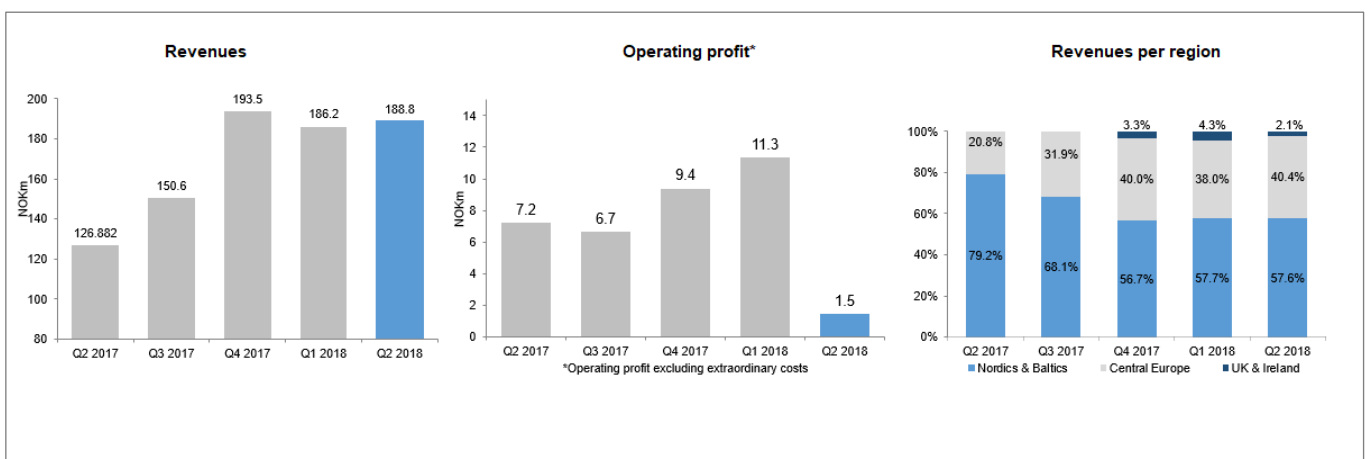




*Campus Leipzig – now flying the Zalaris flag*

## Interim Report • Q2 & H1 2018

- Revenues reached NOK 189 million for the quarter, representing a 48.8% increase compared to Q2/17, with organic growth approximately at 8%. Operating profits were unsatisfactory, but at an expected level, marked by post-merger integration and GDPR related activities.
- Rebranding and system integration completed. All acquired entities are now flying the Zalaris flag. Successful comprehensive onboarding of internal solutions supporting scalability of operations.
- Successful launch of first BPO customer in UK – Statkraft. Substantial business wins in Central Europe supporting future growth. Milestone contract with a leading German-based engineering and project management company to help optimise its HR processes by using the highly recognised SAP SuccessFactors solutions.
- Extended BPO agreement with SAP for another 5 years. Continuing a long-term and mutually beneficial partnership for business process outsourcing solutions.





*“With technical integration and rebranding of Zalaris completed, we are changing focus to realize synergies and scale Zalaris in our new markets”*

During the first six months of this year, we have completed the integration of the businesses that we acquired in 2017. We are now one Zalaris, reaching from the Alps and beyond the Arctic Circle, from Ireland in the west and into the Baltics, and with an important presence in India.

Operating revenues in the first half of 2018 were 61 per cent higher than in the corresponding period of 2017. Our team now counts 840 highly skilled employees, compared with around 500 at the end of June last year.

Operating profit was impacted by integration, business development and GDPR compliance activities.

### **Markets are responding well**

Whereas each individual market is developing in its own pace, interest for Zalaris-type services is increasing. Talent management is becoming increasingly important, and our customers continue to look for partners who can support them in building the next generation multi-process HR solution on common digital platforms across borders.

One example is Statkraft, a leading company in hydropower and Europe’s largest generator of renewable energy. Earlier this year we celebrated go-live for delivery of payroll and other transactional HR services for Statkraft in Norway. In Q2 we started our cloud platform based BPO operations in the UK with Statkraft as our first live customer.

In another recent example, we landed a milestone contract with a leading German-based engineering and project management company to help optimize its global HCM processes. We are now implementing SAP SuccessFactors as the new cloud based HCM solution for this client. This is a relevant example of how Zalaris is utilizing its newly acquired advisory capacity in combination with group wide capability to expand into new customer relationships.

### **Integration completed**

All acquired entities are now facing the market with one common identity under the Zalaris brand.

Less visible but equally important, we have completed a comprehensive technical onboarding of the new Zalaris entities. Our common solution for human capital management (HCM), accounting and IT enables us to operate as one integrated company. This is a scalable backbone for delivering on our financial performance and operational synergy ambitions.

### **Renewal of SAP BPO partnership**

Our business process outsourcing (BPO) partnership with SAP has been an important part of our market success to date. In June we prolonged our existing agreement for another five years. This gives us predictive pricing and flexibility to continue service existing and new customers with our SAP powered cloud solutions.

### **GDPR – we are ready**

Preparing for GDPR has been an ongoing process for more than 18 months. This effort peaked in Q2 involving external support in verifying internal and customer facing processes.

In the quarter, we also migrated to a new IT infrastructure that simplifies securing GDPR compliance, modified agreements and processes with customers and trained our colleagues to be in line with the new requirements.

### **Priorities**

With the integration of new businesses completed, we will now direct our focus on leveraging the capabilities of our scalable platform and combined organization to drive margin improvement and growth.

**Hans-Petter Mellerud, CEO**

## Financial Review

(Figures in brackets = same period or balance date last year, unless otherwise specified)

|  | 2018    | 2017*   | 2018    | 2017*   | 2017*    |
|--|---------|---------|---------|---------|----------|
| All figures in NOK 1 000                   | Apr-Jun | Apr-Jun | Jan-Jun | Jan-Jun | Jan-Dec  |
| Revenue                                    | 188,840 | 126,883 | 375,006 | 233,272 | 577,338  |
| Growth (y-o-y)                             | 48.8 %  | 33.2 %  | -2.3 %  | 20.4 %  | 54.0 %   |
| Operating profit before other costs        | 1,452   | 7,225   | 12,791  | 17,971  | 33,992   |
| Operating profit margin before other costs | 0.8 %   | 5.7 %   | 3.4 %   | 7.7 %   | 5.9 %    |
| EBITDA before other costs                  | 17,124  | 20,552  | 44,294  | 41,714  | 89,090   |
| EBITDA margin before other costs           | 9.1 %   | 16.2 %  | 11.8 %  | 17.9 %  | 15.4 %   |
| Ordinary Profit before tax                 | 910     | (5,768) | 13,622  | 1,224   | (9,526)  |
| Profit for the period                      | (1,118) | (4,573) | 10,259  | 838     | (12,187) |
| Earnings per share                         | (0.06)  | (0.23)  | 0.51    | 0.04    | (0.61)   |
| Net cash from operating activities         | 590     | 31,108  | 560     | 32,301  | 52,644   |
| Headcount end of the period                | 840     | 690     | 840     | 690     | 829      |

\*Financial numbers for sumarum AG and ROC Global Solution Consulting Ltd. are consolidated from May and October 2017 respectively.

