



# Q4 2020 Interim Report and preliminary full-year 2020



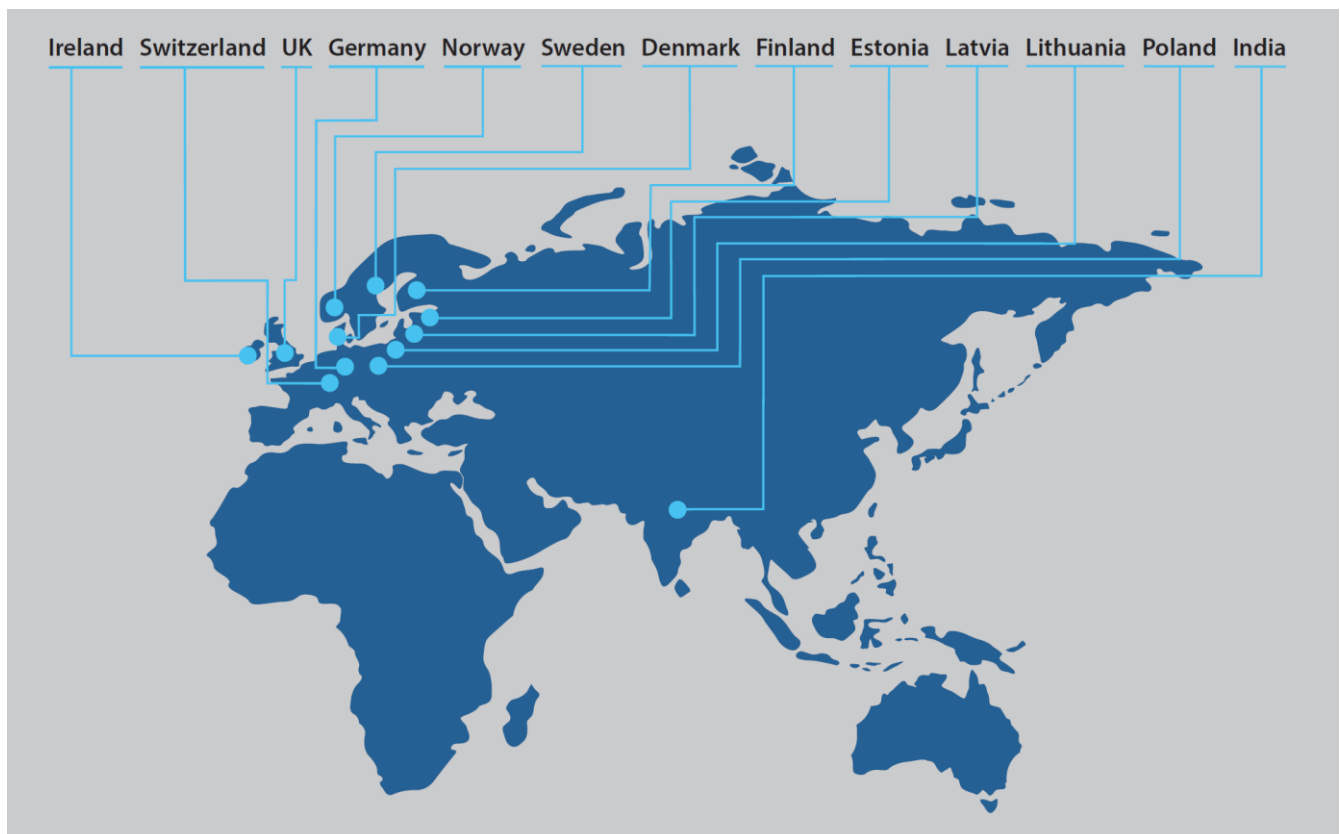
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## About Zalaris

**We simplify HR and payroll administration and empower organizations with useful information so that they can invest more in their people.**

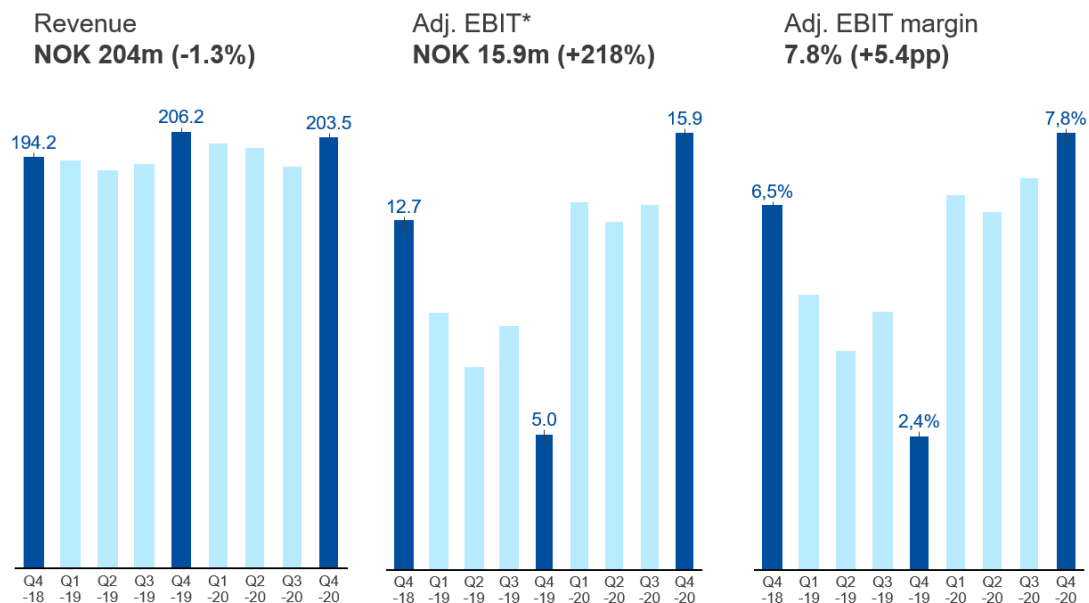
Our proven local and multi-country solutions for payroll and HR includes software and business process as a service (SaaS/BPaaS), and outsourcing (BPO). Our solutions integrate with customers global HR systems. Mobile apps enable people to work from anywhere. We can implement with both local on-site and remote project teams, addressing needs in times of Covid-19 pandemic. #teamZalaris has 800 competent team members across Europe and APAC serving customers from local language service centers. Our 300+ consultants have more than 20 years of experience across all industries and IT environments including on premise, cloud and integration services. Zalaris manage solutions serving over 1.5 million employees each month, across multiple industries and with many of Europe's most reputable employers.

Headquartered in Oslo, Norway, Zalaris is publicly traded on the Oslo Stock Exchange (ZAL).



