2 Solution AG, Personal i.A. GmbH, MediaTrain GmbH, LBU Systemhaus AG and the unaudited financial information for 2016 for LBU Personal Complete GmbH and IT2 Solution Schweiz GmbH, the Sellers have provided unaudited consolidated financial information for sumarum Group for 2016 according to GGAAP.

9.8.1 Statements of profit or loss for sumarum AG

All figures in 1000	IT 2 Solutions AG	Personal i.A. GmbH	MediaTrain GmbH	IT2 Solution Schweiz GmbH	LBU Systemhaus AG	LBU Personal Complete GmbH	Intercomp. eliminations	Target consolidated	Re-classificat.	Notes	Target consolidated	Target companies
	01.01.-31.12	01.01.-31.12	01.01.-31.12	01.01.-31.12	01.10.-31.12	01.08.-31.12		01.01.-31.12			01.01.-31.12	01.01.-31.12
	GGAAP	GGAAP	GGAAP	GGAAP	GGAAP	GGAAP		GGAAP			GGAAP	GGAAP
	EUR	EUR	EUR	EUR	EUR	EUR		EUR			EUR	NOK
		unaudited	unaudited	unaudited		unaudited		unaudited			unaudited	unaudited
Revenue	13 942	637	1 105	98	1 056	94	(1 573)	15 358			15 358	142 767
Increase or decrease in work-in-progress	(5)	1						(4)	4			
Other income	244	0	0		64	0	11	320			320	2 975
Total operating income	14 180	638	1 105	98	1 121	94	(1 562)	15 674	4	-	15 678	145 741
Material expenses	2 367	546	924	46	377	79	(1 497)	2 843	(2 843)	1		
License costs									217	1	217	2 016
Personnel expenses	8 037			6	479			8 522			8 522	79 220
Other operating expenses	2 196	12	144	9	147	1	(77)	2 433	2 630	1	5 063	47 062
Depreciation, amortization and impair	123	0	15		22		54	215			215	1 996
Operating profit	1 457	80	21	36	96	14	(42)	1 662			1 662	15 447
Financial income	10				5		(15)	1			1	7
Financial expenses	(14)	(0)	(10)	(1)	(4)	(0)	10	(19)			(19)	(173)
Net financial items	(4)	(0)	(10)	(1)	2	(0)	(5)	(18)			(18)	(166)
Profit before tax	1 453	80	12	36	97	13	(48)	1 644			1 644	15 282
Income tax	411	26	(0)	0	24	4		464			464	4 311
Profit for the period	1 042	55	12	36	74	10	(48)	1 180			1 180	10 970
Dividend payment	35							35			35	328
	1 007	55	12	36	74	10	(48)	1 145			1 145	10 642

Conversion to NOK is based on average exchange rate, see Section 9.4.1 "Historical financial information".

9.8.2 Statement of financial position information for sumarum AG

	IT 2 Solutions AG	Personal i.A. GmbH	MediaTrain GmbH	IT2 Solution Schweiz GmbH	LBU Systemhaus AG	LBU Personal Complete GmbH	Intercomp. eliminations	Target consolidated	Re-classificat. consolidated	Target consolidated	Target companies
	31.12.2016	31.12.2016	31.12.2016	31.12.2016	31.12.2016	31.12.2016		31.12.2016		31.12.2016	31.12.2016
All figures in 1000	GGAAP EUR	GGAAP EUR	GGAAP EUR	GGAAP EUR	GGAAP EUR	GGAAP EUR		GGAAP EUR		GGAAP EUR	GGAAP NOK
		unaudited	unaudited	unaudited		unaudited		unaudited		unaudited	unaudited
ASSETS											
Non current assets											
Intangible assets											
Total Intangible assets	378	0	12		63			454		454	4 123
Goodwill			0				351	351		351	3 193
Deferred tax asset											
Total Fixed assets	361	1	8		34			404		404	3 674
Financial assets											
Total Financial assets	690				54		(743)				
Total non current assets	1 429	1	20		151		(392)	1 209		1 209	10 991
Current assets											
Work in Progress	34	1			30			65		65	592
Trade accounts receivable	2 552	21	19	12	219	81		2 904		2 904	26 399
Trade accounts receivables to group compan	461				22	0	(483)				
Other short term receivables to group companies		23	161				(184)				
Other short-term receivables	97	0	1	0	1			99		99	899
Cash and cash equivalents	389	102	16	67	1 349	104		2 027		2 027	18 432
Total current assets	3 533	147	198	79	1 620	186	(667)	5 095		5 095	46 322
TOTAL ASSETS	4 961	149	218	79	1 771	186	(1 059)	6 304		6 304	57 312
Equity and Liabilities											
EQUITY											
Paid-in capital											
Share capital	54	25	26	19	401	25	(495)	54		54	495
Own shares - nominal value											
Other paid in equity					6		(6)				
Share premium	457			1	120	38	(159)	457		457	4 155
Total paid-in capital	511	25	26	20	528	63	(660)	511		511	4 650
Retained earnings	1 642	55	(326)	48	252	35	(65)	1 640		1 640	14 913
Equity differences from currency transaltion							0	0		0	4
TOTAL EQUITY	2 153	80	(301)	68	779	97	(725)	2 152		2 152	19 566
Negative goodwill							315	315		315	2 867
LIABILITIES											
Non-current liabilities											
Deferred tax					16			16		16	149
Interest-bearing loans and borrowings	745				520			1 265		1 265	11 496
Long-term debt to group companies		7	379	2			(388)				
Employee defined benefit liabilities											
Total Non-current liabilities	745	7	379	2	536		(388)	1 281		1 281	11 644
Current liabilities											
Trade accounts payable	251	31	134		87	1		504		504	4 584
Trade accounts payables group companies	189				0	73	(262)				
Customer projects											
Income tax payable	488	26			50	10		574		574	5 222
Public duties payable									444	444	4 040
Other short-term debt	1 136	4	5	10	317	5		1 477	(444)	1 033	9 389
Total current liabilities	2 064	62	139	10	455	88	(262)	2 556		2 556	23 234
TOTAL LIABILITIES	2 808	68	519	12	992	88	(334)	4 152		4 152	37 746
TOTAL EQUITY AND LIABILITIES	4 961	149	218	79	1 771	186	(1 059)	6 304		6 304	57 312

Conversion to NOK is based on exchange rate per 31 December 2016, see Section 9.4.1 "Historical financial information".

9.8.3 *Notes too unaudited financial information of sumarum AG*

Note 1

In the consolidated financial information of sumarum AG companies material expenses amounting to EUR 2,843 thousand (NOK 26,424 thousand) consist of license costs amounting to EUR 217 thousand (NOK 2,016 thousand) and external consultant services amounting to EUR 2,630 thousand (NOK 24,446 thousand). Thus, these expenses have been reclassified to align with the consolidated statement of profit or loss of the Company.

10 ZALARIS CORPORATE INFORMATION AND SHARE CAPITAL

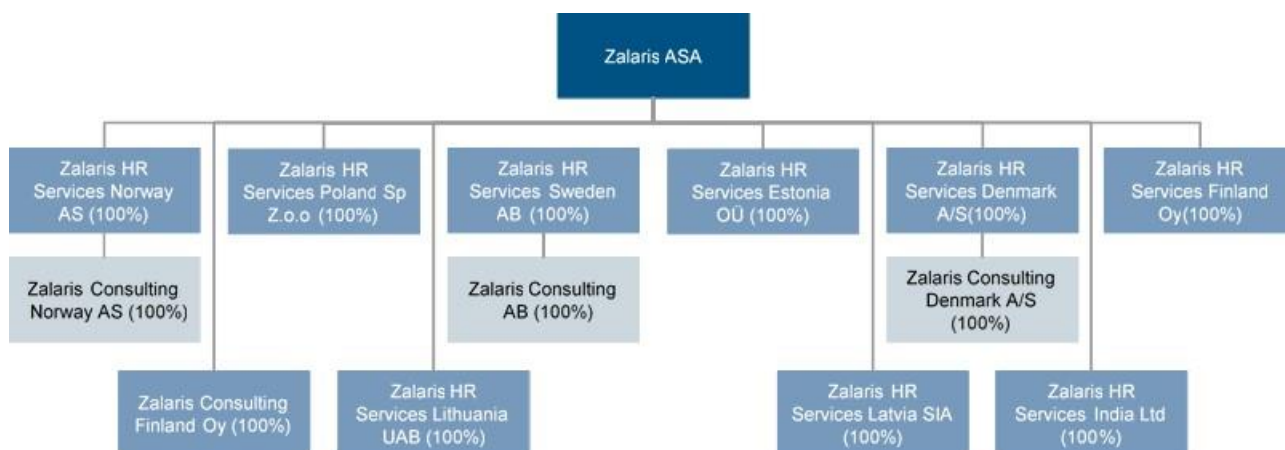
10.1 Company corporate information

The Company's registered name is Zalaris ASA. The Company is a Norwegian public limited liability company (*Nw.: allmennaksjeselskap* or *ASA*), incorporated and existing under the laws of Norway pursuant to the Norwegian Public Limited Liability Companies Act. The Company's registered office is in the municipality of Oslo, Norway. The Company was incorporated on 14 April 2000 by Hans Petter Møllerud as a private limited liability company (*Nw.: aksjeselskap* or *AS*). It was incorporated under the trading name of Zalaris Business Services AS, and renamed to Zalaris HR Services AS on 1 December 2006. On 5 May 2014, the general meeting of the Company resolved to transform the Company from a private limited liability company to a public limited liability company (*Nw.: allmennaksjeselskap* or *ASA*), and rename the Company to Zalaris ASA. The Company's registration number in the Norwegian Register of Business Enterprises is 981 953 134, and the Shares are registered in book-entry form with the VPS under ISIN NO 0010708910. The Company's register of shareholders in the VPS is administrated by Nordea.

