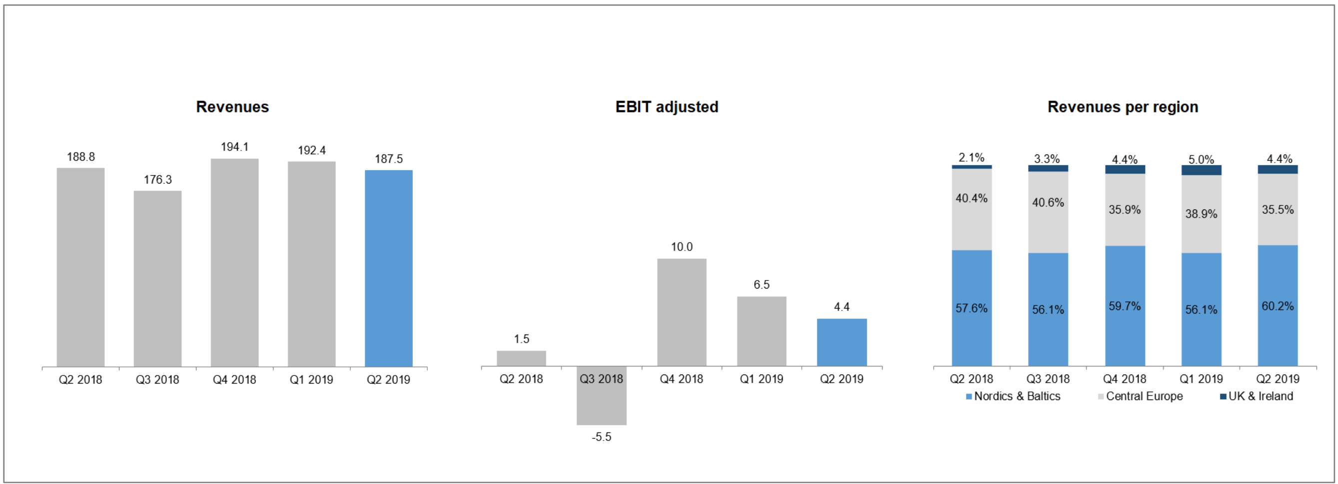
Interim Report • Q2 2019

- Revenues of NOK 187.5 million and EBIT of NOK 4.4 million or 2.4%
- EBIT-improvement program on track targeting run rate of 10% margin going into 2020
- High renewal activity demonstrates strong market position, growing pipeline for H2/19
- Strengthening sales & marketing to boost revenue growth



"Developing Zalaris into a profitable European market leader is like completing an Extreme Triathlon. Success is achieved through good preparation, teamwork, grit and determination" *– Hans-Petter Mellerud*

In Q2/19 our operating revenues amounted to NOK 188 million, down 1% from the same quarter last year. Operational EBIT was NOK 4.4 million, representing a margin of 2.4%.

Our strong market position was confirmed during the quarter with the renewal of long-term contracts with key clients like Nordea, Telenor, Finnair, ABB and Bilfinger. In Central Europe we signed several new customers, like Frankfurt Airport (FRAPORT), Gasnetz Hamburg and Universität Siegen. Furthermore, our Norwegian operation achieved SAP Recognized Expertise status for HCM, increasing our attractiveness for potential clients.

Our overall industry experience and strategic capabilities were strengthened with the addition of two new board members, Kenth Eriksson and Corinna Schãfer, at the AGM in May. Kenth Eriksson is one of the founders of Athanase Industrial Partners, a new major shareholder in Zalaris, and has relevant experience from BPO and other industries. Corinna Schäfer has extensive business experience from Germany representing sales to large customers, BPO and software competence, and brings valuable local knowledge and experience of the largest single market for Zalaris.

On track for EBIT-target

We continue to focus on our ambitions both in terms of revenue growth and profitability. In our report for Q1/19 we stated that our short-term priority is to return to the margin level we had prior to our acquisitions – and to reach a target margin defined as producing a consistent 10% adjusted EBIT going into 2020.

We also listed a series of initiatives to reach this target, like centralizing support functions, reducing overhead and increasing offshore capability utilization. We have progressed well in the process of consolidating all IT infrastructure into one system, as well as gathering our Baltics operations to one service center in Riga. Going forward, our growth model in new regions will involve local partners in the initial stages, giving more flexibility and lower fixed costs.

I'm pleased to see that we are well on track in terms of executing these cost-cutting initiatives, but also that the EBIT-target itself has reinvigorated and focused the whole organization. We are building a more lean and agile company and going into 2020, I expect us to fully extract the targeted cost synergies.

Building a growth platform

We have a refocus of resources to market facing and use the reduction of back-office functions to increase investment in sales, marketing and other customer-facing functions. We significantly strengthened our UK salesforce through new hiring in the second quarter, and our recruitment efforts in Germany are gaining traction with 12 new consultants joining in the last couple of months. Demand for our services is considered strong, and the company is currently in bid phase or renewal discussions for several large deals across all business regions, creating a promising pipeline for the second half of 2019.
So, while profitability remains our short-term priority, we are not compromising our growth capacity. Market fundamentals remain very strong, we are retaining our top tier clients and continually securing new business.

I remain confident that 2019 will be the 19th year of uninterrupted revenue growth for Zalaris.

Hans-Petter Mellerud, CEO

Financial Review

All figures in NOK 1 000	2019 Q2	2018 Q2	2019 H1	2018 H1	2018 FY
Revenue	**187 548**	188 840	**379 899**	375 006	**745 434**
Growth (Year-over-year)	*-0,7 %*	*48,8 %*	*1,3 %*	*60,8 %*	*29,1 %*
EBITDA adjusted[1)]	**26 352**	17 124	**54 171**	44 294	**80 496**
as % of revenue	*14,1 %*	*9,1 %*	*14,3 %*	*11,8 %*	*10,8 %*
EBIT adjusted[1)]	**4 412**	1 452	**10 894**	12 791	**17 339**
as % of revenue	*2,4 %*	*0,8 %*	*2,9 %*	*3,4 %*	*2,3 %*
Profit before tax	(4 298)	910	3 323	13 622	(4 161)
Profit for the period	(3 324)	(1 118)	2 940	10 259	(1 273)
Total comprehensive Income	(3 351)	(6 845)	(4 468)	(1 453)	815
Earnings Per Share (EPS)[1)]	(0,16)	(0,06)	0,13	0,50	(0,06)
Net cash from Operating Activities	4 963	590	(17 064)	560	5 200
Full Time Equivalent (FTE) end of the period	825	792	825	792	799

[1)] Defined in separate section Alternative Performance Measure (APM) Reference to APM

Group Revenues

Revenues for Q2/19 amounted to NOK 187.5 million which is a decline of 0.7% compared with Q2/18. The renewal of BPO contracts with Nordea and Telenor ensure long term recurring revenues for the next 5 years, but the agreed price reductions impact the y-o-y growth rate within the Managed Services segment. The decline of NOK 4.8 million in total revenues from the previous quarter is mainly attributable to seasonal variations in both business segments.

