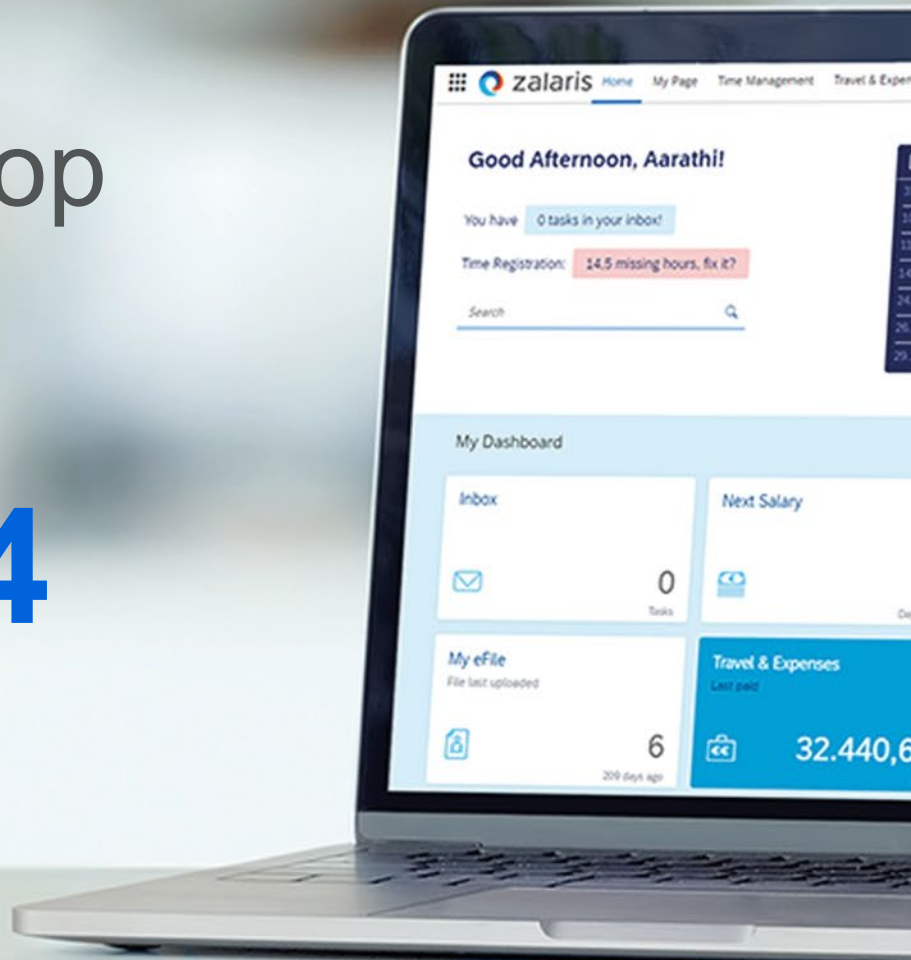


PeopleHub BY ZALARIS

# Your one-stop HR platform

# Q3 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, the Czech Republic, Singapore and Australia.

## Payroll & HR solutions that enable digital organizations

### One global IT platform with local presence

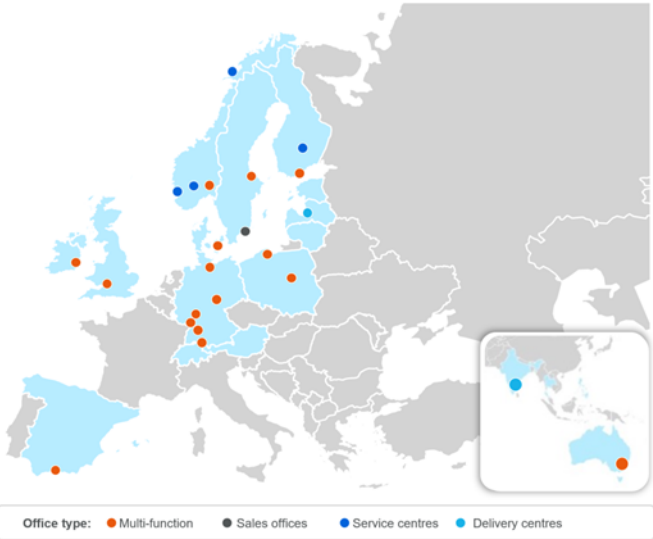
Zalaris is a leading European provider of global payroll and human capital management solutions delivered through software as a service, outsourcing, or consulting delivery models

Supporting fully digital processes for payroll and human capital management targeting 20-30% cost savings

One common multi-country solution satisfying GDPR requirements combined with competent resources serving complex customers with local competence and language

A market leader within mid-size companies with cross-border needs and a strong customer portfolio of some of the largest corporations in the Nordics, DACH, UK&I and APAC regions

### Geographical footprint



<p><b>1,500,000</b></p> <p>Employees served monthly by Zalaris supported HR solutions</p>	<p><b>~1,100</b></p> <p>Zalaris employees across the world</p>	<p><b>350,000+</b></p> <p>Employees served monthly through payroll services</p>
<p><b>NOK 1.3bn / 10,3%</b></p> <p>2024 Q3 LTM revenue / adj. EBIT-margin</p>	<p><b>17 countries</b></p> <p>With service centres and expertise in local regulations</p>	<p><b>150+ countries</b></p> <p>With expertise in local regulations with partners</p>

# Q3 Highlights

## STRONG REVENUE GROWTH

Revenue of NOK 339.7 million (NOK 278.2 million), representing revenue growth of 22.1% YoY and 18.3% in constant currency

## ALL TIME HIGH ADJ. EBIT

Adj. EBIT NOK 37.0 million (NOK 23.7 million) and adj. EBIT margin 10.9% (8.5%)

## HIGH OPERATING CASH FLOW

Operating cash flow NOK 48.4 million (NOK 15.3 million)

## Other updates

- New contract signed with large German retail chain for comprehensive payroll and HR services for 11,000+ employees in Germany.
- Continued increase in sales to existing customers yielding net retention for Managed Services of 108% in the third quarter, in constant currency.
- The sales pipeline in Managed Services remains strong, including an annual new contract value of approx. NOK 15 million, supported by signed letters of intent with new customers.
- The strategic review process announced in April is progressing well.



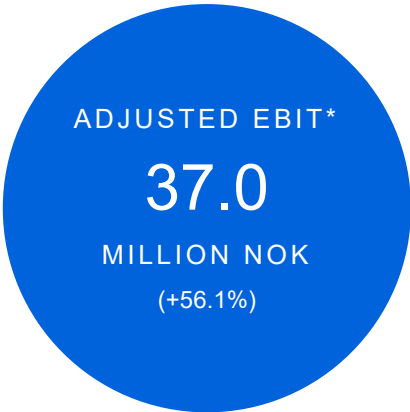
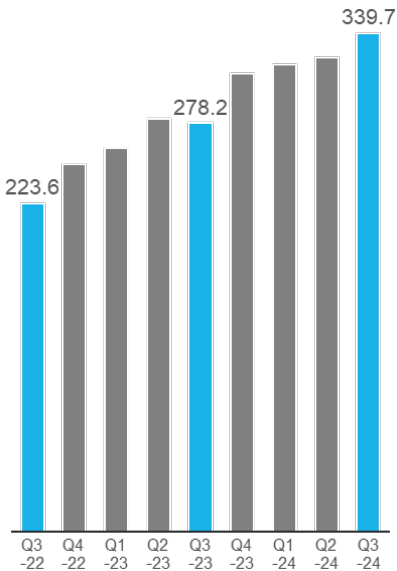
# Key Figures