The head office of the Company, and the Company's registered address is at Hovfaret 4 B, 0275 Oslo, Norway. Its telephone number is +47 40 00 33 00, and its web-site is www.zalaris.com. The content of www.zalaris.com is not incorporated by reference into or otherwise forms part of this Information Memorandum.

10.2 Legal structure

The chart below shows the legal structure of the Zalaris Group (simplified) before the Acquisition was closed. The Company is a holding company with some centralized support functions and with only some limited residual business activities. Business operations are today mainly carried out through the operating subsidiaries of the Company.



10.3 Information on holdings

The following table sets out information about the entities in which the Company, as of the date of this Information Memorandum, holds (directly or indirectly) more than 10% of the outstanding capital and votes (dormant companies are not included). In addition to the below list, the Company has acquired 97.32% of the total share capital in sumarum through the Acquisition.

Company	Country of incorporation	Holding
Zalaris HR Services Norway AS	Norway	100%
Zalaris HR Services Sweden AB	Sweden	100%
Zalaris HR Services Denmark A/S	Denmark	100%
Zalaris HR Services Finland Oy	Finland	100%
Zalaris HR Services Poland Sp Z.o.o	Poland	100%
Zalaris HR Services Estonia	Estonia	100%
Zalaris HR Services Lithuania UAB	Lithuania	100%
Zalaris HR Services Latvia SIA	Latvia	100%
Zalaris Consulting Denmark A/S	Denmark	100%
Zalaris Consulting Finland Oy	Finland	100%
Zalaris Consulting AB	Sweden	100%
Zalaris Consulting AS	Norway	100%
Zalaris HR Services India Pvt Ltd	India	100%

10.4 Share capital and share capital history

As of the date of this Information Memorandum, the Company's share capital is NOK 1,984,448.20 divided into 19,844,482 Shares, each Share having a par value of NOK 0.10. All the Shares have been created under the Norwegian Public Limited Companies Act, and are validly issued and fully paid. All Shares in the Company rank in parity with one another and carry one vote per Share. The Shares are registered in the VPS with ISIN NO 0010708910.

The table below shows the development in the Company's share capital for the period covered by the Financial Information.

Date of resolution	Type of change	Change in share capital (NOK)	Par value (NOK)	Number of issued Shares after change (NOK)	New share capital (NOK)
13 May 2014	Share capital increase and share split	1,356,028	0.1	16,950,350	1,695,035
18 June 2014	Share capital increase in connection with the IPO offering	217,391.30	0.1	19,124,263	1,912,426.30
18 May 2017	Share capital increase in connection with the issuance of the Consideration Shares	72,021.90	0.1	19,844,482	1,984,448.20

10.5 Major Shareholders

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital, which is notifiable pursuant to the Norwegian Securities Trading Act. As of 29 May 2016, and insofar as known to the Company, the following persons has, directly or indirectly, an interest in 5% or more of the issued share capital of the Company:

Shareholder Name	Number of Shares	%
Norwegian Retail AS	3,041,482	15.33%
Skandinaviska Enskilda Banken AB	2,839,196	14.31%
Fidelity Nordic Fund	1,688,300	8.51%
Strawberry Capital AS	1,276,087	6.43%

Other than as mentioned above, the Company is not aware of any persons or entities that, directly or indirectly, jointly or severally, will exercise or could exercise control over the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

10.6 Authorization to increase the share capital and to issue the Consideration Shares

At the annual general meeting held on 16 May 2017, the Board of Directors was granted an authorization to increase the share capital of the Company by a maximum of NOK 100,000. The authorization is valid until the Company's annual general meeting in 2018, but no longer than 30 June 2018.

10.7 Authorization to acquire treasury Shares

At the Company's annual general meeting held on 16 May 2017, the Board of Directors was granted an authorization to acquire shares with a total nominal value of up to NOK 191,243. The authorization is valid until the Company's annual general meeting in 2018, but no longer than 30 June 2018. The maximum amount that can be paid for each share is NOK 160, and the minimum amount is NOK 0.1. The Board of Directors is authorized to acquire and sell shares as the Board finds it appropriate. However, acquisition may not be carried out by way of subscription for shares.

10.8 Shareholder rights

The Company has one class of Shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all Shares in that class provide equal rights in the Company. Each of the Shares carries one vote. The shares are freely transferable.

11 ADDITIONAL INFORMATION

11.1 Documents on display

Copies of the following documents will be available for inspection at the Company's offices at Hovfaret 4 B, 0275 Oslo, Norway, during normal business hours from Monday to Friday each week (except public holidays) for a period of twelve months from the date of this Information Memorandum:

- The Company's certificate of incorporation and articles of association;
- All reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in this Information Memorandum;
- The historical financial information of the Company and its subsidiary undertakings for each of the three financial years preceding the publication of this Information Memorandum; and
- This Information Memorandum.

11.2 Incorporation by reference

The information incorporated by reference in this Information Memorandum should be read in connection with the following cross reference table. References in the table to "Annex" and "Items" are references to the disclosure requirements as set forth in the Norwegian Securities Trading Act cf. the Norwegian Securities Trading Regulations by reference to such Annex (and Item therein) of Commission Regulation (EC) no. 809/2004. Except as provided in this Section, no other information is incorporated by reference into this Information Memorandum.

Section in the Information Memorandum	Disclosure requirement	Reference document and link	Page (P) in reference document
Section 8	Audited historical financial information (Annex XXIII, section 15.1 and 15.3)	Financial statements 2016: http://www.newsweb.no/newsweb/search.do?messageId=425226	P 25-51
		Financial statements 2015: http://www.newsweb.no/newsweb/search.do?messageId=399719	P 24-52
		Financial statements 2014: http://www.newsweb.no/newsweb/search.do?messageId=376138	P 33-61
		Auditor's report 2016: http://www.newsweb.no/newsweb/search.do?messageId=425226	P 72-75
Section 8	Auditing of historical annual financial information (Annex XXIII, section 15.4)	Auditor's report 2015: http://www.newsweb.no/newsweb/search.do?messageId=399719	P 75-76
		Auditor's report 2014: http://www.newsweb.no/newsweb/search.do?messageId=399719	P 82-83
		Interim report Q1 2017: http://www.newsweb.no/newsweb/search.do?messageId=425769	P 8-20
Section 8	Interim and other financial information (Annex XXIII, section 15.6)	Interim report Q1 2016: http://www.newsweb.no/newsweb/search.do?messageId=400389	P 8-19

12 DEFINITIONS AND GLOSSARY

In the Information Memorandum, the following defined terms have the following meanings:

Acquisition	The acquisition by Zalaris of 52,950 shares, representing, 97.32% of the total share capital and 98.64% of the votes in sumrum
AMO	Application Maintenance Outsourcing
Board of Directors	The Board of Directors of the Company
BPO	Business Process Outsourcing
Cash Consideration	EUR 15,833,222
CEE	Central and Eastern Europe
Combined Group	The Zalaris Group and the sumrum Group together
Company or Zalaris	Zalaris ASA
Consideration Shares	Company's issuance of and delivery of 750,219 consideration shares to the relevant Sellers
Continuing Obligations	The Continuing Obligations for Stock Exchange Listed Companies
Corporate Governance Code	The Norwegian Code of Practice for Corporate Governance published on 30 October 2014 by the Norwegian Corporate Governance Board
EEA	The European Economic Area
ERP	Enterprise resource planning
EU	The European Union
EUR	The lawful common currency of the EU member states who have adopted the Euro as their sole national currency
Financial Information	The Financial Statements and the Unaudited Interim Financial Statements
Financial Statements	The Group's audited consolidated financial statements as of and for the financial years ended 31 December 2016, 2015 and 2014
FTE	Full Time Employees
GGAAP	German Generally Accepted Accounting Principles
HCM	Human Capital Management
HRO	Human Resources Outsourcing
Indirect Sellers	Harald Goetsch and Volker Müller, being the sole shareholders of Seller 1 and Seller 3, respectively
Information Memorandum	This information memorandum
Interim Financial Statements	The Group's unaudited interim consolidated financial statements as of, and for the three month periods ended 31 March 2017 and 2016
LAN	Local Area Network
Management	The senior management team of the Zalaris Group
MCPO	Multi-process outsourcing
Member States	The participating Member States in the European Union
Member States	Member states of the European Union
MHRPO	Multi Process HR Process Outsourcing
NewCo	The affiliated company nominated by the Company as described in Clause 4.5 (if such right is exercised)
NCP IV	Nordic Capital Partners IV AS
NGAAP	Norwegian Generally Accepted Accounting Principles
NOK	Norwegian Kroner, the lawful currency of Norway
Nordea	Nordea Bank AB (publ.)
Nordea Issuer Services	Nordea Securities Services Issuer Services, a part of Nordea Bank Norge ASA
Nordea Markets	Nordea Markets, a division of Nordea Bank Norge ASA
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 No. 75 (<i>Nw.: Verdipapirhandelloven</i>)
Oslo Stock Exchange	A Norwegian regulated stock exchange operated by Oslo Børs ASA
Purchase Price	EUR 18,637,134.20
SaaS	Software as a Service
SAP	SAP AG
SAP HANA	SAP High-Performance Analytic Appliance
Seller 1	AHAG Vermögensverwaltung GmbH
Seller 2	Lutz Friedrich
Seller 3	MoMa 1. Beteiligungsgesellschaft mbH
Sellers	The sellers under SPA I - IV
Shares	Shares in the share capital of the Company, each with a par value of NOK 0.10
SPA I	Share purchase agreement entered into on 26 April 2017 by and between Zalaris and Seller 1, Seller 2, Seller 3 and the Indirect Sellers
SPA II	Share purchase agreement entered into on 26 April 2017 by and between Zalaris and Ralph Manitz
SPA III	Share purchase agreement entered into on 11 May 2017 by and between Zalaris and Martin Engelbrecht
SPA IV	Share purchase agreement entered into on 11 May 2017 by and between Zalaris and Martin Krick

