

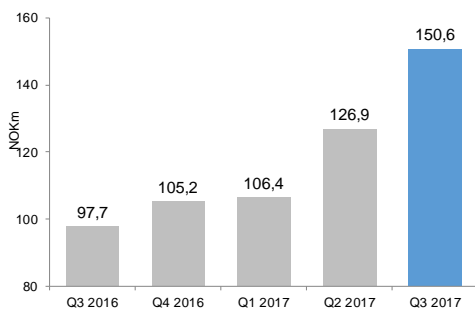


Interim Report • Q3 2017

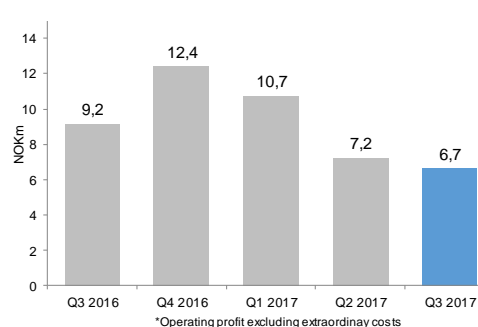
Quarterly highlights

- Announced the acquisition of ROC Global Solution Consulting Limited, increasing geographic coverage to the UK and Ireland. The acquired business is included in the consolidated statement of financial position in the following report and will have profit and loss impact from Q4/17.
- Signed a five-year agreement with Norway's largest bank, DNB ASA, for the provision of cloud services, including payroll and talent management for approximately 9 500 employees.
- Revenues include full quarterly effect of the acquisition of sumarum AG, amounting to NOK 150.6 million from market facing operations in 10 countries across Europe.
- EBIT reached NOK 6.7 million with a profit margin of 4.4% in the quarter. Quarterly profits marked by post-merger integration activities to ensure materialization of synergies and scale in the combined business, building of capacity in the fast growing SuccessFactors segment and normal seasonal variations due to summer vacation

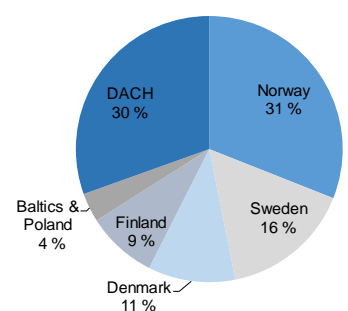
Revenues



Operating profit*



Revenues per country





“The acquisition of ROC completes the first step of our journey in providing seamless services to companies operating across Northern Europe – and strengthens our advisory capability to support customers in designing their HR for the future.”

Q3 was another milestone quarter for Zalaris. We further expanded our geographic footprint to cover UK and Ireland while advancing our advisory capability supporting existing and new customers in their journeys to digitize and modernize HR functions. During the past six months, we have increased the size of the available market approximately seven times for our market-facing operations. We believe this will support our ability to maintain or increase our organic growth rates which historically has been around 15% annually.

Acquisition of ROC Global Solutions opens up the UK/Irish market and strengthens overall advisory capability

In September, Zalaris closed the acquisition of ROC Global Solutions Ltd., a leading human resources advisory and consulting company headquartered in the UK with approximately 110 employees in the UK, Germany and Poland. We expect that the additional business will increase annualized revenues by approximately 18% or NOK 110 million compared to FY 2016.

Besides giving Zalaris access to the UK and Irish market and enhancing consulting and advisory capability in general, the acquisition directly supports customers implementing SAP HCM and SAP SuccessFactors-based solutions in Germany, Switzerland and Poland. The resulting combined entity now comprises around 810 professionals, including approximately 350 SAP Human Capital Management (HCM) and SAP SuccessFactors consultants covering 12 countries and all of Northern Europe. In Q3, approximately 70% of our revenue was generated outside Norway – with Germany as almost as large as Norway in terms of revenues. With the inclusion of ROC, we expect related trends to continue through the end of this year and beyond.

The acquisition provides Zalaris immediate access into UK/Ireland, Europe’s largest market, for BPO services with more than 60 million people and a high concentration of medium-size and large international companies.

In addition to expanding our services and support to existing Zalaris customers in UK and Ireland, synergies are expected through increased scale and organic growth. Joint operations will strengthen our German capability supporting large international customers’ need for a partner supporting them in their HR digitization journey. In Poland, ROC’s more than 30 experienced consultants will bring sufficient scale to

strengthen our existing Polish business into a market leader position.

Integration on course, reinforcing respective strengths

The previously announced structured program to integrate Zalaris and sumarum has been expanded to also cover ROC. We are on track with these efforts. These companies complement each other’s unique skills and customer bases as well as Zalaris’ core competencies.

Organic growth continues with addition of a major customer in the Bank and Finance sector

We signed a five-year agreement with Norway’s largest bank DNB ASA, to provide a full suite of cloud solutions including payroll and talent management for their approximately 9 500 employees. The solution is based on our proven integrated solution combining Zalaris’ Cloud offering with SAP SuccessFactors. This is another example of the breadth and depth of our services, applied to a sector with especially high demands and extensive focus on regulatory issues as well as strategic Human Capital Management.

In addition, we secured significant new agreements with existing customers related to geographic expansion as well as the implementation of additional cloud-based HR functionality.