### Group Revenues

In Q2/18 group total revenues amounted to NOK 188.8 million (NOK 126.9 million), representing a 48.8% growth compared to the corresponding quarter previous year. Growth rates were driven by the ROC and sumarum acquisitions.

Organic growth was 8% during the same period, positively affected by timing of project revenues. ISO certification, GDPR implementation, and integration projects was prioritised over shorter billable engagements. Substantial consulting capacity was also in the second quarter engaged with customer transformation projects.

The number of employees and group full time equivalent at the end of the quarter were 840 and 790 respectively.

#### Central Europe

Revenues in the second quarter amounted to NOK 76 million compared to NOK 26 million in Q2/17. Year over year growth is primarily attributable to previous year's acquisitions.

Consulting capacity in the region was utilized in customer implementation projects, internal system integration projects and business development activities, including participation in the SAP Success connect trade fair in Germany. Strong business wins in the second quarter support the region's future growth ambitions.

#### UK & Ireland

Consulting capacity engaged in projects in other regions have contributed to a temporary decline in external revenues compared to this year's first

quarter. Investment in business development activities have ensured a promising pipeline of potential contracts in the region. Statkraft launched as UK's first BPO customer during the period. Revenues amounted to NOK 4 million for the period (NOK 0 million).

#### Nordics & Baltics

Q2/18 revenues increased with 8.1% to NOK 109 million compared with Q2/17. The growth was positively affected by timing of project revenues in current quarter. The underlying growth amounted to 4.0% and was driven by the HR outsourcing segment. The consulting business was in line with previous year, while cloud business was down due to reduction in project revenues. Recurring cloud revenues showed a steady growth over the same period.

### Group Profits

Group operating profit (EBIT) for Q2/18 was NOK 1.5 million, representing a 0.8% margin (NOK -3.6 million and -2.8%). Profit margin for the quarter was marked by post-merger integration activities, and other internal projects, including ISO certification and GDPR implementation, carrying extra-ordinary costs. Integration costs are estimated to NOK 3.5 million in Q1/18 and Q2/18, implying NOK 7.0 million cost in total.

There were no significant currency effects on the operating margin in Q2/18. Net financial costs for the quarter was NOK 0.5 million, including an unrealized foreign currency profit of NOK 3.3 million related to debt nominated in euro. Tax expense in the period was NOK 2 million and net loss for the period was NOK 1.1 million.



## Segment information

### Revenues

Q2/18 revenues in the **HR outsourcing segment** amounted to NOK 109.5 million, an increase of 19.5% compared with the same quarter previous year. The growth is mainly attributable to acquired business in Central Europe and timing of project revenues. Underlying organic growth amounted to 4.0% and was driven by BPO launches in previous quarters taking full effect, as well as an increase in change order activity for existing BPO customers.

The **Cloud services segment's** revenues in Q2/18 amounted to NOK 25.6 million (18.9 million). The year over year growth is mainly related to the acquisition of sumarum and ROC in 2017. Recurring cloud revenues increased while variable cloud revenues decreased because of consulting resources being utilized in HR outsourcing projects.

Revenues in the **Consulting segment** grew by NOK 37.4 million to NOK 53.8 million in Q2/18 due to last year's acquisitions. Consulting capacity was in the second quarter also engaged with customer implementation projects, internal system integration project, business development, and other internal projects, including GDPR implementation.

### Profits

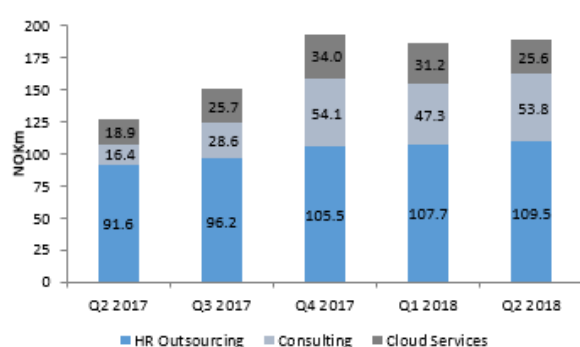
All business segments have been impacted by the extra-ordinary post-merger integration activities in the quarter.

Operating profit for the **HR Outsourcing segment** in Q2/18 amounted to NOK 15.3 million or 13.9% (NOK 11.7 million or 12.7%). The underlying business showed a positive margin development compared to same quarter previous year mainly driven by the increased level of variable billing with strong profit. Recognition of project revenues also contributed to the positive development.

The **Cloud business segment** had an operating profit of NOK 2.0 million in Q2/18 compared to NOK 0.3 million in the same quarter last year. The positive development reflects the increase in revenues.

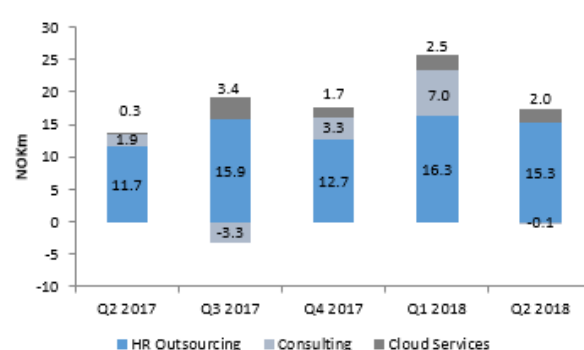
The **Consulting business segment** had an operating loss of NOK 0.1 (profit of NOK 1.9 million) in the second quarter. The loss is mainly due to change in accounting estimates affecting profit allocation between first and second quarter in 2018.

**Revenues per segment**



**Operating profit per segment \***

\* Excluding Group overhead



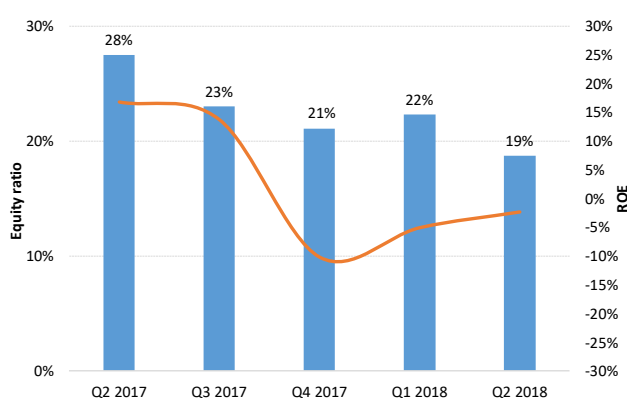
## Financial position

As of 30 June, total assets amounted to NOK 564.2 million and total equity was NOK 105.6 million. This equals an equity ratio of 18.7% (27.5%).

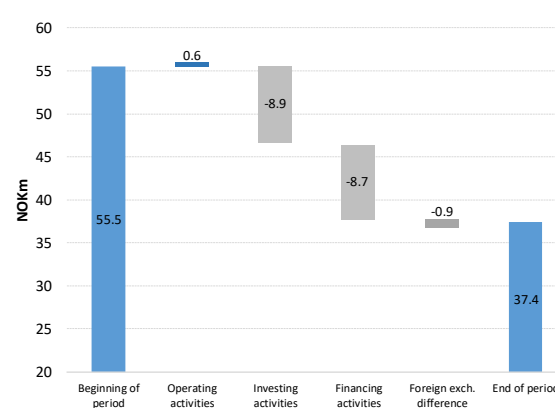
Dividend distribution, net loss, negative currency translation effects, and debt-financed acquisition, including related costs, explains the decrease in the equity ratio. As of 30 June interest bearing debt, including overdraft, amounted to NOK 294.6 million (NOK 169.3 million).