Central Eastern Europe
Revenues for the second quarter amounted to NOK 66.5 million compared to NOK 76.1 million in the same quarter last year. This is primarily an effect of a reduced number of consultants in Germany. The decrease in revenues from previous quarter was mainly caused by seasonal variations in addition to some milestone invoicing of various projects in Q1/19. New contracts signed in the quarter, such as Frankfurt Airport, Gasnetz Hamburg and Universität Siegen, will generate revenue in the near future.

UK & Ireland
Revenues in Q2/19 amounted to NOK 8.2 million, more than doubling from the NOK 3.9 million achieved in Q2/18. This growth is both attributable to increased utilization on customer deliveries as well as a positive pipeline trend which has started to materialize. The decline from previous quarter is due to seasonal variations. New contract within managed services with customer The Barden Corporation Ltd. is signed in Q2/19.

Nordics & Baltics
Revenues in Q2/19 amounted to NOK 112.8 million, up from NOK 108.8 million in Q2/18. The y-o-y growth of 3.7% is due to the launch of new customers within the managed services with full revenue impact from Q2/19. The growth from previous quarter is in addition positively affected by an annual recognition of project revenue. Q2/18 had similar timing of revenue recognition.

Revenues for H1/19 amounted to 379.9 million up from NOK 375.0 million in H1/18 showing a 1.3% growth.

Group Profits

EBIT for the quarter was NOK 4.4 million compared to NOK 1.5 million in the same quarter last year. The y-o-y improvement, despite the mentioned price reductions, is mainly because the combined business has stabilized. The utilization of both internal and external resources for post-merger integration activities is now reduced to a minimum and focus has turned to the profit improvement program. The seasonal variations in the second quarter of the year negatively impacts the group profits in Q2/19 compared to Q1/19.

EBIT and EBIT margin for the first six months of the year amounted to NOK 10.9 million and 2.9% respectively. Comparable numbers for the same period last year were NOK 12.8 million and 3.4%. Currency effects impacted the YTD EBIT negatively with NOK 0.6 million and 0.1% margin wise.

Net financial items for the quarter added up to NOK 8.7 million.

Segment information

Revenues

Managed Services
The Managed Services segment contributed to 74.3% of the total revenue in Q2/19, which is at the same level as previous quarters. Revenues in Q2/19 amounted to NOK 139.4 million, up from NOK 135.1 million in Q2/18, equal to 3.2% growth in this segment.

This growth reflects an increase in number of employees served at existing customers within the Northern Europe region and the full effect of the launch of new BPO customers both in Northern Europe, Aker BP and DNB, and Statkraft in Ireland.

The decline in revenues compared to Q1/19 of NOK 4.3 million is in line with seasonal variations as additional year-end services to BPO customers are delivered in the first quarter each year.

Professional Services
Revenues in the Professional Services segment amounted to NOK 48.2 million, down from NOK 53.8 million in the same quarter last year.

A high portion of the consulting capacity delivered services for projects and change orders within managed services.
The consulting capacity in the UK has improved its utilization and has increased its revenues compared to last year.

The slight drop of revenues of NOK 0.5 million from previous quarter is caused by fewer working days.

Segment EBIT

Managed Services
Compared to Q2/18 the EBIT is slightly up by NOK 0.7 million with a 12.9% EBIT margin in Q2/19. The segment has achieved a steady nominal EBIT-increase in the last four quarters.

Northern Europe and Central Eastern Europe showed increased utilization of offshore resources compared to both same quarter last year and previous quarter, and thus improved margins.

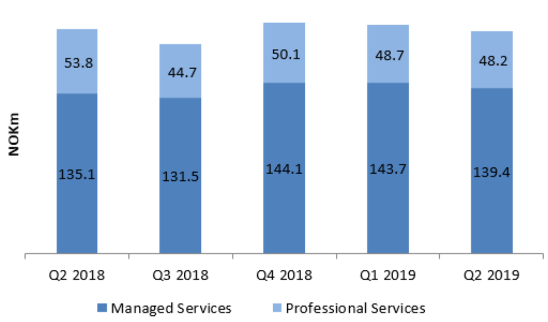
In UK & Ireland the segment had lower utilization which is expected to improve in Q3/19 with the launch of new customers and increased scope of work to both Veolia and Compass.

Professional Services
EBIT in the Professional Services segment amounted to NOK 3.0 million compared to NOK -0.1 million in Q2/18. The improvement is a result of increased utilization of consulting capacity for the group although this has varied for each region.

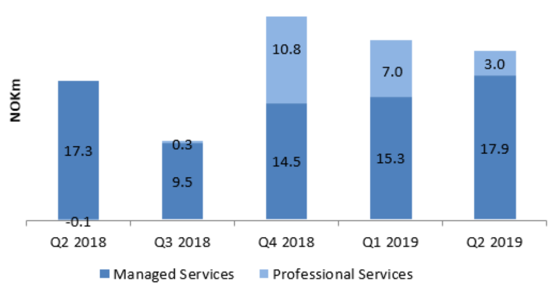
Compared to previous quarter the EBIT declined with NOK 4 million as a result of seasonal variations, especially in Central Europe and UK & Ireland.

In Northern Europe the utilization declined compared to Q1/19 as a result of onboarding of new employees to strengthen the Success Factors team.

Revenues per segment



Segment EBIT



Financial position and cash flow

Total assets increased by NOK 96.4 million compared to Q2/18 to NOK 724.8 million at 30 June 2019. The Y-o-Y increase mainly relates to the refinancing in Q3/18. The bond loan contributed to an increase of long term debt which partly has been used to pay down other short term interest bearing debt. In addition the adoption of IFRS 16 per 1st January 2019, contributed to an increase of right-to-use assets of NOK 45.0 million.

Equity decreased by NOK 5.5 million compared to 30 June 2018 and by NOK 8.8 million compared to 31 December 2018.
The announced share buy-back program initiated in Q1/19 contributed to this decrease in addition to negative currency translations as a result of a stronger Norwegian Krone compared to end of FY 2018. The equity ratio was stable at 14% during Q2/19.

Net interest bearing debt increased from NOK 214.6 million at the end of same quarter last year to NOK 308.7 million due to the increase in debt from the refinancing. The increase of net interest bearing debt since end of FY 2018 is negative cash flow for the quarter.

Cash and cash equivalents were NOK 59.6 million as of 30 June 2019, up from NOK 32.8 million as of 30 June 2018 and down from NOK 107.8 million as of 31 December 2018.

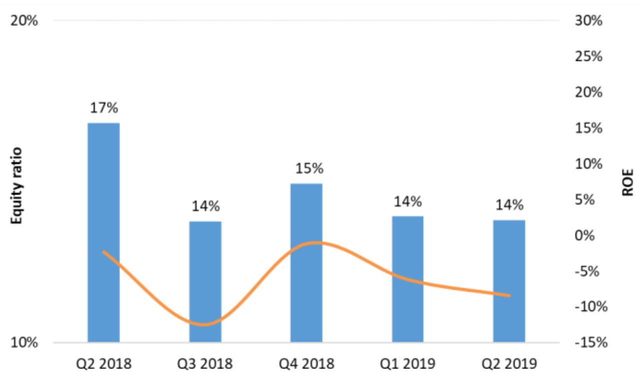
Cash from operating activities during Q2/19 was positive NOK 5.0 million including net investment in customer projects of NOK 5.5 million.