sumarum	sumarum AG
Sumarum Group	sumarum AG and its consolidated subsidiaries
UK	The United Kingdom of Great Britain and Northern Ireland
U.S. or United States	The United States of America, its territories and possessions, any State of the United States of America, and the District of Columbia
U.S. Securities Act	The U.S. Securities Act of 1933, as amended
USD	United States Dollars, the lawful currency in the United States
VAT	Value added tax
VPN	Virtual Private Network
VPS	The Norwegian Central Securities Depository (<i>Nw.: Verdipapirsentralen</i>)
VPS account	An account with VPS for the registration of holdings of securities
VPS registrar	Nordea Bank Norge ASA, in its capacity as VPS registrar
WAN	Wide Area Network
WE	Western Europe
WIP	Work in progress
Zalaris Group	Zalaris ASA and its consolidated subsidiaries, including the sumarum Group following closing of the Acquisition)

APPENDIX A:

INDEPENDENT ASSURANCE REPORT ON PRO FORMA FINANCIAL INFORMATION

To the Board of Directors of Zalaris ASA

Independent Practitioners' Assurance Report on the compilation of unaudited pro forma financial information included in an Information Memorandum

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Zalaris ASA (the "Company") by the Board of Directors and Management of the Company. The unaudited pro forma condensed financial information consists of the unaudited condensed pro forma statement of financial position as at 31 December 2016, the unaudited condensed pro forma statement of profit or loss for the year ended 31 December 2016, and related notes as set out in section 9 of the information memorandum dated 13 June, 2017 issued by the Company (the "Information Memorandum").

The unaudited pro forma condensed financial information has been compiled to comply with the requirements in section 3.5.2.6 of the "Continuing Obligations of Stock Exchange Listed Companies" issued by Oslo Børs (Oslo Stock Exchange). The applicable criteria on the basis of which the Board of Directors and Management have compiled the pro forma financial information are specified in Commission Regulation (EC) no. 809/2004 as incorporated in the Securities Trading Act section 7-13 and described in section 9.2 of the Information Memorandum (the "applicable criteria"). The historical consolidated financial information of sumarum AG (the acquired entity) for the year ended 31 December 2016 prepared for the purpose of and used in the compilation of the Pro Forma Financial Information is unaudited and accordingly we do not accept any responsibility for that information.

The pro forma financial information has been compiled by the Board of Directors and Management to illustrate the impact of the transaction set out in section 9 of the Information Memorandum on the Company's consolidated financial position as at 31 December 2016 and its consolidated financial performance for the year ended 31 December 2016 as if the transaction had taken place at 31 December 2016 and 1 January 2016 respectively. As part of this process, information about the Company's and the acquired entity's consolidated financial position and financial performance has been extracted by the Board of Directors and Management from the Company's and the acquired entity's consolidated financial statements for the year ended 31 December 2016. The auditor's report on the Company's financial statements for the year ended 31 December 2016 has been incorporated by reference in section 11.2 of the Information Memorandum.

The Board of Directors' and Management's Responsibility for the Pro Forma Financial Information

The Board of Directors and Management are responsible for compiling the pro forma financial information on the basis of the applicable criteria.

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, 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 Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibilities

Our responsibility is to express an opinion, as required by Annex II item 7 of EU Regulation No 809/2004 about whether the pro forma financial information has been compiled by the Board of Directors and Management on the basis of the applicable criteria.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner plans and performs procedures to obtain reasonable assurance about whether the Board of Directors and Management have compiled the pro forma financial information on the basis of the applicable criteria and whether this basis is consistent with the accounting policies of the Company. Our work primarily consisted of comparing the unadjusted financial information with the source documents as described in section 9 of the Information Memorandum, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with Management of the Company.

The aforementioned opinion does not require an audit of historical unadjusted financial information, the adjustments to conform the accounting policies of sumarum AG to the accounting policies of the Company, or the assumptions summarized in section 9 of the Information Memorandum. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an information memorandum is solely to illustrate the impact of the or transaction on unadjusted financial information of the Company as if the transaction occurred or had been undertaken at an earlier date selected for purposes of the illustration. Because of its nature, the Pro Forma Financial Information addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position or performance. Accordingly, we do not provide any assurance that the actual outcome of the transaction at 31 December 2016 or for the year ended 31 December 2016 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled on the basis stated involves performing procedures to assess whether the applicable criteria used by the Board of Directors and Management in the compilation of the pro

forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria;
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information; and
- The pro forma financial information has been compiled on a basis consistent with the accounting policies of the Company.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances. The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion


In our opinion:

- a) the pro forma financial information has been properly compiled on the basis stated in section 9 of the Information Memorandum; and
- b) that basis is consistent with the accounting policies of the Company

This report is issued for the sole purpose of the acquisition of sumarum AG as set out in the Information Memorandum reviewed by Oslo Stock Exchange. Our work has not been carried out in accordance with auditing, assurance or other standards and practices generally accepted in the United States and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices. Therefore, this report is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than the transaction described above.

We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this report in connection with any type of transaction, including the sale of securities other than the transaction, as set out in the Information Memorandum reviewed by Oslo Stock Exchange.

Oslo, 13 June 2017
ERNST & YOUNG AS



Petter Larsen

State Authorized Public Accountant (Norway)

APPENDIX B:
SUMARUM FINANCIAL INFORMATION

Audited financial statements of IT2 Solution AG for 2016

**Financial statements
as at 31 December 2016**

of

**IT2 Solutions AG,
Henstedt-Ulzburg**

with auditor's report

IT2 Solutions AG, Henstedt-Ulzburg
Balance sheet as at 31 December 2016

		31 December 2016	31 December 2015			31 December 2016	31 December 2015
	EUR	EUR	EUR		EUR	EUR	EUR
A. Fixed assets				A. Equity			
I. Intangible fixed assets				I. Subscribed capital		54,408.00	50,708.00
1. Internally generated industrial property rights and similar rights and values	3.00		3.00	II. Capital reserves		457,041.72	273,791.72
2. Purchased concessions, industrial and similar rights and assets and licences in such rights and assets		<u>378,132.00</u>	<u>388,068.00</u>	III. Net retained profits		<u>1,641,886.40</u>	<u>1,015,116.69</u>
		378,135.00	388,071.00			2,153,336.12	1,339,616.41
II. Tangible fixed assets				B. Provisions			
1. Land, buildings on third-party land	269,020.16		60,490.00	1. Provisions for taxes	488,235.50		167,740.00
2. Other equipment, operating and office equipment	<u>91,544.00</u>		<u>84,399.00</u>	2. Other provisions	<u>495,572.00</u>		<u>432,970.00</u>
		360,564.16	144,889.00			983,807.50	600,710.00
III. Financial assets				C. Liabilities			
1. Shares in affiliated companies	555,449.00		183,429.16	1. Liabilities due to banks	204,503.15		369,716.13
2. Loans to affiliated companies	<u>134,400.00</u>		<u>134,400.00</u>	2. Payments received on account of orders	116,596.10		110,898.34
		689,849.00	317,829.16	3. Trade payables	250,631.49		138,733.47
		1,428,548.32	850,789.16	4. Liabilities to affiliated companies	188,723.30		91,853.97
B. Current assets				5. Deposits by dormant partners	540,000.00		400,000.00
I. Inventories				6. Other liabilities	470,124.18		327,906.33
Work in progress		34,022.56	39,307.42	- of which taxes: EUR 389,325.66 (previous year: TEUR 260) -			
				- of which social security:			
II. Receivables and other assets				EUR 0.00 (previous year: TEUR 0) -			
1. Trade receivables	2,552,302.56		1,640,088.66			1,770,578.22	1,439,108.24
2. Receivables from affiliated companies	460,566.56		389,550.89				
3. Other receivables and other assets	<u>53,245.19</u>		<u>45,425.77</u>	D. Deferred income		53,761.00	45,648.00
		3,066,114.31	2,075,065.32				
III. Cash-in-hand							
Bank balances		<u>389,306.06</u>	<u>415,595.33</u>				
		3,489,442.93	2,529,968.07				
C. Prepaid expenses		43,491.59	44,355.42				
		<u>4,961,482.84</u>	<u>3,425,112.65</u>			<u>4,961,482.84</u>	<u>3,425,112.65</u>

