

PeopleHub BY ZALARIS

Your one-stop HR platform

Q1 2024

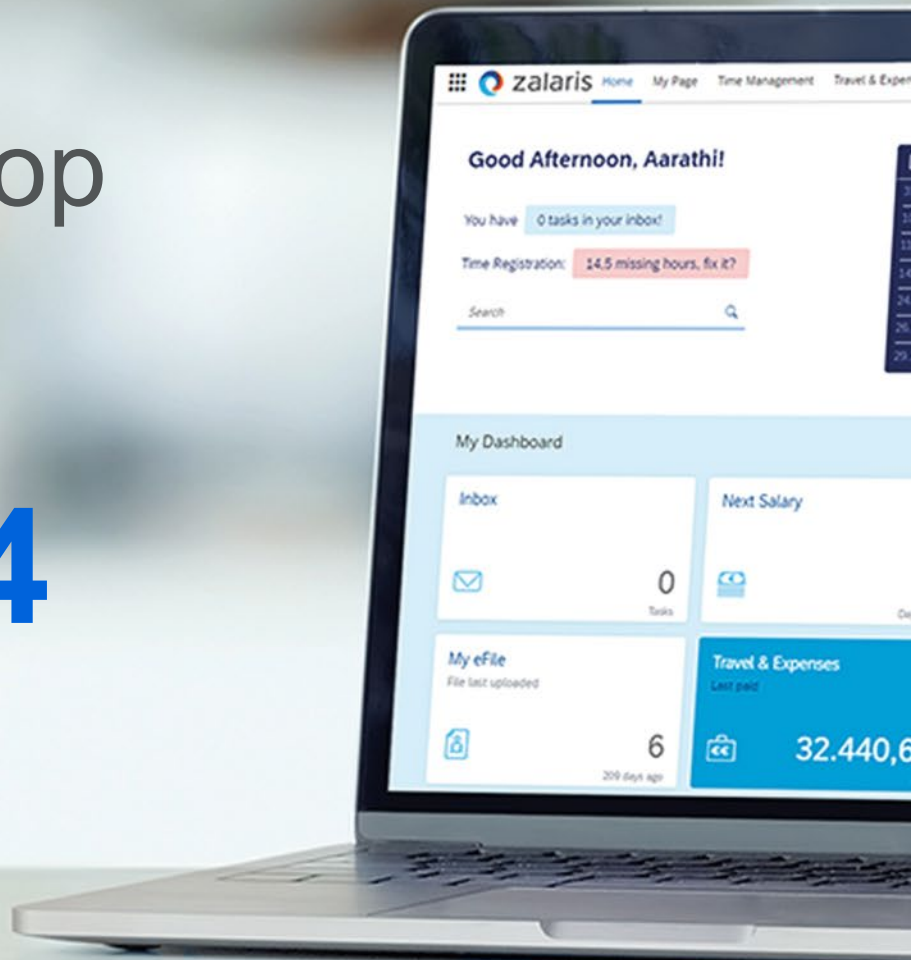


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**Simplify work life.
Achieve more.**



**Our mission is to
simplify HR and payroll
administration and
empower you with
useful information so
that you can invest
more in people.**



About Zalaris

Payroll & HR Solutions that enable fully digital organizations - we simplify HR and payroll administration and empower customers with useful information so they can invest more in people.

Zalaris is a leading European provider of human capital management (HCM) and payroll solutions, covering the entire employee lifecycle from recruitment and onboarding to compensation, time and attendance, travel expenses and performance management.

We offer flexible delivery models, including on-premises, software as a service (SaaS), cloud integration and business process outsourcing (BPO). We also have experienced consultants and advisors who can support any industry and IT environment.

Based in Oslo, Norway, and listed on the Oslo Stock Exchange (ZAL), we serve close to one and a half million employees every month across various industries and with some of Europe's most reputable employers. We have grown steadily since our inception in 2000 and today operate in the Nordics, the Baltics, Poland, Germany, Austria, Switzerland, Hungary, France, Spain, India, Ireland, the UK, Singapore and Australia.



1,500,000+
employees served monthly
across all HR solutions



~ 1,100
Zalaris
employees



300,000+
employees served monthly
through payroll services



23 years
years of experience
and continuous growth



NOK 1,131 mill
2023
Revenue



17 Countries
with service centers
and local expertise



150+ Countries
partnered with Zalaris
giving local expertise

Q1 Highlights

STRONG REVENUE GROWTH

Revenue of NOK 318.3 million (NOK 260.8 million), representing revenue growth of 22.0% YoY and 17.8% in constant currency

ALL TIME HIGH QUARTERLY ADJ. EBIT

Adj. EBIT NOK 34.8 million (18.5 million) and adj. EBIT margin 10.9% (7.1%).

NEW MAJOR CONSULTING PROJECT

Four-year consulting project implementing SAP HCM with the City of Berlin, with total contract value of ~NOK 170 million

Other updates

- Four-year application maintenance agreement with the state of North Rhine-Westphalia announced in the fourth quarter, increased in scope with additional annual revenue of ~NOK 8 million, to bring the total annual contract value to more than NOK 30 million.
- Completed sale of Leipzig office building for NOK 42 million, with net cash proceeds of NOK 31 million after repayment of debt.
- Continued increase in sales to existing customers and net retention for MS was 110% in the first quarter, in constant currency.
- Operating cash flow of NOK 7.2 million (Q1'23: negative NOK 4.1 million).
- The leverage, which is calculated by dividing NIBD by adj. EBITDA, went down from 2.1 at the end of the fourth quarter to 1.7 at the end of the first quarter.
- Subsequent to the end of the first quarter, Zalaris announced the start of a strategic review process to further accelerate and broaden our growth.



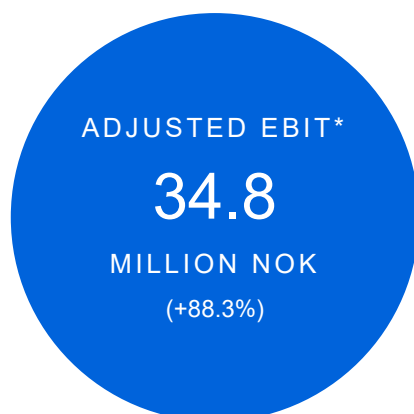
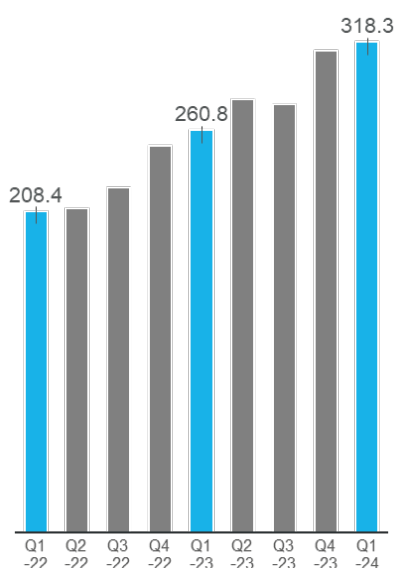
Key Figures



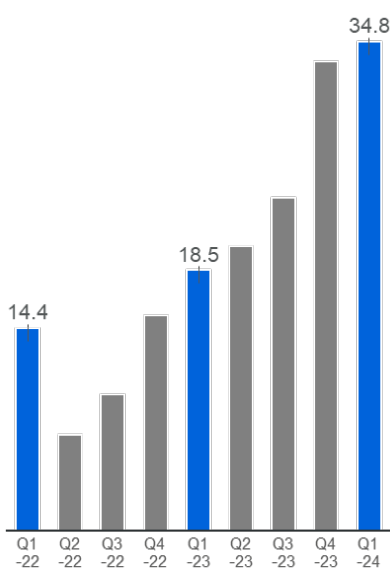
All time high quarterly revenue and adjusted EBIT