## Q4 Highlights

- Revenue of NOK 203.5 million (NOK 206.2 million) -1.3% and NOK 792.3 million (NOK 776.8 million) +2% for the full-year
- Adjusted EBIT of NOK 15.9 million (NOK 5.0 million) +218% and NOK 55.3 million (NOK 30.1 million) + 83% for the full-year
- Adjusted EBIT margin of 7.8% (2.4%) +5.4pp and 7.0% (3.9%) +3.1pp for the full-year
- Cost reduction initiatives carried out is having a positive effect on EBIT, and has strengthened cash generation during the year
- Signed several new BPO agreements and extensions, including a 5-year multi-country BPO agreement with Metsä, a Finnish forest industry group, covering 28 countries, and strengthening the position as a provider of multi-country HMC and payroll outsourcing services
- Cash and cash equivalents of NOK 124.8 million, +NOK 42.3 million from last year (+51.3%), with continued strong operating cash flow
- The board will propose a dividend of NOK 1.00 per share to be paid for 2020



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

# Key Figures

## Q4 2020 financial summary

(NOK 1 000)	2020	2019	2020	2019
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Revenue	203 522	206 220	792 326	776 792
Growth (YoY)	-1,3 %	6,2 %	2,0 %	4,2 %
EBITDA	31 346	20 594	121 816	103 381
Adjusted EBITDA <sup>1)</sup>	29 076	18 920	109 780	87 451
Adjusted EBITDA margin (as % of revenue)	14,3 %	9,2 %	13,9 %	11,3 %
EBIT	11 311	(1 580)	37 302	14 091
Adjusted EBIT <sup>1)</sup>	15 909	4 958	55 292	30 142
Adjusted EBIT margin (as % of revenue)	7,8 %	2,4 %	7,0 %	3,9 %
Profit/(loss) for the period	17 559	(3 307)	(10 324)	(7 011)
Earnings per share (EPS)	0,89	(0,17)	(0,53)	(0,36)
Total comprehensive income	(5 606)	(1 939)	6 219	(5 323)
Free cash flow <sup>1)</sup>	13 291	33 670	76 581	17 046
Net interest-bearing debt (NIBD) <sup>1)</sup>	(252 234)	(286 610)	(252 234)	(286 610)
Full time equivalents (FTEs) period end <sup>1)</sup>	712	753	712	753

## Q4 2020 financial performance by business segment\*

(NOK 1 000)	2020	2019	2020	2019
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
<b>Revenue</b>				
Managed services	137 514	153 191	544 322	553 691
Professional services	66 008	53 029	248 004	223 101
<b>Total revenue</b>	<b>203 522</b>	<b>206 220</b>	<b>792 326</b>	<b>776 792</b>
<b>EBIT</b>				
Managed services	15 596	14 906	63 110	54 958
Professional services	8 234	(315)	25 414	20 961
Group overhead and other	(12 519)	(16 170)	(51 222)	(61 828)
<b>EBIT</b>	<b>11 311</b>	<b>(1 579)</b>	<b>37 302</b>	<b>14 091</b>
<b>EBIT margin (%)</b>				
Managed services	11,3 %	9,7 %	11,6 %	9,9 %
Professional services	12,5 %	-0,6 %	10,2 %	9,4 %
<b>EBIT margin (%)</b>	<b>5,6 %</b>	<b>-0,8 %</b>	<b>4,7 %</b>	<b>1,8 %</b>

\*Revenue from certain consulting services previously report as part of Managed Services have been moved to Professional Services from 1 January 2020. Business development costs previously included within Group Overhead has been allocated to the business segments from 1 January 2020. Comparable historical information has been updated accordingly.

## CEO Insights

### #teamZalaris delivered improvements in all dimensions in 2020 - an extremely disruptive year

Despite the impacts from the Covid-19 pandemic, #teamZalaris delivered its 20<sup>th</sup> year of consecutive growth with a revenue of NOK 792.3 million (+2%) for the year, and NOK 203.5 million (NOK 206.2 million) for the quarter.

Our adj. EBIT rose to NOK 55.3 million (7%) for the full year, up 83% from NOK 30.1 million last year. In absolute terms, we reached an all-time high adj. EBIT for the quarter of NOK 15.9 million (7.8%), up from NOK 5.0 million (3.9%) last year.

We continued to weather the Covid-19 storm and delivered on all customer commitments in a mixed-mode, working from both our offices and homes.

Our efforts in managing the pandemic are being recognised by our employees, resulting in high employee engagement scores across all countries.

### Strong pipeline started to materialise in signed agreements

As a result of Covid-19, we have seen a slow-down in decision making for both new outsourcing and Cloud implementation projects as customers have focused on managing their way through stormy waters.

In previous quarters we have reported a growing pipeline of promising opportunities.

With pleasure, we now see results of our hard work resulting in signed landmark agreements, as with Finnish industrial company Metsä, where we will be delivering a global payroll, covering 28 countries based on our PeopleHub concept.

The PeopleHub concept gives multinationals one common payroll process across the countries they operate. Supported by advanced analytics, it is fully integrated with their global HR solutions through a centralised integration point, thereby targeting direct cost savings and improved operational efficiency and transparency.

In Professional Services, we continue to see a good inflow of work for our consultants and have signed numerous agreements for Cloud payroll, HR transformation projects and change orders. We have signed multiple expansions with customers for our Application Maintenance Services (AMS) – helping customers maintaining their in-house payroll

and HR solutions mostly based on long term agreements of a recurring nature.

### Aiming at delivering our 21<sup>st</sup> year of consecutive growth

We leave 2020 with a healthy pipeline and high ambitions. We fully intend to continue our streak and deliver our 21<sup>st</sup> year of continuous growth.

Our markets are growing as customers are looking for new solutions coming out of Covid-19. They prioritise access to unified people data, cost reduction, digitisation of processes and securing business continuity for their global operations.

In Managed Services, we target growth by increasing share of wallet with existing customers, supporting them with additional services and increasing geographic coverage. In parallel, we target new customers in the fast-growing market for multi-country payroll with our PeopleHub concept.

In Professional Services, we support our customers on their journey to the Cloud through implementing innovative SAP SuccessFactors, SAP S4/Hana, SAP Analytics and our own HR Tech portfolio of solutions. Our AMS offering continues to be important in securing customers' business-critical payroll and HR functions, keeping up with fast-changing needs.

Our cost structure has improved significantly over the last 18 months. The current organisation and infrastructure have a significant capacity to scale with limited additional cost.

Increased level of M&A in our market is driven by both industrial and financial ambitions. We are an active player in this market.

### Thank you #teamZalaris for a job well done!

The Covid-19 pandemic has allowed #teamZalaris to showcase its real capabilities and true strength.

The year has made us stronger and better at working together and utilising our total capabilities in servicing our customers. 800 employees in 10+ countries across the globe are increasingly working together as one team.

We enter 2021 with the goal to continue building on these capabilities and delivering on our ambition to become the European leader in Payroll and HR solutions.