IT2 Solutions AG, Henstedt-Ulzburg

**Income statement
from 1 January to 31 December 2016**

	EUR	2016 EUR	2015 EUR
1. Sales		13,941,601.43	10,515,963.87
2. Increase or decrease in work-in-progress		-5,284.86	-54,606.39
3. Other operating income		243,856.69	266,017.87
4. Cost of materials			
Cost of purchased services		-2,367,150.07	-1,250,341.66
5. Personal expenses			
a) Wages and salaries	-6,882,496.98		-5,740,558.48
b) Social security, post-employment and other employee benefit costs	<u>-1,154,118.00</u>		<u>-936,449.70</u>
		-8,036,614.98	-6,677,008.18
6. Depreciation of intangible fixed assets and tangible fixed assets		-123,273.72	-207,464.90
7. Other operating expenses		-2,195,586.16	-2,012,619.55
8. Other interest and similar income		10,477.22	9,460.92
9. Interest and similar expenses		-14,100.08	-29,125.54
10. Taxes on income		-410,876.14	-153,076.38
- of which deferred taxes: EUR 0.00 (previous year: TEUR 15)			
11. Result after taxes		1,043,049.33	407,200.06
12. Other taxes		-683.02	-8,899.65
13. Profits transferred under a profit transfer agreement		<u>-35,287.50</u>	<u>-32,750.00</u>
14. Net income for the financial year		1,007,078.81	365,550.41
15. Retained profits brought forward		1,015,116.69	786,477.87
16. Profit distribution		<u>-380,309.10</u>	<u>-136,911.59</u>
17. Net retained profits		<u>1,641,886.40</u>	<u>1,015,116.69</u>

Notes to the financial statements of
IT2 Solutions AG, Henstedt-Ulzburg
for 2016

1. General information

IT2 Solutions AG, Henstedt-Ulzburg (Amtsgericht Kiel, HRB 8473) is for the first time as of 31 December 2016 a mid-sized corporation mentioned in the German Commercial Code (HGB) in Art. 267 section 2 HGB. Following Art. 267 section 4 HGB. The legal effects will follow when the corporation attains the second time this size. Therefore the facilitations for small sized entities are used in the reporting year.

Balance sheet and income statement are prepared in accordance to the rules of HGB in the Version of German Accounting Directive Implementation Act, the supplementary provisions of the German Stock Corporation Act (AktG) are applied as well. This legislation amendment caused some updates in classification of costs and revenues in the reporting year.

For the income statement aggregate cost method is adopted.

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2. Accounting and valuation policies

Intangible assets and tangible fixed assets are measured at cost of acquisition or at costs of production and depreciated over the assets useful life. All depreciations are calculated following the linear method. Low value assets with a finite useful life and acquisition cost up to € 410.00 are depreciated in full in the year of purchase.

In the year ending 31 December 2012 internally generated intangible assets are capitalized for the first time following the accounting election in Art. 248 section 2 sentence 1 HGB. The measurement took place with costs of production. Depreciations are calculated after the linear method with a useful life of three years. As at 31 December 2016 only memory values are shown in the balance sheet.

Financial investments are stated at acquisition cost.

Trade receivables and other receivables and other assets are basically measured at nominal value. Individual value adjustments are not charged, a flat-rate value adjustment is calculated for 0.3% of the net value of trade receivables. All current assets have a residual term less than one year.

Cash in hand and bank balances are shown with the nominal value.

The evaluation of the provisions considers all foreseeable uncertain obligations, losses and risks. The provisions are measured in prudent commercial evaluation.

Liabilities are shown at the amount needed to settle them.

3. Notes to balance sheet

All receivables and other assets have residual terms less than one year.

The other assets contain an interest-free amount receivable against chairman of the board of directors with an amount from T€ 16.

Equity

The memory values from the internally developed intangible assets cause a payout block from € 3,00 following Art. 268 section 8 sentence 1 HGB.

Other provisions

Other provisions apply to bonus and commissions of the staff, also holiday entitlements, warranty and rework, outstanding bills, costs of annual audit and tax declarations.

Liabilities

Liabilities due to banks contain amounts payable within one year with € 104, the remaining amount is due between one and five years. All other liabilities become due within one year.

The „deposits by dormant partners“ are additionally integrated in the balance sheet structure and contains deposits with an amount from € 540,000.00 which are paid because of three company or participation agreements from MBG Mittelständische Beteiligungsgesellschaft Schleswig-Holstein mbH, Kiel (€ 250,000.00, von € 150,000.00 und € 140,000.00). All contracts provide a floating compensation in reliance from profits, so they are recorded in the commercial register as profit transfer agreement. Two of the dormant companies end at 31 December 2023, the third dormant company ends at 30 August 2026.

4. Other specifications

Shareholdings

Our company holds 100 % of the interest in the business of IT2 Solutions Schweiz GmbH, Zürich (Switzerland). IT2 Solutions Schweiz GmbH designates a subscribed capital from CHF 20.000,00. The net income for 2015 amounts to TCHF 32, the equity to 31.12.2015 TCHF 35. The annual closing for 31 December 2016 is not completed. Furthermore our company holds all shares from Personal i.A. GmbH, Frankfurt am Main. This company designates a subscribed capital from T€ 25. The net income for 2016 amounts to T€ 55, the equity to 31.12.2016 T€ 55. In addition our company holds all shares from MediaTrain – EDV Schulung-Beratung-Entwicklung GmbH, Frankfurt am Main. This company designates a subscribed capital from T€ 26. The net income for 2016 amounts to T€ 12, the company shows a capital loss from T€ 301 to 31.12.2016.

Furthermore our company holds 50% of the shares from LBU Personal Complete GmbH, Amtzell. This company designates a subscribed capital from T€ 25. The net income for 2016 amounts to T€ 25, the equity to 31.12.2016 T€ 97. In addition, 2016 we bought all shares from LBU Systemhaus AG, Amtzell. The net income of this company amounts to T€ 230, the equity to 31.12.2016 T€ 779

Other financial obligations

For the over-indebted MediaTrain – EDV Schulung-Beratung-Entwicklung GmbH, Frankfurt am Main, we gave a declaration of patronage. Our company commits to equip MediaTrain – EDV Schulung-Beratung-Entwicklung GmbH, Frankfurt am Main with cash so that this company is able to fulfill all actual and future liabilities in time.

Specifications to shares

The subscribed capital of our company amounts to € 54,408.00, it is divided in 54,408 no-par-shares. The shares are made out in the name of the shareholder, they only can be carried over with the approval of the company. The shareholder's meeting must consent to the carry-over. 2.225 issues shares are preference stocks without voting rights.

AHAG VermögensverwaltungsGmbH, Quickborn, holds the majority of the shares.

The board is allowed to increase the subscribed capital max. by € 4,320 until 17 December 2020 with approval of the board of directors. The increase can be made by singular or repeated issuance of new registered no-par-shares as preference stocks without voting rights (authorized stock). The issuance of new shares is only permitted to equip the staff with shares; the option on new stock is excluded for the shareholders.

Specifications on corporate bodies

Members of the board are:

Harald Goetsch, Quickborn, (CEO),
Lutz Friedrich, Henstedt-Ulzburg,
Volker Müller, Bad Vilbel.

Members of the supervisory board are:

Prof. Dr. Martin Ruppelt, lawyer, Mainz (board chairman),
Wolfgang Hempler, lawyer, Mainz (co-board-chairman),
Hartmut Rodenwald, business graduate, Köln.

Henstedt-Ulzburg, 15 Februar 2017

IT2 Solutions AG, Henstedt-Ulzburg

gez.
Lutz Friedrich
(Vorstand)

gez.
Harald Goetsch
(Vorstand)

gez.
Volker Müller
(Vorstand)

Auditor's Report:

To IT2 Solutions AG, Henstedt-Ulzburg:

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system of the IT2 Solutions AG, Henstedt-Ulzburg, for the business year from 1 January to 31 December 2016. The maintenance of the books and records and the preparation of the annual financial statements in accordance with German commercial law and supplementary provisions of the shareholder agreement are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system based on our audit.

We conducted our audit of the annual financial statements in accordance with Article 317 HGB („Handelsgesetzbuch“: „German Commercial Code“) and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany, IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with (German) principles of proper accounting are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records and the annual financial statements are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and supplementary provisions of the shareholder agreement and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with (German) principles of proper accounting.