Cash balance declined in the quarter due to investments amounting to NOK 7.1 million. Ongoing investment projects mainly relate to new and improved functionality, primarily in Zalaris' portal and mobile app system solutions.

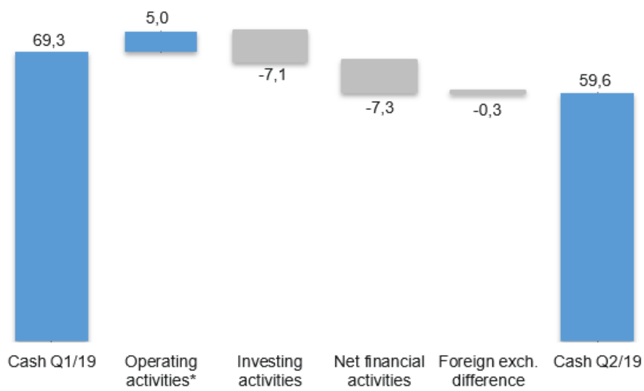
Net financial activities contributed to a negative cash flow of NOK 7.3 million in the period including purchase of own shares amounting to NOK 2.1 million.

The Group continues its focus on improving its order to cash process to improve its working capital. Revaluation of cash balance contributed negatively by NOK 0.3 million.

Equity ratio and return on equity (ROE)



Cash development, Q1/19 to Q2/19



*Includes net interest payments, bank fees, and transactional charges.

EBIT improvement program starting to show results

Target cost reduction of NOK 4,7 mill per month

As communicated in our Q1 presentation we launched an EBIT improvement program with the goal of returning to our pre acquisition profitability level targeting a 10% EBIT going into 2020. Key elements in realizing the improvements were:

- Full cost synergy realization from the acquisitions with corresponding consolidation and reduction in IT and overhead costs on group, region and country level
- Organizational simplification through reducing the number of 23 legal entities to 16 until end of the year
- Streamlining of Managed Services and Professional Services delivery model with consolidation of activities to strategic locations and increased use of partners for faster and more flexible growth into new geographies
- Converting internal facing capacity to market facing capacity
- Increased utilization of our new- and offshore capabilities
- Reduction of costs to external vendors

In total we defined our target to reduce our monthly costs by NOK 4,7 million compared to the Q1 baseline levels. At the same time – we communicated that our aspiration is to continue to be a growth company. Thus, cost reductions should support our growth ambitions.
The EBIT enhancement program has created substantial motivation and change momentum in the organization.

Underlying operational profitability is sound and shows the effect of scale

Analyzing the underlying profitability of our segments in Q2 as represented by our key operational KPI - Contribution from Operations (CO) - shows a business that can generate significant incremental profits with growth and is subject to scale. On this level the EBIT improvement program focuses on realizing operational synergies through the consolidation of service locations and IT solutions across the group. In addition, several organizational and contractual improvements are starting to materialize in the CEE region. Our Managed Services (MS) organization is now operated as one functional organization across the group with clearly defined targets. In Q2 we launched a similar initiative to establish a group wide Professional Services (PS) organization to drive the development within this segment as well. Both the regional allocated and the Group unallocated overhead costs are clearly too high, and a key focus area for our synergy realization and cost reductions.

YTD 2019	Managed Services (MS)					Professional Services (PS)				
	NE	CEE	UK&I	APAC & NOZH	Total	NE	CEE	UK&I	APAC & NOZH	Total
Revenues	218 665	56 557	7 567	293	283 082	1 696	84 766	10 306	50	96 818
Contribution from Operations [1)]	53 905	4 908	1 053	1 200	61 066	1 804	20 213	4 490	-380	26 127
as % of revenues	*25 %*	*9 %*	*14 %*	*410 %*	*22 %*	*106 %*	*24 %*	*44 %*		*27 %*
Allocated overhead [2)]	-17 393	-9 195	-1 504	223	-27 870	-135	-13 918	- 2 049		-16 101
as % of revenues	*8 %*	*16 %*	*20 %*	*-76 %*	*10 %*	*8 %*	*16 %*	*20 %*		*17 %*
Segment EBIT	**36 512**	**-4 288**	**-452**	**1 423**	**33 196**	**1 669**	**6 296**	**2 441**	**-380**	**10 026**
as % of revenues	***17 %***	***-8 %***	***-6 %***		***12 %***	***98 %***	***7 %***	***24 %***		***10 %***

[1)] Contribution from Operations includes all revenues and costs that can directly be attributed to the segment including segment management.
[2)] Allocated overhead includes regional and country management, admin and business development costs.

Progress is promising and will gradually show throughout 2019

EBIT improvement targets have been distributed and accepted by the management team and included in our scorecard-based approach of Result Based Leadership. We have identified and initiated concrete actions to realize the NOK 4,7 million improvements. Approximately 14% of the improvements are visible in our Q2 financials. Ultimo Q3 and Q4 we target realization of 40% and 70% correspondingly with the goal of reaching 100% from Q1 2020.

Outlook

The market fundamentals for Zalaris remain strong. Ongoing processes to strengthen and expand the company's customer-facing functions will enable the company to increasingly take advantage of the strong demand for business process outsourcing across both the private and public sectors in Europe. The pipeline for H2/19 is considered promising, with high activity within new bids as well as renewal discussions in all regions.

Based on these initiatives, the company expects to post year-on-year revenue growth in 2019, albeit at a moderate level.
The Company's margins are expected to improve from the level observed in Q2 and H1/19, driven by several ongoing initiatives to reduce costs. Meanwhile, a more streamlined and simplified delivery model throughout the organization, and a more clearly defined product portfolio is aiding our sales efforts.