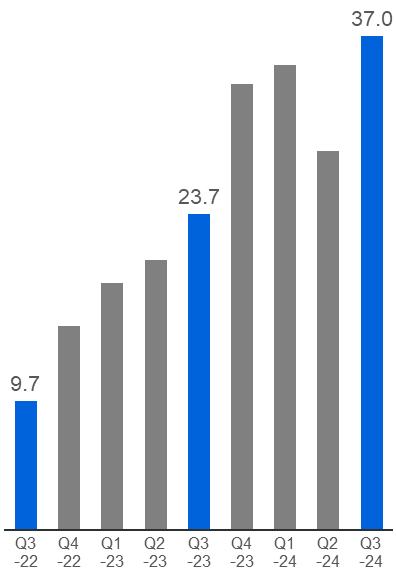
All time high quarterly revenue and adj. EBIT



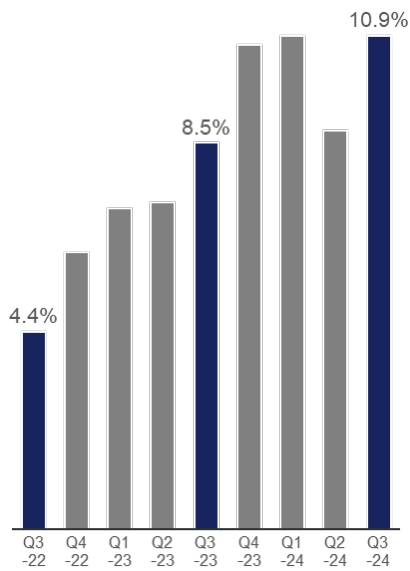
Revenue



Adjusted EBIT\*



Adjusted EBIT margin



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

## Financial performance by business segment

(NOK 1 000)	2024 Jul-Sep	2023 Jul-Sep	2024 Jan-Sep	2023 Jan-Sep	2023 <sup>*</sup> Jan-Dec
<b>Revenue</b>					
Managed Services	253 745	200 005	727 614	590 705	819 575
Professional Services	71 564	72 942	218 094	215 630	291 170
New business (APAC)	13 475	4 379	33 072	12 256	20 465
Non-core (vyble)	898	832	2 625	2 170	2 762
<b>Total revenue</b>	<b>339 682</b>	<b>278 157</b>	<b>981 406</b>	<b>820 761</b>	<b>1 133 972</b>
<b>Adjusted EBIT<sup>1)</sup></b>					
Managed Services	45 409	29 330	111 454	83 830	114 399
Professional Services	5 166	7 002	17 365	20 664	31 404
New business (APAC)	341	(1 978)	20	(6 607)	(7 169)
HQ (unallocated costs)	(13 883)	(10 689)	(28 600)	(35 518)	(42 865)
<b>Adj. EBIT</b>	<b>37 033</b>	<b>23 665</b>	<b>100 239</b>	<b>62 368</b>	<b>95 768</b>
<i>Adj. EBIT margin (%)</i>	<i>10,9 %</i>	<i>8,5 %</i>	<i>10,2 %</i>	<i>7,6 %</i>	<i>8,5 %</i>
Non-core (vyble)	(831)	(2 251)	(2 549)	(9 461)	(10 381)
Share-based payments	850	(2 601)	(16 788)	(8 789)	(11 575)
Amortisation excess value on acquisitions	(3 549)	(3 426)	(10 418)	(10 196)	(13 691)
Strategic process costs	(2 451)	-	(5 024)	-	-
Gain on sale of assets	-	-	10 473	-	-
<b>EBIT</b>	<b>31 052</b>	<b>15 387</b>	<b>75 934</b>	<b>33 922</b>	<b>60 121</b>
<i>EBIT margin</i>	<i>9,1 %</i>	<i>5,5 %</i>	<i>7,7 %</i>	<i>4,1 %</i>	<i>5,3 %</i>

\* 2023 accounts are reclassified

## Financial summary

(NOK 1 000)	2024 Jul-Sep	2023 Jul-Sep	2024 Jan-Sep	2023 Jan-Sep	2023 <sup>*</sup> Jan-Dec
<b>Revenue</b>	<b>339 682</b>	<b>278 157</b>	<b>981 406</b>	<b>820 761</b>	<b>1 133 971</b>
<i>Growth (YoY)</i>	<i>22,1 %</i>	<i>42,4 %</i>	<i>19,6 %</i>	<i>27,0 %</i>	<i>15,1 %</i>
Adjusted EBITDA <sup>1)</sup>	55 482	31 908	151 751	103 337	152 781
Adjusted EBITDA margin	16,3 %	11,5 %	15,5 %	12,6 %	13,5 %
<b>Adjusted EBIT<sup>1)</sup></b>	<b>37 033</b>	<b>23 665</b>	<b>100 284</b>	<b>62 368</b>	<b>95 769</b>
Adjusted EBIT margin	10,9 %	8,5 %	10,2 %	7,6 %	8,5 %
EBIT	31 052	15 387	75 934	33 922	60 122
<b>Profit/(loss) for the period</b>	<b>8 293</b>	<b>13 370</b>	<b>20 043</b>	<b>(23 843)</b>	<b>(2 962)</b>
Basic earnings per share (EPS)	0,38	0,62	0,92	(1,10)	(0,14)
Total comprehensive income	19 125	(1 684)	40 898	4 325	26 798
Net cash flow from operating activities	48 433	15 255	74 105	14 418	58 549
Net interest-bearing debt (NIBD) <sup>1)</sup>	286 349	337 128	286 349	337 128	318 526
NIBD/Adjusted EBITDA (LTM)	1,4	2,5	1,4	2,5	2,1

\* 2023 accounts are reclassified

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

# CEO Insights

“UNSTOPPABLE” - the title of the 2024 Zalaris Norseman Film doubles as the characteristic of #teamZalaris’ Q3 results.

Our all-time high revenue streak continued with revenues of NOK 339.7 million, an increase of 22% from NOK 278.2 million in Q3 of the previous year. Our adjusted EBIT grew 56% YoY to NOK 37.0 million for the quarter, resulting in an adjusted EBIT year to date of NOK 100 million and a margin of 10.2%.

We continue winning and see positive market developments for our products and services across all markets. Project implementations under Letter of Intent, as reported last quarter, have been converted to long-term agreements. With new contract signings, in combination with ongoing exclusive negotiations expected to be finalized in Q4, our backlog of project work is strong, securing our target of 10% continued organic growth that will continue in 2025 and 2026.

“ With NOK 340 million in revenue and NOK 37 million of adjusted EBIT we delivered our best quarter ever growing revenue 22% and EBIT 56% compared with the same period last year

During the quarter, we increased our geographic service coverage to the US and the Czech Republic as part of the roll-out projects with our existing customers.

Our pipeline of new prospects, as well as the opportunity to expand with existing customers into new geographies, continue to develop positively. Our strengthened brand and

leadership position enable us to capture a significantly larger share of the relevant large enterprise multi-country opportunities originating out of Europe.



Zalaris is the proud title sponsor of the Zalaris Norseman Xtreme Triathlon – perceived as one of the toughest triathlons in the world. As part of our engagement our #teamZalarisNorseman raised about NOK 1 million to support cancer fighting charities. You can watch the 2024 film “Unstoppable” on Youtube.

## German margin improvement programs are starting to yield visible results

As communicated on our Capital Markets Day in September 2023, our key financial targets are minimum 10% organic growth and 10% EBIT margin for 2024, increasing to 12-15% before 2026, and a cash conversion of 70%. We continue to deliver well ahead of our targets for growth, and with an EBIT YTD of 10.2%, we are on our way to delivering on the EBIT target for 2024.

As discussed in our last report, a key element of delivering on our new EBIT target of 12-15% is to increase the profitability in our German operations to the level of the more mature Nordic organization. Achieving this requires a

combination of customer project-specific and general measures. As communicated in Q2, we formalized our activities in the form of a DACH improvement project, targeting an EBIT improvement for DACH of approximately NOK 40 million by Q2 2026, with approximately NOK 30 million to be realized by Q3 next year.