Bonn, 16 February 2017

Kucera & Hüttner GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Bernd Kucera
Wirtschaftsprüfer
(German Public Auditor)

Christine Schüller
Wirtschaftsprüfer
(German Public Auditor)

Unaudited financial information of Personal i.A. GmbH for 2016

**Financial statements
as at 31 December 2016**

of

**Personal i.A. GmbH,
Frankfurt am Main**

with attestation report on preparation

Personal i.A. GmbH, Frankfurt am Main
Balance sheet as at 31 December 2016

		31 December 2016	31 December 2015
	EUR	EUR	EUR
A. Fixed assets			
I. Intangible fixed assets			
Purchased concessions, industrial and similar rights		1.00	1.00
II. Tangible fixed assets			
Other equipment, operating and office equipment		1,290.00	1,475.00
		1,291.00	1,475.00
B. Current assets			
I. Inventories			
Work in progress		1,189.25	0.00
II. Receivables and other assets			
1. Trade receivables	20,559.65		33,553.40
2. Receivables from affiliated companies	23,473.19		70,717.27
3. Other receivables and other assets	11.48		11.48
		44,044.32	104,282.15
III. Cash-in-hand			
Bank balances		102,027.35	42,607.24
		147,260.92	146,889.39
		148,551.92	148,365.39

		31 December 2016	31 December 2015
	EUR	EUR	EUR
A. Equity			
I. Subscribed capital		25,000.00	25,000.00
II. Net retained profits		55,273.98	675.89
		80,273.98	25,675.89
B. Provisions			
1. Provisions for taxes	25,928.00		324.00
2. Other provisions	4,386.00		4,386.00
		30,314.00	4,710.00
C. Liabilities			
1. Trade payables	31,195.03		117,541.83
2. Liabilities to affiliated companies	6,768.91		437.67
		37,963.94	117,979.50
		148,551.92	148,365.39

Personal i.A. GmbH, Frankfurt am Main

**Income statement
from 1 January to 31 December 2016**

	EUR	<u>2016</u> EUR	<u>2015</u> EUR
1. Sales		637,044.87	664,558.11
2. Increase or decrease in work-in-progress		1,189.25	0.00
3. Other operating income		223.60	1,766.46
4. Cost of materials			
Cost of purchased services		-545,881.62	-566,472.42
5. Depreciation of intangible fixed assets and tangible fixed assets		-185.00	-327.00
6. Other operating expenses		-12,177.70	-11,038.28
7. interest and similar expenses		-11.31	-437.67
8. Taxes on income		<u>-25,604.00</u>	<u>-323.44</u>
9. Result after taxes		54,598.09	87,715.76
10. Other taxes		<u>0.00</u>	<u>-3.10</u>
11. Net income for the financial year		54,598.09	87,722.66
12. Retained profits brought forward		<u>675.89</u>	<u>-87,046.77</u>
13. Net retained profits		<u>55,273.98</u>	<u>675.89</u>

Attestation report on preparation

To Personal i. A. GmbH, Frankfurt am Main:

In accordance with the terms of our engagement we have prepared the financial statements, comprising the balance sheet and the income statement of Personal i.A. GmbH, Frankfurt am Main, for the business year from 1 January to 31 December 2016 in accordance with German commercial law and supplementary provisions of the shareholder agreement. The basis of preparation were the vouchers, the accounting records and the inventory documentation provided to us, which we have not audited but checked on plausibility, and information provided to us. The accounting records and the preparation of the inventory records and the annual financial statements in accordance with the provisions of German commercial law and the supplementary provisions of the shareholder agreement are the responsibility of the Company's management.

We have performed our engagement in accordance to „IDW Standard: Grundsätze für die Erstellung von Jahresabschlüssen (IDW S 7)“ (Principles for the preparation of financial statements of the Institute of Public Auditors in Germany – IDW). This standard comprises the preparation of the balance sheet und the income statement on the basis of the accounting records, the inventory records and the accounting policies to be applied. In order to check on plausibility the vouchers, the accounting records and the inventory documentation surveys were conducted and analytical assessments were performed to exclude with reasonable assurance, that these are not in order. For this no circumstances have come to our attention that speak against the regularity of the documents provided to us and of the financial statements bases on these documents.

Bonn, 16 February 2017

Kucera & Hüttner GmbH

Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Bernd Kucera
Wirtschaftsprüfer
(German Public Auditor)

Christine Schüller
Wirtschaftsprüfer
(German Public Auditor)

Unaudited financial information of MediaTrain GmbH for 2016

**Financial statements
as at 31 December 2016**

of

**MediaTrain – EDV Schulung – Beratung – Entwicklung GmbH,
Frankfurt am Main**

with attestation report on preparation

MediaTrain - EDV Schulung - Beratung - Entwicklung GmbH, Frankfurt am Main
Balance sheet as at 31 December 2016

		31 December 2016	31 December 2015
	EUR	EUR	EUR
A. Fixed assets			
I. Intangible fixed assets			
1. Purchased concessions, industrial and similar rights	12,098.00		22,749.00
2. Goodwill	<u>1.00</u>		<u>1.00</u>
		12,099.00	22,750.00
II. Tangible fixed assets			
Other equipment, operating and office equipment		<u>8,215.00</u>	<u>10,138.00</u>
		20,314.00	32,888.00
B. Current assets			
I. Receivables and other assets			
1. Trade receivables	19,196.30		15,394.92
2. Receivables from affiliated companies	160,728.11		21,139.70
3. Other receivables and other assets	<u>0.00</u>		<u>128.93</u>
		179,924.41	36,660.55
II. Cash-in-hand, bank balances		<u>16,378.10</u>	<u>9,463.66</u>
		196,302.51	46,124.21
C. Prepaid expenses		1,283.25	542.96
D. Loss not covered by equity		300,656.38	312,386.22
		<u>518,556.14</u>	<u>391,941.39</u>

		31 December 2016	31 December 2015
	EUR	EUR	EUR
A. Equity			
I. Subscribed capital		25,564.59	25,564.59
II. Net retained loss	-326,220.97		-337,950.81
of which not covered by equity	<u>300,656.38</u>		<u>312,386.22</u>
		-25,564.59	-25,564.59
		0.00	0.00
B. Provisions			
Other provisions		4,720.00	4,720.00
C. Liabilities			
1. Trade payables	134,411.32		17,873.90
2. Liabilities to affiliated companies	<u>379,424.82</u>		<u>369,347.49</u>
		513,836.14	387,221.39
		<u>518,556.14</u>	<u>391,941.39</u>

MediaTrain - EDV Schulung - Beratung - Entwicklung GmbH, Frankfurt am Main

**Income statement
from 1 January to 31 December 2016**

	EUR	2016 EUR	2015 EUR
1. Sales		1.104.692,59	227.092,72
2. Other operating income		223,84	76,64
3. Cost of materials			
Cost of purchased services		-923.746,68	-110.705,05
4. Depreciation of intangible fixed assets and tangible fixed assets		-15.378,03	-12.805,13
5. Other operating expenses		-144.353,88	-177.610,73
6. interest and similar expenses		-9.708,12	-8.649,97
7. Taxes on income		0,12	0,99
8. Net income for the financial year		11.729,84	-82.600,53
9. Loss carried forward		-337.950,81	-255.350,28
10. net retained loss		-326.220,97	-337.950,81

Attestation report on preparation

To MediaTrain – EDV Schulung – Beratung – Entwicklung GmbH, Frankfurt am Main:

In accordance with the terms of our engagement we have prepared the financial statements, comprising the balance sheet and the income statement of MediaTrain – EDV Schulung – Beratung – Entwicklung GmbH, Frankfurt am Main, for the business year from 1 January to 31 December 2016 in accordance with German commercial law and supplementary provisions of the shareholder agreement. The basis of preparation were the vouchers, the accounting records and the inventory documentation provided to us, which we have not audited but checked on plausibility, and information provided to us. The accounting records and the preparation of the inventory records and the annual financial statements in accordance with the provisions of German commercial law and the supplementary provisions of the shareholder agreement are the responsibility of the Company's management.

We have performed our engagement in accordance to „IDW Standard: Grundsätze für die Erstellung von Jahresabschlüssen (IDW S 7)“ (Principles for the preparation of financial statements of the Institute of Public Auditors in Germany – IDW). This standard comprises the preparation of the balance sheet und the income statement on the basis of the accounting records, the inventory records and the accounting policies to be applied. In order to check on plausibility the vouchers, the accounting records and the inventory documentation surveys were conducted and analytical assessments were performed to exclude with reasonable assurance, that these are not in order. For this no circumstances have come to our attention that speak against the regularity of the documents provided to us and of the financial statements bases on these documents.