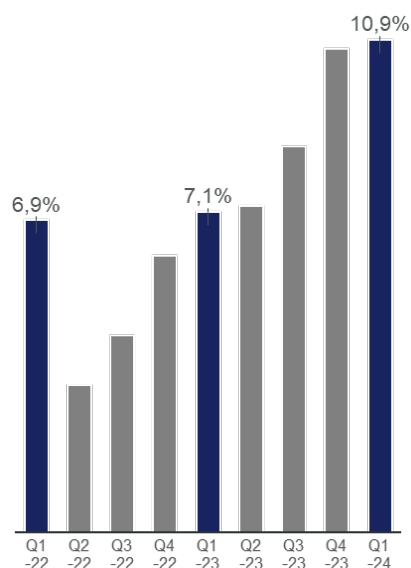
Revenue



Adjusted EBIT



Adjusted EBIT margin



*Defined in separate section: Alternative Performance Measure (APMs)

Financial performance by business segment

(NOK 1 000)	2024 Jan-Mar	2023 Jan-Mar	2023 Jan-Dec
Revenue			
Managed Services	232 678	186 730	819 575
Professional Services	76 820	70 458	291 170
New business (APAC)	8 812	3 611	20 465
Total revenue	318 309	260 799	1 131 209
Adjusted EBIT¹⁾			
Managed Services	32 680	24 786	114 399
Professional Services	9 850	10 434	31 404
HQ (unallocated costs)	(6 912)	(14 199)	(42 865)
Adj. EBIT (ex. APAC)	35 618	21 022	102 937
<i>Adj. EBIT margin (ex. APAC)</i>	<i>11,2 %</i>	<i>8,2 %</i>	<i>9,3 %</i>
New business (APAC)	(800)	(2 535)	(7 169)
Adj. EBIT	34 818	18 487	95 768
<i>EBIT margin (%)</i>	<i>10,9 %</i>	<i>7,1 %</i>	<i>8,5 %</i>
Share-based payments	(8 898)	(2 431)	(11 575)
Amortisation excess value on acquisitions	(3 434)	(3 280)	(13 691)
Gain on sale of assets	10 473	-	-
EBIT	32 959	12 776	70 503
<i>EBIT margin</i>	<i>10,4 %</i>	<i>4,9 %</i>	<i>6,2 %</i>

Financial summary

(NOK 1 000)	2024 Jan-Mar	2023 Jan-Mar	2023 Jan-Dec
Revenue	318 309	260 799	1 131 209
<i>Growth (YoY)</i>	<i>22,1 %</i>	<i>35,3 %</i>	<i>15,1 %</i>
Adjusted EBITDA ¹⁾	50 897	29 595	151 180
Adjusted EBITDA margin	16,0 %	11,3 %	13,4 %
Adjusted EBIT¹⁾	34 817	18 486	95 769
Adjusted EBIT margin	10,9 %	7,1 %	8,5 %
EBIT	32 959	12 776	70 504
Profit/(loss) for the period	6 418	(25 940)	(2 962)
Basic earnings per share (EPS)	0,30	(1,20)	(0,14)
Total comprehensive income	21 996	1 954	26 798
Net cash flow from operating activities	6 944	(4 136)	58 547
Net interest-bearing debt (NIBD) ¹⁾	297 935	332 860	314 751
NIBD/Adjusted EBITDA (LTM)	1,7	3,3	2,1

1. Defined in separate section Alternative Performance Measure (APMs)

CEO Insights

In Q1 2024, #teamZalaris continued its all-time high revenue streak, reporting revenues of NOK 318.3 million, an increase from NOK 260.8 million in Q1 of the previous year.

This represents a 22% year-on-year growth. We are now just shy of being a NOK 1.3 billion annualized revenue company. Adjusted EBIT was 10.9%, at NOK 34.8 million, which is up by 88% from NOK 18.5 million in the same period last year.

Furthermore, our success in securing new contracts reaffirms the strong international trends we've observed over recent years, positioning us well for continued growth in 2024 and beyond. We are particularly pleased to see significant framework contracts secured over the last few years continuing to expand, as we add new countries to our service. We believe this trend will continue and support improved productivity as well as establishing a long-term platform for continued growth.

The HR Payroll and Transformation Leader position continues to materialize in new wins

The year 2024 started with strong momentum, marked by both an increase in signings and a strengthened pipeline of opportunities.

In Germany, our professional services organization partnered with one of the country's largest System Integrators to sign a landmark agreement. This agreement involves implementing a new HCM solution that covers Employee Data Management and Payroll for the State of Berlin. The Zalaris portion of the contract is valued at approximately NOK 170 million over the next four years, positioning Zalaris as a leading provider of SAP-based people services to the public sector in Germany. Similar projects are expected to enter the market soon as the sector continues to digitize and modernize its people processes. In the Nordics,

we welcomed the energy company Vår Energi ASA as a new customer, initially covering their 1,000 employees with significant potential for expansion. APAC continued its positive trajectory by signing a total of 25 contracts, marking their second-highest quarter to date. This includes new agreements with Accolade Wines for Multi-Country Payroll and the implementation of a new payroll solution for Telstra Broadcasting Services.

Our pipeline of new prospects, as well as the opportunity to expand with existing customers into new geographies, has continued to develop positively. Zalaris' strengthened brand and leadership position has enabled us to capture a significantly larger share of the relevant large enterprise multi-country opportunities originating out of Europe.

“ With NOK 318 million in revenue and NOK 35 million adjusted EBIT we delivered our best quarter ever



New go-lives contribute to scaling margins

During the quarter we went live with several of our customers under implementation including a German Pharma company, the industrial company, Boliden, in Sweden, The Norwegian Central Bank, a Global Retailers' Danish

operation, and a European airline in four European countries.

These new go-lives contribute positively to our margin development as existing system and organizational capacity can be utilized. Based on this we also saw increased recognized revenue and margins in the quarter – and believe this will continue in the quarters to come.

Our number one priority for 2024 is to drive the performance of our German operations closer to the level we perform in the Nordics. We firmly believe that these actions will continue to improve our overall performance throughout the year.

Zalaris Board initiates Strategic Review

As announced on April 2, the Board of Directors has decided to start a strategic review process, and the process is progressing with the support of our financial advisor ABG Sundal Collier.

The announcement reflects that Zalaris over the last years has successfully accelerated the growth of its portfolio of large agreements for global payroll and HR services to leading international enterprises. Zalaris grew by 27% in

2023, and its year-end annualized revenue surpassed NOK 1.2 billion, with the majority being recurring revenue.

The strategic review aims to evaluate structures and opportunities that could further accelerate the company's growth and enhance value for customers and shareholders alike.

Once again, we extend our gratitude to #teamZalaris, our customers, and stakeholders for continuing our record-breaking streak into 2024!



Hans-Petter Mellerud,
CEO of Zalaris

Financial Review

Revenue

Revenue for the first quarter 2024 amounted to NOK 318.3 million (Q4 2023: NOK 260.8 million). The revenue increase was +22.0%. Measured in constant currency the increase was +17.8%*.

The increase in revenue compared to last year is mainly within Managed Services, and came from new customers, as well as increased volume of change orders and additional services from existing customers. Net Retention within Managed Services was approximately 109%, measured in constant currency.

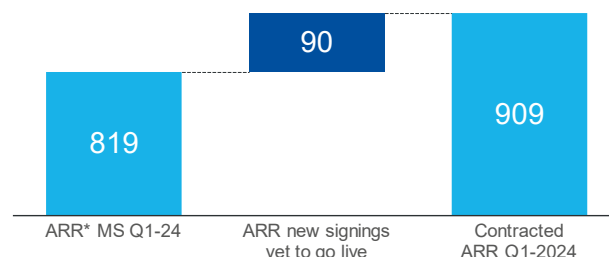
In the first quarter, Zalaris signed a five-year agreement to deliver payroll, travel & expense solutions and services to Vår Energi, a large Norwegian energy company, serving their 1,000+ employees in Norway.



New contracts signed during the fourth quarter amounted to annual recurring revenue ("ARR") of approx. NOK 4 million, excluding any upsell to existing customers.

The revenue impact of signed contracts that have not yet gone live as of 31 March 2024, is presented in the table below. The table shows the ARR within Managed Services at the end of the first quarter, and how the Group's ARR will increase, when these contracts are implemented.