Growth and margin expansion squarely in our sights as new digital HR opportunities unfold

With the acquisition of sumarum and ROC, we have positioned Zalaris as a leading provider of consulting and outsourced Human Capital Management and Payroll services in Northern Europe. Our customers will benefit from this expansion by getting access to an increased range of modern, strategic and digital HR services required by them to keep increasing their competitiveness. With the two acquisitions, we are well-positioned to maintain and strengthen our historic organic growth rates.

Our immediate focus over the coming months will be to continue our integration efforts maximizing the value of the combined capability in the marketplace. We are also establishing a structured program centered on resuming margin expansion activities to further close in on the top performers of our industry.

Hans-Petter Mellerud, CEO

Financial Review

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

Key Figures

All figures in NOK 1 000	2017	2016	2017	2016	2016
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Revenue	150 555	97 669	383 827	291 453	396 646
Growth (y-o-y)	54,1 %	5,4 %	31,7 %	4,4 %	6,1 %
Operating profit before other costs	6 659	9 157	24 629	25 564	37 980
Operating profit margin before other costs	4,4 %	9,4 %	6,4 %	8,8 %	9,6 %
Ordinary Profit before tax	4 746	8 512	5 970	22 151	33 260
Profit for the period	3 811	6 178	4 649	16 438	25 567
Earnings per share	0,19	0,31	0,24	0,78	1,34
Net cash from operating activities	(5 656)	(857)	22 606	(4 796)	14 266
Headcount end of the period	821	452	821	452	467

Group Revenue

Total revenue for the Zalaris group in Q3/17 reached NOK 150.6 million with a growth of 54.1% compared to Q3/16 (NOK 97.7 million). This growth was mainly derived from the recently acquired sumarum business, which contributed NOK 45.9 million to Zalaris' total revenue increase in the quarter. Excluding sumarum's results, Zalaris grew by NOK 7.0 million compared to the same quarter last year. This growth was attributable to organic growth within the Cloud business segment.

Compared to the previous quarter, Zalaris group revenue grew 18.7% or NOK 23.7 million with NOK 21.9 attributable to a full 3 months of revenue from sumarum companies (only 1.5 months of revenue was included in Q2/17), while the rest is attributable to yearly Cloud segment subscription fees invoiced.

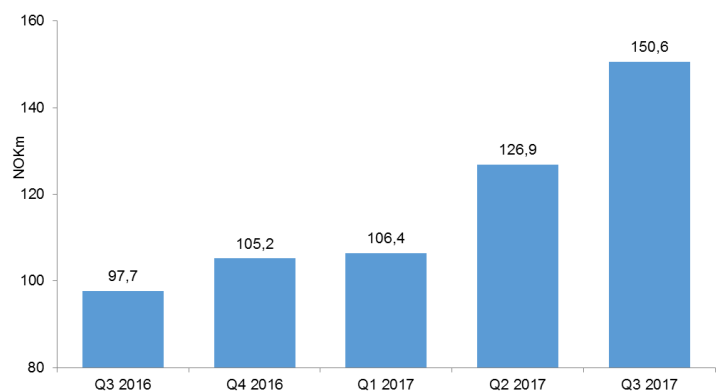
Group Profits

The group operating profit was NOK 6.7 million or 4,4% (9.2 million or 9.4%). The decrease compared to the same quarter last year is due to a higher level of personnel and other operating expenses.

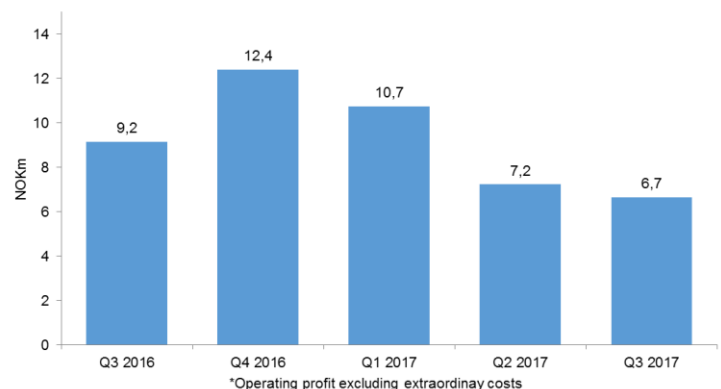
In the third quarter, Zalaris continued to invest in consulting competency and capacity to meet increased market demand in the Cloud segment. In the Consulting segment seasonal effects such as vacation and low utilization, reduced revenues and resulted in an operating loss for the period.

Other operating expenses were effected by a high usage of external consultants within the Cloud segment in the sumarum companies. A weaker Norwegian krone compared to previous year negatively effected Q3 profit margin by 0.6.

Q3/17 group revenue at NOK 150.6 million



Q3/17 group profit margin (before transaction costs related to the acquisitions)



Financial position and liquidity

As of 30 Sept, total assets amounted to NOK 557.7 million while total equity was NOK 128.4 million. This equals an equity ratio of 23.0% (54.3%).

The decrease in equity ratio through Q3/17 is a consequence of the acquisition of ROC Global Solution Consulting Limited on the 25th of September. This was funded through a combination of cash financed by debt and issuance of shares. Thus the interest-bearing debt increased to NOK 239.7 million (NOK 1.6 million) at the end of Q3/17. The increased debt compared to previous year relates to the acquisition of sumarum AG in Q2/17 and the acquisition of ROC in Q3/17.