During Q3, our actions started to show results with a significant improvement in the DACH region financials. These were improvements coming from renegotiated customer agreements, better utilization of our workforce, and general improvements from implementing our Zalaris 4.0 standard operating model. The program will continue over the next quarter, and we expect the positive trend to continue.

### Zalaris Board's Strategic Review

The strategic review we announced on April 4th is in progress, and any further announcement will be made when the review has been concluded.

“ We in #teamZalaris are **UNSTOPPABLE** on our journey to deliver on our target of being a NOK 1.5 billion company with 12-15% adjusted EBIT by 2026. With NOK 980 million in revenue and NOK 100 million of adjusted EBIT – 10.2% – year to date, we are well underway to deliver on our financial targets for 2024



**Hans-Petter Mellerud,**  
CEO of Zalaris



# Financial Review

## Revenue

Revenue for the third quarter 2024 amounted to NOK 339.7 million (Q3 2023: NOK 278.2 million). The increase in revenue was +22.1%. Measured in constant currency the increase was +18.3%\*.

The increase in revenue compared to last year is mainly within Managed Services (+27%), 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 108%, measured in constant currency.

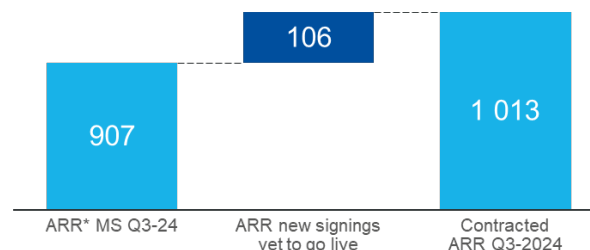
In the third quarter, Zalaris signed an agreement with a large German retail chain for comprehensive payroll and HR services for more than 11,000 employees in Germany.



New contracts signed during the third quarter, amounted to annual recurring revenue (“ARR”) of approximately NOK 27 million.

The revenue impact of signed contracts that are still to go live as of 30 September 2024, is presented in the table below. The table shows the ARR within Managed Services at the end of the third quarter, and how the Group’s ARR will increase, when these contracts are implemented.

### CONTRACTED ARR\* IN MS NOK MILLION

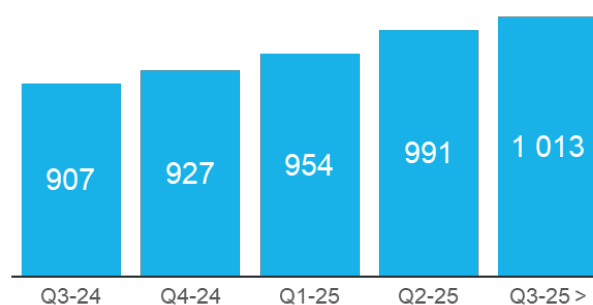


\*See definitions and reconciliation of APM's in a separate section of the interim report.

The additional ARR of NOK 106 million that will come from new contracts represents an increase in annual revenue for Managed Services of +11.1% (compared to revenue last 12 months).

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



## Nordics & Baltics

Revenue in the Nordic & Baltic region was NOK 163.3 million in the third quarter. Adjusted for currency effects, the revenue was +19.2% compared to the figure last year of NOK 133.7 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 142.6 million in the third quarter, compared to

## Earnings

The adjusted EBIT was NOK 37.0 million for the third quarter (NOK 23.7 million). The increase is largely explained by increased revenue from new and existing customers and margin improvements in the Nordic region and Germany. Continued focus on increased use of resources from near- and offshore locations has had a positive impact on customer margins.

The adjustments made to EBIT were the calculated costs of the Company's share-based payment plan, including estimated payroll tax (negative NOK 0.8 million), costs related to the strategic process (NOK 2.5 million), negative EBIT for non-core business vlyble (NOK 0.8 million) and amortisation of excess values on acquisitions (NOK 3.5 million). The estimated costs of the share-based payment plan were reduced as a result of a downward adjustment in the provision for payroll taxes on the potential gain from share options. This adjustment followed a decrease in Zalaris' share price since the end of the second quarter.

Consolidated EBIT for the quarter was NOK 31.1 million (NOK 15.4 million).

NOK 115.6 million last year. An increase of +18.6% in local currency.

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

Managed Services in Germany grew by +39.8% in local currency, compared to last year. Within Professional Services, Germany and Poland delivered a change in revenue of +5.5% and -15.4% respectively in local currency compared to last year.

## UK & Ireland

Revenue in the UK & Ireland region amounted to NOK 19.4 million in the third quarter, compared to NOK 23.7 million in the same quarter last year, a decrease of 21.6% in local currency. The lower revenue was primarily due to the partial completion of a major consulting project in Professional Services.

The Group had net financial expenses of NOK 21.1 million for the third quarter (net income NOK 1.0 million), including a net unrealised currency loss of NOK 8.0 million (gain NOK 12.6 million), mainly related to the EUR 40 million bond loan.

The net profit for the quarter was NOK 8.3 million (NOK 13.4 million).

Total comprehensive income amounted to NOK 19.1 million (negative NOK 1.7 million), after positive currency translation differences of NOK 10.8 million (negative NOK 15.1 million) relating to foreign subsidiaries.

## EBIT improvements

Zalaris targets an adjusted EBIT margin of 12% – 15% by the end of 2026. Our ambition is that each region will have a local 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 help drive profit margins.

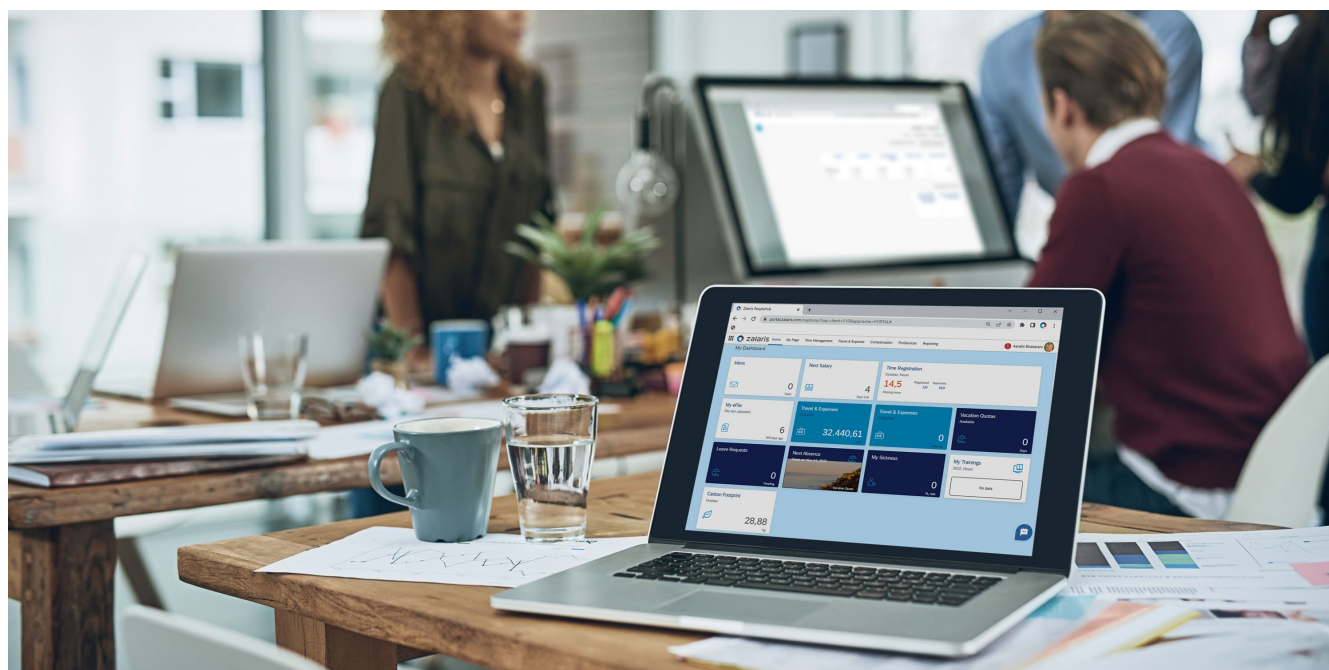
The EBIT target is mainly achieved in the Nordic countries, by moving significant tasks from local to near-/offshore locations to reduce operational costs and increase existing capacity for more revenue without hiring new local resources.