# Financial Review

## Revenue

Consolidated revenue for the fourth quarter 2020 amounted to NOK 203.5 million (Q4 2019: NOK 206.2 million), only marginally lower than last year despite some negative impact on revenue from Covid-19.

Revenue for the full-year 2020 amounted to NOK 792.3 million, up from NOK 776.8 million last year, a growth of 2.0%.

### Nordics & Baltics

Revenue in the Nordic & Baltic region was NOK 115.4 million in the fourth quarter, which was a reduction from the figure last year of NOK 122.9 million. The revenue during the quarter has been negatively impacted by Covid-19 in terms of lower transaction volumes (e.g. travel controls) and less change orders and project revenue from existing customers.

Revenue for the full-year 2020 amounted to NOK 444.5 million, down from NOK 449.9 million last year.

### Central Europe

Revenue in the Central Europe region for the fourth quarter was NOK 79.8 million, compared to NOK 75.5 million last year. Higher revenue from existing customers in Poland, and positive currency movements, was offset by some reduction in Germany, mainly within Professional Services. As reported in previous quarters, new business generation within Professional Services in Germany has been negatively impacted by Covid-19.

Revenue for the full-year 2020 amounted to NOK 308.8 million, up from NOK 294.1 million last year.

### UK & Ireland

Revenue for the fourth quarter in the UK & Ireland region amounted to NOK 8.3 million, compared to NOK 7.8 million in the same quarter last year.

Revenue for the full-year 2020 amounted to NOK 39.1 million, up from NOK 32.8 million last year.

## Group Profits

Consolidated EBIT for the quarter was NOK 11.3 million (negative NOK 1.6 million).

The adjusted EBIT was NOK 15.9 million for the fourth quarter (NOK 5.0 million) when adjusted for one-off costs (NOK 1.0 million) relating to redundancies, calculated costs of the Company's share-based payment plan (NOK 0.9 million), and amortisation of excess values on acquisitions (NOK 2.7 million).

Through the EBIT-improvement program initiated in 2019, employee costs and other operating expenses have been reduced by approximately NOK 8.8 million for the quarter and approximately NOK 50 million for the full-year compared to last year, when adjusted for currency effects and differences in costs capitalised. Thus, the Company's operational cost base has been significantly reduced, and has contributed to an increased operating cash flow.

EBIT for the full-year amounted to NOK 37.3 million, compared to NOK 14.1 million last year.

The Group had net financial income of NOK 13.7 million for the fourth quarter (net expenses NOK 2.4 million), including an unrealised currency gain of NOK 18.9 million (NOK 2.7 million) on the EUR 35 million bond loan and other foreign currency denominated balances. Excluding these unrealised gains, the net financial expenses for the fourth quarter was NOK 5.9 million (NOK 5.0 million).

Net financial expense for the full-year was NOK 50.8 million (expense NOK 24.1 million), including an unrealised currency loss of NOK 27.1 million (gain NOK 2.4 million).

The net profit for the quarter was NOK 17.6 million (loss NOK 3.3 million). The net loss for the full-year was NOK 10.3 million (NOK 7.0 million)

Total comprehensive income amounted to a loss of NOK 5.6 million (loss NOK 1.9 million), after currency translation differences of negative NOK 23.2 million (positive NOK 1.4 million). Total comprehensive income for the full-year was NOK 6.2 million (negative NOK 5.3 million).

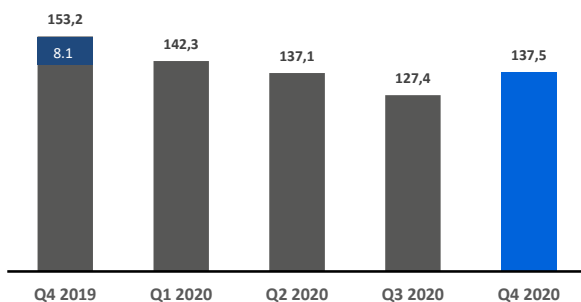
## Business segment performance

### Managed Services

The Managed Services (“MS”) segment had revenue of NOK 137.5 million for the fourth quarter 2020, compared to NOK 145.1 million in the same quarter last year, when the 2019 figure is adjusted for NOK 8.1 million in revenue from MS customers moved to Professional Services in 2020.

MS revenue contributed to 67.6% (70.4%) of total revenue for the Group. Revenue within MS has been negatively impacted by lower volumes of travel controls and change orders and other projects for existing BPO customers, mainly as a result of Covid-19.

Revenue Managed Services (NOKm):



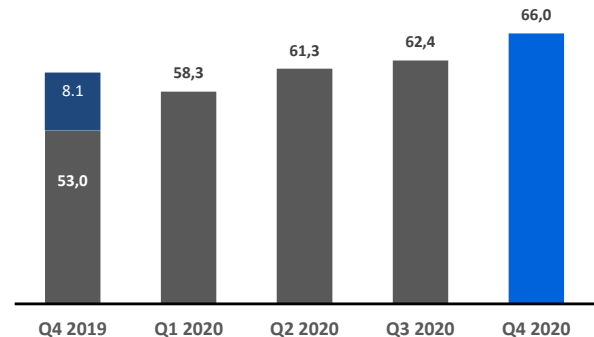
The EBIT for MS for the fourth quarter was NOK 15.6 million (NOK 14.9 million). The increased EBIT is mainly a result of the EBIT improvement program.

### Professional Services

Revenue in the Professional Services (“PS”) segment amounted to NOK 66.0 million for the fourth quarter 2020, 8% higher than last year’s figure of NOK 61.1 million, when the 2019 figure is adjusted by NOK 8.1 million for revenue from MS customers moved to PS in 2020.

A significant increase in revenue in Poland, and a stronger EUR, was partly offset by a reduction in license sales in Germany.

Revenue Professional Services (NOKm):



The EBIT for PS for the fourth quarter was NOK 8.2 million (negative NOK 0.3 million). The significant increase in EBIT compared to last year is due to higher revenue, operational improvements within PS in Germany, and a particularly low EBIT in 2019. The low EBIT in the fourth quarter last year was due to the timing of expenses, including restructuring costs, in combination with lower utilization and higher use of temporary external consultants in Germany.

## Financial position and cash flow

Zalaris had total assets of NOK 720.7 million as of 31 December 2020, compared to NOK 723.7 million at 30 September 2020.

Cash and cash equivalents were NOK 124.8 million as of 31 December 2020, an increase of NOK 8.5 million from the end of the previous quarter. Cash and cash equivalents have increased by NOK 42.4 million, after the repayment of interest-bearing debt of NOK 17.5 million, compared to the balance at 31 December 2019.

Total equity as of 31 December 2020 was NOK 109.8 million, compared to NOK 108.1 million as of 30 September 2020. This corresponds to an equity ratio of 15.2% (14.9%).

The Company holds 503,521 own shares at 31 December 2020.