CONTRACTED ARR* IN MS NOK MILLION

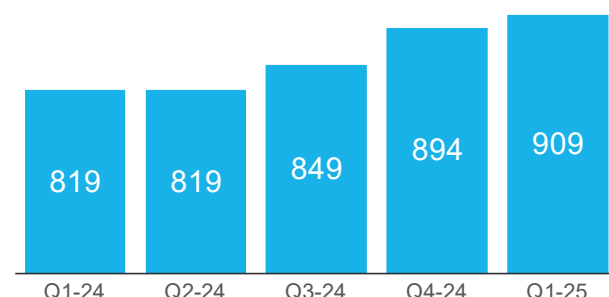


*See definitions and reconciliation of APM's in a separate section of the interim report.

The additional net ARR of NOK 90 million that will come from new contracts represents an increase in annual revenue for Managed Services of +11.0% (compared to full-year revenue for 2023).

The figure below shows the timing of the expected increase in the ARR for Managed Services, based on these new contracts

EXPECTED TIMING OF CONTRACTED ARR NOK MILLION



Zalaris has, together with one of Germany's largest System Integrators, won the public tender for the implementation of a new SAP HCM Solution for Payroll and Personal Data Management, serving approximately 132,000 employees of the City of Berlin. Under the new four-year agreement, Zalaris will implement a new solution for Employee Master data and

Payroll, based on the SAP Human Capital Management suite of solutions. The total contract value of Zalaris' share of the agreement has been estimated at approximately NOK 170 million, to be consumed over four years.

Nordics & Baltics

Revenue in the Nordic & Baltic region was NOK 158.3 million in the first quarter. Adjusted for positive currency effects, the revenue was 19.8% higher than the figure last year of NOK 129.3 million. This was achieved through the implementation of new customer agreements, and additional volumes and change orders from existing customers, within Managed Services.

Central Europe

Revenue in the Central Europe region was NOK 126.3 million in the first quarter, compared to NOK 110.6 million last year. An increase of

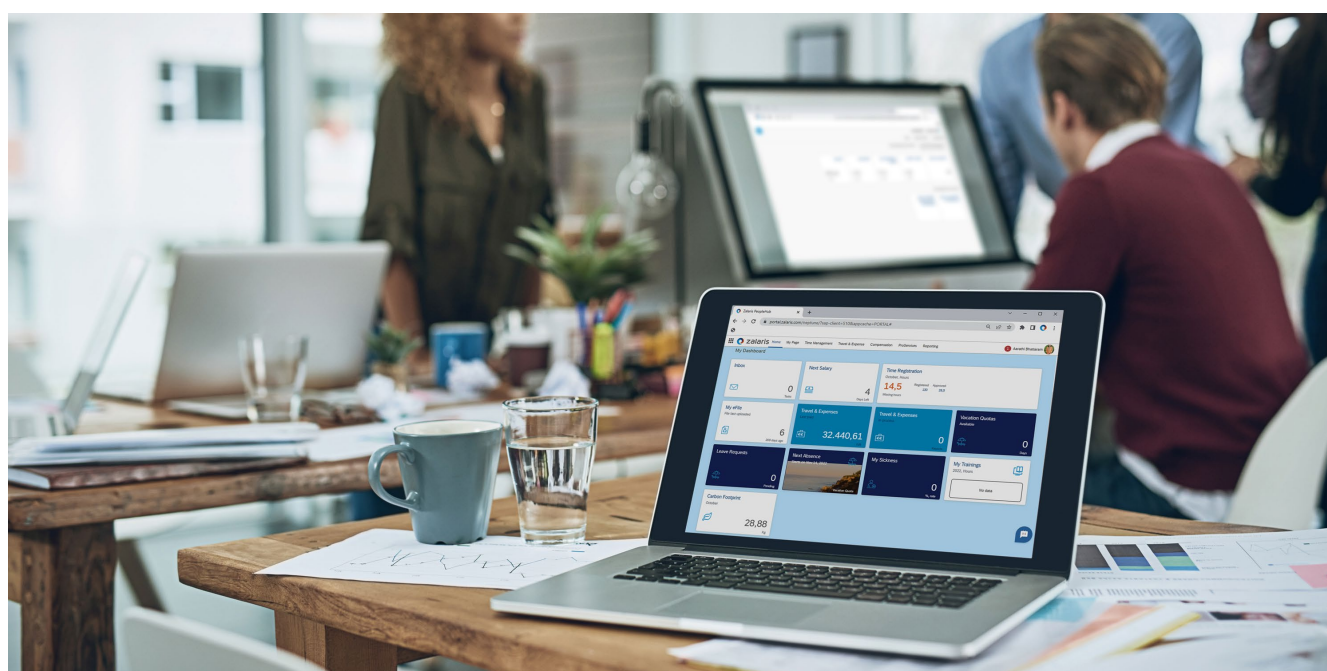
+8.5%, when adjusted for positive currency effects.

The organic growth came mainly from new customers in Managed Services in Germany.

Managed Services in Germany grew by +27.9% in local currency, compared to last year. Within Professional Services, Germany and Poland showed a revenue growth of 2.3% and -27.9% respectively in local currency compared to last year.

UK & Ireland

Revenue in the UK & Ireland region amounted to NOK 24.6 million in the first quarter, compared to NOK 17.2 million in the same quarter last year, an increase of +33.7% in local currency. A large contract within Professional Services, for the implementation of Employee Central Payroll in several European countries, was the main contributor to the increase.



Earnings

The adjusted EBIT, before EBIT from APAC region, was NOK 35.6 million for the fourth quarter (NOK 21.0 million). The increase is largely explained by increased revenue from new and existing customers, and margin improvements in the Nordic region. The focus on increased use of resources from near- and offshore locations, as well as other operational improvements, has had a positive effect on customer margins in the Nordic region.

The adjustments made to EBIT were the gain on sale of assets of NOK 10.5 million, calculated costs of the Company's share-based payment plan, including estimated payroll tax (NOK 8.9 million) and amortisation of excess values on acquisitions (NOK 3.4 million). The costs of the share-based payment plan were approximately NOK 5 million higher than usual because of the potential future payroll tax on the expected gain on the options after Zalaris' share price increased significantly during the quarter.

The EBIT from APAC was negative NOK 0.8 million in the first quarter. The financial result from new business activities (e.g. the establishment of a new geographical region) are reported separately, until the business is fully established and included in one of the two main segments. The objective is to provide information on the result of new business development activities that generally would generate a financial loss in an interim period, and to show the financial result of the existing business activities without the disturbance of these new activities.

Consolidated EBIT for the quarter was NOK 33.0 million (NOK 12.8 million). The positive variance from last year is mainly due to the factors noted above, and the sale of our office building in Leipzig, Germany, which resulted in a net gain of NOK 10.5 million.

The Group had net financial expenses of NOK 23.8 million for the first quarter (net expense NOK 37.9 million). Including a net unrealised currency loss of NOK 11.4 million (loss NOK 2.5 million), mainly relating to the EUR 40 million bond loan.

The net profit for the quarter was NOK 6.4 million (negative NOK 25.9 million), after a loss from discontinued operations (vyble GmbH) of NOK 0.4 million (loss NOK 3.5 million).

Total comprehensive income amounted to NOK 22.0 million (NOK 2.0 million), after positive currency translation differences of NOK 15.6 million (NOK 27.9 million) relating to foreign subsidiaries.

EBIT target

Zalaris has set a goal to achieve an adjusted EBIT margin of 12% – 15% by the end of 2026. Our ambition is that each region will have an internal EBIT margin of 15 – 20%, before any group charges. Regions that perform well have a high level of standardization, automation and customer deliveries based on the Zalaris PeopleHub platform and make use of more resources from near- and offshore locations when providing services. They also benefit from economies of scale, that enhance profitability.

The EBIT improvement projects in Managed Services initiated in 2022 in the Nordic countries, were mainly completed during 2023. We moved significant tasks from local to near-/offshore locations to reduce operational costs and increase existing capacity for more revenue without hiring new local resources. These projects have increased EBIT margins in these countries.