Group cash and cash equivalents was NOK 56.7 million as of the end of Q3/17. Cash from operating activities amounted to NOK -5.7 million. This amount was negatively influenced by increased accounts receivables from the acquired ROC companies.

Operational KPIs

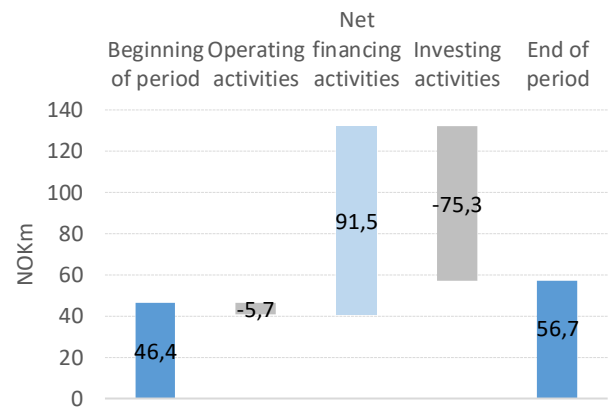
The HR Outsourcing segment served an average of 266 000 employees per month during Q3/17.

The number of customer employees served by the HR Outsourcing unit is an indication of the volume of transactions and services delivered. The scope of services provided varies for each customer. Number of employees served in Q2 increased due to the integration of sumarum. The decrease in Q3 was mainly due to a change in scope for one large customer. As services provided for these employees were limited, the revenue effect was minor. In addition, some of Zalaris' customers downsized their workforce during the last quarter, which negatively affected this KPI.

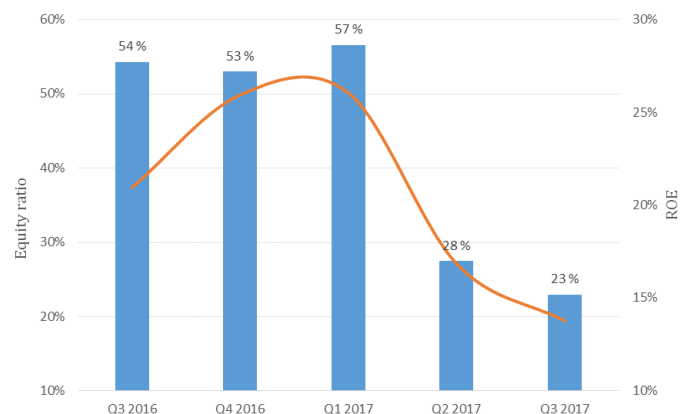
Zalaris total group headcount, excluding ROC employees, was 710 at the end of Q3/17. Zalaris' aggregated offshore and nearshore presence at the end of Q3/17 was 39% of the total workforce excluding employees in Germany and 29% of total number of employees per end of Q3/17.

At the end of Q3/17, total number of FTEs was 774 whereas 108 FTEs were from ROC companies.

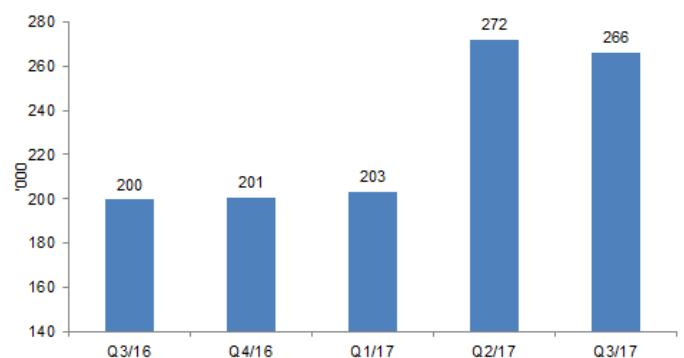
Cash decomposition, Q2/17 to Q3/17



Equity ratio and return on equity (ROE)



of employees served by Zalaris systems ('000)



Revenues per segment

HR outsourcing segment revenue grew by 12.1% and 5.1% when compared to Q3/16 and Q2/17, respectively. The main reason for this growth pertains to business from sumarum companies.

The revenue within the Cloud services segment amounted to NOK 25.7 million in Q3/17 (NOK 9.4 million), equal to an increase of 173% compared to Q3/16. The market demand for cloud-based products and services is strong both among new and existing customers. The growth in Q3 also reflects that the sumarum companies now are included. The increased revenue compared to the previous quarter relates to a full three months of revenue effect from sumarum and an annual license fee to one of Zalaris' largest customers.

Consulting business segment achieved revenues of NOK 28.6 million in Q3/17 (NOK 2.4 million). This growth was fully attributable to business from the sumarum companies (1.5 months effect in Q2/17 and 3 months effect in Q3/17).

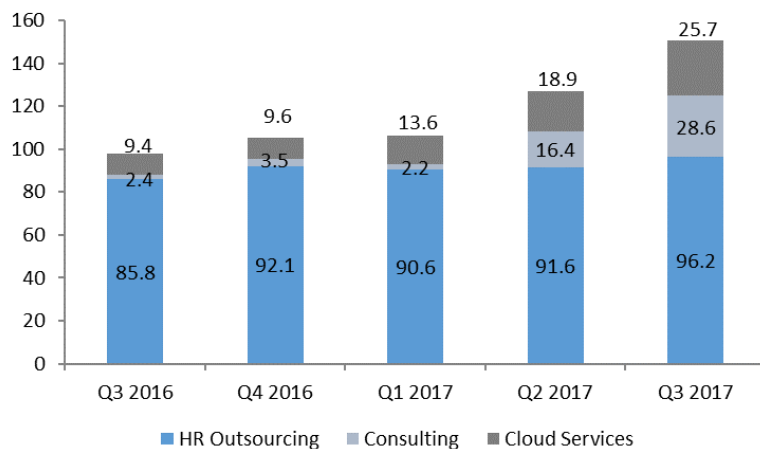
Profits per segment

The operating profit margin within the HR outsourcing segment was 11.5% in Q3/17. The increased margin, both compared to Q3/16 and Q2/17, is partly attributable to the cost realizations of the increased offshore presence in addition to a profitable business within this segment from sumarum companies.