Historically, the subsidiary in Germany has delivered significantly lower margins compared to other countries and in the second quarter this year, we further formalized our activities in the form of a DACH improvement program, targeting an EBIT improvement for DACH stand alone of approximately NOK 40 million over the next 12 to 18 months, with approximately NOK 30 million to be realized over the next 12 months, in addition to approximately NOK 10 million that will come from new customer contracts. Key categories of our improvement program are:

- Cost synergies from integrating Ba.se GmbH – now renamed to Zalaris Retail

Solutions GmbH – into our German Managed Services operations from Q3 2024;

- Renegotiated terms in existing customer agreements, including migrating customers on legacy platforms to PeopleHub, with effect from Q3 2024 and Q1 2025;
- Implementing the Zalaris 4.0 operating model with a balanced onshore; nearshore, offshore, and digital workforce, to be implemented by Q1 2025;
- Normalizing the use of external SAP consultants to 15% of current produced hours, down from approximately 30%, targeting full implementation by Q4 2025; and
- Streamlining of organization reducing administrative overhead through digitalization

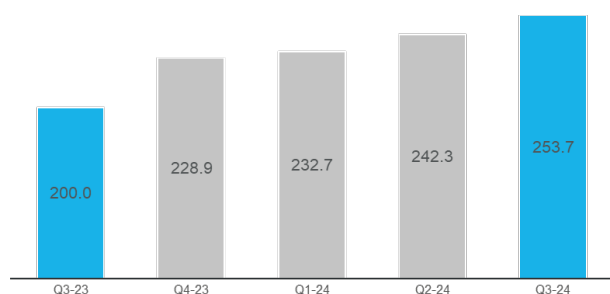


## Business segment performance

### Managed Services

The Managed Services (“MS”) segment had revenue of NOK 253.7 million (75% of total revenue) for the third quarter 2024, compared to NOK 200.0 million in the same quarter last year. The increase was +23.3% when adjusted for currency effects and was mainly driven by revenue from new customers that have gone live since the third quarter last year and additional services and increased change orders 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 we will start recognizing as revenue when the projects go live. MS revenue deferred for the third quarter was NOK 25.5 million, compared to NOK 25.3 million last year.

The adj. EBIT for MS for the third quarter was NOK 45.4 million (NOK 29.3 million), and adj. EBIT margin was 17.9% (14.6%). The increase in EBIT is mainly due to higher revenue and operational improvements in Germany.

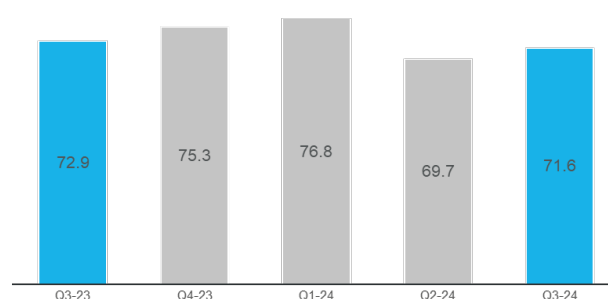
The target is for Managed Services to operate on a standardised platform across all regions. This will secure harmonised operational processes, maximizing use of digitalisation, and take full effect of the flexibility and competence of resources across all geographical regions, hereunder both locally, nearshore (Latvia, Poland, Spain) and offshore (India).

### Professional Services

Revenue in the Professional Services (“PS”) segment amounted to NOK 71.6 million for the third quarter 2024, compared to NOK 72.9 million last year. When adjusted for currency movements the reduction was -6.1% year-on-year.

The primary reason for the reduction in PS revenue compared to last year was lower revenue in the UK, attributed to the partial completion of a large consulting project.

#### REVENUE PROFESSIONAL SERVICES NOK MILLION



The adj. EBIT for PS for the third quarter was NOK 5.2 million (NOK 7.0 million), and adj. EBIT margin was 7.3% (9.6%). Marginal lower revenue and additional bonus accruals contributed to the lower EBIT in the quarter.

### New business - 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 in the world. We offer a full suite of Professional Services and Managed Services. APAC will be reported separately until it has reached a mature business volume, and the activities can be included in one of our two main segments. The objective is to provide separate information on early stage business development activities to isolate a financial loss in an interim period and to visualize the financial

result of the existing business activities without the disturbance of these new activities.

The APAC region recorded revenue and adj. EBIT of NOK 13.5 million (NOK 4.4 million) and NOK 0.3 million (negative NOK 2.0 million) respectively in the third quarter.

## vyble

In 2022, the Group started a process to reduce its ownership in vyble GmbH (“vyble”), a payroll and HR solution start-up located in Rostock and Hamburg, Germany. vyble has a complete suite of Payroll and HR solutions delivered as Software as a Service (SaaS) targeting the SME market in Germany. Despite discussions with potential buyers, no offers met Zalaris' expectations. During this period, the company has been restructured and operating expenses significantly reduced. Further cost reductions are expected. The sales process is now on hold and the financial statements for the periods from the classification has been amended accordingly. vyble is a non-core business and is reported separately to the other business segments.

vyble had external revenue and EBIT of NOK 0.9 million (NOK 0.8 million) and negative NOK 0.8 million (negative NOK 2.3 million) respectively in the third quarter.

## Financial position and cash flow

Zalaris had total assets of NOK 1,257.9 million as of 30 September 2024, compared to NOK 1,183.8 million on 30 June 2024.

Cash and cash equivalents were NOK 180.1 million as of 30 September 2024, an increase of NOK 16.9 million from the end of the previous quarter.

Total equity as of 30 September 2024 was NOK 244.0 million, compared to NOK 231.6 million as

of 30 June 2024. This corresponds to an equity ratio of 19.4% (19.6%).

The Company holds 449,844 own shares (2.0% of total outstanding shares) at 30 September 2024.

Net interest-bearing debt (interest-bearing debt less cash and cash equivalents) as of 30 September 2024 was NOK 286.4 million, compared to NOK 286.5 million as of 30 June 2024. The increase in cash and cash equivalents during the quarter, was offset by the higher NOK value of the EUR denominated bond loan.

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 1.6 as of 30 June 2024 to 1.4 as of 30 September 2024.

Operating cash flow during the third quarter 2024 was NOK 48.4 million (Q3 2023: NOK 15.3 million). The increase is due to higher earnings and a reduction in net working capital.

Net cash flow from investing activities in the third quarter was negative NOK 9.4 million (negative NOK 4.2 million). This was all related to investment in fixed and intangible assets, including NOK 1.7 million in refurbishment of our new office in Latvia.

Net cash flow from financing activities in the third quarter was negative NOK 21.0 million (negative NOK 4.0 million), including NOK 11.7 million paid to settle expired employee share options.

## 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 on future revenue growth, as it has recently secured several large new, long-term BPaaS/SaaS contracts within the Managed Services division. Several of these have significant room for volume expansion into new countries or additional services. The majority of these contracts will be operational by early-2025. The pipeline of new possible contracts remains strong, supporting Zalaris' growth target.

Subsequent to end of third quarter, a top 5 customer has informed that they will not renew the current contract beyond 2026.

We maintain our guidance of average annual churn of 1.5%-3% over a cycle, and an average annual growth target of 10%.

Large scale benefits from revenue growth combined with continued cost 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 of 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 positive trend will continue.

