



Zalaris: The Future in HR & Payroll Outsourcing

June 2014

THIS PRESENTATION IS NOT FOR RELEASE TO ANY US NEWS WIRE SERVICE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA, HONG KONG OR JAPAN OR ANY OTHER JURISDICTION IN WHICH THE RELEASE WOULD BE UNLAWFUL. THE PRESENTATION DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES DESCRIBED, AND DOES NOT FORM PART OF ANY OFFERING MATERIAL.

ANY INVESTMENT DECISION IN RELATION TO THE OFFERING AS DESCRIBED HEREIN MUST BE BASED SOLELY ON THE PROSPECTUS PUBLISHED BY THE COMPANY IN CONNECTION WITH THE OFFERING AND DATED 5 JUNE 2014, AND WHICH SETS OUT THE TERMS AND CONDITIONS FOR THE OFFERING AND THE DESCRIPTION OF THE COMPANY AND ITS BUSINESS. THE PROSPECTUS IS AVAILABLE BY CONTACTING ANY OF THE JOINT BOOKRUNNERS.

Important Notice

This presentation and any appendices hereto (the "Presentation") has been produced by Zalaris ASA ("Zalaris" or the "Company") solely for use at presentations to investors held in connection with the contemplated offering of new shares in the Company and sale of shares in the Company from existing shareholders, expected to be initiated on or about 9 June 2014 (the "Offering").

This Presentation is not a prospectus and does not contain the same level of information as a prospectus, and has not been approved, reviewed or registered with any public authority or regulator. This Presentation does not constitute an offer to sell, or a solicitation of an offer to buy any securities described herein, and does not form part of any offering material. Any investment decision in relation to the Offering as described herein must be based solely on the prospectus published by the Company in connection with the Offering and dated 5 June 2014, and which sets out the terms and conditions for the Offering and the description of the Company and its business. The Prospectus is available by contacting any of the Joint Bookrunners.

This presentation is strictly confidential and may not be reproduced or redistributed, in whole or in part, to any other person. To the best knowledge of the Company and its board of directors, the information contained in this Presentation is in all material respects in accordance with the facts as of the date hereof and contains no material omissions likely to affect its import. This Presentation contains information obtained from third parties. Such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading.

ABG Sundal Collier Norge ASA and Nordea Markets have been appointed as joint bookrunners for the Offering (the "Joint Bookrunners").

This Presentation includes certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which it operates. Forward-looking statements relate to future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. The forward-looking statements contained in this Presentation, including assumptions, opinions and views of the Company or cited from third party sources, are solely opinions and forecasts which are subject to material risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. Neither the Company nor the Joint Bookrunners nor any of their parent or subsidiary undertakings nor advisors nor any such person's officers or employees provide any assurance that the assumptions underlying such forward-looking statements are free from errors, nor do any of them accept any responsibility for the future accuracy of the opinions expressed in this Presentation or the actual occurrence of the forecasted developments. The Company assumes no obligation, except as required by law, to update any forward-looking statements or to conform these forward-looking statements to its actual results.

AN INVESTMENT IN THE COMPANY INVOLVES SIGNIFICANT RISK AND SEVERAL FACTORS COULD CAUSE THE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS OF THE COMPANY TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS THAT MAY BE EXPRESSED OR IMPLIED BY STATEMENTS AND INFORMATION IN THIS PRESENTATION. A NON-EXHAUSTIVE OVERVIEW OF RELEVANT RISK FACTORS THAT SHOULD BE TAKEN INTO ACCOUNT WHEN CONSIDERING AN INVESTMENT IN THE SHARES ISSUED BY THE COMPANY IS INCLUDED IN THIS PRESENTATION. SHOULD ONE OR MORE OF THESE RISKS OR UNCERTAINTIES MATERIALISE, OR SHOULD UNDERLYING ASSUMPTIONS PROVE INCORRECT, ACTUAL RESULTS MAY VARY MATERIALLY FROM THOSE DESCRIBED IN THIS PRESENTATION. THE COMPANY DOES NOT INTEND, AND DOES NOT ASSUME ANY OBLIGATION, TO UPDATE OR CORRECT THE INFORMATION INCLUDED IN THIS PRESENTATION.

No representation or warranty (express or implied) is made as to, and no reliance should be placed on, any information, including projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and, accordingly, neither the Company nor the Joint Bookrunners nor any of their parent or subsidiary undertakings nor advisors nor any such person's officers or employees accepts any liability whatsoever arising directly or indirectly from the use of this Presentation.

The contents of this Presentation are not to be construed as legal, business, investment or tax advice. Each recipient should consult its own legal, business, investment or tax adviser as to legal, business, investment or tax advice. By attending or receiving this Presentation you acknowledge that (i) you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company's business, (ii) if you are a U.S. person, you are a QIB (as defined below), and (iii) if you are a non-U.S. person, you are a Qualified Investor or a Relevant Person (as defined below).

This Presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in any jurisdiction or to any person in which or to whom it is unlawful to make such an offer or solicitation. The distribution of this Presentation and the offering, subscription, purchase or sale of securities issued by the Company are in certain jurisdictions restricted by law. Persons into whose possession this Presentation may come are required by the Company and the Joint Bookrunners to inform themselves about, and to comply with, all applicable laws and regulations in force in any jurisdiction in or from which it invests in the securities issued by the Company or receives or possesses this Presentation and must obtain any consent, approval or permission required under the laws and regulations in force in such jurisdiction. The Company shall not have any responsibility or liability whatsoever for these obligations. In particular, neither this Presentation nor any copy of it may be taken or transmitted or distributed, directly or indirectly, into the United States, Canada, Australia or Japan.

Important Notice (Cont'd)

This Presentation is strictly confidential and is being distributed in the United Kingdom solely to, and directed solely at, "Qualified Investors" who (i) have professional experience, knowledge and expertise in matters relating to investments falling within Article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 of the United Kingdom, as amended, (ii) are high net-worth entities and other persons falling within Article 49(1) of the Financial Promotion Order or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 of the United Kingdom, as amended (the "FSMA")) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "Relevant Persons"). This Presentation is directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this Presentation relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. This Presentation does not constitute a prospectus for the purposes of Section 85(1) of the FSMA. Accordingly, this Presentation has not been approved as a prospectus by the UK Financial Conduct Authority (the "FCA") under Section 87A of the FSMA and has not been filed with the FCA pursuant to the UK Prospectus Rules nor has it been approved by a person authorized pursuant to Section 31 of the FSMA. Neither this Presentation nor any part of it may be reproduced, distributed, passed on, or the contents otherwise divulged, directly or indirectly, to any person who is not a Relevant Person without the prior written consent of the Joint Bookrunners or the Company.