Net interest-bearing debt (interest-bearing debt less cash and cash equivalents) decreased from NOK 280.7 million at 30 September 2020 to NOK 252.2 million at 31 December 2020. The decrease is mainly due a reduction in the NOK value of the EUR

35 million bond loan, as a result of the appreciation of NOK during the period. The net interest-bearing debt at 31 December 2019 was NOK 286.6 million.

Operating cash flow during the fourth quarter 2020 was NOK 14.1 million (NOK 50.7 million). The high operating cash flow in the fourth quarter last year was due a large net reduction in working capital (increase in trade payables), and some reclassifications.

Net cash flow from investing activities for the fourth quarter was negative NOK 0.8 million (negative NOK 17.0 million). Investments mainly relate to

internal product and system development projects. Net cash flow from financing activities for the fourth quarter was negative NOK 5.2 million (negative NOK 15.4 million).

Cash and cash equivalents balance at 31 December 2020 was NOK 124.8 million (NOK 82.4 million).

The board will propose a dividend of NOK 1.00 per share for 2020.

## EBIT improvement program

As communicated in previous reports, Zalaris launched an EBIT improvement program in 2019, Vision2020, targeting NOK 4.7 million monthly cost reductions by the first quarter 2020. This included streamlining of the organization, ramp-up of digitizing efforts, automating services and increasing Robotic Process Automation (RPA) projects, all aimed at increasing quality in deliveries and reducing costs. As part of the program the total number of FTEs has been reduced by 91 (-11%) in the period from 30 June 2019 to 31 December 2020.

In the second quarter 2020, a follow up of Vision2020 was executed, realizing additional NOK 1 million in monthly cost reductions by the fourth quarter 2020, through a reorganizing of the Nordic Professional Services organization to align with the Professional Services organizations in our other regions. Key actions taken were:

- Moving consultants primarily working with Managed Services customers to the Managed Services Organization

- Realigning the Nordic Professional Services organization to focus on advisory and implementation of SAP Cloud based HR solutions.
- Adjusting capacity to demand resulting in the downsizing of approximately ten employees.

Other ongoing cost based EBIT initiatives focus on:

- Increased utilization of our near- and offshore capabilities
- Automation of standardized processes through digitization and Robotic Process Automation.

The EBIT improvement program has resulted in a reduction in total operating expenses of approximately NOK 50 million (-8%) for the full-year 2020, when adjusted for differences in costs capitalized and currency rates compared to last year. The key focus going forward will be to grow revenue, while maintaining capital discipline.

## Outlook

The market fundamentals remain strong and Zalaris' key markets within multi-country payroll and HR outsourcing are expected to grow in the foreseeable future. The Company is well positioned to capture part of this growth through new customers and by expanding the service offering to existing customers.

The Covid-19 pandemic has had a short-term negative impact on revenue, as larger implementation projects within Professional Services are being postponed and

less travel and lower employee numbers are impacting Managed Services. This situation is also expected going forward, depending on the duration of Covid-19.

In the longer term, we expect to see an increase in HCM outsourcing post Covid-19, which should benefit Zalaris. The Company's pipeline of potential multi-country payroll outsourcing projects is strong.

The Company's financial results have improved significantly compared to 2019, as a result of the cost



reduction initiatives implemented in 2019 through the EBIT improvement program, in combination with increased revenue and further optimization initiatives in 2020. These initiatives include streamlining of the organization, ramp-up of digitizing efforts, automating

services and increasing Robotic Process Automation (RPA) projects, all aimed at increasing quality in deliveries and reducing costs. Further improvements in the financial results are expected going forward.

The Board of Directors of Zalaris ASA  
Oslo, 18 February 2021

## Interim Consolidated Financial Statements

### Consolidated Statement of Profit and Loss

(NOK 1 000)	Notes	2020 Oct-Dec <i>unaudited</i>	2019 Oct-Dec <i>unaudited</i>	2020 Jan-Dec <i>unaudited</i>	2019 Jan-Dec
<b>Revenue</b>	2	<b>203 522</b>	<b>206 220</b>	<b>792 326</b>	<b>776 792</b>
<b>Operating expenses</b>					
License costs		20 944	23 911	72 517	67 981
Personnel expenses	4	106 851	117 298	431 000	438 543
Other operating expenses		44 380	44 418	166 993	166 887
Depreciation and impairments		769	971	3 311	4 048
Depreciation right-of-use assets	7	4 149	5 620	19 101	21 932
Amortisation intangible assets	6	6 765	6 733	27 436	26 704
Amortisation implementation costs customer projects	3	8 352	8 848	34 666	36 606
<b>Total operating expenses</b>		<b>192 210</b>	<b>207 800</b>	<b>755 024</b>	<b>762 701</b>
<b>Operating profit (EBIT)</b>		<b>11 311</b>	<b>(1 580)</b>	<b>37 302</b>	<b>14 091</b>
<b>Financial items</b>					
Financial income	5	1 009	1 564	5 763	2 632
Financial expense	5	(6 241)	(6 603)	(29 507)	(29 057)
Unrealized foreign exchange gain/(loss)	5	18 918	2 660	(27 069)	2 375
<b>Net financial items</b>		<b>13 685</b>	<b>(2 378)</b>	<b>(50 813)</b>	<b>(24 051)</b>
<b>Profit before tax</b>		<b>24 997</b>	<b>(3 958)</b>	<b>(13 511)</b>	<b>(9 960)</b>
<b>Tax expense</b>		<b>(7 437)</b>	<b>651</b>	<b>3 187</b>	<b>2 950</b>
<b>Profit for the period</b>		<b>17 559</b>	<b>(3 307)</b>	<b>(10 324)</b>	<b>(7 011)</b>
<b>Earnings per share:</b>					
Basic earnings per share (NOK)		0,89	(0,17)	(0,53)	(0,36)
Diluted earnings per share (NOK)		0,86	(0,17)	(0,53)	(0,36)

### Consolidated Statement of Comprehensive Income

(NOK 1 000)	Notes	2020 Oct-Dec <i>unaudited</i>	2019 Oct-Dec <i>unaudited</i>	2020 Jan-Dec <i>unaudited</i>	2019 Jan-Dec
<b>Profit for the period</b>		<b>17 559</b>	<b>(3 307)</b>	<b>(10 324)</b>	<b>(7 011)</b>
<b>Other comprehensive income</b>					
Items that will be reclassified to profit and loss in subsequent periods					
Currency translation differences		(23 166)	1 368	16 543	1 688
<b>Total other comprehensive income</b>		<b>(23 166)</b>	<b>1 368</b>	<b>16 543</b>	<b>1 688</b>
<b>Total comprehensive income</b>		<b>(5 606)</b>	<b>(1 939)</b>	<b>6 219</b>	<b>(5 322)</b>

