



Q4 HIGHLIGHTS3

KEY FIGURES4

CEO INSIGHTS5

ALTERNATIVE PERFORMANCE MEASURES (APMS).....24

KEY FIGURES27

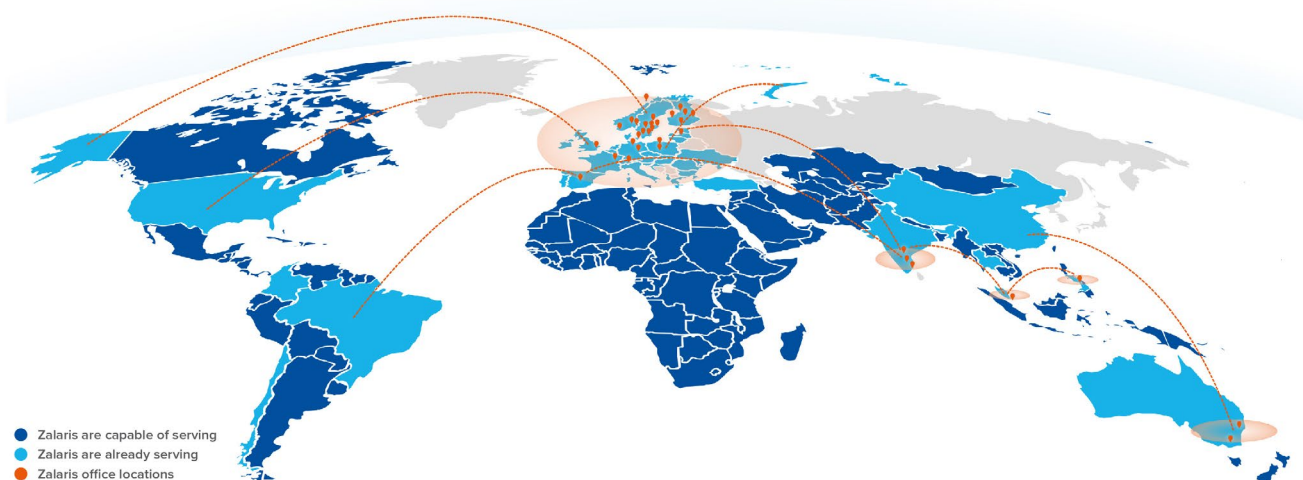
About Zalaris

Payroll & HR Solutions that enable fully digital organizations - we simplify HR and payroll administration and empower you with useful information so that you can invest more in people

Zalaris ranks among Europe's top providers of human capital management (HCM) and payroll solutions – addressing the entire employee lifecycle, from recruiting and onboarding to compensation, time and attendance, travel expenses and performance management.

Our proven local and multi-country delivery models include: on-premise implementations, software as a service (SaaS), cloud integration and business process outsourcing (BPO). Furthermore, Zalaris' experienced consultants and advisors cover all industries and IT environments.

Headquartered in Oslo, Norway, and publicly traded on the Oslo Stock Exchange (ZAL), we serve more than one million employees each month, across multiple industries and with many of Europe's most reputable employers. We have generated uninterrupted growth since our founding in 2000 and today operate in the Nordics, Baltics, Poland, Germany, Austria, Switzerland, France, Spain, India, Ireland, the UK, Singapore and Australia.