Group cash and cash equivalents were NOK 37.4 million as of the end of Q2/18. Cash generated from operating activities amounted to NOK 0.6 million. Investment activities relates to internal development of new and improved system solutions. Cash flow from financing activities reflects repayment of borrowings (NOK 14.7 millions) and dividend payments (NOK 13.0 million), partly offset by increased utilization of bank overdraft (NOK 18.7 million).

Equity ratio and return on equity (ROE)



Cash development, Q1/18 to Q2/18



## Outlook

Zalaris has entered a new phase as the company has integrated the recent acquisitions of sumarum AG and the ROC Group. These companies complement Zalaris' core competencies in HR and human capital management and will enable expansion into key markets across Northern Europe.

Integration and rebranding efforts in H1/18 aim to secure a scalable organization operating with common processes and systems, ready for realizing further organic and non-organic growth. One key priority going forward is to take full advantage of investments made in new systems, structures and geographical reach. The integration efforts enable synergy realization and margin improvement.

The pipeline of opportunities remains strong and management is optimistic about growth prospects in current and new markets, including Germany, UK and

Ireland. Strategic wins in Central Europe boost expectations for high activity levels going forward.

Zalaris seek to further capitalize as current industry trends gain more momentum. Cloud solutions and mobile innovations are among key focus areas for the company's offerings. Furthermore, new requirements associated with the General Data Protection Regulation (GDPR) contribute to a positive outlook because Zalaris' services, best practices and processes help enterprises achieve and maintain compliance.

Zalaris continues to serve customers across an increasingly diverse range of industries and geographies. Customers have transformation at the top of their minds as they seek to advance in the data-driven culture of the future.

Oslo, 15 August 2018  
The Board of Directors of Zalaris ASA



Lars Laier Henriksen  
(chairman)



Jon Erik Haug



Liselotte Hægert Engstam



Adele Norman Pran



Jan M. Koivurinta

*This interim report was not reviewed by  
The Company's auditors*

## Interim consolidated condensed financial statements

### Consolidated Statement of Profit and Loss

| (NOK 1000)                              | Notes | 2018                        | 2017                        | 2018                        | 2017                        | 2017            |
|---|-------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------|
|   |       | Apr-Jun<br><i>unaudited</i> | Apr-Jun<br><i>unaudited</i> | Jan-Jun<br><i>unaudited</i> | Jan-Jun<br><i>unaudited</i> | Jan-Dec         |
| <b>Revenue</b>                          | 2     | <b>188,840</b>              | <b>126,883</b>              | <b>375,006</b>              | <b>233,272</b>              | <b>577,338</b>  |
| <b>Operating expenses</b>               |       |                             |                             |                             |                             |                 |
| License costs                           |       | 13,556                      | 9,808                       | 28,237                      | 16,983                      | 48,002          |
| Personell expenses                      | 3     | 113,070                     | 69,184                      | 213,488                     | 125,797                     | 308,935         |
| Other operating expenses                |       | 45,089                      | 27,339                      | 88,987                      | 48,778                      | 131,311         |
| Depreciations                           |       | 882                         | 1,483                       | 1,770                       | 1,947                       | 2,217           |
| Amortisation intangible assets          | 4     | 5,866                       | 2,560                       | 11,681                      | 4,937                       | 14,963          |
| Amortisation implementation costs       | 5     | 8,925                       | 9,284                       | 18,052                      | 16,859                      | 37,918          |
| Other costs                             |       | -                           | 10,809                      | -                           | 13,876                      | 23,398          |
| <b>Total operating expenses</b>         |       | <b>187,388</b>              | <b>130,466</b>              | <b>362,216</b>              | <b>229,177</b>              | <b>566,744</b>  |
| <b>Operating profit</b>                 |       | <b>1,452</b>                | <b>(3,584)</b>              | <b>12,791</b>               | <b>4,095</b>                | <b>10,593</b>   |
| <b>Financial items</b>                  |       |                             |                             |                             |                             |                 |
| Financial income                        |       | 377                         | 383                         | 758                         | 1,132                       | 1,498           |
| Financial expense                       |       | (4,316)                     | (2,567)                     | (7,539)                     | (4,003)                     | (9,560)         |
| Unrealized foreign currency profit/loss | 7     | 3,397                       | -                           | 7,612                       | -                           | (12,057)        |
| <b>Net financial items</b>              |       | <b>(542)</b>                | <b>(2,185)</b>              | <b>831</b>                  | <b>(2,871)</b>              | <b>(20,120)</b> |
| <b>Ordinary profit before tax</b>       |       | <b>910</b>                  | <b>(5,768)</b>              | <b>13,622</b>               | <b>1,224</b>                | <b>(9,526)</b>  |
| <b>Income tax expense</b>               |       |                             |                             |                             |                             |                 |
| Tax expense on ordinary profit          |       | 2,027                       | (1,196)                     | 3,363                       | 386                         | 2,661           |
| <b>Total tax expense</b>                |       | <b>2,027</b>                | <b>(1,196)</b>              | <b>3,363</b>                | <b>386</b>                  | <b>2,661</b>    |
| <b>Profit for the period</b>            |       | <b>(1,118)</b>              | <b>(4,573)</b>              | <b>10,259</b>               | <b>838</b>                  | <b>(12,187)</b> |
| <b>Profit attributable to:</b>          |       |                             |                             |                             |                             |                 |
| - Owners of the parent                  |       | (1,118)                     | (4,573)                     | 10,259                      | 838                         | (12,187)        |
| - Non-controlling interests             |       | -                           | -                           | -                           | -                           | -               |
| <b>Earnings per share:</b>              |       |                             |                             |                             |                             |                 |
| Basic earnings per share (NOK)          |       | (0.06)                      | (0.23)                      | 0.51                        | 0.04                        | (0.61)          |

## Consolidated Statement of Comprehensive Income

| (NOK 1000)   | Notes | 2018                        | 2017                        | 2018                        | 2017                        | 2017            |
|--|-------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------|
|  |       | Apr-Jun<br><i>unaudited</i> | Apr-Jun<br><i>unaudited</i> | Jan-Jun<br><i>unaudited</i> | Jan-Jun<br><i>unaudited</i> | Jan-Dec         |
| <b>Profit for the period</b>                       |       | <b>(1,118)</b>              | <b>(4,573)</b>              | <b>10,259</b>               | <b>838</b>                  | <b>(12,187)</b> |
| <b>Other comprehensive income</b>                  |       |                             |                             |                             |                             |                 |
| Currency translation differences                   |       | (5,727)                     | 6,205                       | (11,712)                    | 6,895                       | 14,003          |
| <b>Total other comprehensive income</b>            |       | <b>(5,727)</b>              | <b>6,205</b>                | <b>(11,712)</b>             | <b>6,895</b>                | <b>14,003</b>   |
| <b>Total comprehensive income</b>                  |       | <b>(6,845)</b>              | <b>1,633</b>                | <b>(1,453)</b>              | <b>7,733</b>                | <b>1,815</b>    |
| <b>Total comprehensive income attributable to:</b> |       |                             |                             |                             |                             |                 |
| - Owners of the parent                             |       | (6,845)                     | 1,633                       | -1,453                      | 7,733                       | 1,815           |
| - Non-controlling interests                        |       | -                           | -                           | -                           | -                           | -               |