Bonn, 16 February 2017

Kucera & Hüttner GmbH

Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Bernd Kucera
Wirtschaftsprüfer
(German Public Auditor)

Christine Schüller
Wirtschaftsprüfer
(German Public Auditor)

Audited financial statements of LBU Systemhaus AG for 2016

Electronic Copy

Courtesy Translation

**Financial Statements
for Fiscal Year 2016**

**LBU Systemhaus AG
Amtzell**

Courtesy Translation

Balance Sheet of LBU Systemhaus AG, Amtzell,

as of 31 December 2016

Assets

	31 Dec 2016 EUR	31 Dec 2015 EUR
A. Fixed assets		
I. Intangible assets		
1. Internally generated intangible rights and assets	59.077,40	103.274,61
2. Industrial rights and similar rights and assets acquired for a consideration	4.254,50	6.608,85
	<u>63.331,90</u>	<u>109.883,46</u>
II. Property, plant and equipment		
Other equipment, furniture and fixtures	34.074,91	29.431,04
III. Financial assets		
Equity investments	<u>53.515,22</u>	<u>42.595,22</u>
B. Current assets		
I. Inventories		
Merchandise	<u>29.878,13</u>	<u>20.509,13</u>
II. Receivables and other assets		
1. Trade receivables	218.792,04	402.800,12
2. Receivables from affiliates	21.810,52	0,00
3. Receivables from investors and investees	0,00	236.023,29
4. Other assets	423,40	27.048,27
	<u>241.025,96</u>	<u>665.871,68</u>
III. Cash and cash equivalents	<u>1.348.561,49</u>	<u>993.208,38</u>
C. Prepaid expenses	<u>261,30</u>	<u>0,00</u>
	<u>1.770.648,91</u>	<u>1.861.498,91</u>

Courtesy Translation

Equity and liabilities

	31 Dec 2016 EUR	31 Dec 2015 EUR
A. Equity		
I. Subscribed capital	401.000,00	401.000,00
II. Capital reserve	120.300,00	120.300,00
III. Revenue reserves		
Statutory reserve	6.259,98	6.259,98
IV. Profit carried forward (retained earnings)	251.554,58	21.468,10
	<u>779.114,56</u>	<u>549.028,08</u>
B. Provisions		
1. Tax provisions	50.465,20	4.180,00
2. Other provisions	250.471,29	381.155,42
	<u>300.936,49</u>	<u>385.335,42</u>
C. Liabilities		
1. Liabilities to banks	270.000,00	285.000,00
2. Trade payables	87.347,83	311.881,09
3. Liabilities to affiliates		
4. Liabilities to other investors and investees	0,00	359,76
5. Silent participation	250.000,00	250.000,00
6. Other liabilities	44.511,06	51.261,67
	<u>651.858,89</u>	<u>898.502,52</u>
D. Deferred income	<u>22.000,00</u>	<u>0,00</u>
E. Deferred tax liabilities	<u>16.379,21</u>	<u>28.632,89</u>
	<u>1.770.289,15</u>	<u>1.861.498,91</u>

Courtesy Translation

Income Statement of LBU Systemhaus AG, Amtzell, for the Fiscal Year from 1 January to 31 December 2016

	2 0 1 6 EUR	2 0 1 5 EUR
1. Revenue	3.527.029,19	4.076.799,72
2. Own work capitalized	0,00	62.230,78
3. Other operating income	214.201,57	105.649,87
	<u>3.741.230,76</u>	<u>4.244.680,37</u>
4. Cost of material		
a) Cost of raw materials, consumables and supplies and of purchased merchandise	106.003,77	445.723,46
b) Cost of purchased services	1.151.912,98	1.146.123,22
	<u>1.257.916,75</u>	<u>1.591.846,68</u>
5. Personnel expenses		
a) Wages and salaries	1.398.135,37	1.540.540,46
b) Social security, pensions and benefit costs	202.582,94	225.864,23
	<u>1.600.718,31</u>	<u>1.766.404,69</u>
6. Depreciation and amortization of intangible assets and property, plant and equipment	73.812,57	47.524,85
7. Other operating expenses	489.222,20	588.237,24
	<u>319.560,93</u>	<u>250.666,91</u>
8. Investment income	17.288,52	0,00
9. Other interest and similar income	7,16	27,37
10. Interest and similar expenses	12.016,36	15.253,50
11. Taxes on income of which due to a change in deferred taxes: EUR 12,253.68 (prior year: EUR -28,632.89)	78.503,77	32.788,96
	<u>-73.224,45</u>	<u>-48.015,09</u>
12. Expenses from (partial) profit and loss transfer agreements	16.250,00	21.875,00
13. Net profit for the year	<u>230.086,48</u>	<u>180.776,82</u>
14. Profit brought forward (prior year: loss) from the prior year	21.468,10	-159.308,72
15. Profit carried forward (retained earnings)	<u>251.554,58</u>	<u>21.468,10</u>

Courtesy Translation

Page 1

Notes to the Financial Statements of LBU Systemhaus AG, Amtzell, for Fiscal Year 2016

A. Accounting and Valuation Methods

The accounting policies used in the financial statements of LBU Systemhaus AG, Amtzell (District Court of Ulm, HRB 722271) are based on the provisions of the HGB ["Handelsgesetzbuch": German Commercial Code] and AktG ["Aktiengesetz": German Stock Corporation Act] for large corporations. Changes to the HGB provisions due to the BilRUG ["Bilanzrichtlinie-Umsetzungsgesetz": Act to Implement the European Accounting Directive] were adopted for the first time in the reporting year. The change mainly relates to the application of the amended classification for the income statement. Otherwise, the presentation, classification, recognition and measurement policies of the disclosures in the financial statements correspond to those applied in the prior year. The notes to the financial statements were partly compiled taking account of the relief provided by Sec. 288 (1) HGB.

The income statement has been prepared using the nature of expense method.

Internally generated intangible assets are measured at cost and subject to scheduled amortization if the development process has been completed. The cost of development expenses recognized as assets includes directly attributable costs of production plus the applicable share of overheads. Borrowing costs are not capitalized. They are amortized on a straight-line basis over the customary useful life once the production process has been completed.

Other **intangible assets**, which are acquired for a consideration, have been stated at acquisition cost less accumulated systematic amortization. Amortization is recorded using the straight-line method over the customary useful life of the assets.

Property, plant and equipment is capitalized at acquisition or production cost as required by the law and, if it has a limited life, is reduced by systematic depreciation.

Additions to moveable items of property, plant and equipment are depreciated using the straight-line method. Moveable low-value assets subject to wear and tear and with a historical cost of between EUR 150.00 and EUR 1,000.00 were collected in a catch-all item until the end of 2011 and depreciated over a period of five years using the straight-line method. Since 1 January 2010 moveable low-value assets with a cost of EUR 410.00 or less have been fully expensed in the year of acquisition. Their immediate disposal is assumed.

The **equity investments** shown under financial assets are accounted for at acquisition cost.

Merchandise presented under inventories is measured at acquisition cost.

Receivables and other assets are stated at their face value. All identifiable specific risks are taken into account in the valuation. A general doubtful debt allowance of 1.0% was established on trade receivables to cover the general risk of default.

Courtesy Translation

Page 2

Provisions take into account all foreseeable risks and liabilities of uncertain timing and amount and are valued at the settlement amount on the basis of prudent business judgment. Future price and cost increases are considered provided there are sufficient objective indicators for their inclusion.

To improve the informative value of the financial statements for users, the **classification** required by Sec. 265 (5) Sentence 2 HGB was extended to include a line item for the "silent participation" under **liabilities**. This reports the liabilities towards a silent partner. **Liabilities** are recorded at the settlement amount.

B. Notes to the Balance Sheet and Income Statement

I. Balance Sheet

1. Fixed assets

The separate analysis of fixed assets is an integral component of the notes to the financial statements.

2. Receivables and other assets

Receivables from affiliated companies contain trade receivables of EUR 4,522.00 (prior year: EUR 0.00).

Receivables from investors and investees reported in the prior year consist entirely of trade receivables.

All receivables are due within one year.

3. Cash and cash equivalents

This item contains cash in hand and bank deposits.

4. Subscribed capital

The capital stock consists of 401 registered shares with a nominal value of EUR 1,000.00 each.

Courtesy Translation

Page 3

5. Profit carried forward (retained earnings)

The retained earnings reported in the balance sheet contain a profit brought forward from the prior year of EUR 21,468.10. According to Sec. 268 (8) HGB there is a ban on distributing an amount equal to internally generated intangible assets less any deferred tax liabilities recognized on such assets, which comes to a total of EUR 42,698.19.

6. Liabilities

Liabilities to banks break down as follows:

	EUR
Due in less than 1 year	15.000,00
Due in 1 to 5 years	255.000,00
Due in more than 5 years	0,00
	<u>270.000,00</u>

Trade payables are subject to the customary clauses retaining title to the delivered items.

All **liabilities to affiliates** stem from trade transactions.

Liabilities to other investors and investees reported in the prior year consisted entirely of trade payables.

The **silent participation** has a residual term of more than one year. There is an option available to prolong the silent participation. Rights attached to the silent participation are subordinated to the rights of all other creditors. The silent partner receives a variable rate of return on his contribution after taking account of a fixed minimum interest rate.

Other liabilities contain tax liabilities of EUR 36,205.27 (prior year: EUR 51,261.67).

All other liabilities are due in up to one year.

II. Income Statement

1. Amendments to the presentation and classification due to BilRUG

The presentation and classification of the income statement were adjusted in the reporting year to meet the amendments to HGB introduced by BilRUG. Due to the changes to the rules on classification found in Sec. 275 HGB, the line item "Result of ordinary activities" (EUR 235,440.78) reported in the prior year is no longer included.

Courtesy Translation

Page 4

2. Income relating to other periods

Other operating income contains income relating to other periods of EUR 111,996.80. This consists primarily of income from the release of provisions.

3. Personnel expenses

Social security, pension and other benefit costs contain pension costs of EUR 15,506.07 (prior year: EUR 21,816.16).

4. Investment income

Income from investments originates entirely from affiliated companies.

C. Other Disclosures

1. Shareholdings

As of the balance sheet date, the Company held equity investments in the following companies as defined by Sec. 271 (1) HGB:

Name	Holding %	Currency	Equity *)	Net profit or loss *)
LBU Personal Complete GmbH, Amtzell	50,00	EUR k	97	25

2. Employees

The Company employed an average of 14 employees during the fiscal year (excluding the management board and trainees).