> 1 500 000
employees served monthly
across all HR solutions



> 1000
Zalaris
employees



> 300 000
employees served monthly
through payroll services



21 years
years of experience and
continous growth



NOK 893 mill
2022
Revenue



13 Countries
with service centers
and local expertise



150+ Countries
partnered with Zalaris
giving local expertise

Q4 Highlights

- All time high quarterly revenue of NOK 250.6 million (NOK 201.7 million), representing a growth of +21.8% YoY in constant currency.
- Revenue for the full-year was NOK 892.7 million (NOK 775.3 million), representing a growth of +16.5% in constant currency
- Adjusted EBIT of NOK 15.9 million (NOK 10.2 million) +55.9% YoY, before EBIT from the greenfield establishment in the Asia-Pacific region (APAC) of NOK -0.6 million, and reported EBIT of NOK 9.7m (NOK 1.5 million). Adjusted EBIT (before APAC) of 52.4 million (49.6 million) for the full-year.
- Adjusted EBIT margin (before APAC) of 6.4% (5.1%). Margins have improved through increased revenue, but are still negatively affected by onboarding of new customers, recruitment and training, and optimization of resources to handle the increased volumes going forward. Adjusted EBIT margin (before APAC) of 5.9% (6.4%) for the full-year.
- EBIT improvement program of NOK 40 - 50 million by the end of 2023 is progressing according to plan, targeting an EBIT margin of 10% and above.
- New long-term agreements signed with Swedish metal company Boliden, Norges Bank (The Central Bank of Norway) and Norwegian recycling company Tomra. Total annual recurring revenue signed was ~NOK 12 million during the quarter.
- The pipeline for Managed Services remain strong, with several large potential global and European multi-country deals in an advanced stage.
- Cash and cash equivalents of NOK 99.7 million, +NOK 4.1 million compared to the previous quarter.



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

Key Figures

Q4 2022 financial performance by business segment

(NOK 1 000)	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Revenue				
Managed Services	185 958	143 014	644 801	529 685
Professional Services	61 946	58 681	243 138	245 580
New business (APAC)	2 646	-	4 803	-
Total revenue	250 551	201 695	892 742	775 265
Adjusted EBIT¹⁾				
Managed Services	22 896	16 725	69 734	66 440
Professional Services	4 610	5 024	21 172	18 816
HQ (unallocated costs)	(11 565)	(11 520)	(38 523)	(35 681)
Adj. EBIT (ex. APAC)	15 941	10 230	52 383	49 575
<i>Adj. EBIT margin (ex. APAC)</i>	6,4 %	5,1 %	5,9 %	6,4 %
New business (APAC)	(650)	-	(6 139)	-
Adj. EBIT	15 291	10 230	46 244	49 575
Share-based payments	(2 481)	(1 791)	(8 706)	(5 723)
Amortisation excess value on acquisitions	(3 113)	(3 293)	(11 935)	(11 469)
Other	-	(3 673)	(1 907)	(9 798)
EBIT	9 697	1 473	23 696	22 585
<i>EBIT margin (%)</i>	3,9 %	0,7 %	2,7 %	2,9 %

Q4 2022 financial summary

(NOK 1 000)	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Revenue	250 551	201 695	892 743	775 265
<i>Growth (YoY)</i>	24,2 %	6,3 %	15,2 %	-2,1 %
EBIT	9 697	1 472	23 695	22 585
Adjusted EBIT ¹⁾ (ex. APAC)	15 941	10 230	52 383	49 575
<i>Adjusted EBIT margin (as % of revenue)</i>	6,4 %	5,1 %	5,9 %	6,4 %
Profit/(loss) for the period	(12 098)	1 089	(38 720)	12 812
Earnings per share (EPS)	(0,56)	0,05	(1,79)	0,60
Total comprehensive income	(19 301)	(2 473)	(27 431)	1 148
Free cash flow ¹⁾	9 981	17 011	(20 049)	12 407
Net interest-bearing debt (NIBD) ¹⁾	280 888	183 019	280 888	183 019

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

CEO Insights

In Q4, 2022, Zalaris delivered the fourth consecutive quarter with all time high revenues of NOK 250 million. This represents 22% year-on-year growth in constant currency. We are well positioned to deliver on our target of generating NOK 1 billion in revenue by the end of 2023. Adjusted EBIT (ex Asia Pacific) was NOK 15.9 million for Q4. This was up from NOK 10.2 million in the same period last year. Our EBIT improvement programme is on track. We are targeting an annualised adjusted EBIT of NOK 100 million by the end of 2023.

Organic growth continues to deliver. Zalaris exceeded its sales targets in 2022.

Within Managed Services, which includes our SaaS and Outsourcing division, we delivered considerably beyond our aspirations for growth last year. The total Annual Contract Value (ACV) amounted to approximately NOK 100 million for 2022 – reaching our sales targets for the year. We also extended 18 of our 19 agreements up for renewal, returning churn to historical low levels, and proving the robustness of our business mode. At the end of Q4 we had a backlog of approximately NOK 72 million in Annual Recurring Revenue (ARR) from new signings. These were yet to go live and be recognised as revenue.