## Consolidated Statement of Financial Position

| (NOK 1000)                      | Notes | 2018             | 2017             | 2017           |
|---------------------------------|-------|------------------|------------------|----------------|
|                                 |       | 30 Jun           | 30 Jun           | 31 Dec         |
|                                 |       | <i>unaudited</i> | <i>unaudited</i> |                |
| <b>ASSETS</b>                   |       |                  |                  |                |
| <b>Non-current assets</b>       |       |                  |                  |                |
| <b>Intangible assets</b>        |       |                  |                  |                |
| Other intangible assets         | 4     | 147,024          | 114,300          | 145,747        |
| Goodwill                        | 4     | 146,259          | 104,986          | 151,075        |
| <b>Total intangible assets</b>  |       | <b>293,284</b>   | <b>219,286</b>   | <b>296,822</b> |
| <b>Deferred tax asset</b>       |       | <b>803</b>       | <b>3,541</b>     | <b>848</b>     |
| <b>Fixed assets</b>             |       |                  |                  |                |
| Office equipment                |       | 1,614            | 1,538            | 1,546          |
| Property, plant and equipment   |       | 32,769           | 25,039           | 34,926         |
| <b>Total fixed assets</b>       |       | <b>34,383</b>    | <b>26,577</b>    | <b>36,472</b>  |
| <b>Total non-current assets</b> |       | <b>328,469</b>   | <b>249,403</b>   | <b>334,143</b> |
| <b>Current assets</b>           |       |                  |                  |                |
| Trade accounts receivable       |       | 156,906          | 103,008          | 157,493        |
| Customer projects               | 5     | 30,606           | 23,134           | 21,798         |
| Other short-term receivables    |       | 10,814           | 8,838            | 16,290         |
| Cash and cash equivalents       |       | 37,445           | 46,430           | 62,792         |
| <b>Total current assets</b>     |       | <b>235,770</b>   | <b>181,409</b>   | <b>258,372</b> |
| <b>TOTAL ASSETS</b>             |       | <b>564,240</b>   | <b>430,813</b>   | <b>592,515</b> |

## Consolidated Statement of Financial Position

| (NOK 1000)   | Notes | 2018             | 2017             | 2017           |
|--|-------|------------------|------------------|----------------|
|  |       | 30 Jun           | 30 Jun           | 31 Dec         |
|  |       | <i>unaudited</i> | <i>unaudited</i> |                |
| <b>EQUITY AND LIABILITIES</b>                              |       |                  |                  |                |
| <b>Equity</b>  |       |                  |                  |                |
| <b>Paid-in capital</b>                                     |       |                  |                  |                |
| Share capital  |       | 2,012            | 1,984            | 2,012          |
| Own shares - nominal value                                 |       | (6)              | (6)              | (6)            |
| Other paid in equity                                       |       | 1,589            | 740              | 1,116          |
| Share premium  |       | 45,198           | 46,312           | 58,217         |
| <b>Total paid-in capital</b>                               |       | <b>48,793</b>    | <b>49,030</b>    | <b>61,339</b>  |
| Other equity   |       | (2,038)          | (4,039)          | (2,114)        |
| Retained earnings  |       | 58,884           | 68,987           | 60,461         |
| <b>Equity attributable to equity holders of the parent</b> |       | <b>105,640</b>   | <b>113,979</b>   | <b>119,686</b> |
| Non-controlling interests                                  |       | -                | 4,707            | -              |
| <b>Total equity</b>  |       | <b>105,640</b>   | <b>118,685</b>   | <b>119,686</b> |
| <b>Non-current liabilities</b>                             |       |                  |                  |                |
| Deferred tax   |       | 29,983           | 24,013           | 29,482         |
| Interest-bearing loans and borrowings                      | 7     | 199,414          | 161,764          | 220,225        |
| <b>Total long-term debt</b>                                |       | <b>229,397</b>   | <b>185,777</b>   | <b>249,707</b> |
| <b>Current liabilities</b>                                 |       |                  |                  |                |
| Trade accounts payable                                     |       | 13,312           | 23,310           | 24,211         |
| Bank overdraft   |       | 42,557           | -                | 25,135         |
| Interest-bearing loan from shareholders                    |       | 7,535            | 7,560            | 7,775          |
| Interest-bearing loans                                     |       | 45,141           | -                | 41,782         |
| Income tax payable   |       | 3,266            | 6,473            | 4,773          |
| Public duties payable                                      |       | 32,717           | 27,814           | 36,418         |
| Other short-term debt                                      |       | 84,029           | 61,193           | 82,773         |
| Derivatives  |       | 646              | -                | 255            |
| <b>Total short-term debt</b>                               |       | <b>229,203</b>   | <b>126,351</b>   | <b>223,123</b> |
| <b>Total liabilities</b>                                   |       | <b>458,600</b>   | <b>312,128</b>   | <b>472,829</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                        |       | <b>564,240</b>   | <b>430,813</b>   | <b>592,515</b> |