3. Other financial obligations

The Company has other financial obligations of EUR 97k associated with rental agreements.

*) financial statements as of 31 December 2016

Courtesy Translation

Page 5

4. Company boards

The members of the management board are:

Mr. Martin Krick (Finance/HR/Sales), Babenhausen
Mr. Martin Engelbrecht (Delivery), Lochau, Austria

The supervisory board is composed of the following members:

Mr. Harald Goetsch (Chairman of the Supervisory Board), Diplom Betriebswirt, Quickborn
Prof. Dr. Ruppelt (Deputy Chairman of the Supervisory Board), lawyer,
Oestrich-Winkel (since 22 April 2016)
Mr. Peter Zahn (Chairman until 21 April 2016), business consultant, Stuttgart
Dr. Markus Nachbaur (Deputy Chairman), Tettnang (until 21 April 2016)
Prof. Martin Beck, business consultant, Pliezhausen (until 21 April 2016)

5. Subsequent events

Since the end of the fiscal year on 31 December 2016 there have been no significant events requiring reporting.

D. Appropriation of Profits

The management board proposes to carry forward the unappropriated retained earnings of EUR 251,554.58.

Amtzell, 10 March 2017

LBU Systemhaus AG
Management Board

Martin Krick

Martin Engelbrecht

Courtesy Translation

Statement of Changes in Fixed Assets of LBU Systemhaus AG, Amtzell, for the Fiscal Year 2016

	Historical cost			
	1 Jan 2016 EUR	Additions EUR	Disposals EUR	31 Dec 2016 EUR
I. Intangible assets				
1. Internally generated rights and assets	132.591,64	0,00	0,00	132.591,64
2. Industrial rights and similar rights and assets acquired for a consideration	28.461,30	0,00	0,00	28.461,30
	<u>161.052,94</u>	<u>0,00</u>	<u>0,00</u>	<u>161.052,94</u>
II. Property, plant and equipment				
Other equipment, furniture and fixtures	130.986,11	32.221,21	27.045,72	136.161,60
III. Financial assets				
Equity investments	42.595,22	10.920,00	0,00	53.515,22
	<u>334.634,27</u>	<u>43.141,21</u>	<u>27.045,72</u>	<u>350.729,76</u>

Courtesy Translation

Accumulated depreciation and amortization				Book value	
1 Jan 2016 EUR	Additions EUR	Disposals EUR	31 Dec 2016 EUR	31 Dec 2016 EUR	31 Dec 2015 EUR
29.317,03	44.197,21	0,00	73.514,24	59.077,40	103.274,61
21.852,45	2.354,35	0,00	24.206,80	4.254,50	6.608,85
51.169,48	46.551,56	0,00	97.721,04	63.331,90	109.883,46
101.555,07	27.261,01	26.729,39	102.086,69	34.074,91	29.431,04
0,00	0,00	0,00	0,00	53.515,22	42.595,22
152.724,55	73.812,57	26.729,39	199.807,73	150.922,03	181.909,72

Courtesy Translation

The financial statements – comprising the balance sheet, the income statement and the notes to the financial statements – together with the bookkeeping system, and the management report of LBU Systemhaus AG, Amtzell, for the fiscal year from 1 January to 31 December 2016 were audited by Ebner Stolz GmbH & Co. KG, Stuttgart, on a voluntary basis. Consequently, the following audit opinion relates also to the management report, which the Company has prepared on a voluntary basis. However, the only elements of the financial reporting included in this courtesy translation are those of the financial statements and not the management report.

Audit Opinion

To **LBU Systemhaus AG, Amtzell**:

We have audited the annual financial statements – comprising the balance sheet, the income statement and the notes to the annual financial statements – together with the bookkeeping system and the management report of **LBU Systemhaus AG, Amtzell**, for the fiscal year from 1 January to 31 December 2016. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law and German stock corporation law as well as the supplementary provisions in the articles of incorporation and bylaws are the responsibility of the Company's legal representatives. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the financial statements in accordance with Sec. 317 HGB ["Handels-gesetzbuch": German Commercial Code] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements and violations materially affecting the presentation of the net assets, financial position and result of operations in the annual financial statements – taking into account German principles of proper accounting – and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the legal representatives, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

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In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and supplementary provisions of the articles of incorporation and give a true and fair view of the net assets, financial position and results of operations of the company in accordance with German principles of proper accounting. The management report is in agreement with the financial statements and presents a true and fair view of the situation of the Company and the opportunities and risks inherent in its future development.

Stuttgart, 10 March 2017

Ebner Stolz GmbH & Co. KG

Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft

Andreas Bouley
Vereidigter Buchprüfer
[Authorized Accountant]

Michael Rutz
Wirtschaftsprüfer
[German Public Auditor]

Unaudited financial information of LBU Personal Complete GmbH for 2016

electronic copy
courtesy translation

Financial Statements

LBU Personal Complete GmbH

Amtzell

2016

electronic copy

courtesy translation

**Balance Sheet of LBU Personal Complete GmbH, Amtzell,
as of 31 December 2016**

A s s e t s

	31 Dec 2016 EUR	31 Dec 2015 EUR
Current assets		
I. Receivables and other assets		
1. Trade receivables	80.741,56	10.605,87
2. Receivables from affiliated companies	359,76	0,00
3. Receivables from companies in which an equity investment is held	0,00	359,76
	<u>81.101,32</u>	<u>10.965,63</u>
II. Cash and cash equivalents	<u>104.439,15</u>	<u>82.479,10</u>
	<u>185.540,47</u>	<u>93.444,73</u>

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Equity and liabilities

	31 Dec 2016 EUR	31 Dec 2015 EUR
A. Equity		
I. Subscribed capital	25.000,00	25.000,00
II. Capital reserves	37.730,00	37.730,00
III. Profit brought forward (prior year: loss)	9.263,13	-2.657,45
IV. Net profit for the year	<u>25.313,92</u>	<u>11.920,58</u>
	<u>97.307,05</u>	<u>71.993,13</u>
B. Provisions		
1. Tax provisions	9.742,33	145,00
2. Other provisions	<u>2.450,00</u>	<u>2.150,00</u>
	<u>12.192,33</u>	<u>2.295,00</u>
C. Liabilities		
1. Trade payables	616,54	2.108,60
2. Liabilities to affiliated companies	72.554,44	0,00
3. Liabilities to companies in which an equity investment is held	0,00	16.445,94
4. Other liabilities	<u>2.870,11</u>	<u>602,06</u>
	<u>76.041,09</u>	<u>19.156,60</u>
	<u>185.540,47</u>	<u>93.444,73</u>

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Income Statement
of LBU Personal Complete GmbH, Amtzell,
for the Fiscal Year from 1 January to 31 December 2016

	2 0 1 6 EUR	2 0 1 5 EUR
1. Revenue	244.261,09	142.607,94
2. Other operating income	504,22	552,12
	<u>244.765,31</u>	<u>143.160,06</u>
3. Cost of materials		
a) Cost of consumables and supplies and of purchased merchandise	189,00	0,00
b) Cost of purchased services	206.278,60	128.154,78
	<u>206.467,60</u>	<u>128.154,78</u>
4. Other operating expenses	3.078,67	2.934,51
	<u>35.219,04</u>	<u>12.070,77</u>
5. Interest and similar expenses	307,79	151,84
6. Income taxes (prior year: refunded income taxes)	9.597,33	-1,65
7. Net profit for the year	<u><u>25.313,92</u></u>	<u><u>11.920,58</u></u>

**Notes to the Financial Statements of LBU Personal Complete GmbH, Amtzell,
for Fiscal Year 2016**

A. Accounting and Valuation Methods

The accounting policies applied in the financial statements of LBU Personal Complete GmbH, Amtzell (District Court of Ulm, HRB 730316), comply with the HGB ["Handelsgesetzbuch": German Commercial Code] and GmbHG ["GmbH-Gesetz": Law on limited liability companies] requirements for large corporations. Changes to the HGB provisions due to the BilRUG ["Bilanzrichtlinie-Umsetzungsgesetz": Act to Implement the European Accounting Directive] were adopted for the first time in the reporting year. The change mainly relates to the application of the amended classification for the income statement. The notes to the financial statements have been prepared in accordance with Sec. 288 (1) HGB. Otherwise, the presentation, classification, recognition and measurement policies of the disclosures in the financial statements correspond to those applied in the prior year.

The income statement has been prepared using the nature of expense method.

Receivables and other assets are stated at their face value. All identifiable specific risks are taken into account in the valuation.

Provisions take into account all foreseeable risks and contingent liabilities and are valued at the settlement amount on the basis of prudent business judgment. Future price and cost increases are considered provided there are sufficient objective indicators for their inclusion.

Liabilities are stated at the settlement amount and are due within one year.

B. Notes to the Balance Sheet and Income Statement

I. Balance Sheet

1. Receivables and Other Assets

All **receivables from affiliated companies** are receivables due from shareholders. In the prior year, the receivables from companies in which equity investments are held concerned shareholders.

All receivables are due within one year.

2. Cash and Cash Equivalents

This item contains a deposit held at a bank.

3. Liabilities

Liabilities to affiliated companies consist solely of liabilities due to shareholders. In the prior year, the liabilities from companies in which equity investments are held also consisted solely of liabilities due to shareholders.