In Professional Services, our Consulting division, we sold NOK 280 million of new projects. This represented more than 130% of our sales target for the year, 2022. Of these, approximately NOK 160 million was with some of our existing large clients. This demonstrates the long-term nature of the relationships we have with this customer group.

All our regions finished the quarter with a strong pipeline of projects. A number of new and significant agreements are expected to be signed in the first quarter of 2023.

Zalaris is targeting NOK 100 million annualised adjusted, run-rate EBIT by end of 2023.

During the fourth quarter of 2022 we continued executing our EBIT improvement program, as described in our Q3 report. In this report we targeted an annualised improvement in EBIT of NOK 40 - 50 million, which should result in an annualised EBIT of NOK 90-100 million by end of 2023.

We are progressing according to plan, and see positive results as we move into 2023. Our current operating model used in Germany is being transformed to our Zalaris 4.0 delivery concept, with

increased levels of automation and standardised processes, as well as utilisation of our near- and offshore delivery centres. Germany is our largest and fastest growing market. And we will deliver significant results throughout 2023, as this improved operating model is utilised by more customers and new clients at scale.

In parallel to the above initiatives, we are strengthening our efforts to improve productivity through automation and process simplification. For 2023 our target is to identify opportunities for 10% productivity improvements. Our ongoing strategic project targeting 100% automated payroll is a key element to achieve this.

We continue to see some cost inflation and wage pressure, but Zalaris is reasonably protected through contracted price indexation clauses in the majority of our agreements, and the ability to shift work to locations with lower costs.

We are monitoring the situation closely with the aim of maintaining and further improving our competitive cost position delivering on our first EBIT milestone margin target of 10% by the end of 2023.

Continued optimism for the future

The global market is reacting positively to our service offerings. Our combined Professional- and Managed Services capabilities, as well as our strengthened brand in Germany and the UK, increasingly provide us with new opportunities to bid for relevant projects in these markets.

There is also a positive market for multi-country payroll and cloud-based HR services. This is growing at double-digit rates. This is supporting our target for Managed Services, which is focused on at least 15% growth, year-on-year.

Zalaris is well positioned with global delivery capability and is ready to take on new, large projects. The aim is to help customers simplify work life and achieve more.

There are many challenges facing businesses right now in these unsettling times with high inflation, wage hikes and soaring energy bills. Corporations need to be resilient, yet agile, disciplined innovation is also crucial. But enterprises cannot cope alone. They need to reduce and variabilise costs and in parallel access skills and capabilities that also evolve. As our market success proves, outsourcing is seen as a solution. It's why it is going through a significant pivot point, particularly in payroll and HR solutions and services.

Hans-Petter Møllerud, CEO of Zalaris

Financial Review

Revenue

Consolidated revenue for the fourth quarter 2022 amounted to NOK 250.6 million (Q4 2021: NOK 201.7 million). The revenue increase was +24.2%. Measured in constant currency the increase was +21.8%.

The increase in revenue compared to last year is mainly from new customers within Managed Services, as well as increased volume of change orders and additional services from existing customers, and includes a one-off revenue recognition relating to a customer project of NOK 9 million (no material EBIT effect).

During the fourth quarter, Zalaris signed a five-year agreement with the Swedish metal company, Boliden, to serve their 3,800 employees in Sweden, with an option to cover other countries later.

Zalaris also signed five-year agreements with Tomra, a Norwegian recycling company, and Norges Bank (The Central Bank of Norway).

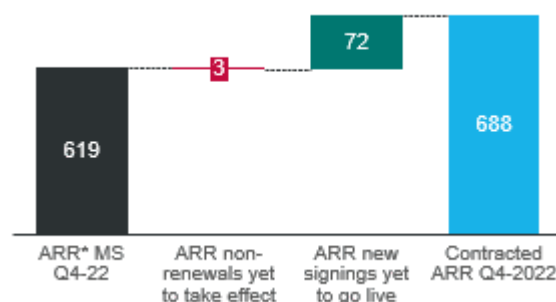
Revenue for the full-year 2022 amounted to NOK 892.7 million, compared to NOK 775.3 million last year, an increase of 16.5% in constant currency.

New contracts signed during the quarter has annual recurring revenue of approx. NOK 12 million, and invoicing will start towards the end of 2023.