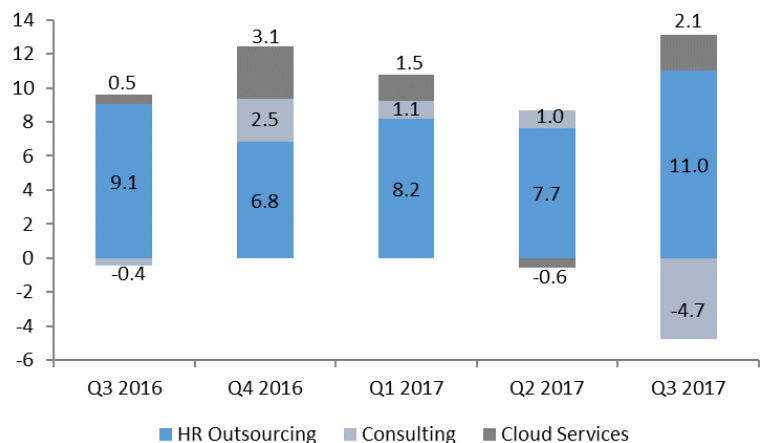
Operating profit for the Cloud business segment, is equal to 8.1% in Q3/17. Zalaris companies delivered a profit margin of 12.4% within this segment. This was offset by sumarum, which has used external consultants to deliver services and continued spending related to development of not yet profitable products.

Consulting business segment had a negative result in Q3/17 at NOK -4.7 million. The result was affected by investments in competency and capacity and by seasonal variations. Consulting capacity was also used for post-acquisition integration activities.

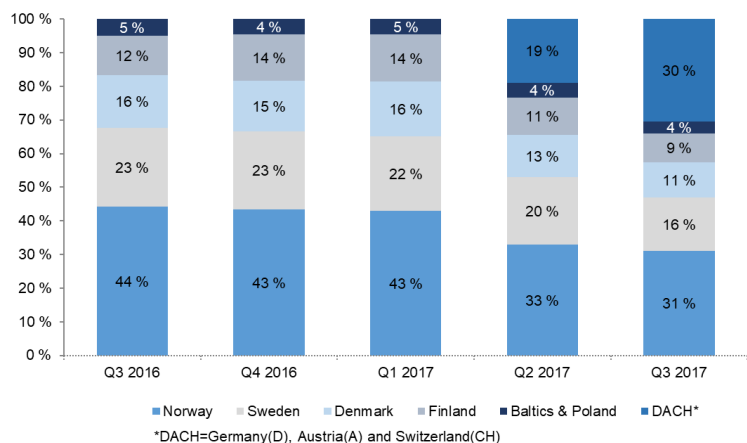
Revenues per segment (NOKm)



Operating profit per segment (NOKm)



Quarterly revenues per country



Outlook

Zalaris is embarking on promising path as we proceed to integrate our recent acquisitions of the ROC Group and sumarum AG. These companies complement our core competencies in HR and Human Capital Management and will enable expansion into key Northern European markets.

Margin improvement will also be a priority going forward. A structured program is being established for this purpose as the company expects to gain additional synergies and efficient improvements associated with this year's acquisitions. Zalaris seeks to maintain or increase profitable historic organic growth rates.

The business pipeline remains solid and management is optimistic about growth opportunities in current and new markets, including Germany, UK and Ireland. Zalaris continues to grow with new customers as well as existing clients through geographic expansion as well as additional solution and application implementations. Zalaris is in a position to further capitalize as current industry trends gain more momentum. Cloud solutions and mobile innovations are among our key focus areas.

The business of HR and Human Capital Management are changing. Companies seek the advantages and cost savings of outsourcing and digitization of respective functions. In addition, new requirements associated with the General Data Protection Regulation (GDPR) contribute to a positive outlook because Zalaris' services, best practices and processes help enterprises achieve and maintain compliance.

Zalaris continues to serve customers across an increasingly diverse range of industries and geographies. Transformation is top of mind of our customers as they seek to advance in the data-driven culture of the future. Zalaris provides comprehensive solutions from designing efficient people processes to deployment and integration services as well as post-implementation support. Our increasing presence in Europe makes us well positioned for future growth.