Historically, Germany has delivered significantly lower margins compared to other countries, primarily because it has traditionally delivered services based on individual customer's specific system configurations and requirements. Additionally, limited use of near- and offshore resources and automation has had a negative impact on its performance. In Professional Services, they have also had to rely on external consultants, due to a tight labour market. As part of the EBIT improvement program, we are changing the operating model in Managed Services from a local customer-tailored to a process-oriented delivery model, and work is being shifted to near- and offshore locations.

(similar to the Nordics). Over time this should see margins align more similar to the Nordics, and also help drive positive results for our clients.

We have expanded our delivery team in Latvia with a German speaking team. The new setup also includes local experts in Germany who can comply with local legislation. In addition, we

have established a new delivery centre in Poland, to increase our flexibility and competence for the German market. These activities are progressing well and will gradually improve margins in Germany towards our Group target.

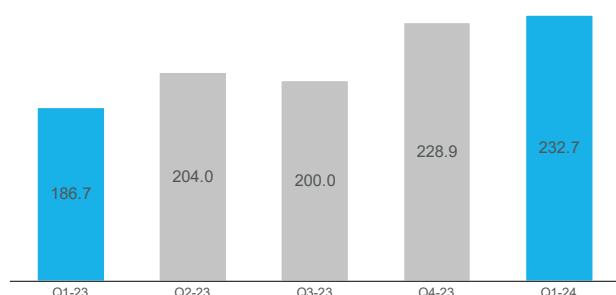


Business segment performance

Managed Services

The Managed Services (“MS”) segment had revenue of NOK 232.7 million (73% of total revenue) for the first quarter 2024, compared to NOK 225.8 million in the same quarter last year. The increase was +20.9% when adjusted for positive currency effects and was mainly driven by revenue from new customers that have gone live since the fourth quarter last year and increased change orders, combined with additional services from existing customers.

REVENUE MANAGED SERVICES NOK MILLION



As noted earlier in this report, Zalaris is implementing a large number of new MS contracts. As a result, significant resources are being utilized on contract implementation, resulting in increased deferred revenue, which will be recognized as revenue from when the projects go live. MS revenue deferred for the fourth quarter was NOK 22.2 million, compared to NOK 21.7 million last year.

The adj. EBIT for MS for the first quarter was NOK 32.7 million (NOK 24.8 million), and adj. EBIT margin was 14.1% (13.3%). EBIT margin was positively impacted by the increased revenue.

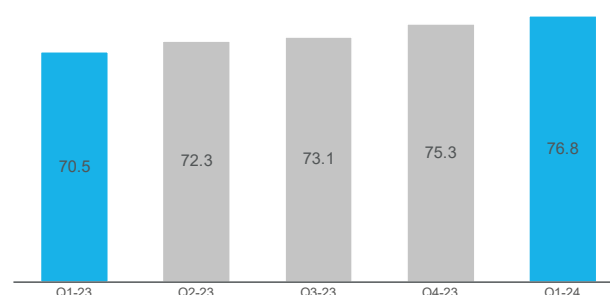
The target is for Managed Services to operate on a standardised platform across all regions. This model will secure that Managed Services continue to optimise and harmonise the operational processes, use digitalisation, leverage the flexibility and competence of resources across all deliveries, both locally, nearshore (Latvia, Poland, Spain) and offshore (India).

Professional Services

Revenue in the Professional Services (“PS”) segment amounted to NOK 76.8 million for the first quarter 2024, compared to NOK 70.5 million last year. When adjusted for positive currency movements the increase was +2.8% year-on-year.

Significantly higher revenue in UK, was partly offset by lower revenue in Poland.

REVENUE PROFESSIONAL SERVICES NOK MILLION



The adj. EBIT for PS for the first quarter was NOK 9.9 million (NOK 10.4 million), and adj. EBIT margin was 12.9% (14.8%).

APAC

In 2022, Zalaris established operations in Australia and Singapore, to expand its multi-country payroll capabilities to the Asia-Pacific region (“APAC”). The purpose was to better support European headquartered customers, with operations in APAC countries. APAC is one of the fastest growing regions for multi-country payroll. Zalaris’ newest region is already offering a full suite of Professional and Managed Services. The new region is reported separately until it has reached a sustainable business level.

The APAC region is still an early-stage business, and recorded revenue and adj. EBIT of NOK 8.8 million (NOK 3.6 million) and negative NOK 0.8 million (negative NOK 2.5 million) respectively in the first quarter.

Discontinued operations (vyble)

In February 2022, Zalaris acquired the assets of vyble AG, a payroll and HR solution start-up

located in Rostock and Hamburg, Germany. The business is being operated through a 90% owned subsidiary, vyble GmbH ("vyble"). vyble has a complete suite of Payroll and HR solutions delivered as Software as a Service (SaaS) targeting the SME market in Germany. There is an ongoing sales process for vyble, and a final solution is expected in the near future.

Financial position and cash flow

Zalaris had total assets of NOK 1,207.7 million as of 31 March 2024, compared to NOK 1,111.6 million on 31 December 2023.

Cash and cash equivalents were NOK 161.1 million (including cash in discontinued operations) as of 31 March 2024, an increase of NOK 25.1 million from the end of the previous quarter.

Total equity as of 31 March 2024 was NOK 229.4 million, compared to NOK 203.0 million as of 31 December 2023. This corresponds to an equity ratio of 19.0% (18.3%).

The Company holds 465,559 own shares (2.1% of total outstanding shares) at 31 March 2024.

Net interest-bearing debt (interest-bearing debt less cash and cash equivalents) decreased from NOK 314.8 million on 31 December 2023 to NOK 297.9 million on 31 March 2024.

The decrease in net interest-bearing debt is mainly due to a positive net cash flow during the first quarter, partly contributed to by the

proceeds from the sale of our office building in Leipzig, Germany.

The leverage, measured by dividing the net interest-bearing debt at the end of the quarter by the adjusted EBITDA for the last twelve months, was reduced from 2.1 as of 31 December 2023 to 1.7 as of 31 March 2024.

Operating cash flow during the first quarter 2024 was NOK 7.2 million (negative NOK 4.1 million). The cash flow for the quarter was negatively impacted from the public Easter holidays at the end of the quarter this year, which led to fewer cash collections from customers than usual. To illustrate this, the cash balance at 2 April was NOK 24 million higher than at 31 March.

Net cash flow from investing activities for the first quarter was positive NOK 35.4 million (negative NOK 4.8 million). This includes proceeds from the sale of property of NOK 35.4 million. The investment in fixed and intangible assets for the first quarter was NOK 6.5 million (NOK 4.8 million)

Net cash flow from financing activities for the first quarter was negative NOK 16.6 million (positive NOK 36.1 million). The positive cash flow in the first quarter last year was due to the refinancing of the bond loan.

Subsequent events

There have been no events after the balance sheet date, which have had a material effect on the issued accounts.

Outlook

Zalaris has a positive outlook for future revenue growth, as it has recently secured several large new, long-term BPaaS/SaaS contracts within the Managed Services division. Most of these contracts will become operational during 2024 and early-2025. The pipeline of new possible contracts remains strong, supporting Zalaris' target of an annual growth rate of minimum 10%.

Significant scale benefits from the revenue growth combined with continued cost optimization from X-shoring, automation and the use of AI will be the key drivers for improved profitability going forward. Key targets for 2024 include further automation of our delivery processes and improved use of our near- and offshore delivery centres in Latvia, Poland, and India, for our German operation.

Based on industry and market research reports, Zalaris' key markets, within multi-country payroll and HR outsourcing, are expected to experience continued growth in the foreseeable future. The company is well positioned to capture part of this growth through a competitive technology platform combined with a cost optimised skilled workforce, best demonstrated by the multi-country contracts with e.g. Metsä, Yunex Traffic and Innomatics. Growth will also come from expanding the services to existing customers, including increased geographic coverage, demonstrated by customers like Siemens, Tryg, and Ericsson, and our recent signing with a large global retailer.