## Consolidated Statement of Cash Flow

| (NOK 1000)  | Notes | 2018             | 2017             | 2018             | 2017             | 2017             |
|---|-------|------------------|------------------|------------------|------------------|------------------|
|   |       | Apr-Jun          | Apr-Jun          | Jan-Jun          | Jan-Jun          | Jan-Dec          |
| <b>Cash Flow from operating activities</b>                      |       | <i>unaudited</i> | <i>unaudited</i> | <i>unaudited</i> | <i>unaudited</i> |                  |
| <b>Profit before tax</b>  |       | <b>910</b>       | <b>(5,768)</b>   | <b>13,622</b>    | <b>1,224</b>     | <b>(9,526)</b>   |
| Financial income  |       | (3,774)          | (261)            | (8,370)          | (803)            | (1,169)          |
| Financial costs   |       | 3,361            | 529              | 5,549            | 1,445            | 18,546           |
| Depreciations and impairments                                   |       | 882              | 640              | 1,770            | 1,104            | 2,217            |
| Amortisation intangible assets                                  |       | 5,866            | 3,435            | 11,681           | 5,812            | 14,963           |
| Amortisation implementation costs customer projects             |       | 8,925            | 9,284            | 18,052           | 16,859           | 37,918           |
| Customer projects   |       | (16,213)         | (10,117)         | (26,860)         | (16,881)         | (36,603)         |
| Taxes paid  |       | (3,606)          | 719              | (4,825)          | (428)            | (1,711)          |
| Changes in accounts receivable and accounts payable             |       | (5,228)          | (20,988)         | (10,312)         | (19,602)         | (73,188)         |
| Changes in other short term debt and disposals                  |       | 11,462           | 54,091           | 4,191            | 40,365           | 106,222          |
| Interest received   |       | 38               | 28               | 72               | 36               | 129              |
| Interest paid   |       | (2,031)          | (483)            | (4,010)          | (868)            | (5,155)          |
| <b>Net cash flow from operating activities</b>                  |       | <b>590</b>       | <b>31,108</b>    | <b>560</b>       | <b>28,262</b>    | <b>52,644</b>    |
| <b>Cash flows from investing activities</b>                     |       |                  |                  |                  |                  |                  |
| Purchase of fixed and intangible assets                         |       | (8,947)          | (98,396)         | (16,510)         | (103,095)        | (24,755)         |
| Purchase of goodwill  |       | -                | (104,986)        | -                | (104,986)        | (276,748)        |
| <b>Net cash flow from investing activities</b>                  |       | <b>(8,947)</b>   | <b>(203,382)</b> | <b>(16,510)</b>  | <b>(208,081)</b> | <b>(301,503)</b> |
| <b>Cash flows from financing activities</b>                     |       |                  |                  |                  |                  |                  |
| Changes minorities  |       | -                | 4,707            | -                | 4,707            | -                |
| Stock purchase program  |       | 240              | 275              | 492              | 618              | 992              |
| Issuance of new shares  |       | -                | 25,893           | -                | 25,893           | 35,713           |
| Transaction costs related to issuance of new shares             |       | -                | -                | -                | -                | (3,411)          |
| Bank overdraft  |       | 18,790           | -                | 17,422           | -                | 25,135           |
| Proceeds from issue of new borrowings                           |       | (59)             | 168,250          | 1,238            | 168,250          | 258,327          |
| Repayments of borrowings  |       | (14,668)         | (294)            | (14,677)         | (362)            | (31,507)         |
| Dividend payments   |       | (13,020)         | (16,557)         | (13,020)         | (16,557)         | (16,557)         |
| <b>Net cash flow from financing activities</b>                  |       | <b>(8,717)</b>   | <b>182,273</b>   | <b>(8,545)</b>   | <b>182,548</b>   | <b>268,692</b>   |
| <b>Net changes in cash and cash equivalents</b>                 |       | <b>(17,074)</b>  | <b>9,999</b>     | <b>(24,494)</b>  | <b>2,730</b>     | <b>19,834</b>    |
| <b>Net foreign exchange difference</b>                          |       | <b>(991)</b>     | <b>187</b>       | <b>(853)</b>     | <b>191</b>       | <b>(550)</b>     |
| <b>Cash and cash equivalents at the beginning of the period</b> |       | <b>55,510</b>    | <b>36,244</b>    | <b>62,793</b>    | <b>43,509</b>    | <b>43,509</b>    |
| <b>Cash and cash equivalents at the end of the period</b>       |       | <b>37,445</b>    | <b>46,430</b>    | <b>37,445</b>    | <b>46,430</b>    | <b>62,792</b>    |
| Unused credit facilities  |       | 6,058            | 15,000           | 6,058            | 15,000           | 24,439           |

## Consolidated Statement of Changes in Equity

| (in NOK 1000)                                    | Share capital | Own shares | Share premium | Other paid in equity | Total paid-in equity | Cumul. translation differences | Other equity  | Non-controlling interests | Total equity   |
|--|---------------|------------|---------------|----------------------|----------------------|--------------------------------|---------------|---------------------------|----------------|
| <b>Equity at 01.01.2018</b>                      | <b>2,012</b>  | <b>(6)</b> | <b>58,217</b> | <b>1,116</b>         | <b>61,339</b>        | <b>10,770</b>                  | <b>47,576</b> | <b>-</b>                  | <b>119,686</b> |
| Profit of the period                             |               |            |               |                      | -                    |                                | 10,259        |                           | 10,259         |
| Other comprehensive income                       |               |            |               | (19)                 | (19)                 | (11,694)                       |               |                           | (11,712)       |
| Share based payments                             |               |            |               | 492                  | 492                  |                                |               |                           | 492            |
| Issue of Share Capital                           |               |            |               |                      | -                    |                                |               |                           | -              |
| Transaction costs related to issue of new shares |               |            |               |                      | -                    |                                |               |                           | -              |
| Other changes                                    |               |            |               |                      | -                    |                                | (66)          |                           | (66)           |
| Dividend   |               |            | (13,020)      |                      | (13,020)             |                                |               |                           | (13,020)       |
| <b>Equity at 30.06.2018</b>                      | <b>2,012</b>  | <b>(6)</b> | <b>45,198</b> | <b>1,589</b>         | <b>48,793</b>        | <b>(923)</b>                   | <b>57,770</b> | <b>-</b>                  | <b>105,640</b> |
| <i>unaudited</i>                                 |               |            |               |                      |                      |                                |               |                           |                |
| <b>Equity at 01.01.2017</b>                      | <b>1,912</b>  | <b>(6)</b> | <b>37,048</b> | <b>122</b>           | <b>39,076</b>        | <b>(2,662)</b>                 | <b>64,209</b> | <b>-</b>                  | <b>100,624</b> |
| Profit of the period                             |               |            |               |                      | -                    |                                | 838           |                           | 838            |
| Other comprehensive income                       |               |            |               |                      | -                    | 6,895                          | -             |                           | 6,895          |
| Share based payments                             |               |            |               | 618                  | 618                  |                                |               |                           | 618            |
| Issue of Share Capital                           | 72            |            | 25,821        |                      | 25,893               |                                | (3,958)       | 4,707                     | 26,642         |
| Transaction costs related to issue of new shares |               |            |               |                      | -                    |                                |               |                           | -              |
| Other changes                                    |               |            |               |                      | -                    | 36                             | (411)         |                           | (375)          |
| Dividend   |               |            | (16,557)      |                      | (16,557)             |                                |               |                           | (16,557)       |
| <b>Equity at 30.06.2017</b>                      | <b>1,984</b>  | <b>(6)</b> | <b>46,312</b> | <b>740</b>           | <b>49,030</b>        | <b>4,269</b>                   | <b>60,678</b> | <b>4,707</b>              | <b>118,685</b> |
| <i>unaudited</i>                                 |               |            |               |                      |                      |                                |               |                           |                |
| <b>Equity at 01.01.2017</b>                      | <b>1,912</b>  | <b>(6)</b> | <b>37,048</b> | <b>122</b>           | <b>39,076</b>        | <b>(2,661)</b>                 | <b>64,209</b> | <b>-</b>                  | <b>100,624</b> |
| Profit of the period                             |               |            |               |                      | -                    |                                | (12,187)      |                           | (12,187)       |
| Other comprehensive income                       |               |            |               | 2                    | 2                    | 14,001                         |               |                           | 14,003         |
| Share based payments                             |               |            |               | 992                  | 992                  |                                |               |                           | 992            |
| Issue of Share Capital                           | 100           |            | 37,727        |                      | 37,827               |                                | (2,114)       |                           | 35,713         |
| Transaction costs related to issue of new shares |               |            |               |                      | -                    |                                | (3,411)       |                           | (3,411)        |
| Other changes                                    |               |            |               |                      | -                    | (570)                          | 1,080         |                           | 510            |
| Dividend   |               |            | (16,557)      |                      | (16,557)             |                                |               |                           | (16,557)       |
| <b>Equity at 31.12.2017</b>                      | <b>2,012</b>  | <b>(6)</b> | <b>58,217</b> | <b>1,116</b>         | <b>61,339</b>        | <b>10,770</b>                  | <b>47,576</b> | <b>-</b>                  | <b>119,686</b> |

## Notes to the interim consolidated condensed financial statements

### Note 1 – General Information and basis for preparation

#### General information

Zalaris ASA is a public limited company incorporated in Norway. The Group's main office is located in Hovfaret 4, Oslo, Norway. The Group delivers full-service outsourced personnel and payroll services.