The Group has signed several new BPaaS/SaaS contracts within Managed Services (“MS”) during the last 12 months that are yet to be implemented. These will start generating monthly recurring revenue as soon as the contracts go live.

As an illustration of the revenue impact of new signed contracts that have not gone live as of 31 December 2022, the table below shows the annual recurring revenue (“ARR”) within MS at the end of the fourth quarter, and how the Group’s ARR will increase, when these contracts are implemented.

Contracted ARR* in MS (NOKm)

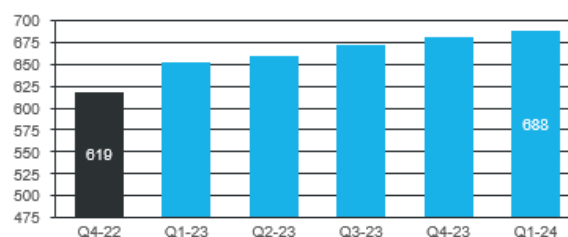


* Please refer to the APMs section of this report for definition of ARR and contracted ARR

The net ARR to be implemented from new contracts (NOK 69 million) represents an increase in total annual revenue for Zalaris of +7.7% (when compared to total revenue full-year 2022).

The figure below shows the timing of the expected increase in the ARR for MS, based on these new contracts.

Expected timing of Contracted ARR (NOKm)



Nordics & Baltics

Revenue in the Nordic & Baltic region was NOK 129.7 million in the fourth quarter. Adjusted for positive currency effects, the revenue was 18.9% higher than the figure last year of NOK 108.5 million. This was explained by the implementation of new customers, and additional volumes and change orders from existing customers.

Revenue in the Nordic & Baltic region for the full-year 2022 amounted to NOK 466.3 million, compared to NOK 421.9 million last year.

Central Europe

Revenue in the Central Europe region was NOK 103.5 million in the fourth quarter, compared to NOK 85.0 million last year. An increase of +17.5%, when adjusted for positive currency effects.

The revenue for the fourth quarter includes a one-off revenue recognition of NOK 9 million relating to a customer project. The organic growth came from new customers in Managed Services in Germany and from Professional Services in Poland.

Managed Services in Germany grew by +48.4% in the same period (+20.1% when adjusted for the one-off revenue recognition noted above). Within Professional Services, Poland and Germany showed a revenue growth of +4.6% and -2.8% respectively in local currency compared to last year.

Revenue in the Central Europe region for the full-year 2022 amounted to NOK 374.7 million, compared to NOK 314.5 million last year.

UK & Ireland

Revenue in the UK & Ireland region amounted to NOK 14.7 million in the fourth quarter, compared to NOK 8.2 million in the same quarter last year, an increase of +73.5% in local currency. There has been increased activity within Managed Services, a key focus area in the region, resulting in revenue within this segment increasing significantly. Revenue in Professional Services also increased compared to last year.

Revenue in the UK & Ireland region for the full-year 2022 amounted to NOK 46.9 million, compared to NOK 38.8 million last year.

Earnings

The adjusted EBIT, before EBIT from APAC region, was NOK 15.9 million for the fourth quarter (NOK 10.2 million). The increase is largely explained by increased revenue from new and existing customers. The improvement from last year is significant, however the results are still being negatively impacted by the onboarding of new customers, recruitment and training of new personnel, and the optimisation of resources to deliver on the new customers contracts that haven't been, or will be, implemented.

The adjustments made to EBIT were the calculated costs of the Company's share-based payment plan

(NOK 2.5 million) and amortisation of excess values on acquisitions (NOK 3.1 million).

Adj. EBIT, before EBIT from APAC, for the full-year amounted to NOK 52.4 million (NOK 49.6 million).

The EBIT from APAC was negative NOK 0.6 million in the fourth quarter. The financial result from new business activities (e.g. the establishment of a new geographical region) are reported separately, until the business is up and running at a normal level and included in one of the two main segments. The objective is to provide information on the result of new business development activities that generally would generate a financial loss in an interim period, and to show the financial result of the existing business activities without the disturbance of these new activities.

The APAC region is a greenfield establishment and had revenue of NOK 2.6 million in the fourth quarter, up from NOK 1.6 million in the previous quarter.

Consolidated EBIT for the quarter was NOK 9.7 million (NOK 1.5 million). The positive variance from last year is mainly due to the revenue growth. Also, the EBIT last year was negatively impacted by certain non-recurring costs of NOK 3.7 million.