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

However, we are experiencing upward pressure on salaries, and the recruitment of new skilled employees is challenging in some markets. Most of our long-term contracts within the Managed Services Division have provisions for the annual indexation of salaries. Historically, we have seen an increased interest in the market for outsourcing in a recessionary environment. This is when companies traditionally are required to focus on operational efficiencies and cost reductions. The underlying fundamentals remain strong and Zalaris has a solid pipeline of potential new sales in all regions.

The Board of Directors of Zalaris ASA
Oslo, 6 May 2024

Interim Consolidated Financial Statements

Consolidated Statement of Profit and Loss

(NOK 1 000)	Notes	2024	2023	2023
		Jan-Mar <i>unaudited</i>	Jan-Mar <i>unaudited</i>	Jan-Dec
Revenue	2	318 309	260 799	1 131 209
Operating expenses				
License costs		24 898	24 009	99 527
Personnel expenses	4	162 095	139 394	584 324
Other operating expenses		82 796	64 900	284 751
(Gain)/loss on sale of assets		(10 503)	-	-
Depreciation and impairments		1 292	892	4 269
Depreciation right-of-use assets		6 550	5 331	23 002
Amortisation intangible assets		7 692	7 663	31 068
Amortisation implementation costs customer projects	3	10 530	5 834	33 765
Operating profit (EBIT)		32 959	12 776	70 503
Financial items				
Financial income	5	2 378	1 341	8 496
Financial expense	5	(14 763)	(36 685)	(82 781)
Unrealized foreign exchange gain/(loss)	5	(11 393)	(2 523)	62
Net financial items		(23 778)	(37 867)	(74 224)
Profit before tax from continuing operations		9 181	(25 091)	(3 721)
Tax expense		(2 347)	2 626	9 173
Profit for the period from continuing operations		6 834	(22 465)	5 452
Profit/(loss) after tax for the year from discontinued operations	9	(416)	(3 475)	(8 414)
Profit for the period		6 418	(25 940)	(2 962)

Consolidated Statement of Comprehensive Income

(NOK 1 000)	Notes	2024	2023	2023
		Jan-Mar <i>unaudited</i>	Jan-Mar <i>unaudited</i>	Jan-Dec
Profit for the period		6 418	(25 940)	(2 962)
Other comprehensive income				
Items that will be reclassified to profit and loss in subsequent periods				
Currency translation differences		15 578	27 894	29 760
Total other comprehensive income		15 578	27 894	29 760
Total comprehensive income		21 996	1 954	26 798
Total comprehensive income attributable to:				
- Owners of the parent		22 037	2 301	27 639
- Non-controlling interests		(42)	(348)	(841)

Consolidated Statement of Financial Position

		2024	2023	2023
(NOK 1 000)	Notes	31. Mar	31. Mar	31. Dec
		<i>unaudited</i>	<i>unaudited</i>	
ASSETS				
Non-current assets				
Intangible assets		118 074	120 802	118 126
Goodwill		218 739	210 967	209 443
Total intangible assets		336 813	331 769	327 569
Deferred tax asset		52 364	30 335	52 065
Fixed assets				
Right-of-use assets		60 640	57 787	44 853
Property, plant and equipment		7 385	35 395	35 186
Total fixed assets		68 025	93 182	80 039
Total non-current assets		457 202	455 286	459 673
Current assets				
Trade accounts receivable		294 330	225 618	262 690
Customer projects	3	226 945	163 951	197 106
Other short-term receivables		58 271	55 760	46 083
Cash and cash equivalents	6	160 823	123 688	135 722
Total current assets		740 369	569 017	641 601
Assets held for sale	9	10 163	11 621	10 275
TOTAL ASSETS		1 207 734	1 035 924	1 111 549

Consolidated Statement of Financial Position

(NOK 1 000)	Notes	2024 31. Mar <i>unaudited</i>	2023 31. Mar <i>unaudited</i>	2023 31. Dec
EQUITY AND LIABILITIES				
Equity				
Paid-in capital				
Share capital		2 167	2 164	2 165
Other paid in equity		23 632	12 464	21 481
Share premium		143 600	142 913	143 045
Total paid-in capital		169 399	157 541	166 691
Other equity		14 519	14 519	14 519
Retained earnings		47 994	(1 255)	24 190
Equity attributable to equity holders of the parent		231 912	170 805	205 400
Non-controlling interest		(2 485)	(1 949)	(2 443)
Total equity		229 427	168 856	202 957
Liabilities				
Non-current liabilities				
Deferred tax		27 175	24 957	27 418
Interest-bearing loans	7	458 749	455 423	439 964
Lease liabilities		39 421	38 172	28 585
Total long-term liabilities		525 345	518 552	495 967
Current liabilities				
Trade accounts payable		32 824	36 348	38 159
Customer projects liabilities	3	202 937	127 679	182 588
Interest-bearing loans	7	251	1 578	10 757
Lease liabilities		23 709	21 362	18 469
Income tax payable		4 214	1 509	4 537
Public duties payable		54 190	38 365	44 621
Other short-term liabilities		129 980	116 345	108 815
Total short-term liabilities		448 105	343 186	407 946
Liabilities directly associated with the assets held for sale	9	4 857	5 330	4 679
Total liabilities		978 307	867 068	908 592
TOTAL EQUITY AND LIABILITIES		1 207 734	1 035 924	1 111 549

Consolidated Statement of Cash Flow

(NOK 1 000)	Notes	2024 Jan-Mar <i>unaudited</i>	2023 Jan-Mar <i>unaudited</i>	2023 Jan-Dec
Cash Flow from operating activities				
Profit (Loss) before tax from continued operation		9 181	(25 090)	(3 722)
Profit (Loss) before tax from discontinued operation		(534)	(4 592)	(10 787)
Net financial items	5	23 778	37 867	74 225
Share based program		3 694	2 431	11 575
Depreciation and impairments		1 292	892	4 269
Depreciation right-of-use assets		6 550	5 331	23 002
Amortisation intangible assets		7 692	7 663	31 068
Capitalisation implementation costs customer projects	3	(33 681)	(26 202)	(89 272)
Depreciation implementation costs customer projects	3	10 530	5 834	33 765
Customer project revenue deferred	3	22 158	21 674	104 139
Customer project revenue recognised	3	(8 180)	(4 264)	(29 408)
Taxes paid		(2 228)	(3 881)	(11 452)
Changes in accounts receivable		(31 640)	(33 903)	(70 975)
Changes in accounts payable		(5 335)	(9 059)	(7 248)
Changes in other items		13 622	27 604	35 100
Interest received		1 026	52	2 585
Interest paid		(10 689)	(6 492)	(38 317)
Net cash flow from operating activities		7 236	(4 136)	58 547
Cash flows to investing activities				
Investment in fixed and intangible assets		(6 489)	(4 797)	(33 868)
Proceedes from sale of property		41 899		-
Net cash flow from investing activities		35 410	(4 797)	(33 868)
Cash flows from financing activities				
Sale of own shares		2	-	881
Contribution from minority shareholder		-	1 949	293
Payment of lease liabilities		(6 385)	(5 850)	(22 790)
Net proceeds from new EUR 40m bond loan		-	440 796	440 796
Repayment of loans		(10 517)	(400 822)	(400 547)
Net cash flow from financing activities		(16 900)	36 073	18 633
Net changes in cash and cash equivalents		25 746	27 140	43 312
Net foreign exchange difference		(652)	3 549	(796)
Cash and cash equivalents at the beginning of the period		135 970	93 456	93 456
Cash and cash equivalents at the end of the period		161 064	124 145	135 970

Consolidated Statement of Changes in Equity

(NOK 1000)	Share capital	Own shares	Share premium	Other paid in equity	Total paid-in equity	Other equity	Retained earnings	Currency revaluation reserve	Total	Non-controlling interests	Total equity
Equity at 01.01.2023	2 214	(54)	141 898	10 038	154 095	14 519	8 622	(12 038)	165 198	(1 602)	163 596
Profit of the year							(25 592)		(25 592)	(348)	(25 940)
Other comprehensive income								27 894	27 894		27 894
Share based payments				2 426	2 426				2 426		2 426
Employee share purchase		4	1 015		1 019		(139)		880		880
Equity at 31.03.2023	2 214	(50)	142 913	12 464	157 541	14 519	(17 109)	15 856	170 806	(1 950)	168 856
Unaudited											
Equity at 01.01.2024	2 214	(49)	143 044	21 481	166 690	14 519	6 469	17 722	205 400	(2 443)	202 957
Profit/(loss) of the year							6 459		6 459	(42)	6 418
Other comprehensive income								15 578	15 578		15 578
Share based payments				3 694	3 694				3 694		3 694
Exercise of share based payments				(1 543)	(1 543)				(1 543)		(1 543)
Employee share purchase program		2	555		558		232		789		789
Other changes							1 534		1 534		1 534
Equity at 31.03.2024	2 214	(47)	143 599	23 632	169 399	14 519	14 694	33 300	231 912	(2 485)	229 427
Unaudited											

Notes to the interim consolidated financial statements

Note 1 – General Information and basis for preparation

General information

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

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 consolidated interim financial statements do not include all 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 three months ended 31 March 2024, have not been audited or reviewed by the auditors.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023.