IN RELATION TO THE UNITED STATES AND U.S. PERSONS, THIS PRESENTATION IS STRICTLY CONFIDENTIAL AND IS BEING FURNISHED SOLELY IN RELIANCE ON APPLICABLE EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"). ACCORDINGLY, NEITHER THIS PRESENTATION NOR ANY PART OR COPY OF IT MAY BE TAKEN OR TRANSMITTED INTO THE UNITED STATES, OR DISTRIBUTED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OR TO ANY "U.S. PERSON" (AS THAT TERM IS DEFINED IN THE U.S. SECURITIES ACT) EXCEPT IN RELIANCE ON AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. ANY FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF UNITED STATES SECURITIES LAWS.

THE SHARES ISSUED BY THE COMPANY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION IN THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, ABSENT REGISTRATION OR UNDER AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT. ACCORDINGLY, ANY OFFER OR SALE OF SHARES WILL ONLY BE MADE (I) WITHIN THE UNITED STATES, OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS, TO QUALIFIED INSTITUTIONAL BUYERS ("QIBs") WITHIN THE MEANING OF, AND AS DEFINED IN, RULE 144A UNDER THE U.S. SECURITIES ACT AND (II) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATIONS UNDER THE U.S. SECURITIES ACT. ANY PURCHASER OF SHARES IN THE UNITED STATES, OR TO OR FOR THE ACCOUNT OF U.S. PERSONS, WILL BE DEEMED TO HAVE MADE CERTAIN REPRESENTATIONS AND ACKNOWLEDGEMENTS, INCLUDING WITHOUT LIMITATION THAT SUCH PURCHASER IS A QIB.

This Presentation is made in June 2014. There may have been changes in matters that affect the Company subsequent to the date of this Presentation. Neither the delivery of this Presentation nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date. The Company does not intend, and does not assume any obligation, to update or correct any information included in this Presentation.

The Joint Bookrunners and/or their employees may hold shares, options or other securities of the Company and may, as principal or agent, buy or sell such securities. The Joint Bookrunners may have other financial interests in transactions involving these securities.

This Presentation is subject to Norwegian law and any dispute arising in respect of this Presentation is subject to the exclusive jurisdiction of Norwegian courts with Oslo district court (Nw: Oslo tingrett) as legal venue.

Transaction Summary

Issuer	Zalaris ASA
Listing	Oslo Stock Exchange (alternatively Oslo Axess)
Offer structure	Primary offering of shares worth NOK 50 million and a sale of up to 6.2 million shares from the current shareholders
Pre-money value	Indicative price range of NOK 20 – 26, equal to a pre-money equity value of NOK 339 - 441 million
Overallotment option	Up to 15% of the offering
Offer structure	International institutional offering and retail offering in Norway
Lock-up	Six months for selling shareholders, and 12 months for the primary insiders
Timetable	Bookbuilding 9 June 2014 - 18 June 2014 at 16:30 CET Pricing and allocation on 19 June 2014 / Expected listing on 20 June
Syndicate	ABG Sundal Collier and Nordea Markets are joint bookrunners

Presentation Team



Hans-Petter Mellerud
Founder and CEO

Joined in 2000

More than 20 years solid experience within BPO outsourcing and HR optimisation



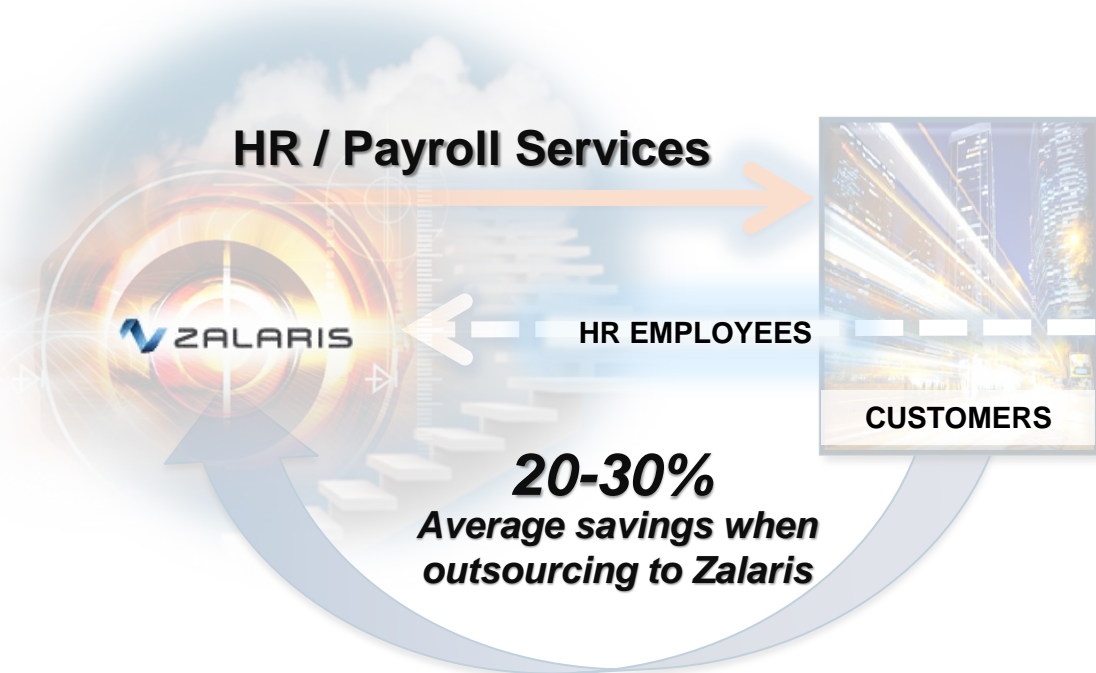
Nina Stemshaug
CFO

Joined in 2007

She has 12 years' experience working within finance and controlling areas of multiple industries in Germany

Providing Payroll & HR Outsourcing Services to “Blue Chip” Global Market Leaders

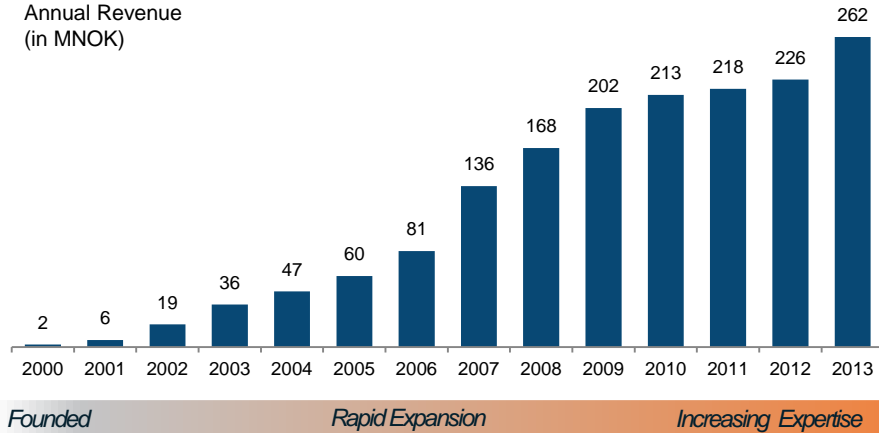
- ✓ **Full-service outsourced payroll and personnel processes** enabling clients to focus on strategic HR
- ✓ **Enabler of cross-border organizations** through one common IT solution across geographies
- ✓ Access to best-practice **talent management functionality**
- ✓ **Improved productivity** through automation of routine activities
- ✓ **Economies of scale** through servicing more than 150,000 employees on a monthly basis
- ✓ **Reduced unit costs** through near- and off-shore centers (labor arbitrage), fueling additional efficiencies