Consolidated EBIT for the full year amounted to NOK 23.7 million (NOK 22.6 million).

The Group had net financial expenses of NOK 5.2 million for the fourth quarter (net income NOK 0.1 million), including an unrealised currency gain of NOK 2.1 million (NOK 5.3 million) relating to the EUR 35 million bond loan and other foreign currency denominated balances.

Net financial expenses for the full year was NOK 40.1 million (expense NOK 7.6 million), including an unrealised currency loss of NOK 15.6 million (NOK 16.0 million).

The net loss for the quarter was NOK 12.1 million (NOK 1.1 million), after a loss from discontinued operations of NOK 4.0 million. The net loss for the full-year was NOK 38.7 million (NOK 12.8 million).

Total comprehensive income amounted to negative NOK 19.3 million (negative NOK 2.5 million), after currency translation differences of negative NOK 7.2 million (negative NOK 3.6 million) relating to foreign subsidiaries.

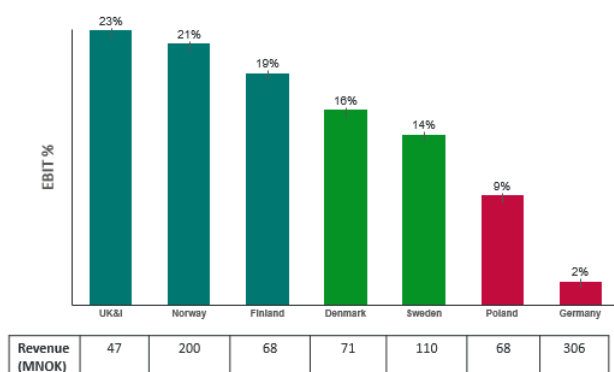
Total comprehensive income for the full-year was negative NOK 27.4 million (NOK 1.1 million).

EBIT improvement program

As communicated in the third quarter Zalaris has identified EBIT improvements of NOK 40 – 50 million expected to be realised by the end of 2023. The increased EBIT will be realised through direct cost improvements and improved allocation of resources of NOK 25 - 30 million and contribution from new signed contracts of approx. NOK 20 - 25 million.

The EBIT margin (%) year-to-date per country is shown in the graph below.

EBIT%* FY 2022 per country



*Measured in local GAAP

On a country level our target EBIT margin is 15 – 20% per entity – depending on size - before any allocation of group costs. Well performing countries are characterized with a high degree of standardization and customer deliveries based on one common Zalaris Peoplehub platform combined with meeting target level of near- and offshoring usage in the resource mix. In addition, scale and product mix are significant factors driving profitability.

Analysing EBIT margin year to date per country, we see UKI with a high degree of PeopleHub SaaS based services deliver on our target margin criteria

despite having a modest scale. Norway on the other hand continue its performance – despite being slightly down this year – mainly contributable to the scale of the business. Denmark and Sweden are on their toward target margin through increased use of near/offshoring and digitization of processes. Poland is temporarily hit by building up capacity to cater for added nearshoring from the Nordics and Germany of SAP HCM and SuccessFactors application maintenance services.

In our German units, service delivery – despite being powered by SAP based solutions – has traditionally been provided on the basis of individual and customer specific system configurations. Including using various ticketing and service management solutions. Add to this minimal use of near- and offshore resources, and a tight labour market resulting in extensive use of external consultants to deliver on contracted commitments. As part of our EBIT improvement projects we have initiated a number of actions to improve the situation including implementing Zalaris’ standard service management concept and workflow. This enables increased use of Robotics Process Automation and seamless transport of work to our delivery centres in Latvia, Poland, and India. This will reduce our total resource costs and allow us to compensate critical customer facing resources better with the aim of increasing the attraction and retention of these as well as optimizing our dependency on external consultants. Starting from 2022 all customer projects are implemented on our scalable multi-tenant PeopleHub solution. This allows driving scalability and margin improvement of new projects to matching those in the UKI and Nordics.