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's operations are split into two main business segments: Managed Services and Professional Services. The company vyble GmbH "vyble" was acquired to develop products within the Tech Investments segment. However, following the restructuring of vyble, the Company has decided to focus its resources entirely on the Managed Services and Professional Services segments, and a sales process has been initiated for vyble, and the asset reclassified to "assets held for sale".

Managed Services includes a full range of payroll and HR outsourcing services, such as payroll processing, time and attendance, travel expenses as well as related cloud system solutions and services. This includes additional cloud-based HR functionality to existing outsourcing customers such as talent management, digital personnel archive, HR analytics, mobile solutions, etc.

Professional Services includes deliveries of change projects based on Zalaris templates or implementation of customer-specific functionality. This business segment also assists with cost-effective maintenance and support of customers' own on-premises solutions. A large portion of these services are of recurring nature and many of the services are based on long-term customer relationships.

Group overhead and unallocated are the costs not allocated to business segments, and are mainly intercompany sales, interest-bearing loans and other associated expenses and assets related to administration of the Group.

The financial result from new businesses activities (e.g. the establishment of a new geographical region) are included as a separate column in the segment reporting ("APAC"), until the business is up and running at a normal level and included in one the two main segments. The objective is to provide information on the result of new business development activities that generally would generate a financial loss in an interim period, and to show the financial result of the existing business activities without the disturbance of these new business activities. This segment currently only consists of the new business in APAC (Australia and Singapore).

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 the administration of the Group. The Group's executive 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. The operating assets and liabilities of the Group are not allocated between segments.

2024 Jan-Mar

(NOK 1 000)	Managed Services	Professional Services	APAC	Gr.Ovhd & Unallocated	Total
Revenue, external	232 678	76 820	8 812		318 309
Operating expenses	(186 047)	(64 688)	(9 647)	(9 409)	(269 790)
Gain on sale of assets	-	-	-	10 503	10 503
EBITDA	46 631	12 132	(835)	1 093	59 022
Depreciation and amortisation	(16 234)	(3 085)	(33)	(6 709)	(26 062)
EBIT	30 397	9 047	(868)	(5 616)	32 959
Net financial income/(expenses)				(23 778)	(23 778)
Income tax				(2 347)	(2 347)
Profit for the period from continuing operations	30 397	9 047	(868)	(31 741)	6 834
Cash flow from investing activities					35 410

2023 Jan-Mar

(NOK 1 000)	Managed Services	Professional Services	APAC	Gr.Ovhd & Unallocated	Total
Revenue, external	186 730	70 458	3 611	-	260 799
Operating expenses	(153 569)	(58 058)	(5 950)	(10 726)	(228 303)
EBITDA	33 161	12 401	(2 339)	(10 726)	32 496
Depreciation and amortisation	(9 617)	(2 092)	(196)	(7 814)	(19 720)
EBIT	23 544	10 309	(2 535)	(18 540)	12 777
Net financial income/(expenses)				(37 867)	(37 867)
Income tax				2 626	2 626
Profit for the period from continuing operations	23 544	10 309	(2 535)	(53 781)	(22 464)
Cash flow from investing activities					(4 797)

2023 Jan-Dec

(NOK 1 000)	Managed Services	Professional Services	APAC	Gr.Ovhd & Unallocated	Total
Revenue, external	819 575	291 170	20 465		1 131 209
Operating expenses	(658 506)	(252 430)	(26 857)	(30 809)	(968 603)
EBITDA	161 069	38 740	(6 393)	(30 809)	162 607
Depreciation and amortisation	(51 511)	(8 426)	(974)	(31 193)	(92 104)
EBIT	109 558	30 315	(7 367)	(62 002)	70 503
Net financial income/(expenses)				(74 225)	(74 225)
Income tax				9 173	9 173
Profit for the period from continuing operations	109 558	30 315	(7 367)	(127 054)	5 452
Cash flow from investing activities					(33 868)

Geographic Information

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

REVENUE FROM EXTERNAL CUSTOMERS ATTRIBUTABLE TO:

Jan-Mar

(NOK 1 000)	2024				2023			
	MS	PS	Total	as % of total	MS	PS	Total	as % of total
Norway	62 508	309	62 817	20%	56 384	260	56 643	22%
Northern Europe, excluding Norway	95 330	568	95 898	30%	72 487	294	72 780	28%
Central Europe	65 833	60 361	126 194	40%	49 793	60 804	110 596	42%
UK & Ireland	9 008	15 582	24 591	8%	8 067	9 101	17 168	7%
APAC	2 410	6 399	8 809	3%	1 758	1 853	3 611	1%
Total	235 090	83 219	318 309	100%	188 488	72 311	260 799	100%

Note 3 – Revenue from contracts with customers

Disaggregated revenue information

The Group's revenue from contracts with customers has been disaggregated and presented in note 2.

CONTRACT BALANCES:

	2024	2023	2023
(NOK 1 000)	31. Mar	31. Mar	31. Dec
Trade receivables	294 330	225 618	262 690
Customer project assets	226 945	163 951	197 106
Customer project liabilities	(202 937)	(127 679)	(182 588)
Prepayments from customers	(20 359)	(19 649)	(15 993)

Customer project assets are costs specific to a given contract, generate or enhance the Group's resources that will be used in satisfying performance obligations in the future, and are recoverable. These costs are deferred and amortized evenly over the period the outsourcing services are provided.

Customer project liabilities are prepayments from the customer specific to a given contract and are recognized as revenue evenly as the Group fulfils the related performance obligations over the contract period.

Prepayments from customers comprise a combination of short- and long-term advances from customers. The short-term advances are typically deferred revenues related to smaller projects or change orders related to the system solution. The long-term liabilities relate to initial advances paid upon signing the contract. These advances are contracted to be utilized by the customer to either transformation-, change- or other projects. These advances are open for application until specified, or when the contract is terminated, where the eventual remainder of the amount becomes the property of Zalaris and is hence rendered as income by the Group.