Oslo, 15 August 2019
The Board of Directors of Zalaris ASA

Lars Laier Henriksen
(chairman)

Jon Erik Haug

Liselotte Hägertz Engstam

Adele Norman Pran

Corinna Schäfer

Kenth Erland Eriksson

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	2019 Apr-Jun	2018 Apr-Jun	2019 Jan-Jun	2018 Jan-Jun	2018 Jan-Dec
		unaudited	*unaudited*	*unaudited*	*unaudited*	
Revenue	2	**187 548**	**188 840**	**379 899**	**375 006**	**745 434**
Operating expenses						
License costs		13 904	13 556	28 833	28 237	60 492
Personell expenses	3	106 911	113 070	214 480	213 488	426 623
Other operating expenses		40 381	45 089	82 416	88 987	177 823
Depreciations and impairments		1 035	882	2 033	1 770	3 635
Amortizations rights of use assets	8	5 456	-	10 800	-	-
Amortisation intangible assets	4	6 735	5 866	13 433	11 681	23 575
Amortisation implement. costs customer projects	5	8 714	8 925	17 011	18 052	35 947
Total operating expenses		**183 136**	**187 388**	**369 005**	**362 216**	**728 094**
Operating profit		**4 412**	**1 452**	**10 894**	**12 791**	**17 339**
Financial items						
Financial income		(196)	377	440	758	9 675
Financial expense		(8 003)	(4 316)	(15 786)	(7 539)	(18 442)
Unrealised foreign currency profit/loss	7	(511)	3 397	7 775	7 612	(12 734)
Net financial items		**(8 710)**	**(542)**	**(7 571)**	**831**	**(21 501)**
Profit before tax		**(4 298)**	**910**	**3 323**	**13 622**	**(4 161)**
Income tax expense						
Tax expense on ordinary profit		974	(2 027)	(383)	(3 363)	2 888
Total tax expense		**974**	**(2 027)**	**(383)**	**(3 363)**	**2 888**
Profit for the period		**(3 324)**	**(1 118)**	**2 940**	**10 259**	**(1 273)**

Consolidated Statement of Comprehensive Income

(NOK 1000)	Notes	2019 Apr-Jun	2018 Apr-Jun	2019 Jan-Jun	2018 Jan-Jun	2018 Jan-Dec
		unaudited	*unaudited*	*unaudited*	*unaudited*	
Profit for the period		**(3 324)**	**(1 118)**	**2 940**	**10 259**	**(1 273)**
Other comprehensive income						
Items that will be reclassified to profit and loss in subsequent periods						
Currency translation differences		(27)	(5 727)	(7 408)	(11 712)	2 088
Total other comprehensive income		**(27)**	**(5 727)**	**(7 408)**	**(11 712)**	**2 088**
Total comprehensive income		**(3 351)**	**(6 845)**	**(4 468)**	**(1 453)**	**815**

Consolidated Statement of Financial Position

(NOK 1000)	Notes	2019 30. Jun	2018 30. Jun	2018 31. Dec
		unaudited	*unaudited*	
ASSETS				
Non-current assets				
Intangible assets	4	136 535	147 024	143 064
Goodwill	4	148 535	146 259	151 996
Total intangible assets		**285 070**	**293 283**	**295 059**
Deferred tax asset		6 096	803	6 468
Fixed assets				
Office equipment		1 872	1 614	1 737
Right-of-use assets	8	45 001	-	-
Property, plant and equipment		32 109	32 769	33 455
Total fixed assets		**78 982**	**34 383**	**35 192**
Total non-current assets		**370 147**	**328 469**	**336 720**
Current assets				
Trade accounts receivable	5	162 531	156 906	158 118
Customer projects	5	99 665	94 739	97 272
Other short-term receivables		32 869	10 814	25 653
Cash and cash equivalents		59 570	37 445	107 844
Total current assets		**354 635**	**299 904**	**388 887**
TOTAL ASSETS		**724 783**	**628 373**	**725 607**

Consolidated Statement of Financial Position

(NOK 1000)	Notes	2019 30. Jun *unaudited*	2018 30. Jun *unaudited*	2018 31. Dec
EQUITY AND LIABILITIES				
Equity				
Paid-in capital				
Share capital		2 012	2 012	2 012
Own shares		(4 425)	(6)	(6)
Other paid in equity		2 627	1 589	2 061
Share premium		45 138	45 198	45 138
Total paid-in capital		**45 352**	**48 793**	**49 205**
Other equity		(7 980)	(2 038)	(33)
Retained earnings		62 722	58 884	59 733
Equity attributable to equity holders of the parent		**100 094**	**105 640**	**108 905**
Total equity		**100 094**	**105 640**	**108 905**
Liabilities				
Non-current liabilities				
Deferred tax		25 049	29 983	25 776
Interest-bearing loans and borrowings		347 450	199 414	355 746
Lease liabilities	8	22 673	-	-
Total long-term debt		**395 173**	**229 397**	**381 522**
Current liabilities				
Trade accounts payable		17 319	13 312	24 358
Customer projects liabilities	5	60 645	64 133	64 284
Interest-bearing loan from shareholders		7 057	7 535	7 867
Interest-bearing loans		13 786	45 141	14 817
Lease liabilities	8	21 802	-	-
Income tax payable		588	3 266	4 801
Public duties payable		31 595	32 717	36 517
Other short-term debt		75 112	84 029	81 655
Derivatives		1 613	646	882
Total short-term debt		**229 516**	**293 336**	**235 180**
Total liabilities		**624 689**	**522 733**	**616 702**
TOTAL EQUITY AND LIABILITIES		**724 783**	**628 373**	**725 607**

Consolidated Statement of Cash Flow

(NOK 1000)	Notes	2019 Apr-Jun	2018 Apr-Jun	2019 Jan-Jun	2018 Jan-Jun	2018 Jan-Dec
Cash Flow from operating activities		*unaudited*	*unaudited*	*unaudited*	*unaudited*	
Profit (Loss) before tax		(4 298)	910	3 323	13 622	(4 161)
Financial income		707	(3 774)	(8 215)	(8 370)	3 059
Financial costs		8 003	3 361	15 786	5 549	18 442
Stock purchase program		199	-	581	-	945
Depreciation and impairments		6 493	882	12 835	1 770	3 635
Amortisation intangible assets		6 735	5 866	13 432	11 681	23 575
Amortisation implementation costs customer projec	5	8 714	8 925	17 011	18 052	35 947
Recognized customer projects assets [1)]	5	(11 003)	(11 814)	(22 246)	(24 147)	(36 872)
Recognized customer projects liabilities [1)]	5	(6 029)	(4 399)	(7 765)	(2 713)	(9 203)
Taxes paid		-	(3 606)	-	(4 825)	(4 996)
Changes in accounts receivable		11 410	(5 228)	(4 413)	(10 312)	(624)
Changes in accounts payable		300	-	(7 039)	-	1 503
Changes in other items [1)]		(11 734)	11 462	(20 332)	4 191	(14 619)
Interest received		23	38	140	72	212
Interest paid		(4 557)	(2 031)	(10 163)	(4 010)	(12 645)
Net cash flow from operating activities		**4 963**	**590**	**(17 064)**	**560**	**4 195**
Cash flows to investing activities						
Fixed and intangible assets		(7 101)	(8 947)	(11 349)	(16 510)	(21 330)
Net cash flow to investing activities		**(7 101)**	**(8 947)**	**(11 349)**	**(16 510)**	**(21 330)**
Cash flows from financing activities						
Purchase of own shares		(2 061)	-	(4 419)	492	-
Transaction costs related to issuance of new shares		-	240	-	-	-
Bank overdraft		-	18 790	-	17 422	(25 135)
Proceeds from issue of new borrowings		-	(59)	-	1 238	340 282
Payment of lease liabilities		(6 170)	-	(12 254)		
Repayment of loan		935	(14 668)	(1 580)	(14 677)	(244 696)
Dividend payments to owners of the parent		-	(13 020)	-	(13 020)	(13 080)
Net cash flow from financing activities		**(7 296)**	**(8 717)**	**(18 253)**	**(8 545)**	**57 371**
Net changes in cash and cash equivalents		**(9 434)**	**(17 074)**	**(46 666)**	**(24 495)**	**40 237**
Net foreign exchange difference		**(344)**	**(991)**	**(1 608)**	**(853)**	**3 851**
Cash and cash equivalents at the beginning of the period		**69 348**	**55 510**	**107 844**	**62 793**	**62 792**
Cash and cash equivalents at the end of the period		**59 570**	**37 445**	**59 570**	**37 445**	**107 844**