A Leading Force in Northern Europe HR Outsourcing Market

Strong Sales History

Annual Revenue
(in MNOK)



Serving large enterprises including:

Comprehensive Service Offering

- Full-service provider of outsourced HR, personnel and payroll services
- Cloud-based solutions supporting full range of HR and payroll processing requirements
- Low-cost automated delivery solutions complemented by local language support
- SAP Partner since 2001 – currently the only SAP BPO partner in the Nordic region
- More than 150,000 employees served on a monthly basis across the Nordics, Baltics and Poland

Strategically Located Service Centers



Proven Business Model

Recurring revenues

- 40+ long-term BPO customers in the Nordics & CEE
- Outsourcing contracts are signed for at least 5 years
- Historic low churn of approx. 1.5%

Continuing Growth

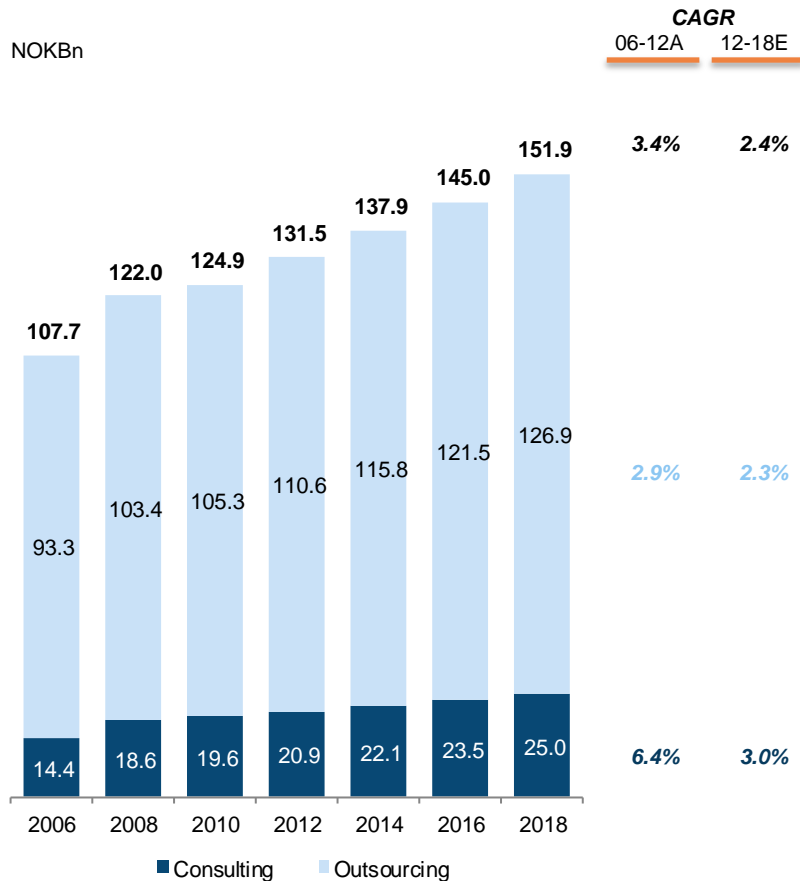
- NOKM 262 in 2013 (up 15% Y/Y)
- Run rate revenue going into 2014 of ~ NOKM 300
- In addition a NOKM 15-25 effect from new contracts signed in 2014, bringing total growth to 20% +

Highly profitable

- Profitable since 2005
- 9.4% EBIT in 2013
- Scalable business model

HR BPO & Processing: Vast Untapped Potential for Zalaris

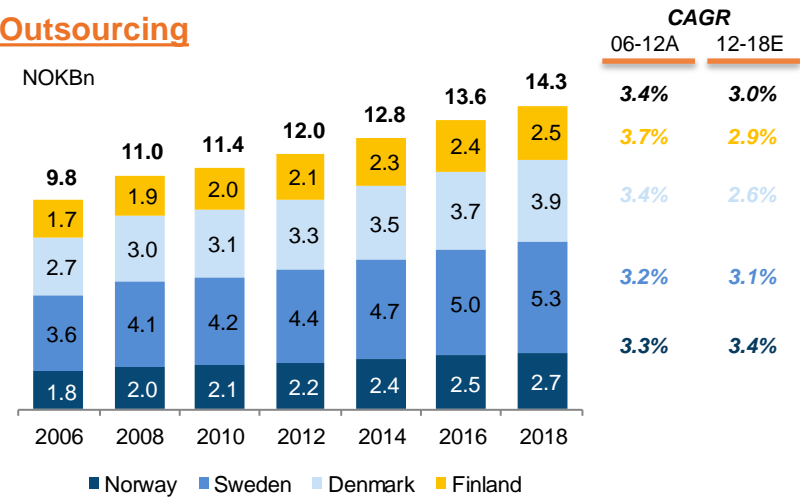
Western European HR BPO & Processing Market



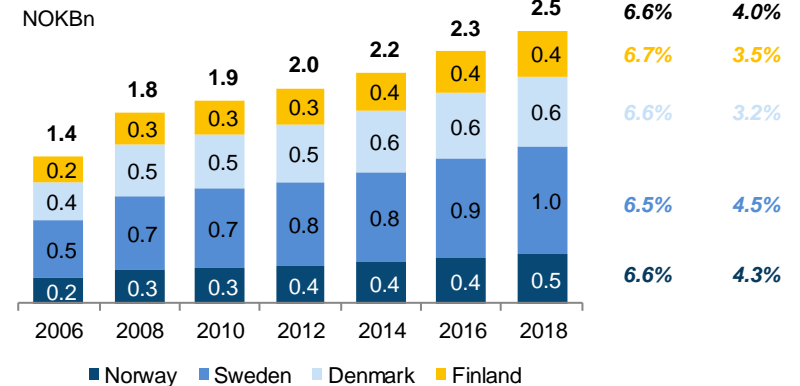
1) Consulting; services such as business consulting, IT consulting, systems integration, application outsourcing (AO), training and education, and change management; 2) Outsourcing; Payroll and tax admin, HR record keeping and management, pension and benefits administration. Source: IDC