MOVEMENTS IN CUSTOMER PROJECT ASSETS THROUGH THE PERIOD:

	2024	2023	2023
(NOK 1 000)	Jan-Mar	Jan-Mar	31. Dec
Opening balance in the period	197 106	135 359	135 359
Cost capitalised	33 681	26 202	89 272
Amortisation	(10 530)	(5 834)	(33 765)
Currency	6 688	8 224	6 240
Customer projects assets end of period	226 945	163 951	197 106

MOVEMENTS IN CUSTOMER PROJECT LIABILITIES THROUGH THE PERIOD:

	2024	2023	2023
(NOK 1 000)	Jan-Mar	Jan-Mar	Jan-Dec
Opening balance in the period	(182 588)	(103 744)	(103 745)
Revenue deferred	(22 158)	(21 674)	(104 139)
Revenue recognised	8 180	4 264	29 408
Currency	(6 371)	(6 525)	(4 113)
Customer project liabilities end of period	(202 937)	(127 679)	(182 588)

Note 4 – Personnel expenses

(NOK 1 000)	2024 Jan-Mar	2023 Jan-Mar	2023 Jan-Dec
Salary	139 953	123 532	508 795
Bonus	6 744	4 290	23 359
Social security tax	26 787	18 490	79 329
Pension costs	6 482	6 122	24 782
Share based payments	3 235	2 425	11 589
Other personnel expenses	4 818	4 793	18 008
Capitalised to internal development projects	(3 256)	(1 168)	(6 847)
Capitalised to customer project assets	(22 668)	(19 090)	(74 691)
Total personnel expenses	162 095	139 394	584 324

Note 5 – Finance income and finance expense

(NOK 1 000)	2024 Jan-Mar	2023 Jan-Mar	2023 Jan-Dec
Interest income on bank accounts and receivables	1 026	44	2 448
Currency gain	1 352	1 232	5 902
Other financial income	-	64	147
Finance income	2 378	1 341	8 496
Interest exp. on financial liab. measured at amortised cost	10 689	7 198	38 317
Currency loss	2 004	27 180	36 690
Interest expense on leasing	889	709	2 677
Other financial expenses	1 181	1 598	5 097
Finance expenses	14 763	36 685	82 781
Unrealized foreign exchange profit/(loss)	(11 393)	(2 523)	61
Net financial items	(23 778)	(37 867)	(74 225)

Note 6 - Cash and cash equivalents and short-term deposits

(NOK 1 000)	2024 31. Mar	2023 31. Mar	2023 31. Dec
Cash in hand and at bank - unrestricted funds	157 470	121 086	131 630
Employee withheld taxes - restricted funds	3 353	2 602	4 092
Cash and cash equivalents continuing operations	160 823	123 688	135 722
Cash discontinued operations	242	452	248
Total cash and cash equivalents	161 065	124 140	135 970

Note 7 – Interest-bearing loans and borrowings

(NOK 1 000)	Annual interest	Maturity	2024	2023	2023
			31. Mar	31. Mar	31. Dec
Bond loan	3 m Euribor + 5.25%	28.03.2028	458 052	444 182	439 205
Commerzbank - DE	1.3%	31.12.2031		11 613	10 506
De Lage Landen Finans	7,05%	31.01.2028	948	1 205	1 010
Total interest-bearing loans			459 000	457 000	450 721
Total long-term interest-bearing loans			458 749	455 422	439 964
Total short-term interest-bearing loans			251	1 578	10 757
Total interest-bearing loans			459 000	457 000	450 721

The Company's bond loan of EUR 40 million is to be listed on the Oslo Stock Exchange. The loan from Commerzbank DE relates to the office building in Leipzig, which is owned by the Company.

Note 8 – Equity

During Q1 2024, there were no new share options or RSUs granted to employees. As of 31 March 2024, there are 2,732,000 share options and 136,663 RSUs outstanding.

Note 9 – Discontinued operation

In June 2022, the Group decided to initiate a process to reduce its ownership in vyble GmbH ("vyble"), a subsidiary in which the Group has a 90 % ownership, and vyble was classified as a company held for sale and as a discontinued operation. The results of vyble for the period are presented below:

(NOK 1 000)	2024	2023	2023
	Jan-Mar	Jan-Mar	Jan-Dec
Revenue	992	586	3 386
Operating expenses	1 414	4 876	13 769
Operating loss	(422)	(4 290)	(10 383)
Finance costs	112	302	404
Profit/(loss) before tax from discontinued operation	(534)	(4 592)	(10 787)
Tax expense	118	1 117	2 373
Profit/(loss) for the year tax from discontinued operation	(416)	(3 475)	(8 414)

The major classes of assets and liabilities of vyble classified as held for sale as at 31 March are as follows:

	2024 31. Mar	2023 31. Mar	2023 31. Dec
(NOK 1 000)			
Intangible assets	8 618	9 957	8 674
Property, plant and equipment	9	11	9
Other current assets	1 295	1 200	1 343
Cash and cash equivalents	242	452	248
Total assets held for sale	10 163	11 621	10 275
Creditors	822	1 435	544
Interest-bearing loans and borrowings	4 036	3 895	4 135
Liabilities directly associated with assets held for sale	4 858	5 330	4 679
Net assets directly associated with disposal group	5 305	6 291	5 596

The net cash flows incurred by vyble are as follows:

	2024 Jan-Mar	2023 Jan-Mar	2023 Jan-Dec
(NOK 1 000)			
Operating	3 014	(2 737)	(7 771)
Investing	(582)	(10)	(107)
Net cash outflow	2 432	(2 747)	(7 878)

Note 10 – Events after balance sheet date

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

Alternative Performance Measures (APMs)

Zalaris' financial information is prepared in accordance with IFRS. In addition, financial performance measures (APMs) are used by Zalaris to provide supplemental information to enhance the understanding of the Group's underlying financial performance. These APMs take into consideration income and expenses defined as items regarded as special due to their nature and include among others restructuring provisions and write-offs. Financial APMs should not be considered as a substitute for measures of performance in accordance with IFRS. Disclosures of APMs are subject to established internal control procedures.

Adjusted EBITDA and EBIT

EBIT, earnings before interest and tax is defined as the earnings excluding the effects of how the operations were financed, taxed and excluding foreign exchange gains & losses. EBIT is used as a measure of operational profitability. EBITDA is before depreciation, amortization and impairment of tangible assets and in-house development projects. To abstract non-recurring or income not reflective of the underlying operational performance, the Group also lists the adjusted EBIT and EBITDA. Adjusted EBIT is defined as EBIT excluding non-recurring income and costs, costs relating to share based payments to employees, including related calculated payroll tax if it exceeds NOK 1.0 million in a quarter, and amortization of excess values on acquisition. Adjusted EBITDA is EBITDA excluding non-recurring costs and costs relating to share based payments to employees, but after depreciation of right-of-use assets.

	2024	2023	2023
(NOK 1 000)	Jan-Mar	Jan-Mar	Jan-Dec
EBITDA	59 023	32 495	162 607
Gain on sale of assets	(10 473)	-	-
Share-based payments	8 898	2 431	11 575
Depreciation right-of-use assets (IFRS 16 effect)	(6 550)	(5 331)	(23 002)
Adjusted EBITDA	50 897	29 595	151 180

	2024	2023	2023
(NOK 1 000)	Jan-Mar	Jan-Mar	Jan-Dec
EBIT	32 959	12 776	70 504
Gain on sale of assets	(10 473)	-	-
Share-based payments	8 898	2 431	11 575
Amortization of excess values on acquisition	3 434	3 280	13 691
Adjusted EBIT	34 817	18 486	95 769

Adjusted EBIT per segment

	2024	2023	2023
(NOK 1 000)	Jan-Mar	Jan-Mar	Jan-Dec
Managed Services - EBIT	30 397	23 544	109 558
Share-based payments	2 283	1 242	4 840
Managed Services - adjusted EBIT	32 680	24 786	114 398

	2024	2023	2023
(NOK 1 000)	Jan-Mar	Jan-Mar	Jan-Dec
Professional Services - EBIT	9 047	10 309	30 315
Share-based payments	803	125	1 089
Professional Services - adjusted EBIT	9 850	10 434	31 404

	2024	2023	2023
(NOK 1 000)	Jan-Mar	Jan-Mar	Jan-Dec
New business (APAC) - EBIT	(868)	(2 535)	(7 367)
Share-based payments	68		198
New business (APAC) - adjusted EBIT	(800)	(2 535)	(7 169)

	2024	2023	2023
(NOK 1 000)	Jan-Mar	Jan-Mar	Jan-Dec
Group overhead/unallocated - EBIT	(5 616)	(18 540)	(62 002)
Gain on sale of assets	(10 473)	-	-
Share-based payments	5 898	1 062	5 446
Amortization of excess values on acquisition	3 280	3 280	13 690
Group overhead/unallocated - adjusted EBIT	(6 912)	(14 199)	(42 866)

Annual recurring revenue (ARR)

Annual recurring revenue (ARR) is defined as the annualised value of revenue the Company expects to receive from SaaS (software as a service) and BPaaS (business process as a service) contracts with customers, but excludes change orders that do not result in regular future revenue. The ARR is calculated by taking the revenue for Managed Services in the applicable quarter, adjusted for change orders and, contracts that have not generated revenue for part of the quarter (revenue from customers that have exited during the quarter is deducted, and estimated revenue for new contracts that have gone live during the quarter is added), multiplied by four. Contracted ARR includes the ARR at the end of the quarter, plus the estimated ARR of new contracts yet to go live.