[1)] Comparable 2018 numbers are restated for presentation purposes

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	Total equity
Equity at 01.01.2019	**2 012**	**(6)**	**45 137**	**2 061**	**49 205**	**(32)**	**59 733**	**108 905**
Profit of the year							2 940	**2 940**
Other comprehensive income				(15)	**(15)**	(7 393)		**(7 408)**
Buyback of own shares		(4 419)			**(4 419)**			**(4 419)**
Share based payments				581	**581**			**581**
Other changes						(555)	49	**(506)**
Equity at 30.06.2019 Unaudited	**2 012**	**(4 425)**	**45 137**	**2 628**	**45 352**	**(7 980)**	**62 722**	**100 094**
Equity at 01.01.2018	**2 012**	**(6)**	**58 217**	**1 116**	**61 339**	**(2 114)**	**60 461**	**119 687**
Profit of the year							10 259	**10 259**
Other comprehensive income				(19)	**(19)**	(11 694)		**(11 713)**
Share based payments				492	**492**			**492**
Other changes						(66)		**(66)**
Dividend			(13 020)		**(13 020)**			**(13 020)**
Equity at 30.06.2018 Unaudited	**2 012**	**(6)**	**45 197**	**1 589**	**48 793**	**(13 874)**	**70 720**	**105 640**
Equity at 01.01.2018	**2 012**	**(6)**	**58 217**	**1 116**	**61 339**	**(2 114)**	**60 461**	**119 687**
Profit of the year							(1 273)	**(1 273)**
Other comprehensive income						2 088		**2 088**
Share based payments				945	**945**			**945**
Other changes						(7)	545	**537**
Dividend			(13 080)		**(13 080)**			**(13 080)**
Equity at 31.12.2018	**2 012**	**(6)**	**45 137**	**2 061**	**49 205**	**(33)**	**59 733**	**108 905**

Notes to the interim consolidated condensed 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 located in Hovfaret 4, Oslo, Norway. The Group delivers full-service outsourced personnel and payroll services.

Zalaris' interim financial statements for the second quarter of 2019 were authorized for issue by the board of directors on 15th of August 2019.

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 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 three months ended 31 March, 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 December 31, 2018, except from the adoption of the new standards effective as of January 1, 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued not yet effective.

The Group applies, for the first time, IFRS 16 Leases. As required by IAS 34, the nature and effect of these changes are disclosed. IFRS 16 supersedes IAS 17, IFRIC 4, SIC-15 and SIC 27. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

The group adopted IFRS 16 using the modified retrospective method of adoption with the initial application of January 1, 2019. The group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of the initial application. The group also decided to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

The effect of adopting IFRS 16 is disclosed in note 8.

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

From 1 January 2019 the Company has changed its segment reporting.

The Company has changed its reporting of business segments with effect from 1 January 2019. HR Outsourcing and Cloud Services have been merged into one segment now reported as Managed Services. Consulting has been renamed to Professional Services. The changes are made to improve visibility and reflect market trends, especially the increasingly overlapping sales and deliveries of HR Outsourcing and Cloud services to the same customers. Managed Services will be organized as a group wide business unit to speed growth and adaptation in key markets.

Managed services include 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 as talent management, digital personnel archive, HR analytics, mobile solutions, etc.

Professional Services is a segment that has grown significantly larger through our recent acquisitions. Professional services include deliveries of change projects based on Zalaris templates or implementation of customer-specific functionality. This business unit also assists customers with cost-effective maintenance and support of customers' own on-premise solutions. A large portion of these services are of recurring nature and much of the services are based on long-term customer relationships.

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.

2019 Apr-Jun

(NOK 1.000)	Managed Services	Professional Services	Gr.Ovhd & Unallocated	Total
Revenue, external	139 394	48 154		**187 548**
Operating expenses	(108 791)	(43 032)	(9 372)	**(161 196)**
EBITDA	**30 603**	**5 122**	**(9 372)**	**26 352**
Depreciation and amortisation	(12 678)	(2 102)	(7 160)	**(21 940)**
EBIT	**17 925**	**3 020**	**(16 532)**	**4 412**
Net financial income/(expenses)			(8 710)	**(8 710)**
Income tax			974	**974**
Profit for the period	**17 925**	**3 020**	**(24 268)**	**(3 324)**
Cash flow from investing activities				**(7 101)**

2018 Apr-Jun

(NOK 1.000)	Managed Services	Professional Services	Gr.Ovhd & Unallocated	Total
Revenue, external	135 070	53 769		**188 839**
Operating expenses	(107 453)	(52 202)	(12 062)	**(171 717)**
EBITDA	**27 617**	**1 567**	**(12 062)**	**17 122**
Depreciation and amortisation	(10 343)	(1 646)	(3 683)	**(15 672)**
EBIT	**17 274**	**(79)**	**(15 745)**	**1 450**
Net financial income/(expenses)			(542)	**(542)**
Income tax			(2 027)	**(2 027)**
Profit for the period	**17 274**	**(79)**	**(18 315)**	**(1 120)**
Cash flow from investing activities			**(9 526)**	**(9 526)**

2019 Jan-Jun

(NOK 1.000)	Managed Services	Professional Services	Gr.Ovhd & Unallocated	Total
Revenue, external	283 082	96 818		**379 899**
Operating expenses	(224 961)	(82 730)	(18 038)	**(325 728)**
EBITDA	**58 121**	**14 088**	**(18 038)**	**54 171**
Depreciation and amortisation	(24 925)	(4 062)	(14 289)	**(43 277)**
EBIT	**33 196**	**10 026**	**(32 327)**	**10 894**
Net financial income/(expenses)			(7 571)	**(7 571)**
Income tax			(383)	**(383)**
Profit for the period	**33 196**	**10 026**	**(40 281)**	**2 940**
Cash flow from investing activities				**(11 349)**

2018 Jan-Jun

(NOK 1.000)	Managed Services	Professional Services	Gr.Ovhd & Unallocated	Total
Revenue, external	273 945	101 061		**375 006**
Operating expenses	(214 581)	(91 992)	(24 140)	**(330 713)**
EBITDA	**59 364**	**9 069**	**(24 140)**	**44 293**
Depreciation and amortisation	(23 268)	(2 100)	(6 135)	**(31 503)**
EBIT	**36 096**	**6 969**	**(30 275)**	**12 791**
Net financial income/(expenses)			831	**831**
Income tax			(3 363)	**(3 363)**
Profit for the period	**36 096**	**6 969**	**(32 807)**	**10 259**
Cash flow from investing activities			**(16 510)**	**(9 526)**