**Consolidated Statement of Financial Position**

(NOK 1 000)	Notes	2020	2019
		31. Dec	31. Dec
		<i>unaudited</i>	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets		119 896	132 950
Goodwill		160 418	153 248
<b>Total intangible assets</b>	<b>6</b>	<b>280 313</b>	<b>286 198</b>
Deferred tax asset		18 397	11 710
<b>Fixed assets</b>			
Right-of-use assets	7	21 777	34 849
Property, plant and equipment		32 518	33 137
<b>Total fixed assets</b>		<b>54 295</b>	<b>67 986</b>
<b>Total non-current assets</b>		<b>353 005</b>	<b>365 894</b>
<b>Current assets</b>			
Trade accounts receivable		148 651	148 614
Customer projects	3	78 246	88 808
Other short-term receivables		15 989	27 275
Cash and cash equivalents	8	124 843	82 448
<b>Total current assets</b>		<b>367 729</b>	<b>347 145</b>
<b>TOTAL ASSETS</b>		<b>720 735</b>	<b>713 038</b>

**Consolidated Statement of Financial Position**

(NOK 1 000)	Notes	2020 31. Dec	2019 31. Dec
		<i>unaudited</i>	
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Paid-in capital</b>			
Share capital		1 962	1 957
Other paid in equity		6 523	3 804
Share premium		35 580	34 252
<b>Total paid-in capital</b>		<b>44 065</b>	<b>40 014</b>
Other equity		14 266	(374)
Retained earnings		51 443	52 526
<b>Total equity</b>		<b>109 774</b>	<b>92 166</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax		12 084	25 313
Interest-bearing loans	9	375 832	362 487
Lease liabilities	7	11 104	16 536
<b>Total long-term liabilities</b>		<b>399 020</b>	<b>404 337</b>
<b>Current liabilities</b>			
Trade accounts payable		21 190	29 845
Customer projects liabilities	3	50 256	55 740
Interest-bearing loans	9	1 244	6 571
Lease liabilities	7	11 792	19 099
Income tax payable		5 612	5 408
Public duties payable		49 486	37 314
Other short-term liabilities		71 480	61 464
Derivatives		880	1 095
<b>Total short-term liabilities</b>		<b>211 940</b>	<b>216 535</b>
<b>Total liabilities</b>		<b>610 960</b>	<b>620 873</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>720 735</b>	<b>713 038</b>

## Consolidated Statement of Cash Flow

(NOK 1 000)	Notes	2020	2019	2020	2019
		Oct-Dec <i>unaudited</i>	Oct-Dec <i>unaudited</i>	Jan-Dec <i>unaudited</i>	Jan-Dec
<b>Cash Flow from operating activities</b>					
Profit (Loss) before tax		24 997	(3 958)	(13 511)	(9 960)
Net financial items	5	(13 685)	2 380	50 813	24 051
Share-based payments		932	628	2 718	1 743
Depreciation and impairments		769	973	3 312	4 049
Depreciation right-of-use assets	7	4 149	5 620	19 101	21 932
Amortisation intangible assets	6	6 765	6 733	27 437	26 705
Depreciation implementation costs customer projects	3	8 352	8 848	34 666	36 606
Recognized customer projects assets	3	(5 935)	(1 393)	(18 026)	(29 505)
Recognized customer projects liabilities		1 488	(1 740)	(6 723)	(8 545)
Taxes paid		(1 146)	(6 356)	(2 427)	(6 356)
Changes in accounts receivable		(16 426)	2 764	(37)	9 504
Changes in accounts payable		7 777	24 535	(8 655)	5 487
Changes in other items		1 068	19 879	25 714	(8 313)
Interest received		37	37	195	162
Interest paid		(5 029)	(8 226)	(24 864)	(25 052)
<b>Net cash flow from operating activities</b>		<b>14 113</b>	<b>50 724</b>	<b>89 713</b>	<b>42 508</b>
<b>Cash flows to investing activities</b>					
Investment in fixed and intangible assets		(822)	(17 054)	(13 132)	(25 462)
<b>Net cash flow from investing activities</b>		<b>(822)</b>	<b>(17 054)</b>	<b>(13 132)</b>	<b>(25 462)</b>
<b>Cash flows from financing activities</b>					
Sale/(Buyback) of own shares		(0)	(6 515)	1 332	(10 934)
Payment of lease liabilities		(5 595)	(4 277)	(21 491)	(22 807)
Repayment of loan		378	(4 638)	(17 510)	(6 320)
<b>Net cash flow from financing activities</b>		<b>(5 217)</b>	<b>(15 430)</b>	<b>(37 669)</b>	<b>(40 062)</b>
<b>Net changes in cash and cash equivalents</b>		<b>8 073</b>	<b>18 240</b>	<b>38 912</b>	<b>(23 016)</b>
<b>Net foreign exchange difference</b>		<b>519</b>	<b>(604)</b>	<b>3 483</b>	<b>(2 379)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>116 251</b>	<b>64 812</b>	<b>82 449</b>	<b>107 844</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>124 844</b>	<b>82 448</b>	<b>124 844</b>	<b>82 448</b>

## Consolidated Statement of Changes in Equity

(NOK 1000)	Share capital	Share premium	Other paid in equity	Total paid-in equity	Other equity	Retained earnings	Total equity
<b>Equity at 01.01.2019</b>	<b>2 003</b>	<b>45 140</b>	<b>2 061</b>	<b>49 204</b>	<b>(33)</b>	<b>59 733</b>	<b>108 905</b>
Profit of the year						(7 011)	(7 011)
Other comprehensive income			-		1 688		1 688
Buyback of own shares	(46)	(10 888)		(10 934)			(10 934)
Share based payments			1 743	1 743			1 743
Other changes					(2 030)	(196)	(2 226)
<b>Equity at 31.12.2019</b>	<b>1 957</b>	<b>34 252</b>	<b>3 804</b>	<b>40 013</b>	<b>(374)</b>	<b>52 526</b>	<b>92 166</b>
Profit of the year						(10 324)	(10 324)
Other comprehensive income					16 543		16 543
Sale of own shares	5	1 327		1 332			1 332
Share based payments			2 718	2 718			2 718
Other changes					(1 903)	9 241	7 338
<b>Equity at 31.01.2020</b>	<b>1 962</b>	<b>35 580</b>	<b>6 522</b>	<b>44 064</b>	<b>14 266</b>	<b>51 443</b>	<b>109 774</b>
<b>Unaudited</b>							

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

#### Basis for preparation

These interim consolidated condensed financial statements are prepared in accordance with International Accounting Standard 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU). The condensed consolidated interim financial statements do not include all the information and disclosures required by International Financial Reporting Standards (IFRS) for a complete set of financial statements, and these condensed interim financial statements should be read in conjunction with the annual financial statements. The interim condensed consolidated financial statements for the three months ended 31 December 2020, 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, 2019.

#### Going concern

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

## Note 2 – Segment Information

The Company's operations are split into two main business segments; Managed Services and Professional Services.