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

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, 23 October 2024

# Interim Consolidated Financial Statements

## Consolidated Statement of Profit and Loss

(NOK 1 000)	Notes	2024	2023	2024	2023	2023 *
		Jul-Sep <i>unaudited</i>	Jul-Sep <i>unaudited</i>	Jan-Sep <i>unaudited</i>	Jan-Sep <i>unaudited</i>	Jan-Dec
<b>Revenue</b>	2	339 682	278 157	981 406	820 761	1 133 971
<b>Operating expenses</b>						
License costs		27 113	24 644	79 363	76 733	103 231
Personnel expenses	4	165 156	139 862	500 233	436 195	589 845
Other operating expenses		87 169	74 298	255 535	205 839	287 068
(Gain)/loss on sale of assets		(1)	-	(10 504)	-	-
Depreciation and impairments		1 230	976	3 727	2 841	4 272
Depreciation right-of-use assets		7 195	5 880	18 914	16 906	23 002
Amortisation intangible assets		8 098	8 152	24 164	24 474	32 666
Amortisation implementation costs customer projects	3	12 670	8 959	34 039	23 850	33 765
<b>Operating profit (EBIT)</b>		<b>31 052</b>	<b>15 387</b>	<b>75 935</b>	<b>33 922</b>	<b>60 122</b>
<b>Financial items</b>						
Financial income	5	2 239	2 135	6 566	5 321	8 496
Financial expense	5	(15 310)	(13 765)	(44 939)	(65 812)	(83 186)
Unrealized foreign exchange gain/(loss)	5	(8 015)	12 638	(12 830)	1 554	61
<b>Net financial items</b>		<b>(21 086)</b>	<b>1 009</b>	<b>(51 203)</b>	<b>(58 937)</b>	<b>(74 630)</b>
<b>Profit before tax</b>		<b>9 966</b>	<b>16 395</b>	<b>24 732</b>	<b>(25 015)</b>	<b>(14 508)</b>
<b>Tax expense</b>		<b>(1 673)</b>	<b>(3 025)</b>	<b>(4 689)</b>	<b>1 172</b>	<b>11 546</b>
<b>Profit for the period</b>		<b>8 293</b>	<b>13 370</b>	<b>20 043</b>	<b>(23 843)</b>	<b>(2 962)</b>
<b>Profit attributable to:</b>						
- Owners of the parent		8 364	13 650	20 336	(22 806)	(1 752)
- Non-controlling interests		(71)	(280)	(293)	(1 037)	(1 210)
<b>Earnings per share:</b>						
Basic earnings per share (NOK)		0,38	0,62	0,92	(1,10)	(0,14)
Diluted earnings per share (NOK)		0,34	0,54	0,83	(1,10)	(0,14)

\* 2023 accounts are reclassified

## Consolidated Statement of Comprehensive Income

(NOK 1 000)	Notes	2024	2023	2024	2023	2023 *
		Jul-Sep <i>unaudited</i>	Jul-Sep <i>unaudited</i>	Jan-Sep <i>unaudited</i>	Jan-Sep <i>unaudited</i>	Jan-Dec
<b>Profit for the period</b>		<b>8 293</b>	<b>13 370</b>	<b>20 042</b>	<b>(23 843)</b>	<b>(2 962)</b>
<b>Other comprehensive income</b>						
Items that will be reclassified to profit and loss in subsequent periods						
Currency translation differences		10 832	(15 054)	20 856	28 168	29 760
<b>Total other comprehensive income</b>		<b>10 832</b>	<b>(15 054)</b>	<b>20 856</b>	<b>28 168</b>	<b>29 760</b>
<b>Total comprehensive income</b>		<b>19 125</b>	<b>(1 684)</b>	<b>40 898</b>	<b>4 325</b>	<b>26 798</b>
<b>Total comprehensive income attributable to:</b>						
- Owners of the parent		19 196	(1 404)	41 191	5 362	28 008
- Non-controlling interests		(71)	(280)	(293)	(1 037)	(1 210)

\* 2023 accounts are reclassified



## Consolidated Statement of Financial Position

(NOK 1 000)	Notes	2024 30. Sept <i>unaudited</i>	2023 30. Sept <i>unaudited</i>	2023 * 31. Dec
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets		122 275	121 038	126 799
Goodwill		220 983	210 962	209 443
<b>Total intangible assets</b>		<b>343 258</b>	<b>332 000</b>	<b>336 242</b>
Deferred tax asset		53 033	30 163	52 065
<b>Fixed assets</b>				
Right-of-use assets		64 068	51 045	44 853
Property, plant and equipment		9 755	35 604	35 195
<b>Total fixed assets</b>		<b>73 823</b>	<b>86 649</b>	<b>80 048</b>
<b>Total non-current assets</b>		<b>470 114</b>	<b>448 813</b>	<b>468 355</b>
<b>Current assets</b>				
Trade accounts receivable		276 712	241 696	263 649
Customer projects	3	260 739	187 688	197 106
Other short-term receivables		70 203	55 203	46 467
Cash and cash equivalents	6	180 111	120 750	135 970
<b>Total current assets</b>		<b>787 765</b>	<b>605 337</b>	<b>643 192</b>
<b>TOTAL ASSETS</b>		<b>1 257 879</b>	<b>1 054 150</b>	<b>1 111 547</b>

\* 2023 accounts are reclassified

## Consolidated Statement of Financial Position

(NOK 1 000)	Notes	2024 30. Sept <i>unaudited</i>	2023 30. Sept <i>unaudited</i>	2023 * 31. Dec
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
<b>Paid-in capital</b>				
Share capital		2 169	2 165	2 165
Other paid in equity		23 480	18 695	21 481
Share premium		143 956	143 045	143 045
<b>Total paid-in capital</b>		<b>169 605</b>	<b>163 904</b>	<b>166 691</b>
Other equity		14 519	14 519	14 519
Retained earnings		64 457	2 734	25 512
<b>Equity attributable to equity holders of the parent</b>		<b>248 581</b>	<b>181 157</b>	<b>206 722</b>
Non-controlling interest		(4 558)	(3 595)	(3 768)
<b>Total equity</b>		<b>244 023</b>	<b>177 562</b>	<b>202 954</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Deferred tax		25 609	22 615	27 418
Interest-bearing loans	7	461 888	456 306	439 964
Lease liabilities		40 796	33 189	28 585
<b>Total long-term liabilities</b>		<b>528 293</b>	<b>512 110</b>	<b>495 967</b>
<b>Current liabilities</b>				
Trade accounts payable		37 042	32 298	38 444
Customer projects liabilities	3	229 672	161 363	182 588
Interest-bearing loans	7	4 573	1 573	14 532
Lease liabilities		26 280	19 899	18 469
Income tax payable		3 430	4 863	4 537
Public duties payable		59 877	40 408	44 716
Other short-term liabilities		124 689	104 074	109 340
<b>Total short-term liabilities</b>		<b>485 563</b>	<b>364 478</b>	<b>412 626</b>
<b>Total liabilities</b>		<b>1 013 856</b>	<b>876 587</b>	<b>908 593</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 257 879</b>	<b>1 054 150</b>	<b>1 111 547</b>