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*	2019 Apr-Jun	*as % of total*	2018 Apr-Jun	*as % of total*	2019 Jan-Jun	*as % of total*	2018 Jan-Jun	*as % of total*	2018 Jan-Dec
Northern Europe	*59%*	112,833	*58%*	108,819	*57%*	220,704	*58%*	216,179	*58%*	430,897
Central Europe	*36%*	66,507	*40%*	76,145	*38%*	141,322	*39%*	146,872	*39%*	288,213
UK & Ireland	*4%*	8,208	*2%*	3,876	*5%*	17,873	*3%*	11,956	*4%*	26,323
Total	***100%***	**187,548**	***100%***	**188,839**	***100%***	**379,899**	***100%***	**375,006**	***100%***	**745,434**

Information about major customers

(NOK 1000)	*as % of total*	2019 Apr-Jun	*as % of total*	2018 Apr-Jun	*as % of total*	2019 Jan-Jun	*as % of total*	2018 Jan-Jun	*as % of total*	2018 Jan-Dec
5 largest customers	*28 %*	51 868	*26 %*	50 038	*26 %*	99 311	*27 %*	100 544	*27 %*	202 304
10 largest customers	*38 %*	72 149	*38 %*	72 237	*37 %*	140 028	*38 %*	143 593	*38 %*	284 033
20 largest customers	*54 %*	101 345	*54 %*	102 708	*48 %*	181 252	*54 %*	201 895	*53 %*	398 121

Note 3 – Personnel Costs

(NOK 1000)	2019 Apr-Jun	2018 Apr-Jun	2019 Jan-Jun	2018 Jan-Jun	2018 Jan-Dec
Salary	92 408	91 654	188 664	182 823	367 842
Variable compensation	6 360	13 250	9 814	13 562	19 198
Social security tax	12 837	13 030	27 008	27 627	54 679
Pension costs	5 080	5 043	10 319	10 279	19 905
Other expenses	4 589	4 747	8 425	11 572	19 796
Capitalized development expenses	(3 361)	(4 639)	(7 504)	(8 229)	(17 924)
Capitalized implementation costs customer projects	(11 003)	(10 015)	(22 246)	(24 146)	(36 872)
Total personnel expenses	**106 911**	**113 070**	**214 480**	**213 488**	**426 623**

Note 4 – Intangible Assets

(NOK 1000)	Licenses and software	Intern. developed software	Intern. developed AuC	Customer Relation & Contracts	Goodwill	Total
Book value 01.01.2019	9 057	28 768	19 937	85 302	151 996	295 059
Additions of the period	**101**	915	8 705	-	-	9 720
Reclassifications	**-**	17 262	(17 262)	-	-	-
Disposals and currency effects	(79)	(69)	(766)	(1 903)	(3 461)	(6 278)
This period ordinary amortisation	(1 634)	(6 846)	-	(4 953)	-	(13 432)
Book value 30.6.2019	**7 444**	**40 031**	**10 613**	**78 446**	**148 535**	**285 070**
Book value 01.01.2018	8 940	31 458	10 555	94 794	151 075	296 822
Additions of the period	1 355	-	6 209	-	-	7 563
Reclassifications	-	6 403	(6 403)	-	-	-
Disposals and currency effects	(79)	(186)	-	(1 453)	(2 310)	(4 028)
This period ordinary amortisation	(696)	(2 669)	-	(2 451)	-	(5 816)
Book value 30.6.2018	**9 520**	**35 006**	**10 361**	**90 891**	**148 765**	**294 542**
Book value 01.01.2018	8 940	31 458	10 555	94 794	151 075	296 822
Additions of the period	2 608	-	18 097	-	-	20 705
Reclassifications	-	8 715	(8 715)	-	-	-
Disposals and currency effects	582	(690)	-	295	921	1 107
This period ordinary amortisation	(3 073)	(10 715)	-	(9 787)	-	(23 575)
Book value 31.12.2018	**9 057**	**28 768**	**19 937**	**85 302**	**151 996**	**295 059**
Useful life	3-10 years	5 years	N/A	10 years	N/A	
Depreciation method	linear	linear		linear		

Note 5 – 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 1000)	2019 30. Jun	2018 30. Jun	2018 31. Dec
Trade receivables	162 721	156 906	158 118
Customer project assets	99 665	94 740	97 272
Customer project liabilities	(60 645)	(64 133)	(64 284)
Prepayments from customers	14 800	15 538	18 021

Trade receivables are non-interest bearing and are on general terms of from 14 to 90 days credit. In 2019 TNOK 190 (2018 TNOK 489) was recognised as provision for expected credit losses on trade receivables.

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 customer specific to a given contract and are recognized as revenue evenly as the Group fulfills the related performance obligations over the contract period.

Prepayments from customers comprises 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 become the property of Zalaris and is hence rendered as income by the Group.

Movements in customer project assets through the period:

(NOK 1000)	2019 Jan-Jun	2018 Jan-Jun	2018 31. Dec
Opening balance in the period	97 272	95 284	95 284
Cost capitalized	22 246	24 146	36 872
Amortization	(17 011)	(18 052)	(35 947)
Currency	(2 841)	(6 640)	1 063
Customer projects assets end of period	99 666	94 739	97 273

Movements in customer project liabilities through the period:

(NOK 1000)	2019 Jan-Jun	2018 Jan-Jun	2018 Jan-Dec
Opening balance in the period	(64 284)	(73 487)	(73 487)
Revenue deferred	(10 373)	(13 652)	(24 296)
Revenue recognized	11 600	23 006	33 499
Currency	2 411	-	-
Customer project liabilities end of period	(60 644)	(64 132)	(64 284)

Note 6 – Transactions with Related Parties

a) Purchase from related parties

(NOK 1000) Related party	Transaction	2019 Apr-Jun	2018 Apr-Jun	2019 Jan-Jun	2018 Jan-Jun	2018 Jan-Dec
Rayon Design AS [1)]	Management Services	411	482	558	965	1 677
Haug Advisory AS [2)]	Management Services	-	-	100	-	-
Total		**411**	**482**	**558**	**965**	**1 677**

[1)] Hans-Petter Mellerud, CEO, owns 40% of Rayon Design AS though his company Norwegian Retail AS
[2)] Jon Erik Haug, Board Member of Zalaris ASA, owns 100% of Haug Advisory AS

Note 7 – Interest bearing loans and borrowings

Long term liabilities
The Company has secured a bond listed at Oslo Stock Exchange, loan in Commerzbank DE related to office building in Leipzig and financial leasing loans in SG Finance.