Oslo, 8 November 2017
The Board of Directors of Zalaris ASA



Lars Laier Henriksen
(chairman)



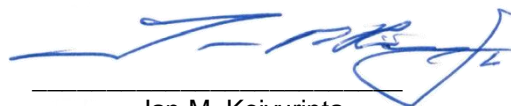
Karl Christian Agerup



Liselotte Hægertz Engstam



Tina Steinsvik Sund



Jan M. Koivurinta

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

Interim consolidated condensed financial statements

Consolidated Statement of Profit and Loss

(NOK 1000)	Notes	2017	2016	2017	2016	2016
		Jul-Sep <i>unaudited</i>	Jul-Sep <i>unaudited</i>	Jan-Sep <i>unaudited</i>	Jan-Sep <i>unaudited</i>	Jan-Dec
Revenue	2	150 555	97 669	383 827	291 453	396 646
Operating expenses						
License costs		14 771	9 709	31 755	22 580	29 353
Personell expenses	3	82 316	51 721	208 113	158 847	213 193
Other operating expenses		32 323	17 664	81 101	58 431	80 189
Depreciations		720	476	1 825	1 346	1 835
Amortisation intangible assets	4	4 400	1 631	10 180	6 168	9 434
Amortisation implementation costs	5	9 365	7 311	26 224	18 517	24 661
Other costs		240	-	14 116	1 558	1 558
Total operating expenses		144 136	88 512	373 313	267 447	360 224
Operating profit		6 419	9 157	10 513	24 006	36 422
Financial items						
Financial income		269	115	1 401	1 990	2 125
Financial expense		(1 941)	(760)	(5 944)	(3 845)	(5 287)
Net financial items		(1 672)	(646)	(4 543)	(1 855)	(3 162)
Ordinary profit before tax		4 746	8 512	5 970	22 151	33 260
Income tax expense						
Tax expense on ordinary profit		935	2 333	1 321	5 713	7 693
Total tax expense		935	2 333	1 321	5 713	7 693
Profit for the period		3 811	6 178	4 649	16 438	25 567
Profit attributable to:						
- Owners of the parent		3 811	6 019	4 649	14 907	25 567
- Non-controlling interests		-	160		1 531	-
Earnings per share:						
Basic earnings per share (NOK)		0,19	0,31	0,24	0,78	1,34
Diluted earnings per share (NOK)		0,19	0,32	0,24	0,78	1,34

Consolidated Statement of Comprehensive Income

(NOK 1000)	Notes	2017	2016	2017	2016	2016
		Jul-Sep <i>unaudited</i>	Jul-Sep <i>unaudited</i>	Jan-Sep <i>unaudited</i>	Jan-Sep <i>unaudited</i>	Jan-Dec
Profit for the period		3 811	6 178	4 649	16 438	25 567
Other comprehensive income						
Currency translation differences		(4 359)	(4 172)	2 537	(6 240)	(3 944)
Total other comprehensive income		(4 359)	(4 172)	2 537	(6 240)	(3 944)
Total comprehensive income		(547)	2 006	7 186	10 198	21 623
Total comprehensive income attributable to:						
- Owners of the parent		(547)	1 847	7 186	8 667	21 623
- Non-controlling interests		-	160	-	1 531	-

Consolidated Statement of Financial Position

(NOK 1000)	Notes	2017 30 Sep <i>unaudited</i>	2016 30 Sep <i>unaudited</i>	2016 31 Dec
ASSETS				
Non-current assets				
Intangible assets				
Other intangible assets	4	140 613	37 218	39 054
Goodwill	7	140 547		
Total intangible assets		281 160	37 218	39 054
Deferred tax asset		2 577	2 176	2 028
Fixed assets				
Office equipment		1 375	1 120	1 120
Property, plant and equipment		33 217	3 891	4 282
Total fixed assets		34 592	5 011	5 402
Total non-current assets		318 329	44 405	46 484
Current assets				
Trade accounts receivable		143 932	67 421	70 887
Customer projects	5	25 157	27 076	23 112
Other short-term receivables		13 492	5 373	8 021
Cash and cash equivalents		56 738	35 357	43 509
Total current assets		239 319	135 226	145 528
TOTAL ASSETS		557 648	179 631	192 012

Consolidated Statement of Financial Position

(NOK 1000)	Notes	2017 30 Sep <i>unaudited</i>	2016 30 Sep <i>unaudited</i>	2016 31 Dec
EQUITY AND LIABILITIES				
Equity				
Paid-in capital				
Share capital		2 011	1 912	1 912
Own shares - nominal value		(6)	(6)	(6)
Other paid in equity		1 057		122
Share premium		57 698	37 048	37 048
Total paid-in capital		60 759	38 954	39 076
Othe requity		(2 001)		
Retained earnings		64 892	52 418	61 548
Equity attributable to equity holders of the parent		123 649	91 372	100 624
Non-controlling interests	7	4 707	6 131	
Total equity		128 356	97 503	100 624
Non-current liabilities				
Deferred tax		29 749	2 101	2 792
Interest-bearing loans and borrowings	7	239 723	1 644	1 436
Employee defined benefit liabilities		-	1 050	103
Total long-term debt		269 472	4 795	4 331
Current liabilities				
Trade accounts payable		17 599	6 799	10 792
Interest-bearing loan from shareholders		8 887		
Income tax payable		6 629	8 308	4 613
Public duties payable		30 737	23 346	24 853
Other short-term debt		95 967	38 880	46 410
Total short-term debt		159 820	77 333	87 057
Total liabilities		429 292	82 128	91 388
TOTAL EQUITY AND LIABILITIES		557 648	179 631	192 012