Nordic HR BPO & Processing Market

Outsourcing

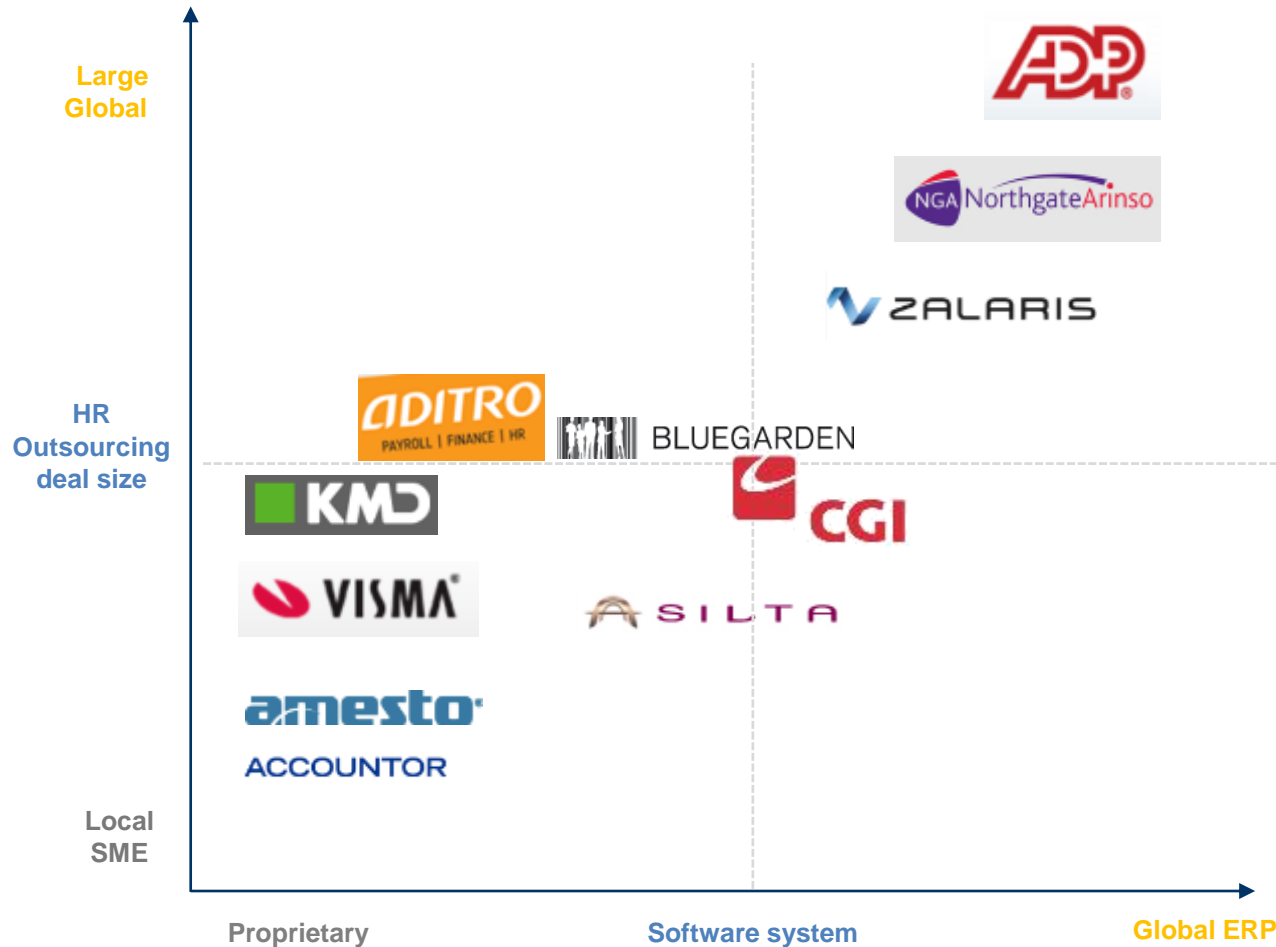


Consulting



Zalaris is the Regional HRO Leader

Competitive landscape within HR Outsourcing



Zalaris Advantages

Local presence

- Local language and culture knowledge through presence with business support centers in all end-user markets

Multi-country solution

- One common IT solution covering all countries

Sufficient scale

- Enabled through more than 150,000 employees on the Zalaris platform
- Proven near- and off-shore platform / development

Serving Large Enterprises Running SAP and Other ERP Systems

Clients Running on SAP ERP Systems



FINNAIR



TOM'S



SIEMENS

Nordea



Arcus



ExxonMobil



Clients Running on Other ERP Systems (non-SAP)



ELKJOP
ELGIGANTEN
GIGANTTI

TRYGG HANSA



storebrand



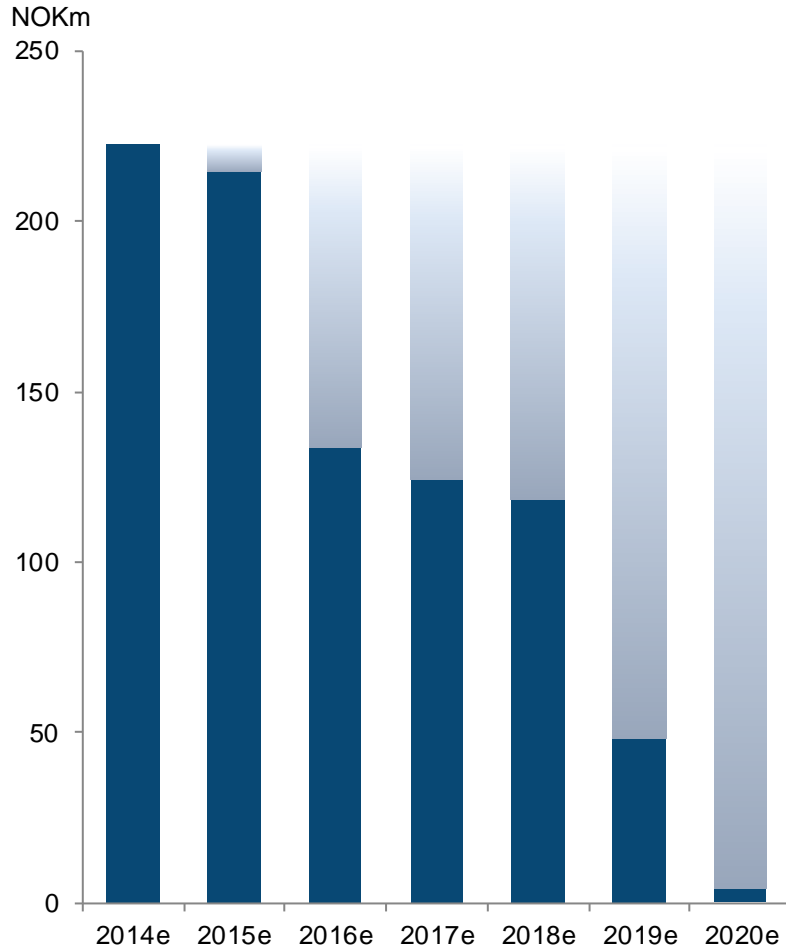
Statoil Fuel & Retail



Opplysningen 1881

High Degree of Recurring Revenues – Norm Being Customers Renewing Their Agreements