Zalaris' interim financial statements for the second quarter of 2018 were authorized for issue by the board of directors on 15<sup>th</sup> August 2018.

#### Basis for preparation

These interim consolidated condensed financial statements are prepared in accordance with International Accounting Standard 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU). The condensed interim financial statements do not include all of the information and disclosures required by International Financial Reporting Standards (IFRS) for a complete set of financial statements, and these condensed interim financial statements should be read in conjunction with the annual financial statements. The interim condensed consolidated financial statements for the nine months ended 30 September, have not been audited or reviewed by the auditors.

A description of the significant accounting policies is included in Zalaris' annual financial statements for 2017 and applies to these interim consolidated condensed financial statements. New and amended standards applicable for the period starting 1 January 2018 did not have any effect for the Company.

#### Going concern

With reference to the Norwegian Accounting Act § 3-3, the Board confirms its belief that conditions exist for continuing operations and that these interim consolidated condensed financial statements have been prepared in accordance with the going concern principle.

### Note 2 – Segment Information

The Company has three operating segments, which are Outsourcing, Cloud Services and Consulting Outsourcing, offering a full range of payroll and HR outsourcing services, including payroll processing, time and attendance and travel expenses. Consulting delivers turnkey projects based on Zalaris templates or implementation of customer-specific functionality. They also assist customers with cost-effective maintenance and support of customers' own on-premise solutions. 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.

Information is organized by business area and geography. The reporting format is based on the Group's management and internal reporting structure. Items that are not allocated are mainly intercompany sales, interest-bearing loans and other associated expenses and assets related to administration of the Group. The Group's key management is the chief decision maker in the Group. The investing activities comprise total expenses in the period for the acquisition of assets that have an expected useful life of more than one year.



**2018 Jan-June**

| <b>(NOK 1.000)</b>                         | <b>HR<br/>Outsourcing</b> | <b>Cloud-<br/>services</b> | <b>Consulting</b> | <b>Gr.Ovhd &amp;<br/>Unallocated</b> | <b>Total</b>     |
|--|---------------------------|----------------------------|-------------------|--------------------------------------|------------------|
| Other operating income, exte               | 217 113                   | 56 832                     | 101 061           | -                                    | <b>375 006</b>   |
| Other operating expenses                   | (166 287)                 | (48 294)                   | (91 992)          | (24 140)                             | <b>(330 712)</b> |
| Depreciation and amortisator               | (19 206)                  | (4 062)                    | (2 100)           | (6 135)                              | <b>(31 503)</b>  |
| Transaction related costs                  |                           |                            |                   |                                      | -                |
| <b>Operating profit/(loss)</b>             | <b>31 620</b>             | <b>4 476</b>               | <b>6 969</b>      | <b>(30 275)</b>                      | <b>12 791</b>    |
| Net financial income/(expenses)            |                           |                            |                   | 831                                  | <b>831</b>       |
| Income tax                                 |                           |                            |                   | (3 363)                              | <b>(3 363)</b>   |
| <b>Profit for the period</b>               | <b>31 620</b>             | <b>4 476</b>               | <b>6 969</b>      | <b>(32 807)</b>                      | <b>10 259</b>    |
| <b>Cash flow from investing activities</b> |                           |                            |                   |                                      | <b>(16 510)</b>  |

**2017 Jan-Jun**

| <b>(NOK 1.000)</b>                         | <b>HR<br/>Outsourcing</b> | <b>Cloud-<br/>services</b> | <b>Consulting</b> | <b>Unallocated</b> | <b>Total</b>     |
|--|---------------------------|----------------------------|-------------------|--------------------|------------------|
| Other operating income, exte               | 182 235                   | 32 412                     | 18 625            |                    | <b>233 272</b>   |
| Other operating expenses                   | (138 194)                 | (26 483)                   | (15 338)          | (11 543)           | <b>(191 559)</b> |
| Depreciation and amortisator               | (18 522)                  | (3 285)                    | (230)             | (1 706)            | <b>(23 743)</b>  |
| Transaction related costs                  |                           |                            |                   | (13 876)           | <b>(13 876)</b>  |
| <b>Operating profit/(loss)</b>             | <b>25 519</b>             | <b>2 644</b>               | <b>3 057</b>      | <b>(27 125)</b>    | <b>4 095</b>     |
| Net financial income/(expenses)            |                           |                            |                   | (2 871)            | <b>(2 871)</b>   |
| Income tax                                 |                           |                            |                   | (386)              | <b>(386)</b>     |
| <b>Profit for the period</b>               | <b>25 519</b>             | <b>2 644</b>               | <b>3 057</b>      | <b>(30 382)</b>    | <b>838</b>       |
| <b>Cash flow from investing activities</b> |                           |                            |                   | <b>(208 081)</b>   | <b>(208 081)</b> |

**2017 Jan-Dec**

| <b>(NOK 1.000)</b>                         | <b>HR<br/>Outsourcing</b> | <b>Cloud-<br/>services</b> | <b>Consulting</b> | <b>Unallocated</b> | <b>Total</b>     |
|--|---------------------------|----------------------------|-------------------|--------------------|------------------|
| Other operating income, exte               | 383 924                   | 92 062                     | 101 352           |                    | <b>577 338</b>   |
| Other operating expenses                   | (290 321)                 | (76 189)                   | (97 499)          | (24 238)           | <b>(488 247)</b> |
| Depreciation and amortisator               | (39 510)                  | (8 111)                    | (769)             | (6 708)            | <b>(55 098)</b>  |
| Transaction related costs                  |                           |                            |                   | (23 398)           | <b>(23 398)</b>  |
| <b>Operating profit/(loss)</b>             | <b>54 093</b>             | <b>7 762</b>               | <b>3 084</b>      | <b>(54 344)</b>    | <b>10 595</b>    |
| Net financial income/(expenses)            |                           |                            |                   | (20 120)           | <b>(20 120)</b>  |
| Income tax                                 |                           |                            |                   | (2 661)            | <b>(2 661)</b>   |
| <b>Profit for the period</b>               | <b>54 093</b>             | <b>7 762</b>               | <b>3 084</b>      | <b>(77 125)</b>    | <b>(12 187)</b>  |
| <b>Cash flow from investing activities</b> |                           |                            |                   | <b>(301 503)</b>   | <b>(301 503)</b> |

### Geographic Information

The Group's operations are carried in several countries, and information regarding revenue based on geography is provided below. Information is based on location of the entity generating the revenue, which to a large extent, corresponds to the geographical location of the customers.