Consolidated Statement of Cash Flow

(NOK 1000)	Notes	2017	2016	2017	2016	2016
		Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Cash Flow from operating activities		<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>	
Profit before tax		4 746	9 157	5 970	24 006	33 260
Financial income		(269)		(1 072)		(1 108)
Financial costs		2 088		3 533		3 280
Depreciations and impairments		720	476	1 825	1 346	1 835
Amortisation intangible assets		4 368	1 631	10 180	6 168	9 434
Amortisation implementation costs customer projects		9 365	7 311	26 224	18 517	24 661
Customer projects		(11 388)	(4 282)	(28 269)	(19 270)	(21 450)
Taxes paid		184	(43)	(244)	(873)	(6 009)
Changes in accounts receivable and accounts payable		(46 635)	(12 017)	(66 238)	(15 886)	(15 359)
Changes in other short term debt and disposals		33 220	(3 090)	73 585	(18 804)	(12 808)
Interest received		33		69		20
Interest paid		(2 089)		(2 956)		(1 490)
Net cash flow from operating activities		(5 656)	(857)	22 606	(4 796)	14 266
Cash flows from investing activities						
Purchase of fixed and intangible assets		(39 726)	(3 476)	(142 821)	(9 075)	(14 078)
Purchase of goodwill		(35 561)		(140 547)		
Net cash flow from investing activities		(75 287)	(3 476)	(283 367)	(9 075)	(14 078)
Cash flows from financing activities						
Net financial items		-	(646)	-	(1 855)	
Buyback shares from minority						(5 983)
Changes minorities				4 707		
Stock purchase program		317		935		122
Issuance of new shares		11 413		11 413		
Proceeds from issue of new borrowings		79 709		247 959		-
Repayments of borrowings		110	(163)	(251)	(482)	(690)
Dividend payments				(16 557)	(16 177)	(16 177)
Dividend payments to non-controlling interest						(990)
Net cash flow from financing activities		91 549	(809)	274 097	(18 514)	(23 717)
Net changes in cash and cash equivalents		10 606	(5 142)	13 336	(32 384)	(23 529)
Net foreign exchange difference		(297)		(106)		(702)
Cash and cash equivalents at the beginning of the pe		46 430	40 498	43 509	67 740	67 740
Cash and cash equivalents at the end of the period		56 738	35 356	56 738	35 356	43 509
Unused credit facilities		30 000	15 000	30 000	15 000	15 000

Consolidated Statement of Changes in Equity

(in NOK 1000)	Share capital	Own shares	Share premium	Other paid in equity	Total paid-in equity	Cumul. translation differences	Other equity	Non-controlling interests	Total equity
Equity at 01.01.2017	1 912	(6)	37 048	122	39 076	(2 662)	64 209	0	100 624
Profit of the period					-		4 649	-	4 649
Other comprehensive income					-	2 537	(1 245)		1 292
Share based payments				935	935				935
Issue of Share Capital	98		37 207		37 306		(2 001)	4 707	40 011
Other changes					-	24	(2 622)		(2 597)
Dividend			(16 557)		(16 557)				(16 557)
Equity at 30.09.2017	2 011	(6)	57 698	1 057	60 759	(101)	62 990	4 707	128 356
Equity at 01.01.2016	1 912	(6)	53 224		55 131	1 852	41 144	5 041	103 168
Profit of the period					-		14 907	1 531	16 438
Other comprehensive income					-	(6 240)			(6 240)
Other changes					-		315		315
Dividend			(16 177)		(16 177)		-		(16 177)
Equity at 30.09.2016	1 912	(6)	37 047		38 954	(4 388)	56 366	6 572	97 504
Equity at 01.01.2016	1 912	(6)	53 224	-	55 131	1 852	41 585	4 601	103 168
Profit of the period					-		25 567	-	25 567
Other comprehensive income					-	(3 944)			(3 944)
Buyback of shares					-		(1 383)	(4 601)	(5 983)
Share based payments				122	122				122
Other changes					-	(569)	(570)		(1 139)
Dividend			(16 177)		(16 177)		(990)		(17 167)
Equity at 31.12.2016	1 912	(6)	37 048	122	39 076	(2 662)	64 209	0	100 624

Notes to the interim consolidated condensed financial statements

Note 1 – General Information and basis for preparation

General information

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

Zalaris' interim financial statements for the third quarter of 2017 were authorized for issue by the board of directors on 8 November 2017.

Basis for preparation

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

A description of the significant accounting policies is included in Zalaris' annual financial statements for 2016, and applies to these interim consolidated condensed financial statements. New and amended standards applicable for the period starting 1 July 2017 did not have any effect for the Company.

Going concern

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

Note 2 – Segment Information

The Company has three operating segments, which are Outsourcing, Cloud Services and Consulting Outsourcing, offering a full range of payroll and HR outsourcing services, including payroll processing, time and attendance and travel expenses. Consulting delivers turnkey projects based on Zalaris templates or implementation of customer-specific functionality. They also assist customers with cost-effective maintenance and support of customers' own on-premise solutions. The Cloud services unit is offering additional cloud-based HR functionality to existing outsourcing customers as talent management, digital personnel archive, HR analytics, mobile solutions, etc.