Contracted Revenues from Top 20 Customers



Key Observations

- All outsourcing contracts are signed for at least five years (five years is the most common length)
- Good visibility of revenues and with a high share of recurring revenues (94% recurring revenues in 2013)
- Average outstanding contract duration of top 20 clients is around 3 years
- 16 of Zalaris' top 20 largest customers have contracts until at least until the end of 2015 and 10 of these have contracts until 2018
- Customers renewing their agreements is the norm resulting in historic low churn of c. 1.5%. Ex. during the last 12 months:

CODAN

- Extended agreement with five years

storebrand

- Extended agreement with five years including extended geographic scope covering Lithuania

Statoli Fuel & Retail

- Extended agreement including talent management and geographic coverage of Latvia, Estonia, Lithuania and Poland

relacom

- Extended agreement with 5 years (3rd time renewed)

GASSCO

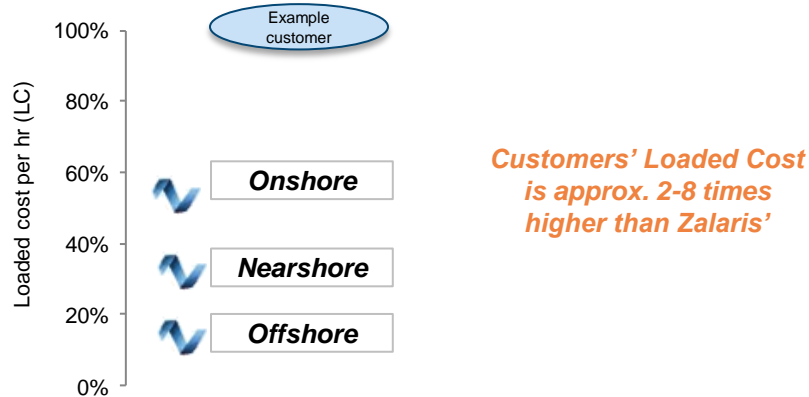
- Extended agreement with 5 years (3rd time renewed)

VARA

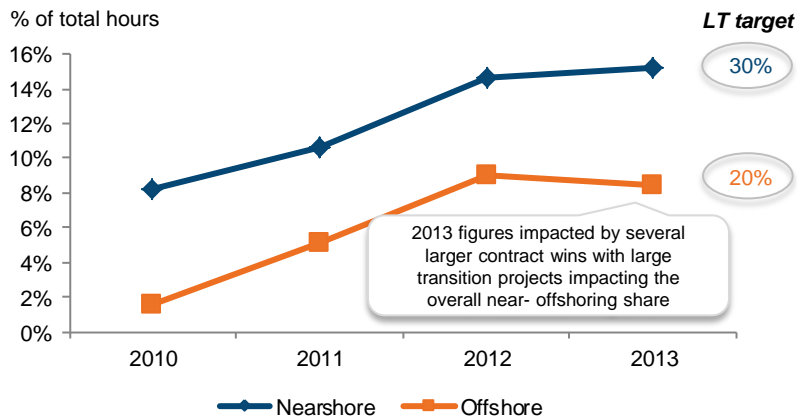
- Extended agreement with 5 years incl. extended (3rd time renewed) geographic scope covering Sweden and Denmark

Zalaris Reduces HR & Payroll Costs Through Economies of Scale, Process Improvements and Labor Arbitrage

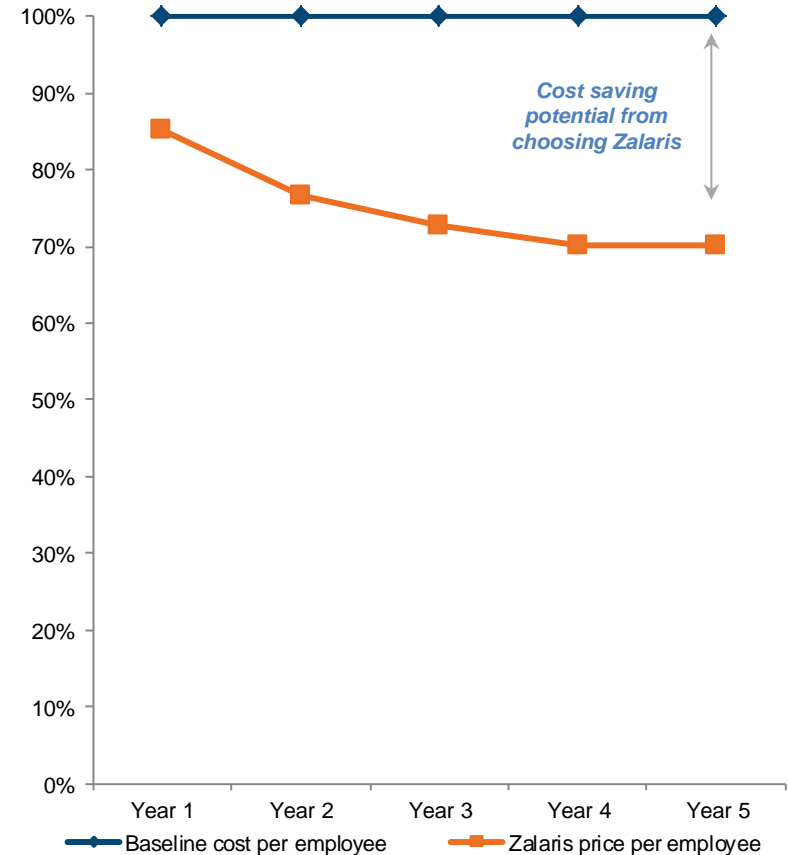
Zalaris – Substantial Loaded Cost Reduction



Zalaris is Increasingly Getting More Efficient



Illustrative avg. Payroll Handling Cost Per Employee

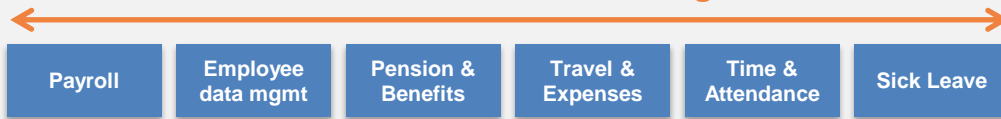


Clients Outsource Multiple HR Processes to Zalaris – Substantial Upsell Potential for Additional Services