#### Revenue from external customers attributable to:

| (NOK 1000)      | as % of<br>total | 2018<br>Apr-Jun | as % of<br>total | 2017<br>Apr-Jun | as % of<br>total | 2018<br>Jan-Jun | as % of<br>total | 2017<br>Jan-Jun | as % of<br>total | 2017<br>Jan-Dec |
|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| Northern Europe | 58%              | 108 819         | 79%              | 100 433         | 58%              | 216 179         | 88%              | 204 510         | 72%              | 416 729         |
| Central Europe  | 40%              | 76 145          | 21%              | 26 450          | 39%              | 146 872         | 12%              | 28 740          | 27%              | 154 173         |
| UK & Ireland    | 2%               | 3 876           |                  |                 | 3%               | 11 956          | 0%               | -               | 1%               | 6 436           |
| <b>Total</b>    | <b>100%</b>      | <b>188 840</b>  | <b>100%</b>      | <b>126 883</b>  | <b>100%</b>      | <b>375 007</b>  | <b>100%</b>      | <b>233 250</b>  | <b>100%</b>      | <b>577 338</b>  |

#### Information about major customers

| (NOK 1000)         | as % of<br>total | 2018<br>Apr-Jun | as % of<br>total | 2017<br>Apr-Jun | as % of<br>total | 2018<br>Jan-Jun | as % of<br>total | 2017<br>Jan-Jun | as % of<br>total | 2017<br>Jan-Dec |
|--------------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| 5 largest custome  | 26%              | 50 038          | 39%              | 49 317          | 27%              | 100 544         | 44%              | 102 285         | 36%              | 208 328         |
| 10 largest custome | 38%              | 72 237          | 54%              | 68 387          | 38%              | 143 593         | 61%              | 141 907         | 51%              | 291 821         |
| 20 largest custome | 54%              | 102 708         | 68%              | 86 206          | 54%              | 201 895         | 75%              | 174 192         | 64%              | 370 349         |

### Note 3 – Personnel Costs

| (NOK 1000)                                  | 2018<br>Apr-Jun | 2017<br>Apr-Jun | 2018<br>Jan-Jun | 2017<br>Jan-Jun | 2017<br>Jan-Dec |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Salary                                      | 91 654          | 62 253          | 182 823         | 111 954         | 276 540         |
| Tantieme and variable compensation          | 13 250          | 903             | 13 562          | 1 373           | 8 692           |
| Social security tax                         | 13 030          | 7 982           | 27 627          | 15 790          | 41 286          |
| Pension costs                               | 5 043           | 4 877           | 10 279          | 9 409           | 19 619          |
| Other expenses                              | 4 747           | 3 581           | 11 572          | 6 579           | 13 426          |
| Capitalised development expenses            | (4 639)         | (2 633)         | (8 229)         | (4 801)         | (10 360)        |
| Capitalised implem. costs customer projects | (10 015)        | (7 779)         | (24 146)        | (14 507)        | (40 269)        |
| <b>Total</b>                                | <b>113 070</b>  | <b>69 184</b>   | <b>213 488</b>  | <b>125 797</b>  | <b>308 935</b>  |

## Note 4 – Intangible Assets

| (NOK 1000)                        | Licenses<br>and<br>software | Intern.<br>developed<br>software | Internally<br>developed<br>AuC | Customer<br>Relation &<br>Contracts | Goodwill       | Total           |
|-----------------------------------|-----------------------------|----------------------------------|--------------------------------|-------------------------------------|----------------|-----------------|
| <b>Book value 01.01.2018</b>      | <b>8,940</b>                | <b>31,458</b>                    | <b>10,555</b>                  | <b>94,794</b>                       | <b>151,075</b> | <b>296,822</b>  |
| Additions of the period           | 1,369                       | -                                | 14,932                         | -                                   | -              | <b>16,301</b>   |
| Reclassifications                 | -                           | 6,403                            | (6,403)                        | -                                   | -              | -               |
| Disposals and currency effects    | (138)                       | (235)                            | -                              | (2,970)                             | (4,815)        | <b>(8,158)</b>  |
| This period ordinary amortisation | (1,390)                     | (5,402)                          | -                              | (4,890)                             | -              | <b>(11,681)</b> |
| <b>Book value 30.06.2018</b>      | <b>8,781</b>                | <b>32,224</b>                    | <b>19,084</b>                  | <b>86,935</b>                       | <b>146,259</b> | <b>293,284</b>  |
| <b>Book value 01.01.2017</b>      | <b>6,613</b>                | <b>22,853</b>                    | <b>9,589</b>                   | -                                   | -              | <b>39,054</b>   |
| Net additions through acquisition | -                           | -                                | -                              | -                                   | 104,986        | <b>104,986</b>  |
| Additions of the period           | 2,630                       | 2,921                            | 7,836                          | 70,024                              | -              | <b>83,411</b>   |
| Reclassifications                 | -                           | -                                | (2,516)                        | -                                   | -              | <b>(2,516)</b>  |
| Disposals and currency effects    | 26                          | 117                              | 20                             | (875)                               | -              | <b>(712)</b>    |
| This period ordinary amortisation | (942)                       | (3,995)                          | -                              | -                                   | -              | <b>(4,937)</b>  |
| <b>Book value 30.06.2017</b>      | <b>8,327</b>                | <b>21,896</b>                    | <b>14,929</b>                  | <b>69,149</b>                       | <b>104,986</b> | <b>219,286</b>  |
| <b>Book value 01.01.2017</b>      | <b>6,613</b>                | <b>22,853</b>                    | <b>9,589</b>                   | -                                   | -              | <b>39,054</b>   |
| Net additions through acquisition | 841                         | 416                              | -                              | 95,535                              | 144,337        | <b>241,129</b>  |
| Additions of the period           | 3,337                       | -                                | 17,121                         | -                                   | -              | <b>20,458</b>   |
| Reclassifications                 | -                           | 16,210                           | (16,210)                       | -                                   | -              | -               |
| Disposals and currency effects    | 143                         | (13)                             | 56                             | 4,221                               | 6,738          | <b>11,145</b>   |
| This period ordinary amortisation | (1,993)                     | (8,008)                          | -                              | (4,962)                             | -              | <b>(14,963)</b> |
| <b>Book value 31.12.2017</b>      | <b>8,940</b>                | <b>31,458</b>                    | <b>10,555</b>                  | <b>94,794</b>                       | <b>151,075</b> | <b>296,822</b>  |
| Useful life                       | 3-10 years                  | 5 years                          |                                | 10 years                            |                |                 |
| Depreciation method               | linear                      | linear                           |                                | linear                              |                |                 |

## Note 5 – Customer Projects

Costs related to delivering outsourcing contracts are recognized as they are incurred. However, a portion of costs incurred in the initial phase of outsourcing contracts may be deferred when they are specific to a given contract, relate to future activity on the contract, will generate future economic benefits and are recoverable. These costs are capitalized as "customer projects" and any prepaid revenues by the client are recorded as a deduction from the costs incurred in the balance for customer projects. The deferred costs are expensed evenly over the period the outsourcing services are provided and included in the line item "Amortization implementation cost customer projects." Deferred revenue is recognized over the corresponding period.

|   | 2018          | 2017          | 2017          |
|---|---------------|---------------|---------------|
| (NOK 1000)                                    | 30 Jun        | 30 Jun        | 31 Dec        |
| Deferred costs related to customer projects   | 94,739        | 90,535        | 95,284        |
| Deferred revenue related to customer projects | (64,133)      | (67,402)      | (73,487)      |
| <b>Net customer implementation costs</b>      | <b>30,606</b> | <b>23,134</b> | <b>21,798</b> |

## Note 6 – Transactions with Related Parties

| Related party                 | Transaction         | 2018       | 2017       | 2017       |
|-------------------------------|---------------------|------------|------------|------------|
| (NOK 1000)                    |                     | Apr-Jun    | Apr-Jun    | Jan-Dec    |
| Rayon Design AS <sup>1)</sup> | Management Services | 482        | 269        | 902        |
| <b>Total</b>                  |                     | <b>482</b> | <b>269</b> | <b>902</b> |

<sup>1)</sup> Hans-Petter Møllerud, CEO, is director of the board and Norwegian Retail AS, a company 100% owned by Hans-Petter Møllerud, owns 45% of the shares in Rayon Design AS since September 2016.