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

*Professional Services* includes deliveries of change projects based on Zalaris templates or implementation of customer-specific functionality. This business segment also assists with cost-effective maintenance and support of customers' own on-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 executive management is the chief decision maker in the Group. The investing activities comprise total expenses in the period for the acquisition of assets that have an expected useful life of more than one year. The operating assets and liabilities of the Group are not allocated between segments.

### 2020 Oct-Dec

(NOK 1 000)	Managed Services	Professional Services	Gr.Ovhd & Unallocated	Total
Revenue, external	137 514	66 008	-	203 522
Operating expenses	(111 248)	(55 275)	(5 653)	(172 176)
<b>EBITDA</b>	<b>26 266</b>	<b>10 733</b>	<b>(5 653)</b>	<b>31 346</b>
Depreciation and amortisation	(10 670)	(2 498)	(6 867)	(20 035)
<b>EBIT</b>	<b>15 596</b>	<b>8 234</b>	<b>(12 519)</b>	<b>11 311</b>
Net financial income/(expenses)			13 685	13 685
Income tax			(7 437)	(7 437)
<b>Profit for the period</b>	<b>15 596</b>	<b>8 234</b>	<b>(6 271)</b>	<b>17 559</b>
<b>Cash flow from investing activities</b>				<b>(822)</b>

### 2019 Oct-Dec\*

(NOK 1 000)	Managed Services	Professional Services	Gr.Ovhd & Unallocated	Total
Revenue, external	153 191	53 029	-	206 220
Operating expenses	(125 010)	(50 707)	(9 910)	(185 627)
<b>EBITDA</b>	<b>28 181</b>	<b>2 322</b>	<b>(9 910)</b>	<b>20 593</b>
Depreciation and amortisation	(13 275)	(2 637)	(6 260)	(22 172)
<b>EBIT</b>	<b>14 906</b>	<b>(315)</b>	<b>(16 170)</b>	<b>(1 579)</b>
Net financial income/(expenses)			(2 378)	(2 378)
Income tax			651	651
<b>Profit for the period</b>	<b>14 906</b>	<b>(315)</b>	<b>(17 898)</b>	<b>(3 307)</b>
<b>Cash flow from investing activities</b>				<b>(11 785)</b>



**2020 Jan-Dec**

(NOK 1 000)	Managed Services	Professional Services	Gr.Ovhd & Unallocated	Total
Revenue, external	544 321	248 004	-	792 326
Operating expenses	(435 925)	(212 633)	(21 952)	(670 509)
<b>EBITDA</b>	<b>108 397</b>	<b>35 371</b>	<b>(21 952)</b>	<b>121 816</b>
Depreciation and amortisation	(45 286)	(9 958)	(29 271)	(84 515)
<b>EBIT</b>	<b>63 110</b>	<b>25 414</b>	<b>(51 222)</b>	<b>37 302</b>
Net financial income/(expenses)			(50 813)	(50 813)
Income tax			3 187	3 187
<b>Profit for the period</b>	<b>63 110</b>	<b>25 414</b>	<b>(98 848)</b>	<b>(10 324)</b>
<b>Cash flow from investing activities</b>				<b>(13 132)</b>

**2019 Jan-Dec\***

(NOK 1 000)	Managed Services	Professional Services	Gr.Ovhd & Unallocated	Total
Revenue, external	553 691	223 101	-	776 792
Operating expenses	(446 454)	(192 606)	(34 351)	(673 411)
<b>EBITDA</b>	<b>107 237</b>	<b>30 495</b>	<b>(34 351)</b>	<b>103 381</b>
Depreciation and amortisation	(52 279)	(9 534)	(27 477)	(89 290)
<b>EBIT</b>	<b>54 958</b>	<b>20 961</b>	<b>(61 828)</b>	<b>14 091</b>
Net financial income/(expenses)			(24 050)	(24 050)
Income tax			2 950	2 950
<b>Profit for the period</b>	<b>54 958</b>	<b>20 961</b>	<b>(82 928)</b>	<b>(7 009)</b>
<b>Cash flow from investing activities</b>				<b>(25 462)</b>

\*Revenue from certain consulting services previously report as part of Managed Services have been moved to Professional Services from 1 January 2020. Business development costs previously included within Group Overhead has been allocated to the business segments from 1 January 2020. Comparable historical information has been updated accordingly.

**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 1 000)	2020	2019	2020	2019
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Norway	57 911	63 994	215 979	228 438
Northern Europe ex Norway	57 533	58 932	228 486	221 455
Central Europe	79 822	75 498	308 776	294 135
UK & Ireland	8 256	7 796	39 085	32 764
<b>Total</b>	<b>203 522</b>	<b>206 220</b>	<b>792 326</b>	<b>776 792</b>

### Note 3 – Revenue from contracts with customers

#### Disaggregated revenue information

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

#### Contract balances:

	2020	2019
(NOK 1 000)	31. Dec	31. Dec
Trade receivables	148 651	148 614
Customer project assets	78 246	88 808
Customer project liabilities	(50 256)	(55 740)
Prepayments from customers	(11 633)	(9 608)

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 1 000)	2020	2019	2020	2019
	Oct-Dec	Oct-Dec	Jan-Dec	31. Dec
Opening balance in the period	82 441	95 970	88 808	97 272
Cost capitalized	5 935	1 393	18 026	29 505
Amortization	(8 352)	(8 848)	(34 666)	(36 606)
Disposals & currency	(1 778)	293	6 077	(1 363)
<b>Customer projects assets end of period</b>	<b>78 246</b>	<b>88 807</b>	<b>78 246</b>	<b>88 808</b>

#### Movements in customer project liabilities through the period:

(NOK 1 000)	2020	2019	2020	2019
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Opening balance in the period	(49 702)	(57 480)	(55 740)	(64 284)
Revenue deferred	(6 952)	(3 656)	(14 961)	(17 188)
Revenue recognized	5 464	10 015	21 684	28 505
Disposals & currency	935	(4 619)	(1 239)	(2 773)
<b>Customer project liabilities end of period</b>	<b>(50 257)</b>	<b>(55 741)</b>	<b>(50 256)</b>	<b>(55 740)</b>

#### Note 4 – Personnel expenses

(NOK 1 000)	2020	2019	2020	2019
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Salary	89 539	88 267	358 593	366 516
Tantieme and variable compensation	5 126	5 196	19 204	19 437
Social security tax	15 561	13 709	54 548	54 099
Pension costs	3 082	3 983	17 450	19 333
Other expenses	3 290	11 832	12 828	24 953
Capitalised development expenses	(3 812)	(4 296)	(13 598)	(16 290)
Capitalised implementation costs customer projects	(5 935)	(1 393)	(18 026)	(29 505)
<b>Total personnel expenses</b>	<b>106 851</b>	<b>117 298</b>	<b>431 000</b>	<b>438 543</b>