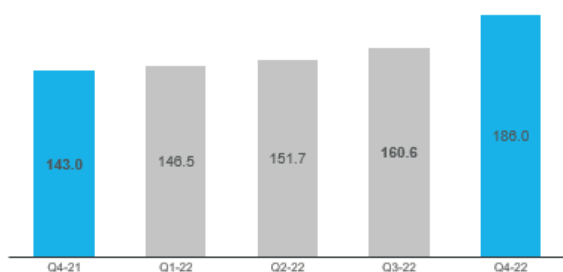
The above activities are organized as a formalized EBIT improvement program reporting to the CEO targeting NOK 40 – 50 million improvements by the end of 2023, and the program is progressing according to plan.

Business segment performance

Managed Services

The Managed Services (“MS”) segment had revenue of NOK 186.6 million for the fourth quarter 2022, compared to NOK 143.0 million in the same quarter last year. The increase was +28.5% when adjusted for positive currency effects. Included in the revenue for the fourth quarter was a one-off revenue recognition of NOK 9 million relating to a customer project. Adjusted for this item, the year-on-year increase was 22.5%, and the increase was mainly due to revenue from new customers that have gone live since the fourth quarter last year and additional volumes and change orders.

Revenue Managed Services (NOKm)



As noted earlier in this report, Zalaris has entered into a large number of new MS contracts that are being implemented. As a result of the increased number of new contracts, more resources are being utilized on contract implementation, compared to last year, resulting in increased deferred revenue, which will result in increased revenue as the projects go live during 2023. MS revenue deferred for the fourth quarter was NOK 13.1 million, compared to NOK 12.9 million last year.

The adj. EBIT for MS for the fourth quarter was NOK 22.7 million (NOK 16.7 million), and adj. EBIT margin was 12.2% (11.7%). EBIT margin was positively impacted by the increased revenue.

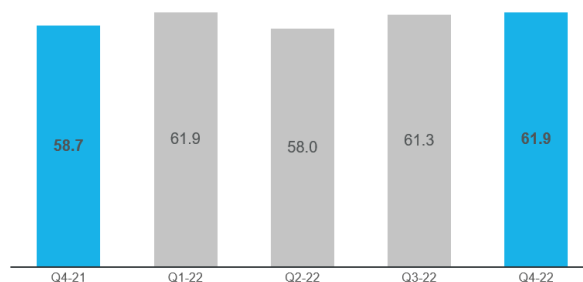
The planned EBIT improvement of NOK 40 – 50 million by the end of 2023, described earlier in this report, mainly relates to Managed Services.

Professional Services

Revenue in the Professional Service (“PS”) segment amounted to NOK 61.9 million for the fourth quarter 2022, compared to NOK 58.7 million last year. When adjusted for positive currency movements the increase was approximately 2.4% year-on-year. Higher revenue in Poland and UK, was partly offset by lower revenue in Germany. The reduction in Germany is mainly due to PS resources being

utilized implementing new MS contracts, which has resulted in increased deferred revenue (invoiced but not recognized). The largest PS countries Poland and Germany showed a revenue growth of +4.8% and -2.8% respectively, in local currency.

Revenue Professional Services (NOKm)



The adj. EBIT for PS for the fourth quarter was NOK 4.4 million (NOK 5.0 million), and adj. EBIT margin was 7.1% (8.5%).

APAC

During the first quarter this year, Zalaris established operations in Australia and Singapore, to expand its multi-country payroll capabilities to the Asia-Pacific region (“APAC”). The purpose is to better support European headquartered customers, that have operations in APAC countries. APAC is one of the fastest growing markets for multi-country payroll. The new region is offering both Professional Services and Managed Services. The new region is reported separately until it has reach a sustainable business level.

The new region is an early-stage business, and had revenue and EBIT of NOK 2.6 million and negative NOK 0.6 million respectively in the fourth quarter.

Discontinued operations (vyble)

In February 2022, Zalaris acquired the assets of vyble AG, a payroll and HR solution start-up located in Rostock and Hamburg, Germany. The business is being operated through a 90% owned subsidiary, vyble GmbH (“vyble”). vyble has a complete suite of Payroll and HR solutions delivered as Software as a Service (SaaS) targeting the SME market in Germany.

Zalaris has engaged an investment bank to sell vyble to limit the future funding requirements and allowing Zalaris to focus entirely on the continued growth of its PeopleHub based business. The investment in vyble has thus been reclassified to assets held for

sale and as a discontinued operation. The sale process is ongoing.