Total Contract Value (TCV)

The total revenue that a customer contract is expected to generate is called total contract value (TCV). This metric is mainly used in Professional Services to assess the overall value of consulting projects that are contracted.

Net Retention

Net Retention is the percentage of revenue retained from Managed Services customers over a 12 months period. This figure takes into account any changes in revenue resulting from alterations in services, products and volumes, as well as any lost revenue from customer attrition. Net Retention at the

end of a given quarter is calculated by starting with the Managed Services revenue from the same quarter prior year, but excluding revenue from customers who had not fully implemented our solutions or services in that quarter. The next step is to measure the revenue from the same customers in the current quarter, using a constant currency (ref. definition below). This amount is then divided by the revenue from the same quarter prior year to obtain the Net Retention rate.

Revenue growth constant currency

The following table reconciles the reported growth rates to a revenue growth rate adjusted for the impact of foreign currency. The impact of foreign currency is determined by calculating the current year's revenue using foreign exchange rates consistent with the prior year.

	2024	2023	2023
	Jan-Mar	Jan-Mar	Jan-Dec
Revenue growth, as reported	22,1 %	25,0 %	26,7 %
Impact of foreign currency	-4,3 %	-8,1 %	-10,7 %
Revenue growth, constant currency	17,8 %	16,9 %	16,0 %
Managed Services revenue growth, as reported	24,6 %	27,3 %	27,1 %
Impact of foreign currency	-3,7 %	-7,0 %	-9,3 %
Managed Services revenue growth, constant currency	20,9 %	20,3 %	17,8 %
Professional Services revenue growth, as reported	9,0 %	13,9 %	19,8 %
Impact of foreign currency	-6,2 %	-10,2 %	-14,3 %
Professional Services revenue growth, constant currency	2,8 %	3,7 %	5,5 %

Net interest-bearing debt (NIBD)

Net interest-bearing debt (NIBD), consists of interest-bearing liabilities, less cash and cash equivalents.

The Group risk of default and financial strength is measured by the net interest-bearing debt.

	2024	2023	2023
(NOK 1 000)	31. Mar	31. Mar	31.Dec
Cash and cash equivalents continuing operations	160 823	123 688	135 722
Cash and cash equivalents discontinuing operations	242	452	248
Interest-bearing loans and borrowings - long-term	458 749	455 422	439 964
Interest bearing loans and borrowings - short-term	251	1 578	10 757
Net interest-bearing debt (NIBD)	297 935	332 860	314 751

Free cash flow

Free cash flow represents the cash flow that Zalaris generates after capital investments in the Group's business operations have been made. Free cash flow is defined as operational cash flow.

	2024	2023	2023
(NOK 1 000)	Jan-Mar	Jan-Mar	Jan-Dec
Net cash flow from operating activities	6 944	(4 136)	58 552
Investment in fixed and intangible assets	35 410	(4 797)	(33 868)
Free cash flow	42 354	(8 933)	24 684

Full time equivalents (FTEs)

The ratio of the total number of normal agreed working hours for all employees (part-time or full-time) by the number of normal full-time working hours in that period (i.e. one FTE is equivalent to one employee working full-time).

Key Figures

(NOKm unless otherwise stated)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Revenues	208,4	210,2	223,6	250,6	260,8	280,5	277,5	312,4	318,3
Revenue growth (YoY)	8,1 %	13,4 %	14,4 %	24,2 %	25,1 %	33,5 %	24,1 %	24,7 %	22,1 %
EBITDA adjusted	27,5	19,1	22,0	29,6	29,6	34,6	37,9	49,0	50,9
EBITDA margin adjusted	13,2 %	9,1 %	9,9 %	11,8 %	11,3 %	12,3 %	13,7 %	15,7 %	16,0 %
EBIT adjusted	14,4	6,8	9,7	15,3	18,5	20,2	23,7	33,4	34,8
EBIT margin adjusted	6,9 %	3,2 %	4,4 %	6,1 %	7,1 %	7,2 %	8,5 %	10,7 %	10,9 %
EBIT	4,7	1,2	4,4	13,3	12,8	12,7	17,6	27,1	33,0
EBIT margin	2,2 %	0,6 %	1,9 %	5,3 %	4,9 %	4,5 %	6,4 %	8,7 %	10,4 %
Profit Before Tax	14,7	(26,2)	(9,4)	4,9	(25,1)	(8,9)	18,8	11,5	9,2
Income Tax Expense	(1,5)	5,2	2,7	(12,7)	2,6	(0,4)	(3,2)	10,1	(2,3)
Net income	13,2	(21,0)	(6,7)	(8,2)	(22,5)	(9,3)	15,6	21,7	6,8
Profit margin	6,3 %	-10,0 %	-3,0 %	-3,3 %	-8,6 %	-3,3 %	5,6 %	6,9 %	2,1 %
Weighted # of shares outstanding (m)	21,5	21,6	21,6	21,6	21,6	21,6	21,6	21,6	21,7
Basic EPS (NOK)	0,44	(0,72)	(0,95)	(0,56)	(1,20)	(0,52)	0,62	0,96	0,30
Diluted EPS (NOK)	0,41	(0,72)	(0,95)	(0,56)	(1,20)	(0,52)	0,62	0,96	0,26
Cash flow items									
Cash from operating activities	(4,4)	3,0	(10,6)	12,4	(4,1)	3,3	15,3	44,1	6,9
Investments	(4,7)	(6,5)	(8,0)	(9,8)	(4,8)	(4,7)	(4,2)	(20,2)	(6,5)
Net changes in cash and cash equi.	(41,3)	(17,4)	(23,3)	(2,1)	27,1	(8,6)	7,4	17,5	25,7
Cash and cash equivalents end of period	134,7	116,8	95,6	93,5	124,1	113,6	120,7	136,0	161,1
Net interest-bearing debt	212,9	254,4	284,5	287,1	332,9	356,3	333,3	314,8	297,9
Total equity	189,7	182,4	180,5	163,6	168,9	176,7	177,6	203,0	229,4
Equity ratio	23,1 %	20,9 %	20,1 %	18,1 %	16,3 %	16,8 %	16,8 %	18,3 %	19,0 %
FTEs (quarter end)	838	884	915	963	983	987	1 004	1 007	1 007
Segment overview									
Revenues	209,7	210,2	223,6	250,6	260,8	280,5	277,5	312,4	318,3
Managed Services	146,5	151,7	160,6	186,0	186,7	204,0	200,0	228,9	232,7
Professional Services	61,9	57,9	61,3	61,9	70,5	72,3	73,1	75,3	76,8
APAC	1,2	0,6	1,6	1,4	3,6	4,3	4,4	8,2	8,8
EBIT	4,7	1,2	4,4	13,3	12,8	13,0	17,6	27,1	33,0
Managed Services	15,1	10,7	16,5	21,8	23,5	27,7	28,7	29,6	30,4
as % of revenue	10,3 %	7,1 %	10,2 %	12,0 %	12,6 %	13,6 %	14,3 %	12,9 %	13,1 %
Professional Services	6,8	4,9	3,8	4,4	10,3	2,9	6,6	10,4	9,0
as % of revenue	11,0 %	8,5 %	6,2 %	7,1 %	14,6 %	4,1 %	9,1 %	13,9 %	11,8 %
APAC	(3,8)	(3,3)	(1,7)	3,1	(2,5)	(2,2)	(2,0)	(0,6)	(0,9)
as % of revenue	-310,9 %	-579,1 %	-106,9 %	-24,6 %	-70,2 %	-50,5 %	-46,7 %	-7,7 %	-9,9 %
Gr.ovhd & Unallocated	(13,5)	(11,1)	(14,2)	(15,9)	(18,5)	(15,5)	(15,6)	(12,3)	(5,6)

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Financial reports can also
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