#### Note 5 – Finance income and finance expense

(NOK 1 000)	2020	2019	2020	2019
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Interest income on bank accounts and receivables	33	37	191	160
Currency gain	607	517	4 679	1 916
Other financial income	369	1 009	893	556
<b>Finance income</b>	<b>1 009</b>	<b>1 564</b>	<b>5 763</b>	<b>2 632</b>
Interest exp. on financial liab. measured at amortised cost	4 561	4 408	23 145	19 253
Currency loss	-24	386	987	3 377
Unrealised foreign currency loss/(gain)	-18 918	-2 660	27 069	-2 375
Interest expense on leasing	265	462	1 503	2 126
Other financial expenses	1 439	1 346	3 871	4 302
<b>Finance expenses</b>	<b>-12 676</b>	<b>3 942</b>	<b>56 576</b>	<b>26 683</b>
<b>Net financial items</b>	<b>13 685</b>	<b>-2 378</b>	<b>-50 813</b>	<b>-24 051</b>

## Note 6 – Intangible assets

(NOK 1 000)	Licenses	Intern.	Internally	Customer	Goodwill	Total
<b>Book value 01.01.2020</b>	<b>4 505</b>	<b>34 652</b>	<b>17 889</b>	<b>75 905</b>	<b>153 248</b>	<b>286 198</b>
Additions of the period	-	1 858	10 527	-	-	12 385
Reclassifications	-	15 371	(15 371)	-	-	-
Disposals and currency effects	153	271	(1 978)	3 550	7 170	9 166
This period ordinary amortisation	(1 746)	(14 709)	-	(10 982)	-	(27 437)
<b>Book value 31.12.2020</b>	<b>2 912</b>	<b>37 443</b>	<b>11 068</b>	<b>68 473</b>	<b>160 417</b>	<b>280 313</b>
<b>Book value 01.01.2019</b>	<b>9 057</b>	<b>28 768</b>	<b>19 937</b>	<b>85 302</b>	<b>151 996</b>	<b>295 059</b>
Additions of the period	135	1 579	21 389	-	-	23 103
Reclassifications	-	18 055	(18 055)	-	-	-
Disposals and currency effects	(1 744)	(39)	(5 381)	652	1 253	(5 259)
This period ordinary amortisation	(2 944)	(13 711)	-	(10 049)	-	(26 704)
<b>Book value 31.12.2019</b>	<b>4 505</b>	<b>34 652</b>	<b>17 889</b>	<b>75 905</b>	<b>153 248</b>	<b>286 198</b>
Useful life	3-10 years	5 years	N/A	10 years	N/A	
Depreciation method	linear	linear		linear		

## Note 7 – Right-of-use assets and lease liabilities

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

### Right-of-use assets

(NOK 1000)	Buildings	Equipment	Vehicles	Total
<b>Acquisition cost</b>				
At 1 January 2019	42 218	3 428	6 680	52 326
Additions	3 402	747	305	4 455
<b>At 1 January 2020</b>	<b>45 620</b>	<b>4 175</b>	<b>6 985</b>	<b>56 781</b>
Additions	5 870	154	5	6 029
<b>At 31 December 2020</b>	<b>51 490</b>	<b>4 329</b>	<b>6 991</b>	<b>62 810</b>
<b>Depreciation</b>				
At 1 January 2019	0	0	0	-
Depreciation	16 653	1 629	3 650	21 932
<b>At 31 December 2019</b>	<b>16 653</b>	<b>1 629</b>	<b>3 650</b>	<b>21 932</b>
Depreciation	15 708	1 426	1 967	19 101
<b>At 31 December 2020</b>	<b>32 361</b>	<b>3 055</b>	<b>5 617</b>	<b>41 033</b>
<b>Carrying amount at 31 December 2020</b>	<b>19 128</b>	<b>1 274</b>	<b>1 374</b>	<b>21 777</b>

### Lease liabilities

(NOK 1000)	2020	2019
Current	11 792	19 099
Non-current	11 104	16 536
<b>Lease liabilities at 31 December 2020</b>	<b>22 896</b>	<b>35 635</b>
Interest expense included (in finance cost)	1 503	2 126
Variable lease payments expensed in the period	0	0
Operating expenses related to short-term leases	275	155
Operating expenses period related to low value assets	288	453
Total cash outflows for leases	22 994	24 933

## Note 8 - Cash and cash equivalents and short term deposits

(NOK 1 000)	2020 31. Dec	2019 31. Dec
Cash in hand and at bank - unrestricted funds	118 145	56 132
Deposit accounts - guarantee rent obligations - restricted funds	2 247	21 529
Employee withheld taxes - restricted funds	4 451	4 787
<b>Cash and cash equivalents</b>	<b>124 843</b>	<b>82 448</b>

## Note 9 – Interest-bearing loans and borrowings

(NOK 1 000)	Annual interest	Maturity	2020	2019
			31. Dec	31. Dec
Bond loan	3 m Euribor + 4.75%	28.09.2023	366 980	345 188
Loan fees bond		28.09.2023	(4 957)	(6 760)
Commerzbank - DE	1.3%	31.12.2031	12 256	13 834
Landesbank Baden-Württemberg	4.0%	31.12.2022	1 554	2 200
Landesbank Baden-Württemberg	1.95 %	31.12.2031	1 244	9 270
MBG	From 5.0% to 6.5%	2020-2026	-	5 326
SG Finance loans	From 4.0% to 6.7%	2019-2023	-	-
<b>Total interest-bearing loans</b>			<b>377 077</b>	<b>369 058</b>
Total long-term interest-bearing loans			375 832	362 487
Total short-term interest-bearing loans			1 244	6 571
<b>Total interest-bearing loans</b>			<b>377 077</b>	<b>369 058</b>

Total unrealized foreign exchange profit/(loss) on bond loan (21 792) 2 531

The Company's bond loan of EUR 35 million is listed on the Oslo Stock Exchange. The loan in Commerzbank DE relates to the office building in Leipzig, which is owned by the Company.