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

2017 Jan-Sep

(NOK 1.000)	HR Outsourcing	Cloud- services	Consulting	Unallocated	Total
Other operating income, external	278 445	58 110	47 271		383 827
Other operating expenses	(222 317)	(49 469)	(49 182)		(320 969)
Depreciation and amortisation	(29 279)	(5 648)	(757)	(2 545)	(38 229)
Transaction related costs				(14 116)	(14 116)
Operating profit/(loss)	26 848	2 993	(2 667)	(16 661)	10 513
Net financial income/(expenses)				(4 543)	(4 543)
Income tax				(1 321)	(1 321)
Profit for the period	26 848	2 993	(2 667)	(22 525)	4 649
Cash flow from investing activities				(283 367)	(283 367)

2016 Jan-Sep

(NOK 1.000)	HR Outsourcing	Cloud- services	Consulting	Unallocated	Total
Other operating income, external	263 029	20 427	7 997		291 453
Other operating expenses	(215 026)	(18 288)	(6 545)		(239 859)
Depreciation and amortisation	(25 471)	(496)	(63)		(26 030)
Transaction related costs				(1 558)	(1 558)
Operating profit/(loss)	22 532	1 643	1 389	(1 558)	24 006
Net financial income/(expenses)				(1 855)	(1 855)
Income tax				(5 713)	(5 713)
Profit for the period	22 532	1 643	1 389	(9 127)	16 438
Cash flow from investing activities				(24 519)	(24 519)

2016 Jan-Dec

(NOK 1.000)	HR Outsourcing	Cloud- services	Consulting	Unallocated	Total
Other operating income, external	355 123	29 996	11 527		396 646
Other operating expenses	(289 950)	(25 235)	(7 550)		(322 736)
Depreciation and amortisation	(35 797)	(48)	(85)		(35 930)
IPO related costs				(1 558)	(1 558)
Operating profit/(loss)	29 376	4 713	3 891	(1 558)	36 422
Net financial income/(expenses)				(3 162)	(3 162)
Income tax				(7 693)	(7 693)
Profit for the period	29 376	4 713	3 891	(12 412)	25 567
Cash flow from investing activities				(14 078)	(14 078)

Geographic Information

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

Revenue from external customers attributable to:

(NOK 1000)	as % of total	2017		2016		2016
		Jul-Sep	as % of total	Jul-Sep	as % of total	Jan-Dec
Norway	31 %	46 692	44 %	43 242	43 %	169 374
Sweden	16 %	23 875	23 %	22 830	25 %	98 721
DACH*	30 %	45 875				
Denmark	11 %	15 914	16 %	15 304	15 %	60 406
Finland	9 %	12 894	12 %	11 496	13 %	52 095
Other	4 %	5 305	5 %	4 796	4 %	16 050
Total	100 %	150 555	100 %	97 669	100 %	396 646

*DACH=Germany(D), Austria(A) and Switzerland(CH)

Information about major customers

(NOK 1000)	as % of total	2017		2016		2016
		Jul-Sep	as % of total	Jul-Sep	as % of total	Jan-Dec
5 largest customer	36 %	54 946	51 %	49 778	48 %	191 760
10 largest customer	51 %	76 148	70 %	68 427	68 %	269 383
20 largest customer	65 %	97 993	84 %	81 642	82 %	326 253

Note 3 – Personnel Costs

(NOK 1000)	2017	2016	2017	2016	2016
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Salary	70 159	43 273	182 113	142 808	191 826
Bonus	5 476	2 547	6 850	2 593	4 678
Social security tax	11 145	7 060	26 935	20 352	27 343
Pension costs	4 678	4 712	14 087	14 639	18 472
Other expenses	3 432	1 926	10 011	7 302	9 773
Capitalised development expenses	-2 392	-2 437	-7 194	-5 467	-8 009
Capitalised implementation costs custor	-10 182	-5 360	-24 688	-23 381	-30 890
Total	82 316	51 721	208 113	158 847	213 193

Note 4 – Intangible Assets

(NOK 1000)	Licenses and software	Internally developed software	Internally developed software under construction	Customer Relationship & Contracts	Total
Book value 01.01.2016	8 140	23 974	4 117		36 230
Additions of the period	594		11 851		12 445
Reclassifications		6 380	(6 380)		-
Disposals and currency effects in the period	(36)	(151)			(188)
This period ordinary amortisation	(2 085)	(7 349)	-		(9 434)
Book value 31.12.2016	6 613	22 853	9 589		39 054
Book value 01.01.2017	6 613	22 853	9 589		39 054
Additions of the period	3 481		12 568	95 591	115 923
Reclassifications		4 282	(4 282)		(2 516)
Disposals and currency effects in the period	22	76	-	-	99
This period ordinary amortisation	(1 518)	(6 124)		(2 539)	(10 180)
Book value 30.09.2017	8 598	21 088	17 875	93 053	140 613
Book value 01.01.2016	8 140	23 974	4 117		36 230
Additions of the period	594		7 437		8 031
Reclassifications		3 707	(3 707)		-
Disposals and currency effects in the period	(38)	(837)	-		(875)
This period ordinary amortisation	(1 392)	(4 776)	-		(6 168)
Book value 30.09.2016	7 303	22 068	7 846	-	37 218

Note 5 – Customer Projects

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

(NOK 1000)	2017	2016	2016
	30 Sep	30 Sep	31 Dec
Deferred costs related to customer projects	91 936	82 243	83 440
Deferred revenue related to customer projects	(66 779)	(55 167)	(60 328)
Net customer implementation costs	25 157	27 076	23 112

Note 6 – Transactions with Related Parties

Related party (NOK 1000)	Transaction	2017	2016	2016
		Jul-Sep	Jul-Sep	Jan-Dec
Rayon Design AS ¹⁾	Management Services	33		162
Total		33	-	162

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

Note 7 – Acquisition of shares in ROC Global Solution Consulting Ltd.