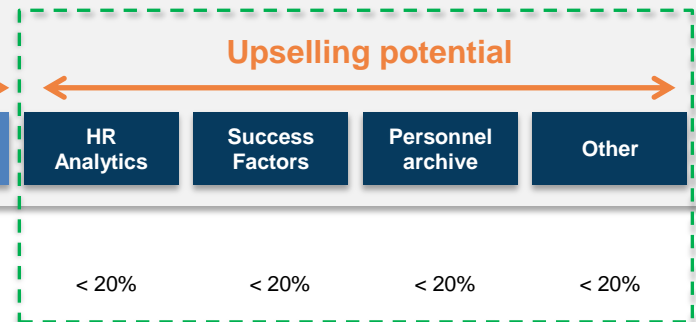
Overview of Services Provided

SaaS based platform

Core offering



Upselling potential



Share of companies with service

100%

~90%

> 90%

> 90%

> 90%

> 90%

< 20%

< 20%

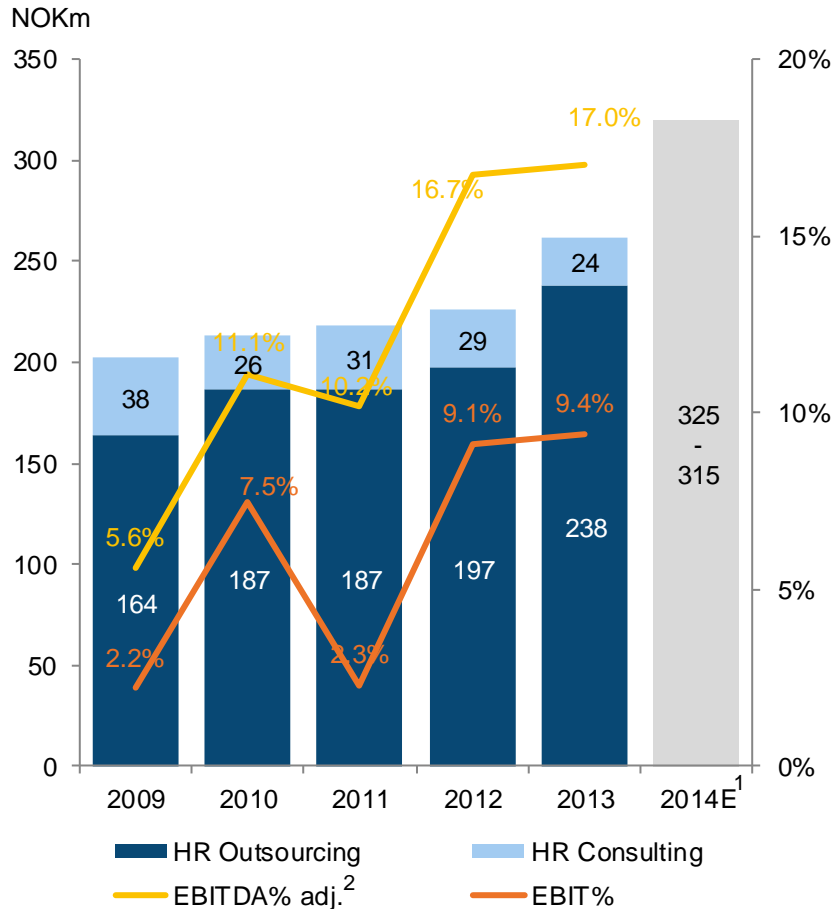
< 20%

< 20%

Zalaris has identified the upsell potential of high margin additional services to 50% of annual contract value in its current client base

Strong Organic Revenue Growth and Margin Expansion

Financial Performance 2009-14E



1) Run rate per Q1 adjusted for new Statoil contract win
 2) Excluding accrued project implementation cost

Major Contract Awards



- Global transactional HR processes for approximately 23,000 employees



- Full-service payroll and transactional HR for 12,000 employees in the Nordic



- Comprehensive payroll services for 4,000 employees in Finland



- Full-service transactional HR and payroll for 8,000 employees in the Nordic



- Full-service transactional HR and payroll for 7,000 employees in Finland



- Payroll and transactional HR for 11,500 employees in Scandinavia, Baltics and Poland

Zalaris – Summary Investment Highlights

- ✓ Consistent historical growth
- ✓ Large blue chip clients
- ✓ Strong recurring revenue base
- ✓ Margin expansion
- ✓ Vast untapped market

Appendix

Shareholders and Board of Directors









Shareholder Overview

Shareholder	Description	%
Nordic Capital Partners IV AS	Reiten et al	50.5%
Norwegian Retail AS	Zalaris CEO	25.6%
Aequitas AS	Høegh family	8.2%
Kobbå Invest AS	Jon Steinar Danielsen	3.1%
Vind AS	Høegh family	2.7%
Taconic AS	Horn family	2.7%
Peter Gogstad		1.3%
Løkta AS	Diderik Schnitler	1.0%
Peak Capital	Nils Ole Krogstad	0.8%
Other		4.0%
Total		100.0%

Board Members

- **Lars Henriksen**, Chairman (DK)
- **Narve Reiten** (NO)
- **Tina Steinsvik Sund** (NO)
- **Liselotte Hägertz Engstam** (SE)
- **Jan Koivurinta** (FI)

Highly Experienced Management Team

Management Team	Competence and Experience
 <p>Hans-Petter Mellerud <i>Founder & CEO</i></p>	<p>Prior to his founding of Zalaris, Hans-Petter was a partner with Accenture, where he was responsible for business development in the company's Nordic Outsourcing Unit. His educational background includes an MBA from IMD, Lausanne, Switzerland, and a BSc, magna cum laude, as well as a MSc, cum laude, in Computer Science from The University of Tulsa, USA</p>
 <p>Nina Stemshaug <i>CFO</i></p>	<p>Nina joined Zalaris in 2007. She has 12 years' experience working within finance and controlling areas of multiple industries in Germany. She holds a MSc in Business and Economics from the Norwegian School of Management (BI)</p>
 <p>Peter Thomas Gogstad <i>VP HR Business Consulting</i></p>	<p>More than 13 years of experience with Zalaris, including the roles as, COO, CTO and executive vice president of projects. Prior to joining Zalaris, Peter was an executive with Arthur Andersen Business Consulting, where he was responsible for implementing large-scale ERP systems in Norwegian and international companies. Peter earned a MSc from the Norwegian School of Management (BI).</p>
 <p>Otto Lepikkö <i>COO</i></p>	<p>Otto joined Zalaris in 2014 with 13 years' extensive experience in international IT business. Prior to joining Zalaris, Otto was a Vice President in Basware Corporation responsible for global professional services. Otto holds MSc in Business Economics from Tampere University of Technology in Finland and Executive MBA from Henley Business School in the UK</p>
 <p>Jan Erik Nessmo <i>Nordic Director Consulting</i></p>	<p>Jan Erik's responsibilities have included developing Zalaris' project methodology based on ASAP standards. Jan Erik was the managing partner of Zalaris Consulting in Norway from 2005 to 2011. Prior to joining Zalaris, Jan Erik was a senior manager with Accenture, where he worked as project manager implementing ERP systems and custom solutions for Norwegian and international companies in the region.</p>
 <p>Halvor Leirvåg <i>CTO</i></p>	<p>Halvor joined Zalaris in 2006 as a developer in Zalaris Consulting. Halvor was responsible for establishing Zalaris integration platform based on SAP PI. He was appointed CTO in 2011. Prior to joining Zalaris, Halvor held positions at Hewlett-Packard and the Swedish IT consultancy WM-data. Halvor has a Master's of Information Technology from Queensland University of Technology in Brisbane, Australia</p>
 <p>Øyvind Reiten <i>VP Business Development</i></p>	<p>Øyvind joined Zalaris in 2007 after earning a BSc in Business & Economics at the Norwegian School of Management. Before being appointed vice president of business development in 2012, he held several positions within product development, key account management and new business and sales</p>
 <p>Saara Somersalmi <i>HR Director</i></p>	<p>Saara joined Zalaris in 2012 and has over 10 years' experience from working with mergers and acquisitions, with an emphasis on cross-border transactions. Prior to joining Zalaris, Saara was head of M&A at Itella Corporation, where she also was responsible for creating and implementing internal group level processes across countries to harness the corporate culture. Saara holds a Master of Laws degree from the University of Helsinki.</p>