(NOK 1000)	Value	Interest	Maturity	2019 30. Jun	2018 30. Jun	2018 31. Dec
Bond loan	EUR 35 000 000	3 m Euribor + 4.75 %	28.09.2023	339 494	-	340 282
Loan fees bond			28.09.2023	(6 654)	-	-
Loan Nordea	EUR 25 800 000	6,25 %	31.05.2022	-	183 930	-
Commerzbank - DE	EUR 1 636 430	1,3 %	31.12.2031	13 322	14 186	27 665
SG Finance loans	NOK 5 000 348	From 4,0 % to 6,7 %	2019-2023	1 287	1 298	2 616
Total loans				**347 450**	**199 414**	**370 563**

Note 8 – Right of use assets and lease liabilities

Zalaris as a lessee

Right-of-use assets

Zalaris leases several assets such as buildings, equipment and vehicles. The Group's right-of-use assets are categorised and presented in the table below:

Right-of-use assets	Buildings	Equipment	Vehicles	Total
Acquisition cost 1 January 2019	42 218	3 428	6 680	**52 326**
Addition of right-of-use assets	2 810	359	305	**3 474**
Acquisition cost 30 June 2019	**45 028**	**3 787**	**6 985**	**55 801**
Accumulated depreciation and impairment 1 January 2019				
Depreciation	8 181	796	1 822	**10 800**
Accumulated depreciation and impairment 30 June 2019	**8 181**	**796**	**1 822**	**10 800**
Carrying amount of right-of-use assets 30 June 2019	**36 847**	**2 991**	**5 163**	**45 001**
Lower of remaining lease term or economic life	1 - 10 years	3 - 6 years	3 - 6 years	
Depreciation method	Linear	Linear	Linear	

Lease liabilities

Undiscounted lease liabilities and maturity of cash outflows	Total
Less than 1 year	21 802
1-2 years	7 655
2-3 years	8 104
3-4 years	4 927
4-5 years	1 970
More than 5 years	17
Total undiscounted lease liabilities at 30 June 2019	**44 476**

Summary of the lease liabilities in the financial statements	Statement of:	Total
At initial application 01.01.2019		52 326
New lease liabilities recognised in the year		3 474
Cash payments for the principal portion of the lease liability	Cash flows	-11 097
Cash payments for the interest portion of the lease liability	Cash flows	-1 157
Interest expense on lease liabilities	Profit and loss	1 157
Reassessment of the discount rate on previous lease liabilities	Profit and loss	-
Currency exchange differences	income	-228
Total lease liabilities at 30 June 2019		**44 476**
Current lease liabilities	Financial position	21 802
Non-current lease liabilities	Financial position	22 673
Total cash outflows for leases	Cash flows	-12 254

The leases do not contain any restrictions on Zalaris' dividend policy or financing. Zalaris does not have significant residual value guarantees related to its leases to disclose.

Summary of other lease expenses recognised in profit or loss	Total
Variable lease payments expensed in the period	11 097
Operating expenses related to short-term leases (including short-term low value assets)	107
Operating expenses period related to low value assets (excluding short-term leases included above)	305
Total lease expenses included in other operating expenses	**11 509**

Practical expedients applied

Zalaris has elected to apply the practical expedient of low value assets and does not recognise lease liabilities or right-of-use assets. The leases are instead expensed when they incur. Zalaris has also applied the practical expedient to not recognise lease liabilities and right-of-use assets for short-term leases, presented in the table above.

Variable lease payments and other lease commitments

In addition to the lease liabilities above, Zalaris is committed to pay variable lease payments for its buildings, equipment and vehicles, mainly due to annual inflation adjustments.

Extension options

Zalaris' lease of buildings have lease terms that vary from 1 years to 10 years, and several agreements involve a right of renewal which may be exercised during the last period of the lease terms. Zalaris doesn't assesses at the commencement whether it is reasonably certain to exercise the renewal right. This is because the Group is not expecting the terms for the extension period to be lower than the current market price at the time of execution of an extension period compared to similar lease agreements. Zalaris continuously evaluates more cost-effective leases as the business does not consider these assets to be particularly important.

Note 9 – Events after Balance Sheet Date

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

Responsibility statement

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period from January 1 to June 30 2019 has been prepared in accordance with IAS 34 – Interim Financial Reporting, and gives a true and fair view of the Group's assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties transactions.

Oslo, 15 August 2019
The Board of Directors of Zalaris ASA

Lars Laier Henriksen
(chairman)

Jon Erik Haug

Liselotte Hägertz Engstam

Adele Norman Pran

Corinna Schäfer

Kenth Erland Eriksson

Jan M. Koivurinta

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

Alternative Performance Measures

This section describes the non/GAAP financial measures that are used in this reporting and in the quarterly presentation.

The following measures are not defined nor specified in the applicable financial reporting framework of the IFRS GAAP. They may be considered non-GAAP financial measures that may include or exclude amounts that are calculated and presented according to the IFRS GAAP:

- EBIT / Adjusted EBIT
- EBITDA / Adjusted EBITDA
- Segment EBIT
- Return on Equity (ROE)
- Net Interest-Bearing Debt (NIBD)

EBIT / Adjusted EBIT
EBIT, earnings before interest and tax is defined as the earnings excluding the effects of how the operations where financed, taxed and excluding foreign exchange gains & losses. EBIT is used as a measure of operational profitability. In order to abstract non-recurring or unusual costs not reflective of the underlying operational performance, the Group also lists the adjusted EBIT. Adjusted EBIT is defined as EBIT excluding other costs.

(MNOK) Adjusted EBIT	2019 Apr-Jun	2018 Apr-Jun	2019 Jan-Jun	2018 Jan-Jun	2018 Jan-Dec
EBIT (1)	4,4	1,5	10,9	12,8	17,3
Other cost (2)					
Adjusted EBIT, (1) + (2)	**4,4**	**1,5**	**10,9**	**12,8**	**17,3**

EBITDA / Adjusted EBITDA
Earnings before interest expenses and interest income, tax, depreciation, amortization, and excluding foreign exchange gains & losses. Adjusted EBITDA is defined as EBITDA excluding acquisition, restructuring, and integration costs. EBITDA is used as an additional measure of the Group's operational profitability, excluding the impact from depreciation and amortization.

(MNOK) Adjusted EBITDA	2019 Apr-Jun	2018 Apr-Jun	2019 Jan-Jun	2018 Jan-Jun	2018 Jan-Dec
Adjusted EBIT (1)	4,4	1,5	10,9	12,8	17,3
Depreciations (2)	1,0	0,9	2,0	1,8	3,6
Amortizations rights of use assets (3)	5,5		10,8		
Amortisation intangible assets (4)	6,7	5,9	13,4	11,7	23,6
Amortisation implementation costs customer pr(	8,7	8,9	17,0	18,1	35,9
Adjusted EBITDA, (1) + (2) + (3) + (4) + (5)	**26,3**	**17,2**	**54,2**	**44,3**	**80,5**

Segment EBIT
Segment EBIT is defined as EBIT excluding Group and other unallocated costs. This includes other cost (acquisition cost), Shareholder costs associated with Group executive management and the corporate finance function, and purchase price amortization.