Financial position and cash flow

Zalaris had total assets of NOK 905.7 million as of 31 December 2022, compared to NOK 898.7 million on 30 September 2022.

Cash and cash equivalents were NOK 99.7 million (including cash in discontinued operations) as of 31 December 2022, a increase of NOK 4.1 million from the end of the previous quarter.

Total equity as of 31 December 2022 was NOK 163.6 million, compared to NOK 180.5 million as of 30 September 2022. This corresponds to an equity ratio of 18.1% (20.1%).

The Company holds 540,693 own shares at 31 December 2022.

Net interest-bearing debt (interest-bearing debt less cash and cash equivalents) decreased from NOK 284.5 million on 30 September 2022 to NOK 280.9 million on 31 December 2022.

Outlook

Zalaris is well positioned for future revenue growth, having signed an all-time high level of new long-term BPaaS/SaaS contracts within Managed Services during the last 18 months. This high activity level is continuing in 2023 with several new large multi-country contracts in the near- to medium term pipeline, where Zalaris has been selected as the preferred supplier.

The increased scale of our operations from this revenue growth will be a key driver for higher profitability, as well as further cost optimisation. Zalaris has made a detailed plan for EBIT improvements of NOK 40 – 50 million by the end of 2023. This will come through cost improvements of NOK 25 – 30 million and contribution from new signed contracts of NOK 20 - 25 million. Further automation of our delivery processes and better use of resources from different Zalaris locations, including our offshore centre in India, are key targets for 2023. New contracts might require additional resources to for example process payroll and render support. The recruitment and on-the-job training for this new personnel may have a short-term negative impact on margins until the new employees are

The decrease in net interest-bearing debt is mainly due to currency changes impacting the NOK value of the EUR denominated bond loan.

Operating cash flow during the fourth quarter 2022 was NOK 19.8 million (NOK 23.2 million).

Net cash flow from investing activities for the fourth quarter was negative NOK 9.8 million (negative NOK 6.2 million), mainly relating to internal development of new and existing system solutions.

Net cash flow from financing activities for the fourth quarter was negative NOK 4.4 million (NOK 8.6 million), mainly relating to lease payments of NOK 5.1 million.

Subsequent events

There have been no events after the balance sheet date, which have had a material effect on the issued accounts.

trained and can be fully utilized. Zalaris remains firm on its' target EBIT margin of 10%.

Based on industry and market research reports, Zalaris' key markets within multi-country payroll and HR outsourcing are expected to continue growing in the foreseeable future. The Company is well positioned to capture part of this growth through new customers, as demonstrated by the multi-country contracts with Metsä and Yunex Traffic, won in 2021, and CSL Behring, won in 2022. Growth will also come from expanding the service offering to existing customers including increasing geographic coverage, as we have done with customers like Siemens, Tryg, and Ericsson.

Zalaris has been expanding its geographical coverage both in Europe and the Asia-Pacific region to strengthen its competitive position in this market. While the company previously established own subsidiaries in new countries, a revised expansion strategy is being implemented using in country partners processing on the basis of Zalaris' PeopleHub solution. This enables profitable geographic expansion globally with low and moderately size employee volumes.

The global macro picture with high inflation, affecting salary levels, increasing interest rates and fear of recession, have so far not impacted our business significantly. However, we are experiencing upward pressure on salaries, and the recruitment for new positions is challenging in some markets. Most of our long-term contracts within Managed Services have provisions for annual indexation to cover general salary increases. Historically, we have seen an

increased interest in the market for outsourcing when companies are required to focus on operational efficiencies and cost reductions in a recessionary environment.

The underlying fundamentals remain strong, and Zalaris has entered 2023 with a solid pipeline of potential new sales in all regions, and if signed, will exceed the annual sales target of 10% .