Summary Financials

Summary income statement

<i>IFRS (NOKm)</i>	2012 Audited	2013 Audited	Q1 13 Unaudited	Q1 14 Unaudited
Total revenue	226.4	262.2	59.5	74.1
License cost	12.0	12.9	2.2	2.5
Gross profit	214.4	249.3	57.3	71.7
<i>Margin</i>	<i>94.7%</i>	<i>95.1%</i>	<i>96.3%</i>	<i>96.7%</i>
Personnel cost	123.7	139.2	31.5	41.4
Other Opex	48.1	60.6	12.9	16.6
Amortization intangible asset	7.7	7.1	2.1	1.5
Amortization implementation costs customer projects	13.6	17.0	4.5	3.5
Depreciation	0.6	0.8	0.2	0.2
EBIT	20.6	24.6	6.1	8.5
<i>Margin</i>	<i>9.1%</i>	<i>9.4%</i>	<i>10.2%</i>	<i>11.4%</i>
Net financial costs	2.9	1.1	0.4	0.2
EBT	17.8	23.5	5.6	8.2
<i>Margin</i>	<i>7.8%</i>	<i>9.0%</i>	<i>9.5%</i>	<i>11.1%</i>
Tax	5.4	6.4	1.5	2.2
Net Income	12.4	17.1	4.1	6.0

Balance Sheet

Consolidated Balance Sheet

<i>NOKm</i>	2012 Audited	2013 Audited	Q1 13 Unaudited	Q1 14 Unaudited
Intangible assets				
Deferred tax	7.6	5.5	7.7	5.5
Other intangible asset	22.2	22.7	21.4	22.4
Total intangible assets	29.8	28.2	29.0	27.9
Fixed assets				
Office equipment	0.6	0.4	0.5	0.3
Property, plant and equipment	1.4	1.8	1.5	1.7
Total Fixed assets	2.0	2.2	2.0	2.0
Trade accounts receivable	40.4	54.9	39.0	53.4
Customer projects	12.6	18.8	16.9	25.8
Other short-term receivables	2.7	4.9	4.7	7.6
Cash and cash equivalents	8.2	10.8	6.4	9.4
Total current assets	63.9	89.5	67.0	96.2
Total assets	95.7	119.8	98.0	126.1
Total paid-in capital	18.8	18.8	18.8	18.8
Retained earnings	3.4	18.1	8.0	22.9
Non-controlling interests	3.5	3.4	3.5	4.1
Total equity	25.7	40.3	30.2	45.7
Deferred tax	0.7	1.3	2.1	3.5
Interest-bearing loans and borrowings	1.9	3.1	3.6	2.7
Employee defined benefit liabilities	0.4	0.0	0.3	0.1
Total long-term liabilities	3.0	4.5	6.0	6.3
Trade accounts payable	8.7	11.9	4.3	12.1
Interest-bearing loans	9.1	0.0	9.0	0.0
Income tax payable	2.3	3.3	2.3	3.3
Public duties payable	14.4	18.9	14.5	19.1
Other short-term debt	32.6	40.9	31.8	39.5
Total short-term liabilities	67.0	75.0	61.8	74.0
Total liabilities	70.1	79.5	67.8	80.3
Total Equity and Liabilities	95.7	119.8	98.0	126.1

Key Comments

PP&E

- Increasing due new locations to both in Sweden and Finland

Trade Accounts Receivable

- Sensitive to public holidays and weekends as Zalaris has a invoicing process end of month

Customer Implementation Projects

- Net accrued implementation project costs
- 2013 numbers includes deferred revenue approx. 31 MNOK and accrued costs approx. 50 MNOK

Public Duties Payable

- VAT + Social security taxes

Other Short-Term Debt

- Holiday pay/Pension/Advance payments from customers

Customer implementation projects

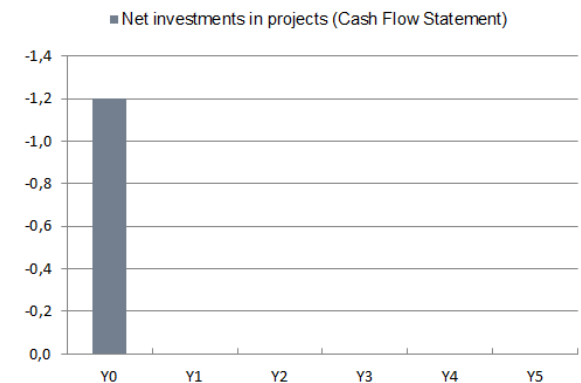
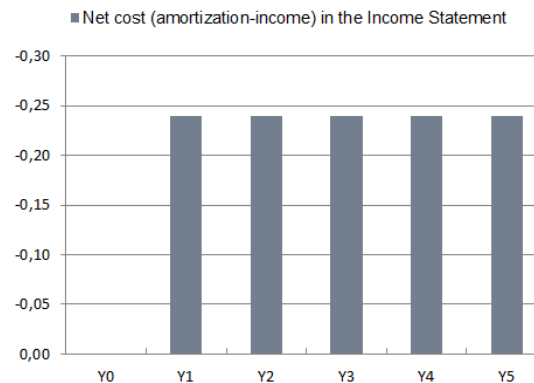
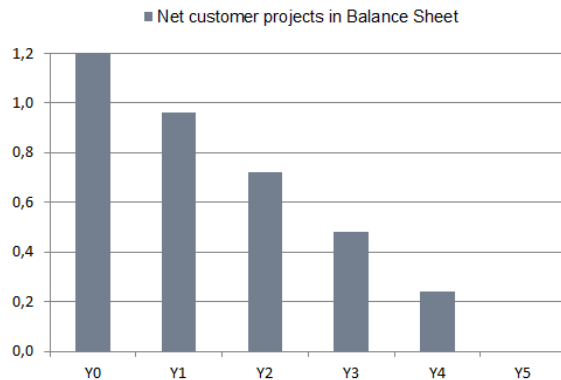
Accounting principle for customer implementation projects

A portion of cost occurred in the initial phase of outsourcing contracts (customer implementation project costs) 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 allocated to work-in-progress and prepaid revenue by the client is recorded as a deduction from the costs incurred. The deferred costs are expensed evenly over the period the outsourcing services are provided and are presented in the income statement in the line item "amortization implementation costs customer projects". The related revenues are recognized on a straight line basis over the period the outsourcing services are provided.