(MNOK) Segment EBIT	2019 Apr-Jun	2018 Apr-Jun	2019 Jan-Jun	2018 Jan-Jun	2018 Jan-Dec
EBIT (1)	4,4	1,5	10,9	12,8	17,3
Group overhead and unallocated costs (2)	16,5	15,7	32,3	30,3	60,7
Segment EBIT, (1) + (2)	**20,9**	**17,2**	**43,2**	**43,1**	**78,1**

Return on Equity

Return on equity (ROE) is a measure of financial performance calculated by dividing net income by shareholders' equity. Because shareholders' equity is equal to a company's assets minus its debt, ROE could be thought of as the return on net assets. ROE is considered a measure of how effectively management is using a company's assets to create profits. Net income is calculated before dividends paid to common shareholders and after dividends to preferred shareholders and interest to lenders.

(MNOK)	**2019**	**2018**	**2018**
Return on equity (ROE)	**Jun**	**Jun**	**Dec**
Average equity last four quarters (1)	102,4	119,7	108,8
Profit after tax last twelwe months (2)	-8,6	-2,8	-1,3
ROE, (2) / (1)	**-8,4 %**	**-2,3 %**	**-1,2 %**

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. It shows the Group's financial position and leverage. As cash equivalents can be used to repay debt, this measurement shows the net overall financial position of the group.

(MNOK)	**2019**	**2018**	**2018**
Net Interest Bearing Debt reported in balance sheet	**Jun**	**Jun**	**Dec**
Interest bearing loans and borrowings	347,5	199,4	355,7
Interest-bearing loan from shareholders	7,1	7,5	7,9
Interest-bearing loans	13,8	45,1	14,8
Cash and cash equivalents	-59,6	-37,5	-107,8
Net Interesting Bearing Debt	**308,7**	**214,6**	**270,6**

Key Figures

Key financials	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Revenues	**126,9**	**150,6**	**193,5**	**186,2**	**188,8**	**176,3**	**194,1**	**192,4**	**187,5**
Revenue growth (YoY)	33,2 %	54,2 %	83,9 %	75,0 %	48,8 %	17,1 %	0,3 %	3,3 %	-0,7 %
EBITDA adjusted	**9,7**	**20,9**	**17,0**	**19,3**	**25,0**	**10,2**	**26,0**	**27,8**	**26,4**
EBITDA margin	8 %	14 %	9 %	10 %	13 %	6 %	13 %	14 %	14 %
EBIT adjusted	**7,2**	**6,7**	**9,4**	**11,3**	**1,5**	**-5,5**	**10,0**	**6,5**	**4,4**
EBIT margin	5,7 %	4,4 %	4,8 %	6,1 %	0,8 %	-3,1 %	5,2 %	3,4 %	2,4 %
Profit Before Tax	**-5,8**	**4,7**	**-15,5**	**12,7**	**0,9**	**-8,5**	**-9,2**	**7,6**	**-4,3**
Income Tax Expense	-1,2	0,9	1,3	1,3	2,0	-1,2	-5,0	-1,4	1,0
Net income	**-4,6**	**3,8**	**-16,8**	**11,4**	**-1,1**	**-7,3**	**-4,2**	**6,3**	**-3,3**
Profit margin	-3,6 %	2,5 %	-8,7 %	6,1 %	-0,6 %	-4,1 %	-2,2 %	3,3 %	-1,8 %
Weighted # of shares outstanding (m)	19,6	20,1	20,2	20,3	20,3	20,3	21,3	21,3	21,3
Basic EPS	-0,2	0,2	-0,8	0,6	-0,1	-0,4	-0,2	0,3	-0,2
Diluted EPS	-0,2	0,2	-0,8	0,6	-0,1	-0,4	-0,2	0,3	-0,2
DPS	0,9				0,7				
Cash flow items									
Cash from operating activities	31,1	-5,7	30,0	-2,3	0,6	5,4	0,5	-22,0	5,0
Investments	-203,4	-75,3	-18,1	-5,3	-8,9	-1,5	-5,6	-4,2	-7,1
Net changes in cash and cash equi.	10,0	10,6	-18,6	-23,6	-0,9	69,8	-5,1	-37,2	-9,4
Cash and cash equivalents end of period	42,2	56,7	37,7	31,7	37,4	108,6	107,8	69,3	59,6
Net debt	130,7	183,0	224,4	239,3	214,6	253,0	270,6	299,0	308,7
Equity	118,7	128,4	119,7	125,3	106	96	108	105	100
Equity ratio	24 %	21 %	18 %	19 %	17 %	14 %	15 %	14 %	14 %
ROE	16,9 %	13,8 %	-10,2 %	-5,1 %	-2,3 %	-12,4 %	-1,2 %	-6,2 %	-8,4 %
Number of FTE (Period End)	643	786	768	779	792	798	799	822	825

Segment overview	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
NOKm									
Revenues	**126,9**	**150,6**	**193,5**	**186,2**	**188,8**	**176,3**	**194,1**	**192,4**	**187,5**
Managed Services	110,5	121,9	139,4	138,9	135,1	131,5	144,1	143,7	139,4
Professional Services	16,4	28,6	54,1	47,3	53,8	44,7	50,1	48,7	48,2
Adjustments									
EBIT	**-3,6**	**6,4**	**0,1**	**11,3**	**1,5**	**-5,5**	**10,0**	**6,5**	**4,4**
Managed Services	12,0	17,9	15,8	18,8	17,3	9,5	14,5	15,3	17,9
as % of revenue	*10,8 %*	*14,7 %*	*11,3 %*	*13,6 %*	*12,8 %*	*7,2 %*	*10,0 %*	*10,6 %*	*12,9 %*
Professional Services	1,9	-1,9	1,9	7,0	-0,1	0,3	10,8	7,0	3,0
as % of revenue	*11,3 %*	*-6,7 %*	*3,6 %*	*14,9 %*	*-0,1 %*	*0,6 %*	*21,5 %*	*14,4 %*	*6,3 %*
Gr.ovhd & Unallocated	-6,6	-9,3	-8,4	-14,5	-15,7	-15,2	-15,2	-15,8	-16,5
Unallocated Acquisition costs	-10,8	-0,2	-9,3						

For questions, please contact

Nina Stemshaug
CFO
nina.stemshaug@zalaris.com
+47 982 60 394

Hans-Petter Mellerud
CEO
hans-petter.mellerud@zalaris.com
+47 928 97 276

Financial information

Interim report Q3 2019 to be published 30 October 2019
Interim report Q4 2019 to be published 28 February 2020
Annual report FY 2019 to be published 24 April 2020
Interim report Q1 2020 to be published 8 May 2020
Interim report Q2 2020 to be published 18 August 2020
Interim report Q3 2020 to be published 29 October 2020

All financial information is published on the Zalaris' website:
http://www.zalaris.com/Investor-Relations/

Financial reports can also be ordered at ir@zalaris.com.

Zalaris ASA
PO Box1053 Hoff
0218 Oslo
Norway