\* 2023 accounts are reclassified

## Consolidated Statement of Cash Flow

(NOK 1 000)	Notes	2024	2023	2024	2023	2023 *
		Jul-Sep <i>unaudited</i>	Jul-Sep <i>unaudited</i>	Jan-Sep <i>unaudited</i>	Jan-Sep <i>unaudited</i>	Jan-Dec
<b>Cash Flow from operating activities</b>						
Profit (Loss) before tax from continued operation		9 967	16 395	24 733	(25 015)	(14 508)
Profit (Loss) before tax from discontinued operation				-		-
Net financial items	5	21 086	(1 303)	51 203	58 643	74 630
Share based program		2 859	1 586	10 415	8 789	11 575
Depreciation and impairments		1 230	975	3 727	2 839	4 272
Depreciation right-of-use assets		7 195	5 880	18 914	16 906	23 002
Amortisation intangible assets		8 098	7 753	24 164	23 284	32 666
Capitalisation implementation costs customer projects	3	(28 068)	(21 460)	(89 087)	(68 758)	(89 272)
Depreciation implementation costs customer projects	3	12 670	8 959	34 039	23 850	33 765
Customer project revenue deferred	3	25 499	25 309	65 964	73 371	104 139
Customer project revenue recognised	3	(10 179)	(6 554)	(27 126)	(19 556)	(29 408)
Taxes paid		(755)	(2 753)	(6 040)	(8 732)	(11 452)
Changes in accounts receivable		(12 595)	(9 655)	(14 022)	(49 296)	(71 934)
Changes in accounts payable		6 813	3 116	(1 117)	(13 682)	(6 963)
Changes in other items		14 455	(3 421)	7 668	17 544	34 136
Interest received		1 308	612	3 495	1 617	2 585
Interest paid		(11 150)	(10 183)	(32 825)	(27 385)	(38 684)
<b>Net cash flow from operating activities</b>		<b>48 433</b>	<b>15 255</b>	<b>74 105</b>	<b>14 418</b>	<b>58 549</b>
<b>Cash flows to investing activities</b>						
Investment in fixed and intangible assets		(9 354)	(4 229)	(22 598)	(13 688)	(33 868)
Proceedes from sale of property		-	-	41 899		-
<b>Net cash flow from investing activities</b>		<b>(9 354)</b>	<b>(4 229)</b>	<b>19 301</b>	<b>(13 688)</b>	<b>(33 868)</b>
<b>Cash flows from financing activities</b>						
Sale of own shares		-	881	2	881	881
Buyback of own shares		(12)	-	(12)	-	-
Cash settlement employee share options		(11 698)	-	(11 698)		-
Contribution from minority shareholder		-	-	-	293	293
Payment of lease liabilities		(8 965)	452 913	(23 762)	440 796	(22 790)
Net proceeds from new EUR 40m bond loan		-	(841 141)	-	(400 346)	440 796
Repayment of loans		(314)	400 176	(10 928)	-	(400 547)
<b>Net cash flow from financing activities</b>		<b>(20 989)</b>	<b>(3 670)</b>	<b>(46 398)</b>	<b>25 125</b>	<b>18 633</b>
<b>Net changes in cash and cash equivalents</b>		<b>18 090</b>	<b>7 357</b>	<b>47 008</b>	<b>25 854</b>	<b>43 314</b>
<b>Net foreign exchange difference</b>		<b>(1 134)</b>	<b>(199)</b>	<b>(2 868)</b>	<b>1 441</b>	<b>(799)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>163 155</b>	<b>113 593</b>	<b>135 971</b>	<b>93 456</b>	<b>93 456</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>180 111</b>	<b>120 751</b>	<b>180 111</b>	<b>120 751</b>	<b>135 971</b>

\* 2023 accounts are reclassified

## 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 equity
<b>Equity at 01.01.2023</b>	2 214	(54)	141 898	10 038	154 095	14 519	7 020	(12 038)	163 596 *
Profit of the year							(23 842)		(23 842)
Other comprehensive income								28 046	28 046
Share based payments				8 789	8 789				8 789
Exercise of share based payments		1	131	(132)			(5)		(5)
Employee share purchase		4	1 015		1 019		(139)		880
Other changes							97		97
<b>Equity at 30.09.2023</b>	2 214	(49)	143 044	18 695	163 904	14 519	(16 869)	16 008	177 562
<b>Unaudited</b>									
<b>Equity at 01.01.2024</b>	2 214	(49)	143 044	21 481	166 690	14 519	4 026	17 722	202 957
Profit/(loss) of the year							20 043		20 043
Other comprehensive income								20 800	20 800
Share based payments				10 415	10 415			-	10 415
Exercise of share based payments				(11 698)	(11 698)				(11 698)
Employee share purchase program		4	912		916				916
Other changes				22	22		567		589
<b>Equity at 30.09.2024</b>	2 214	(45)	143 956	20 220	166 345	14 519	24 636	38 522	244 022
<b>Unaudited</b>									

\* 2023 accounts are reclassified

# 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 Hoffsvæien 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 30 September 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.

**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 Jul-Sep

(NOK 1 000)	Managed Services	Professional Services	APAC	vyble GmbH	Gr.Ovhd & Unallocated	Total
Revenue, external	253 745	71 564	13 475	898		339 682
Operating expenses	(190 519)	(64 607)	(12 895)	(1 317)	(10 098)	(279 436)
<b>EBITDA</b>	<b>63 226</b>	<b>6 958</b>	<b>580</b>	<b>(419)</b>	<b>(10 098)</b>	<b>60 246</b>
Depreciation and amortisation	(17 631)	(1 669)	(308)	(412)	(9 173)	(29 193)
<b>EBIT</b>	<b>45 595</b>	<b>5 288</b>	<b>272</b>	<b>(831)</b>	<b>(19 271)</b>	<b>31 052</b>
Net financial income/(expenses)					(21 086)	(21 086)
Income tax					(1 673)	(1 673)
<b>Profit for the period</b>	<b>45 595</b>	<b>5 288</b>	<b>272</b>	<b>(831)</b>	<b>(42 030)</b>	<b>8 293</b>
<b>Cash flow from investing activities</b>						<b>(9 354)</b>

### 2023 Jul-Sep

(NOK 1 000)	Managed Services	Professional Services	APAC	vyble GmbH	Gr.Ovhd & Unallocated	Total
Revenue, external	200 005	72 942	4 379	832	-	278 157 *
Operating expenses	(157 455)	(64 531)	(6 188)	(2 651)	(7 980)	(238 804)
<b>EBITDA</b>	<b>42 550</b>	<b>8 411</b>	<b>(1 809)</b>	<b>(1 819)</b>	<b>(7 980)</b>	<b>39 353</b>
Depreciation and amortisation	(13 857)	(1 788)	(238)	(432)	(7 651)	(23 967)
<b>EBIT</b>	<b>28 693</b>	<b>6 623</b>	<b>(2 047)</b>	<b>(2 251)</b>	<b>(15 631)</b>	<b>15 387</b>
Net financial income/(expenses)					1 009	1 009
Income tax					(3 025)	(3 025)
<b>Profit for the period</b>	<b>28 693</b>	<b>6 623</b>	<b>(2 047)</b>	<b>(2 251)</b>	<b>(17 647)</b>	<b>13 371</b>
<b>Cash flow from investing activities</b>						<b>(4 229)</b>

\* 2023 accounts are reclassified

### 2024 Jan-Sep

(NOK 1 000)	Managed Services	Professional Services	APAC	vyble GmbH	Gr.Ovhd & Unallocated	Total
Revenue, external	727 614	218 094	33 072	2 625		981 406
Operating expenses	(571 935)	(195 245)	(32 887)	(3 955)	(31 110)	(835 131)
Sale of assets	-	-	-		10 503	10 503
<b>EBITDA</b>	<b>155 680</b>	<b>22 849</b>	<b>185</b>	<b>(1 330)</b>	<b>(20 607)</b>	<b>156 777</b>
Depreciation and amortisation	(48 925)	(6 923)	(370)	(1 219)	(23 407)	(80 844)
<b>EBIT</b>	<b>106 755</b>	<b>15 925</b>	<b>(185)</b>	<b>(2 549)</b>	<b>(44 014)</b>	<b>75 933</b>
Net financial income/(expenses)					(51 203)	(51 203)
Income tax					(4 689)	(4 689)
<b>Profit for the period</b>	<b>106 755</b>	<b>15 925</b>	<b>(185)</b>	<b>(2 549)</b>	<b>(99 906)</b>	<b>20 041</b>
<b>Cash flow from investing activities</b>						<b>19 301</b>