II. Income Statement

1. Amendments to the Presentation and Classification due to BilRUG

The presentation and classification of the income statement were adjusted in the reporting year to meet the amendments to HGB introduced by BilRUG. Due to the changes to the rules on classification found in Sec. 275 HGB, the line item "Result of ordinary activities" (EUR 11,918.93) reported in the prior year is no longer included.

C. Other Disclosures

1. Corporate Bodies

The following have been appointed as managing directors:

Mr. Harald Goetsch, Quickborn, Chairman of the management board of IT2 Solutions AG,
Henstedt-Ulzburg
Mr. Martin Krick, Babenhausen, Member of the management board of LBU Systemhaus AG,
Amtzell

2. Employees

There were no employees in the fiscal year.

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Page 3

D. Appropriation of Profits and Losses

Pursuant to the resolution the shareholders of 25 November 2016, equity, excluding subscribed capital of EUR 25,000.00, is distributed to the shareholders in relation to their shareholdings upon ratification of the financial statements.

Amtzell, 28 February 2017

LBU Personal Complete GmbH
Management

Harald Goetsch

Martin Krick

Unaudited financial information of IT2 Solution Schweiz GmbH for 2016

Bilanz per 31.12.2016

Währung CHF

Nummer	Bezeichnung	Saldo	Saldo in %	Vorjahr	Vorjahr in %	Abweichung
1	ASSETS					
10	Currant assets					
1021	Commerzbank CH44 0883 6120 5574 0000 6	71'613.92	84.24	20'757.37	40.05	50'856.55
100	Total Cash and cash equivalents	71'613.92	84.24	20'757.37	40.05	50'856.55
1100	Receivables Switzerland	13'176.00	15.50	31'014.90	59.84	-17'838.90
1172	Ancillary acct. withh. tax materials & services	16.80	0.02	53.20	0.10	-36.40
1173	Ancillary acct. withh. tax investm. & operating expenses	-16.38	-0.02	4.37	0.01	-20.75
110	Total Receivables	13'176.42	15.50	31'072.47	59.95	-17'896.05
1300	Accrued income and deferred expenses	221.40	0.26	0.00	0.00	221.40
130	Total Accrued income and deferred expenses	221.40	0.26	0.00	0.00	221.40
10	Total Currant assets	85'011.74	100.00	51'829.84	100.00	33'181.90
1	Total ASSETS	85'011.74	100.00	51'829.84	100.00	33'181.90
2	LIABILITIES AND EQUITY					
20	Current liabilities					
2001	Cost of third party services due	-772.25	0.91	-2'179.52	4.21	-1'407.27
2003	Social security due	-775.00	0.91	0.00	0.00	775.00
2004	Other operating expenses due	-4'726.75	5.56	-3'746.54	7.23	980.21
2005	Value added tax due	-371.65	0.44	-99.10	0.19	272.55
200	Total Current trade accounts payable	-6'645.65	7.82	-6'025.16	11.62	620.49
2010	Due to AHV compensation fund	0.00	0.00	-748.00	1.44	-748.00
201	Total Social security liabilities	0.00	0.00	-748.00	1.44	-748.00
2150	Current account overdraft IT2 AG	0.00	0.00	-2'324.17	4.48	-2'324.17
210	Total Current financial liabilities	0.00	0.00	-2'324.17	4.48	-2'324.17

Bilanz per 31.12.2016

Währung CHF

Nummer	Bezeichnung	Saldo	Saldo in %	Vorjahr	Vorjahr in %	Abweichung
2201	VAT: ancillary acct. sales tax	-976.00	1.15	-2'297.40	4.43	-1'321.40
220	Total Other current liabilities	-976.00	1.15	-2'297.40	4.43	-1'321.40
2300	Accrued expenses and deferred income	-12'700.00	14.94	-5'900.00	11.38	6'800.00
230	Total Accrued expenses and deferred income/current provisions	-12'700.00	14.94	-5'900.00	11.38	6'800.00
20	Total Current liabilities	-20'321.65	23.90	-17'294.73	33.37	3'026.92
28	Equity					
2800	Share capital	-20'000.00	23.53	-20'000.00	38.59	0.00
2900	General statutory reserve	-1'000.00	1.18	0.00	0.00	1'000.00
280	Total Capital	-21'000.00	24.70	-20'000.00	38.59	1'000.00
2990	Profit or Loss carryforward	-13'535.11	15.92	17'435.16	-33.64	30'970.27
2991	Profit/loss for the year	-30'154.98	35.47	-31'970.27	61.68	-1'815.29
290	Total Reserves, balance sheet profit	-43'690.09	51.39	-14'535.11	28.04	29'154.98
28	Total Equity	-64'690.09	76.10	-34'535.11	66.63	30'154.98
2	Total LIABILITIES AND EQUITY	-85'011.74	100.00	-51'829.84	100.00	33'181.90
3	INCOME STATEMENT					
3	Operating income					
3200	Fee income Switzerland	104'725.05	100.00	105'968.75	100.00	-1'243.70
32	Total Trade income	104'725.05	100.00	105'968.75	100.00	-1'243.70
3	Total Operating income	104'725.05	100.00	105'968.75	100.00	-1'243.70
4	Cost of materials, goods and services					

Erfolgsrechnung 1.1.2016 - 31.12.2016

Währung CHF

Nummer	Bezeichnung	Saldo	Saldo in %	Vorjahr	Vorjahr in %	Abweichung
4400	Cost of third-party services	-49'597.48	-47.36	-52'361.34	-49.41	2'763.86
44	Total Cost of third-party services	-49'597.48	-47.36	-52'361.34	-49.41	2'763.86
4	Total Cost of materials, goods and services	-49'597.48	-47.36	-52'361.34	-49.41	2'763.86
4.9	gross profit 1	55'127.57	52.64	53'607.41	50.59	1'520.16
5	Personnel expenses					
5400	Salaries, services	-6'000.00	-5.73	-6'000.00	-5.66	0.00
54	Total Salaries, services	-6'000.00	-5.73	-6'000.00	-5.66	0.00
55	gross profit 2	49'127.57	46.91	47'607.41	44.93	1'520.16
5700	AHV, IV, EO, ALV, FAK	-401.45	-0.38	-373.00	-0.35	-28.45
57	Total Social security expenses	-401.45	-0.38	-373.00	-0.35	-28.45
5880	Other personnel expenses	31.45	0.03	30.00	0.03	1.45
58	Total Other personnel expenses	31.45	0.03	30.00	0.03	1.45
5	Total Personnel expenses	-6'370.00	-6.08	-6'343.00	-5.99	-27.00
5.9	gross profit 3	48'757.57	46.56	47'264.41	44.60	1'493.16
6	Other operating expenses					
6000	Office rental	-2'206.30	-2.11	-2'377.90	-2.24	171.60
60	Total Cost of premises	-2'206.30	-2.11	-2'377.90	-2.24	171.60
6200	Repairs	0.00	0.00	-148.15	-0.14	148.15
62	Total Vehicle and transport expenses	0.00	0.00	-148.15	-0.14	148.15
6513	Postage	-389.35	-0.37	-395.05	-0.37	5.70
6530	Accounting fees	-7'073.56	-6.75	-3'886.67	-3.67	-3'186.89
65	Total Administrative and IT costs	-7'462.91	-7.13	-4'281.72	-4.04	-3'181.19

Erfolgsrechnung 1.1.2016 - 31.12.2016

Währung CHF

Nummer	Bezeichnung	Saldo	Saldo in %	Vorjahr	Vorjahr in %	Abweichung
67.9	Operating profit expense	39'088.36	37.32	40'456.64	38.18	-1'368.28
6840	Charges for bank and post office accounts	-849.58	-0.81	-243.90	-0.23	-605.68
6850	Income from bank deposits	0.00	0.00	0.72	0.00	-0.72
68	Total Financial result	-849.58	-0.81	-243.18	-0.23	-606.40
68.9	operating profit 2	38'238.78	36.51	40'213.46	37.95	-1'974.68
6923	Depreciation vehicles	0.00	0.00	-4'295.19	-4.05	4'295.19
69	Total Depreciation and amortisation	0.00	0.00	-4'295.19	-4.05	4'295.19
69.9	operating profit 3	38'238.78	36.51	35'918.27	33.90	2'320.51
7.9	operating profit 4	38'238.78	36.51	35'918.27	33.90	2'320.51
8	Extraordinary and non-operating income, taxes					
88.9		38'238.78	36.51	35'918.27	33.90	2'320.51
8900	Cantonal and municipal taxes	-5'534.30	-5.28	-3'948.00	-3.73	-1'586.30
8901	Direct federal tax	-2'549.50	-2.43	0.00	0.00	-2'549.50
89	Total Tax expenses	-8'083.80	-7.72	-3'948.00	-3.73	-4'135.80
89.9		30'154.98	28.79	31'970.27	30.17	-1'815.29
9	Closing					
9000	Income statement	-30'154.98	-28.79	-31'970.27	-30.17	1'815.29
90	Total Income statement	-30'154.98	-28.79	-31'970.27	-30.17	1'815.29
9	Total Closing	-30'154.98	-28.79	-31'970.27	-30.17	1'815.29
3	Total INCOME STATEMENT	0.00	0.00	0.00	0.00	0.00

REGISTERED OFFICE AND ADVISER

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