## Note 7 – Unrealized foreign currency profit/loss

In connection with the acquisitions in FY 2017, the company entered into a new loan agreement amounting to EUR 25.8 million. Due to fluctuations in the exchange rates the company has had an unrealized profit related to this loan in Q2/18 amounting to NOK 3.4 million. The maturity of the loan is 02.05.2022.

## Note 8 – Events after Balance Sheet Date

There have been no further events after the balance sheet date significantly affecting the Group's financial position.

## Responsibility statement

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period from January 1 to June 30 2018 has been prepared in accordance with IAS 34 – Interim Financial Reporting, and gives a true and fair view of the Group's assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties transactions.

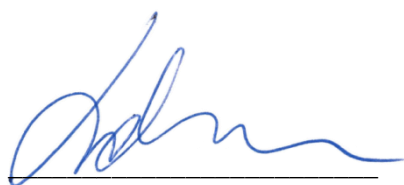
Oslo, 15 August 2018  
The Board of Directors of Zalaris ASA



Lars Laier Henriksen  
(chairman)




Jon Erik Haug



Liselotte Hægert Engstam



Adele Bugge Norman Pran



Jan M. Koivurinta

*This interim report was not reviewed by  
The Company's auditors*



## Key Figures

| Key financials                          | Q1 2017      | Q2 2017      | Q3 2017      | Q4 2017      | Q1 2018      | Q2 2018      |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| NOKm except per share figures           |              |              |              |              |              |              |
| <b>Revenues</b>                         | <b>106.4</b> | <b>126.9</b> | <b>150.6</b> | <b>193.5</b> | <b>186.2</b> | <b>188.8</b> |
| Revenue growth (y-o-y)                  | 8.0 %        | 33.2 %       | 54.2 %       | 83.9 %       | 75.0 %       | 48.8 %       |
| <b>EBITDA excl. Extraordinary items</b> | <b>13.6</b>  | <b>11.3</b>  | <b>11.8</b>  | <b>23.6</b>  | <b>19.3</b>  | <b>25.0</b>  |
| EBITDA margin                           | 13%          | 9%           | 8%           | 12%          | 10%          | 13%          |
| <b>EBIT excl. extraordinary items</b>   | <b>10.7</b>  | <b>7.2</b>   | <b>6.7</b>   | <b>9.4</b>   | <b>11.3</b>  | <b>1.5</b>   |
| EBIT margin                             | 10.1 %       | 5.7 %        | 4.4 %        | 4.8 %        | 6.1 %        | 0.8 %        |
| <b>Profit Before Tax</b>                | <b>7.0</b>   | <b>-5.8</b>  | <b>4.7</b>   | <b>-15.5</b> | <b>12.7</b>  | <b>0.9</b>   |
| Income Tax Expense                      | 1.6          | -1.2         | 0.9          | 1.3          | 1.3          | 2.0          |
| Non- Controlling Interests              |              |              |              |              |              |              |
| <b>Net income</b>                       | <b>5.4</b>   | <b>-4.6</b>  | <b>3.8</b>   | <b>-16.8</b> | <b>11.4</b>  | <b>-1.1</b>  |
| Profit margin                           | 5.1 %        | -3.6 %       | 2.5 %        | -8.7 %       | 6.1 %        | -0.6 %       |
| Weighted # of shares outstanding (m)    | 19.2         | 19.6         | 20.1         | 20.2         | 20.3         | 20.3         |
| Basic EPS                               | 0.3          | -0.2         | 0.2          | -0.8         | 0.6          | -0.1         |
| Diluted EPS                             | 0.3          | -0.2         | 0.2          | -0.8         | 0.6          | -0.1         |
| DPS                                     |              | 0.9          |              |              |              |              |
| <b>Cash flow items</b>                  |              |              |              |              |              |              |
| Cash from operating activities          | -2.8         | 31.1         | -5.7         | 30.0         | -2.3         | 2.9          |
| Investments                             | -4.7         | -203.4       | -75.3        | -18.1        | -5.3         | -11.3        |
| Net changes in cash and cash equi.      | -7.3         | 10.0         | 10.6         | -18.6        | -6.1         | -2.5         |
| Cash and cash equivalents end of period | 36.2         | 42.2         | 56.7         | 37.7         | 31.7         | -24.5        |
| Net debt                                | -59.9        | 130.7        | 183.0        | 224.4        | 231.6        | 214.6        |
| <b>Equity</b>                           |              |              |              |              |              |              |
| Equity ratio                            | 57%          | 28%          | 23%          | 21%          | 22%          | 19%          |
| ROE                                     | 26%          | 17%          | 14%          | -10.2%       | -5.1%        | -2.3%        |
| Number of FTE (Period End)              | 461          | 643          | 786          | 768          | 779          | 792          |
| Segment overview                        | Q1 2017      | Q2 2017      | Q3 2017      | Q4 2017      | Q1 2018      | Q2 2018      |
| NOKm                                    |              |              |              |              |              |              |
| <b>Revenues</b>                         | <b>106.4</b> | <b>126.9</b> | <b>150.6</b> | <b>193.5</b> | <b>186.2</b> | <b>188.8</b> |
| HR Outsourcing                          | 90.6         | 91.6         | 96.2         | 105.5        | 107.7        | 109.5        |
| Consulting                              | 2.2          | 16.4         | 28.6         | 54.1         | 47.3         | 53.8         |
| Cloud Services                          | 13.6         | 18.9         | 25.7         | 34.0         | 31.2         | 25.6         |
| Adjustments                             |              |              |              |              |              |              |
| <b>EBIT</b>                             | <b>7.7</b>   | <b>-3.6</b>  | <b>6.4</b>   | <b>0.1</b>   | <b>11.3</b>  | <b>1.5</b>   |
| HR Outsourcing                          | 13.8         | 11.7         | 15.9         | 12.7         | 16.3         | 15.3         |
| Consulting                              | 1.2          | 1.9          | -3.3         | 3.3          | 7.0          | -0.1         |
| Cloud Services                          | 2.4          | 0.3          | 3.4          | 1.7          | 2.5          | 2.0          |
| Gr.ovhd & Unallocated                   | -6.6         | -6.6         | -9.3         | -8.4         | -14.5        | -15.7        |
| Unallocated Other costs                 | -3.1         | -10.8        | -0.2         | -9.3         |              |              |
| HR Outsourcing                          | 15.3 %       | 12.8 %       | 16.5 %       | 12.1 %       | 15.2 %       | 14.0 %       |
| Consulting                              | 54.4 %       | 11.3 %       | -11.4 %      | 6.1 %        | 14.9 %       | -0.1 %       |
| Cloud Services                          | 17.4 %       | 1.5 %        | 13.2 %       | 5.1 %        | 8.0 %        | 7.7 %        |

## For questions, please contact

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## Financial information

Interim report Q2 2018 to be published 16. August 2018.

Interim report Q3 2018 to be published 25. October 2018.

Interim report Q4 2018 to be published ultimo February 2019.

All financial information is published on the Zalaris' website:

<http://www.zalaris.com/Investor-Relations/>

Financial reports can also be ordered at [ir@zalaris.com](mailto:ir@zalaris.com).

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