Zalaris ASA has acquired 100% of the total share capital and 100% of the voting shares in ROC Global Solution Consulting Ltd. with its directly and indirectly owned subsidiaries (ROC Group). The closing date for the transaction was 25 September 2017. Total consideration for 100% of the shares in ROC is up to approximately NOK 92.0 million (GBP 8.6 million) and will be settled through cash payments in the total aggregate amount of up to NOK 80.1 million (GBP 7.5 million) and the issuance of 264,006 new shares in Zalaris. The consideration shares will be issued within a 3-month period after completion, listed on the Oslo Stock Exchange and subject to lock-up for a period of 24 months from completion.

ROC Group is a human capital management consultancy that specialises in SAP and SuccessFactors HCM-related services. SuccessFactors is SAP's strategic HR solution in the cloud, covering the entire value chain of HR tasks from recruiting to exit. ROC Group has five offices in UK, Germany and Poland and serves blue chip customers in the following sectors: Banks, Automotive, Utilities, Hospitality and Professional Services. At the end of September, ROC Group had 120 employees.

In FY 2016, ending September 2016, ROC Group revenue amounted to GBP 10.7 million (approx. NOK 113.0 million) with an operating profit of GBP 0.5 million (approx. NOK 5.6 million).

Per September, Zalaris has included fair value adjustment related to customer contracts and relations of total NOK 26.9 million and a goodwill of NOK 37.5 million related to the acquisition of ROC Group. The fair value adjustments are preliminary.

Note 8 – Events after Balance Sheet Date

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

Key Figures

Key financials	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
NOKm except per share figures									
Revenues	92,6	94,6	98,5	95,3	97,7	105,2	106,4	126,9	150,6
Revenue growth (y-o-y)	11 %	-2,8 %	4,6 %	3,2 %	5,4 %	11,2 %	8,0 %	33,2 %	54,1 %
EBITDA	8,3	11,4	11,9	10,0	11,3	16,2	13,6	11,3	11,8
EBITDA margin	9 %	12 %	12 %	10 %	12 %	15 %	13 %	9 %	8 %
EBIT excl. extraordinary items	6,3	8,9	9,3	7,1	9,2	12,4	10,7	7,2	6,7
EBIT margin	6,8 %	9,4 %	9,4 %	7,5 %	9,4 %	11,8 %	10,1 %	5,7 %	4,4 %
Profit Before Tax	5,0	8,4	7,2	6,4	8,5	11,1	7,0	-5,8	4,7
Income Tax Expense	1,1	1,6	1,7	1,7	2,3	1,6	1,6	-1,2	0,9
Non- Controlling Interests	0,0	0,6	0,7	0,7	0,2	-1,5			
Net income	3,8	6,2	4,9	4,0	6,0	11,0	5,4	-4,6	3,8
Profit margin	4,1 %	6,5 %	5,0 %	4,2 %	6,2 %	10,5 %	5,1 %	-3,6 %	2,5 %
Weighted # of shares outstanding (m)	19,0	19,0	19,0	19,0	19,0	19,0	19,2	19,6	20,0
Basic EPS	0,2	0,3	0,3	0,2	0,3	0,6	0,3	-0,2	0,2
Diluted EPS	0,2	0,3	0,3	0,2	0,3	0,6	0,3	-0,2	0,2
DPS				0,9					
Cash flow items									
Cash from operating activities	6,2	21,6	-14,8	10,8	-0,9	21,5	-2,8	31,1	-5,7
Investments	-6,2	-3,1	-1,3	-4,3	-3,5	-5,0	-4,7	-203,4	-75,3
Net changes in cash and cash equi.	-1,5	16,6	-16,6	-10,6	-5,1	8,4	-7,3	10,0	10,6
Cash and cash equivalents end of period	51,2	67,7	51,1	40,5	35,4	43,5	36,2	46,4	56,7
Equity									
Equity ratio	49 %	51 %	54 %	52 %	54 %	53 %	57 %	28 %	23 %
ROE	20 %	22 %	20 %	19 %	21 %	26 %	26 %	17 %	14 %
Number of FTE (Period End)	374	419	426	444	419	427	461	643	786

Segment overview	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
NOKm									
Revenues	92,6	94,6	98,5	95,3	97,7	105,2	106,4	126,9	150,6
HR Outsourcing	83,2	87,1	90,4	86,8	85,8	92,1	90,6	91,6	96,2
Consulting	3,2	4,6	3,1	2,4	2,4	3,5	2,2	16,4	28,6
Cloud Sourcing	6,2	2,9	5,0	6,0	9,4	9,6	13,6	18,9	25,7
Adjustments	-	-	-	-	-	-	-	-	-
EBIT	6,3	8,9	9,3	7,1	9,2	12,4	7,7	-3,6	6,4
HR Outsourcing	6,6	6,0	7,1	6,3	9,1	6,8	8,2	7,7	12,2
Consulting	-1,3	2,4	1,0	0,8	-0,4	2,5	1,1	1,0	-3,9
Cloud Services	1,0	0,5	1,1	-0,0	0,5	3,1	1,5	-0,6	0,0
Unallocated							-3,1	-11,6	-1,9
Adjustments	-	-	-	-	-	-	-	-	-

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