### 2023 Jan-Sep

(NOK 1 000)	Managed Services	Professional Services	APAC	vyble GmbH	Gr.Ovhd & Unallocated	Total
Revenue, external	590 705	215 630	12 256	2 170	-	820 761 *
Operating expenses	(474 188)	(189 546)	(18 274)	(10 300)	(26 459)	(718 768)
<b>EBITDA</b>	<b>116 517</b>	<b>26 084</b>	<b>(6 019)</b>	<b>(8 130)</b>	<b>(26 459)</b>	<b>101 993</b>
Depreciation and amortisation	(36 556)	(6 210)	(716)	(1 331)	(23 259)	(68 072)
<b>EBIT</b>	<b>79 961</b>	<b>19 874</b>	<b>(6 735)</b>	<b>(9 461)</b>	<b>(49 718)</b>	<b>33 921</b>
Net financial income/(expenses)					(58 937)	(58 937)
Income tax					1 172	1 172
<b>Profit for the period</b>	<b>79 961</b>	<b>19 874</b>	<b>(6 735)</b>	<b>(9 461)</b>	<b>(107 482)</b>	<b>(23 843)</b>
<b>Cash flow from investing activities</b>						<b>(13 688)</b>

\* 2023 accounts are reclassified

### 2023 Jan-Dec

(NOK 1 000)	Managed Services	Professional Services	APAC	vyble GmbH	Gr.Ovhd & Unallocated	Total
Revenue, external	819 575	291 170	20 465	2 762		1 133 972 *
Operating expenses	(658 506)	(252 430)	(26 857)	(11 544)	(30 809)	(980 146)
<b>EBITDA</b>	<b>161 069</b>	<b>38 740</b>	<b>(6 392)</b>	<b>(8 782)</b>	<b>(30 809)</b>	<b>153 826</b>
Depreciation and amortisation	(51 511)	(8 426)	(974)	(1 599)	(31 194)	(93 704)
<b>EBIT</b>	<b>109 558</b>	<b>30 314</b>	<b>(7 366)</b>	<b>(10 381)</b>	<b>(62 003)</b>	<b>60 122</b>
Net financial income/(expenses)					(74 630)	(74 630)
Income tax					11 546	11 546
<b>Profit for the period</b>	<b>109 558</b>	<b>30 314</b>	<b>(7 366)</b>	<b>(10 381)</b>	<b>(125 087)</b>	<b>(2 962)</b>
<b>Cash flow from investing activities</b>						<b>(33 868)</b>

\* 2023 accounts are reclassified

## 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:

(NOK 1 000)	2024				2023			
	MS	PS	Total	as % of total	MS	PS	Total	as % of total
Norway	58 258	238	58 496	17%	53 261	230	53 490	19% *
Northern Europe, excluding Norway	104 383	416	104 799	31%	79 939	241	80 180	29%
Central Europe	81 814	60 751	142 565	42%	57 756	57 870	115 626	42%
UK & Ireland	9 291	10 159	19 450	6%	9 049	14 600	23 649	9%
APAC	2 990	10 485	13 475	4%	1 479	2 899	4 379	2%
Non-core (vyble)	-	898	898	0%	-	832	832	0%
<b>Total</b>	<b>256 735</b>	<b>82 947</b>	<b>339 682</b>	<b>100%</b>	<b>201 484</b>	<b>76 672</b>	<b>278 157</b>	<b>100%</b>

\* 2023 accounts are reclassified

(NOK 1 000)	2024				2023			
	MS	PS	Total	as % of total	MS	PS	Total	as % of total
Norway	183 046	831	183 877	20%	166 887	781	167 668	60% *
Northern Europe, excluding Norway	298 922	1 365	300 287	30%	236 432	1 299	237 731	85%
Central Europe	217 335	177 632	394 966	40%	162 239	177 037	339 276	122%
UK & Ireland	28 313	38 266	66 579	8%	25 166	36 495	61 661	22%
APAC	8 385	24 688	33 072	3%	5 357	6 897	12 254	4%
Non-core (vyble)	-	2 625	2 625	3%	-	2 170	2 170	1%
<b>Total</b>	<b>736 000</b>	<b>245 406</b>	<b>981 406</b>	<b>100%</b>	<b>596 082</b>	<b>224 679</b>	<b>820 761</b>	<b>100%</b>

\* 2023 accounts are reclassified



## 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:

(NOK 1 000)	2024	2023	2023 *
	30. Sep	30. Sep	31. Dec
Trade receivables	276 712	241 696	263 649
Customer project assets	260 739	187 688	197 106
Customer project liabilities	(229 672)	(161 363)	(182 588)
Prepayments from customers	(18 955)	(16 205)	(15 993)

\* 2023 accounts are reclassified

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:

(NOK 1 000)	2024	2023	2024	2023	2023
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	31. Dec
Opening balance in the period	239 680	179 112	197 106	135 359	135 359
Cost capitalised	28 067	22 432	89 087	69 730	89 272
Amortisation	(12 670)	(8 959)	(34 039)	(23 851)	(33 765)
Currency	5 662	(4 899)	8 585	6 447	6 240
<b>Customer projects assets end of period</b>	<b>260 739</b>	<b>187 686</b>	<b>260 739</b>	<b>187 686</b>	<b>197 106</b>

### MOVEMENTS IN CUSTOMER PROJECT LIABILITIES THROUGH THE PERIOD:

(NOK 1 000)	2024	2023	2024	2023	2023
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Opening balance in the period	(209 055)	(147 462)	(182 589)	(103 744)	(103 745)
Revenue deferred	(25 498)	(25 309)	(65 964)	(73 371)	(104 139)
Revenue recognised	10 178	7 279	27 126	20 281	29 408
Currency	(5 298)	4 129	(8 246)	(4 529)	(4 113)
<b>Customer project liabilities end of period</b>	<b>(229 673)</b>	<b>(161 363)</b>	<b>(229 673)</b>	<b>(161 363)</b>	<b>(182 589)</b>

## Note 4 – Personnel expenses

(NOK 1 000)	2024	2023	2024	2023	2023 *
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Salary	146 404	122 533	434 819	381 434	513 345
Bonus	9 292	4 280	20 638	13 579	23 359
Social security tax	20 015	19 920	73 126	58 312	80 252
Pension costs	6 820	5 883	20 276	18 244	24 782
Share based payments	2 791	2 595	9 629	8 792	11 589
Other personnel expenses	5 254	3 846	15 061	12 135	18 056
Capitalised to internal development projects	(4 628)	(1 848)	(11 154)	(4 815)	(6 847)
Capitalised to customer project assets	(20 792)	(17 349)	(62 162)	(51 486)	(74 691)
<b>Total personnel expenses</b>	<b>165 156</b>	<b>139 862</b>	<b>500 233</b>	<b>436 195</b>	<b>589 845</b>

\* 2023 accounts are reclassified

## Note 5 – Finance income and finance expense

(NOK 1 000)	2024	2023	2024	2023	2023 *
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Interest income on bank accounts and receivables	1 308	598	3 494	1 480	2 448
Currency gain	931	1 524	3 071	3 635	5 902
Other financial income	-	13	1	207	147
<b>Finance income</b>	<b>2 239</b>	<b>2 135</b>	<b>6 566</b>	<b>5 321</b>	<b>8 496</b>
Interest exp. on financial liab. measured at amortised cost	11 150	10 280	32 825	27 652	38 684
Currency loss	2 064	1 723	5 946	32 123	36 693
Interest expense on leasing	1 039	(3 449)	2 804	(2 050)	2 677
Other financial expenses	1 057	5 212	3 364	8 086	5 132
<b>Finance expenses</b>	<b>15 310</b>	<b>13 765</b>	<b>44 939</b>	<b>65 812</b>	<b>83 186</b>
<b>Unrealized foreign exchange profit/(loss)</b>	<b>(8 015)</b>	<b>12 638</b>	<b>(12 830)</b>	<b>1 554</b>	<b>61</b>
<b>Net financial items</b>	<b>(21 086)</b>	<b>1 009</b>	<b>(51 203)</b>	<b>(58 937)</b>	<b>(74 630)</b>