Example: impact of the principle on income statement, balance sheet and cash flow statement

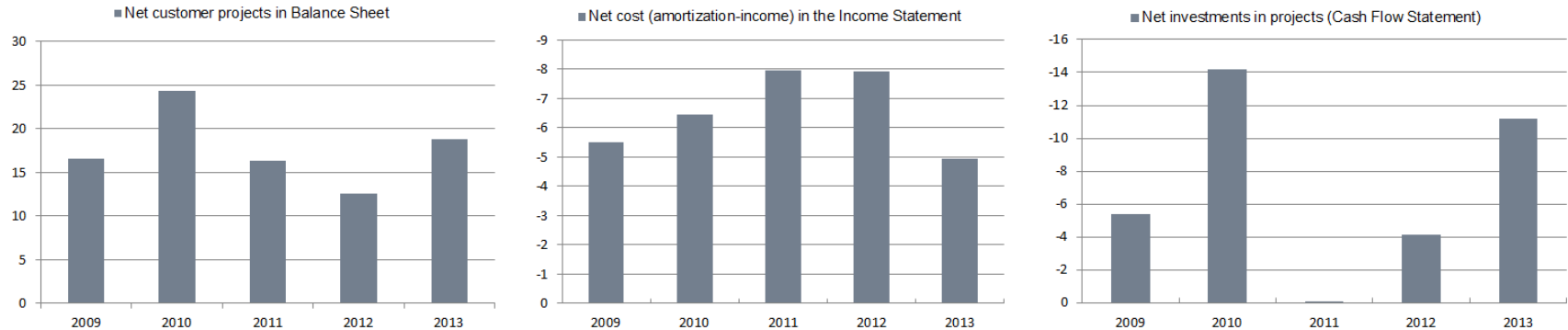
Gross costs of customer implementation project of new outsourcing contact
Customer financing of project
Net investments in projects
Recurring revenue per year over a 5 year period of outsourcing services
Expensed costs per year over a 5 year period of outsourcing services

NOK 4,00m
NOK 2,80m
NOK 1,20m
NOK 0,56m
NOK 0,80m



Customer implementation projects

Historical total values of customer implementation projects



The effects of the customer implementation projects on balance sheet, income statement and cash flow statement, depend on the percentage of the customer financing of these projects. Higher customer financing of projects leads to lower impact on both balance sheet and income statement during the period of the outsourcing services provided and thus a lower impact on the cash flow statement. Zalaris strives to achieve a high customer financing of projects for all new outsourcing contracts and experiences that this is easier to achieve when dealing with large customers (ex 10,000+ employees) as implementation cost per employee is significantly lower than medium sized customers (ex 1,000 employees)

Alternative use of consulting resources used for implementation projects

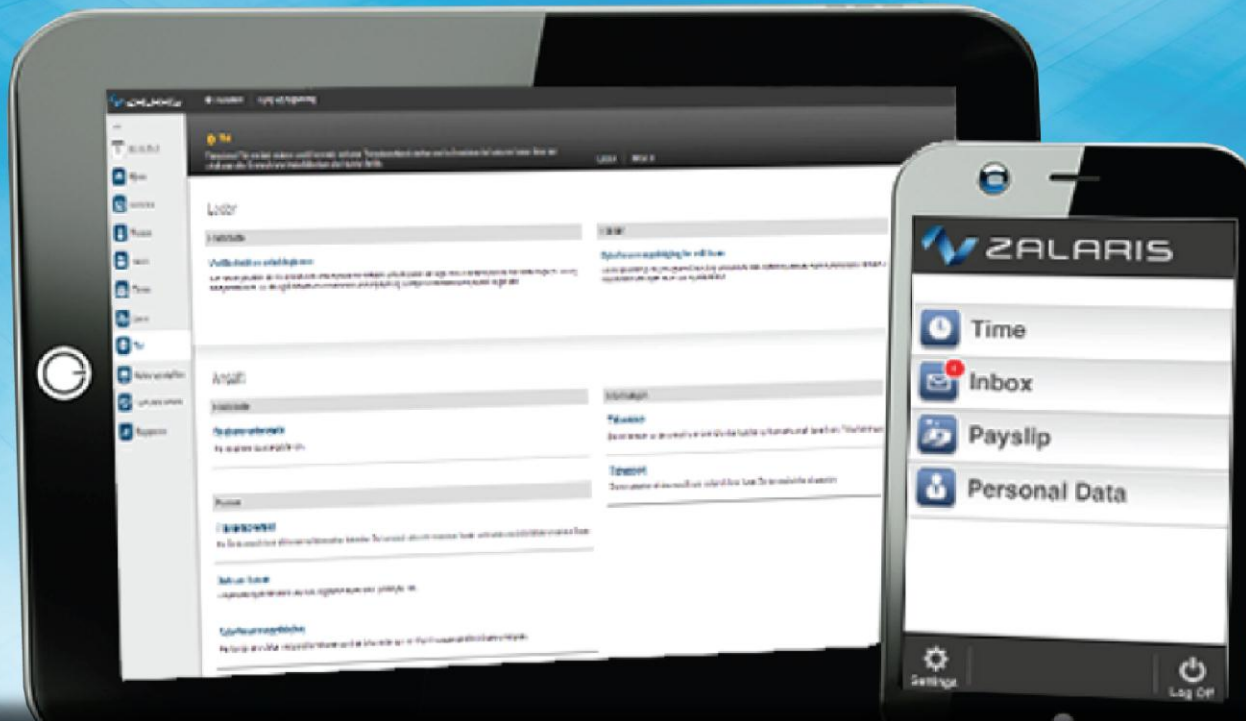
Zalaris uses own consulting capacity to deliver implementation projects of new outsourcing contracts.

This ensures not only the supply of consultancy capacity when entering into new outsourcing agreements, but also good quality and optimal efficiency and thus a lower cost level of these projects.

The challenge of having this capacity in house is to ensure the utilization at any time.

Alternative use of the consulting capacity:

1. External consulting customers -> short term growth and higher margin
2. Change orders (upselling) to existing HR Outsourcing customers -> both short- and long term growth and higher margin
3. Development of new functionality or system improvements -> long-term growth or cost reductions.



Thank you!

Hans-Petter Mellerud
CEO & Founder
hans-petter.mellerud@zalaris.com

Zalaris HR Services AS
PO Box 1053
NO-0218 Oslo
Tel: +47 4000 3300
www.zalaris.com