## Note 10 – Transactions with Related Parties

### Purchase from related parties:

(NOK 1 000)	Related party	Transaction	2020	2019	2020	2019
			Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
	Rayon Design AS 1)	Management Services	854	684	2 371	1 556
	Haug Advisory AS 2)	Management Services	-	-	-	200
	<b>Total</b>		<b>854</b>	<b>684</b>	<b>2 371</b>	<b>1 756</b>

<sup>1)</sup> Hans-Petter Mellerud, CEO, owns 40% of Rayon Design AS through his company Norwegian Retail AS

<sup>2)</sup> Jon Erik Haug, Board Member of Zalaris ASA, owns 100% of Haug Advisory AS

## Note 11 – Events after Balance Sheet Date

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

## Alternative Performance Measures (APMs)

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

### Adjusted EBITDA and EBIT

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

(NOK 1 000)	2020	2019	2020	2019
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
EBITDA	31 346	20 594	121 816	103 381
Restructuring costs*	967	3 221	4 346	4 259
Share-based payments	912	726	2 718	1 743
Depreciation right-of-use assets (IFRS 16 effect)	(4 149)	(5 620)	(19 101)	(21 932)
<b>Adjusted EBITDA</b>	<b>29 076</b>	<b>18 920</b>	<b>109 780</b>	<b>87 451</b>

(NOK 1 000)	2020	2019	2020	2019
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
EBIT	11 311	(1 580)	37 302	14 091
Restructuring costs*	967	3 221	4 346	4 259
Share-based payments	912	726	2 718	1 743
Amortization of excess values on acquisition	2 719	2 591	10 926	10 049
<b>Adjusted EBIT</b>	<b>15 909</b>	<b>4 958</b>	<b>55 292</b>	<b>30 142</b>

\*Relates mainly to redundancy costs/severance pay for employees

### Free cash flow

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

	2020	2019	2020	2019
(NOK 1 000)	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net cash flow from operating activities	14 113	50 724	89 713	42 508
Investment in fixed and intangible assets	(822)	(17 054)	(13 132)	(25 462)
<b>Free cash flow</b>	<b>13 291</b>	<b>33 670</b>	<b>76 581</b>	<b>17 046</b>

### Net interest-bearing debt (NIBD)

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

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

	2020	2019
(NOK 1 000)	31.Dec	31.Dec
Cash and cash equivalents	124 843	82 448
Interest-bearing loans and borrowings - long-term	(375 832)	(362 487)
Interest bearing loans and borrowings - short-term	(1 244)	(6 571)
<b>Net interest-bearing debt (NIBD)</b>	<b>(252 234)</b>	<b>(286 610)</b>

### Full time equivalents (FTEs)

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



## Key Figures

(NOKm unless otherwise stated)	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
<b>Revenues</b>	<b>192,4</b>	<b>187,5</b>	<b>190,7</b>	<b>206,2</b>	<b>200,6</b>	<b>198,4</b>	<b>189,7</b>	<b>203,5</b>
Revenue growth (YoY)	3,3 %	-0,7 %	8,2 %	6,2 %	4,3 %	5,8 %	-0,5 %	-1,3 %
<b>EBITDA adjusted</b>	<b>22,9</b>	<b>21,1</b>	<b>24,7</b>	<b>18,9</b>	<b>26,8</b>	<b>26,8</b>	<b>27,0</b>	<b>29,2</b>
EBITDA margin	11,9 %	11,2 %	12,9 %	9,2 %	13,4 %	13,5 %	14,2 %	14,3 %
<b>EBIT adjusted</b>	<b>9,3</b>	<b>7,2</b>	<b>8,9</b>	<b>5,0</b>	<b>13,4</b>	<b>12,7</b>	<b>13,3</b>	<b>15,9</b>
EBIT margin	4,9 %	3,8 %	4,6 %	2,4 %	6,7 %	6,4 %	7,0 %	7,8 %
<b>Profit Before Tax</b>	<b>7,6</b>	<b>(4,3)</b>	<b>(9,3)</b>	<b>(4,0)</b>	<b>(62,5)</b>	<b>27,2</b>	<b>(3,1)</b>	<b>25,0</b>
Income Tax Expense	(1,4)	1,0	2,7	0,7	14,0	(4,7)	1,4	(7,4)
<b>Net income</b>	<b>6,3</b>	<b>(3,3)</b>	<b>(6,6)</b>	<b>(3,3)</b>	<b>(48,6)</b>	<b>22,4</b>	<b>(1,8)</b>	<b>17,6</b>
Profit margin	3,3 %	-1,8 %	-3,5 %	-1,6 %	-24,2 %	11,3 %	-0,9 %	8,6 %
Weighted # of shares outstanding (m)	19,9	19,9	19,8	19,7	19,6	19,6	19,6	19,7
Basic EPS (NOK)	0,31	(0,17)	(0,34)	(0,17)	(2,48)	1,14	(0,09)	0,89
Diluted EPS (NOK)	0,28	(0,17)	(0,34)	(0,17)	(2,48)	1,11	(0,09)	0,86
<b>Cash flow items</b>								
Cash from operating activities	(22,0)	5,0	8,8	50,7	16,9	45,4	13,3	14,1
Investments	(4,2)	(7,1)	2,9	(17,1)	(3,7)	(3,6)	(5,0)	(0,8)
Net changes in cash and cash equi.	(37,2)	(9,4)	(5,4)	18,2	3,9	41,0	(14,0)	8,1
Cash and cash equivalents end of period	69,3	59,6	64,8	82,4	87,5	129,0	116,3	124,8
Net interest-bearing debt	299,0	308,7	311,0	286,6	344,5	277,9	280,7	252,2
Equity	105,3	100,1	101,6	92,2	95,9	101,5	108,1	109,8
Equity ratio	13,9 %	13,8 %	14,3 %	12,9 %	12,4 %	13,5 %	14,9 %	15,2 %
Number of FTE (Period End)	822	825	803	753	728	723	713	712
<b>Segment overview*</b>	<b>Q1 2019</b>	<b>Q2 2019</b>	<b>Q3 2019</b>	<b>Q4 2019</b>	<b>Q1 2020</b>	<b>Q2 2020</b>	<b>Q3 2020</b>	<b>Q4 2020</b>
<b>Revenues</b>	<b>192,4</b>	<b>187,5</b>	<b>190,7</b>	<b>206,2</b>	<b>200,6</b>	<b>198,4</b>	<b>189,7</b>	<b>203,5</b>
Managed Services	136,2	133,9	130,4	153,2	142,3	137,1	127,4	137,5
Professional Services	56,1	53,7	60,3	53,0	58,3	61,3	62,4	66,0
<b>EBIT</b>	<b>6,5</b>	<b>4,4</b>	<b>4,8</b>	<b>(1,6)</b>	<b>9,5</b>	<b>7,4</b>	<b>9,2</b>	<b>11,3</b>
Managed Services	13,6	15,8	10,6	14,9	16,7	16,0	14,8	15,6
as % of revenue	10,0 %	11,8 %	8,2 %	9,7 %	11,8 %	11,7 %	11,6 %	11,3 %
Professional Services	8,7	3,5	9,1	(0,3)	6,3	4,1	6,8	8,2
as % of revenue	15,5 %	6,5 %	15,1 %	-0,6 %	10,8 %	6,7 %	11,0 %	12,5 %
Gr.ovhd & Unallocated	(15,8)	(14,9)	(15,0)	(16,2)	(13,6)	(12,7)	(12,4)	(12,5)

\*Revenue from certain consulting services previously report as part of Managed Services have been moved to Professional Services from 1 January 2020. Business development costs previously included within Group Overhead has been allocated to the business segments from 1 January 2020. Comparable historical information has been updated accordingly.

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**Financial information**

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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](mailto:ir@zalaris.com).**Zalaris ASA**

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