\* 2023 accounts are reclassified

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

(NOK 1 000)	2024	2023	2023 *
	30. Sep	30. Sep	31. Dec
Cash in hand and at bank - unrestricted funds	174 131	117 939	131 878
Employee withheld taxes - restricted funds	5 980	2 811	4 092
<b>Total cash and cash equivalents</b>	<b>180 111</b>	<b>120 750</b>	<b>135 970</b>

\* 2023 accounts are reclassified

## Note 7 – Interest-bearing loans and borrowings

(NOK 1 000)	Annual interest	Maturity	2024	2023	2023
			30. Sep	30. Sep	31. Dec
Bond loan	3 m Euribor + 5.25%	28.03.2028	461 322	441 761	439 205
Commerzbank - DE	1.3%	31.12.2031	-	11 241	10 506
De Lage Landen Finans	7,05%	31.01.2028	816	1 075	1 010
AHAG Vermögensverwaltung GmbH	Minority share loan	31.03.2025	4 322	3 801	3 775
<b>Total interest-bearing loans</b>			<b>466 460</b>	<b>457 878</b>	<b>454 496</b>
Total long-term interest-bearing loans			461 887	456 304	439 964
Total short-term interest-bearing loans			4 573	1 574	14 532
<b>Total interest-bearing loans</b>			<b>466 460</b>	<b>457 878</b>	<b>454 496</b>

The Company's bond loan of EUR 40 million is to be listed on the Oslo Stock Exchange.

## Note 8 – Equity

During Q3 2024, there were no new share options nor RSUs granted to employees, but the 2021 option plan was fully exercised with 805 500 options. As of 30 September 2024, there are 1 795 200 share options and 183,361 RSUs outstanding.

## Note 9 – Events after balance sheet date

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

# 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.

(NOK 1 000)	2024	2023	2024	2023	2023
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
EBITDA	60 245	32 936	156 778	101 993	153 827
Gain on sale of assets	-	-	(10 473)	-	-
Share-based payments	(850)	2 601	16 788	8 789	11 575
Strategic process costs	2 451	-	5 024	-	-
Depreciation right-of-use assets (IFRS 16 effect)	(7 195)	(5 880)	(18 914)	(16 906)	(23 002)
Non-core (vlyble)	831	2 251	2 549	9 461	10 381
<b>Adjusted EBITDA</b>	<b>55 482</b>	<b>31 908</b>	<b>151 751</b>	<b>103 337</b>	<b>152 781</b>

(NOK 1 000)	2024	2023	2024	2023	2023
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
EBIT	31 052	15 387	75 934	33 922	60 123
Gain on sale of assets	-	-	(10 473)	-	-
Share-based payments	(850)	2 601	16 788	8 789	11 575
Strategic process costs	2 451	-	5 024	-	-
Amortization of excess values on acquisition	3 549	3 426	10 417	10 196	13 691
Non-core (vlyble)	831	2 251	2 549	9 461	10 381
<b>Adjusted EBIT</b>	<b>37 033</b>	<b>23 665</b>	<b>100 238</b>	<b>62 368</b>	<b>95 769</b>

## Adjusted EBIT per segment

	2024	2023	2024	2023	2023
(NOK 1 000)	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Managed Services - EBIT	45 595	28 693	106 755	79 961	109 558
Share-based payments	(186)	637	4 381	3 868	4 840
<b>Managed Services - adjusted EBIT</b>	<b>45 409</b>	<b>29 330</b>	<b>111 135</b>	<b>83 829</b>	<b>114 398</b>
	2024	2023	2024	2023	2023
(NOK 1 000)	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Professional Services - EBIT	5 288	6 623	15 925	19 874	30 315
Share-based payments	(122)	379	1 494	789	1 089
<b>Professional Services - adjusted EBIT</b>	<b>5 166</b>	<b>7 002</b>	<b>17 420</b>	<b>20 663</b>	<b>31 404</b>
	2024	2023	2024	2023	2023
(NOK 1 000)	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
New business (APAC) - EBIT	272	(2 047)	(185)	(6 735)	(7 367)
Share-based payments	69	69	205	128	198
<b>New business (APAC) - adjusted EBIT</b>	<b>341</b>	<b>(1 978)</b>	<b>20</b>	<b>(6 607)</b>	<b>(7 169)</b>
	2024	2023	2024	2023	2023
(NOK 1 000)	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Group overhead/unallocated - EBIT	(19 271)	(15 631)	(44 014)	(49 718)	(62 002)
Gain on sale of assets			(10 473)	-	-
Share-based payments	(611)	1 515	10 862	4 004	5 446
Amortization of excess values on acquisition	3 549	3 426	10 311	10 196	13 693
Strategic process costs	2 451	-	5 024	-	-
<b>Group overhead/unallocated - adjusted EBIT</b>	<b>(13 883)</b>	<b>(10 689)</b>	<b>(28 291)</b>	<b>(35 518)</b>	<b>(42 863)</b>

## 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 only 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 Jul-Sep	2023 Jul-Sep	2024 Jan-Sep	2023 Jan-Sep	2023 Jan-Dec
Revenue growth, as reported	22,2 %	24,1 %	19,6 %	29,3 %	26,7 %
Impact of foreign currency	-3,9 %	-10,7 %	-3,1 %	-10,8 %	-10,7 %
<b>Revenue growth, constant currency</b>	<b>18,3 %</b>	<b>13,4 %</b>	<b>16,5 %</b>	<b>18,5 %</b>	<b>16,0 %</b>
Managed Services revenue growth, as reported	26,9 %	24,5 %	23,2 %	31,0 %	27,1 %
Impact of foreign currency	-3,6 %	-9,2 %	-3,1 %	-9,5 %	-9,3 %
<b>Managed Services revenue growth, constant currency</b>	<b>23,3 %</b>	<b>15,3 %</b>	<b>20,1 %</b>	<b>21,5 %</b>	<b>17,8 %</b>
Professional Services revenue growth, as reported	-1,9 %	19,1 %	1,1 %	19,1 %	19,8 %
Impact of foreign currency	-4,2 %	-15,0 %	-1,8 %	-13,6 %	-14,3 %
<b>Professional Services revenue growth, constant currency</b>	<b>-6,1 %</b>	<b>4,1 %</b>	<b>-0,7 %</b>	<b>5,5 %</b>	<b>5,5 %</b>

## 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 30. Sep	2023 30. Sep	2023 31. des
(NOK 1 000)			
Cash and cash equivalents continuing operations	180 111	120 750	135 970
Interest-bearing loans and borrowings - long-term	461 887	456 304	439 964
Interest bearing loans and borrowings - short-term	4 573	1 574	14 532
<b>Net interest-bearing debt (NIBD)</b>	<b>286 349</b>	<b>337 128</b>	<b>318 526</b>

## 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 Jul-Sep	2023 Jul-Sep	2024 Jan-Sep	2023 Jan-Sep	2023 Jan-Dec
(NOK 1 000)					
Net cash flow from operating activities	48 433	15 284	74 113	14 441	58 552
Investment in fixed and intangible assets	(9 354)	(4 229)	19 301	(13 688)	(33 868)
<b>Free cash flow</b>	<b>39 079</b>	<b>11 055</b>	<b>93 414</b>	<b>753</b>	<b>24 684</b>

## 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).

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## Financial information

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All financial information is  
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[zalaris.com/Investor-Relations/](https://zalaris.com/Investor-Relations/)

Financial reports can also  
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