The Board of Directors of Zalaris ASA
Oslo, 27 February 2023

Interim Consolidated Financial Statements

Consolidated Statement of Profit and Loss

(NOK 1 000)	Notes	2022 Oct-Dec <i>unaudited</i>	2021 Oct-Dec <i>unaudited</i>	2022 Jan-Dec <i>unaudited</i>	2021 Jan-Dec
Revenue	2	250 551	201 695	892 743	775 265
Operating expenses					
License costs		19 077	18 518	80 198	67 481
Personnel expenses	4	140 032	102 196	483 824	405 949
Other operating expenses		59 096	57 487	222 537	199 886
Depreciation and impairments		1 419	1 573	3 908	4 078
Depreciation right-of-use assets		5 192	4 098	18 535	16 114
Amortisation intangible assets		7 208	7 494	28 409	29 296
Amortisation implementation costs customer projects	3	8 830	8 858	31 638	29 874
Total operating expenses		240 854	200 224	869 048	752 679
Operating profit (EBIT)		9 697	1 472	23 695	22 585
Financial items					
Financial income	5	2 394	1 585	7 565	5 491
Financial expense	5	(9 736)	(6 787)	(32 106)	(29 031)
Unrealized foreign exchange gain/(loss)	5	2 124	5 278	(15 561)	15 968
Net financial items		(5 218)	76	(40 102)	(7 571)
Profit before tax from continuing operations		4 479	1 548	(16 407)	15 014
Tax expense		(12 685)	(458)	(6 295)	(2 203)
Profit for the period from continuing operations		(8 207)	1 089	(22 702)	12 812
Profit/(loss) after tax for the year from discontinued operations	9	(3 891)	-	(16 018)	-
Profit for the period		(12 098)	1 089	(38 720)	12 812
Profit attributable to:					
- Owners of the parent		(11 709)	1 089	(37 118)	12 812
- Non-controlling interests		(389)	-	(1 602)	0
Earnings per share:					
Basic earnings per share (NOK)		(0,56)	0,05	(1,79)	0,60
Diluted earnings per share (NOK)		(0,56)	0,05	(1,79)	0,56
Earnings per share for continuing operations:					
Basic earnings per share (NOK)		(0,38)	-	(1,05)	-
Diluted earnings per share (NOK)		(0,38)	-	(1,05)	-

Consolidated Statement of Comprehensive Income

(NOK 1 000)	Notes	2022	2021	2022	2021
		Oct-Dec <i>unaudited</i>	Oct-Dec <i>unaudited</i>	Jan-Dec <i>unaudited</i>	Jan-Dec
Profit for the period		(12 098)	1 089	(38 720)	12 812
Other comprehensive income					
Items that will be reclassified to profit and loss in subsequent periods					
Currency translation differences		(7 203)	(3 563)	11 290	(11 664)
Total other comprehensive income		(7 203)	(3 563)	11 290	(11 664)
Total comprehensive income		(19 301)	(2 473)	(27 431)	1 148
Total comprehensive income attributable to:					
- Owners of the parent		(18 912)	(2 473)	(25 829)	1 148
- Non-controlling interests		(389)	-	(1 602)	-

Consolidated Statement of Financial Position

(NOK 1 000)	Notes	2022	2021
		31. Dec	31. Dec
		<i>unaudited</i>	
ASSETS			
Non-current assets			
Intangible assets		119 141	120 140
Goodwill		195 834	187 843
Total intangible assets		314 975	307 983
Deferred tax asset		29 837	26 999
Fixed assets			
Right-of-use assets		48 363	29 765
Property, plant and equipment		33 088	29 855
Total fixed assets		81 450	59 620
Total non-current assets		426 263	394 601
Current assets			
Trade accounts receivable		191 715	141 397
Customer projects	3	135 359	94 799
Other short-term receivables		41 981	19 614
Cash and cash equivalents	6	98 040	176 224
Total current assets		467 095	432 034
Assets held for sale	9	12 384	-
TOTAL ASSETS		905 742	826 635

Consolidated Statement of Financial Position

(NOK 1 000)	Notes	2021	
		31. Dec	31. Dec
EQUITY AND LIABILITIES			
Equity			
Paid-in capital			
Share capital		2 159	2 185
Other paid in equity		11 458	3 657
Share premium		160 616	158 345
Total paid-in capital		174 233	164 186
Other equity		(2 264)	2 855
Retained earnings		(10 576)	41 968
Equity attributable to equity holders of the parent		161 393	209 009
Non-controlling interest		2 203	0
Total equity		163 597	209 009
Liabilities			
Non-current liabilities			
Deferred tax		23 899	26 836
Interest-bearing loans	7	10 891	357 887
Other long-term liabilities		659	3 134
Lease liabilities		32 328	16 445
Total long-term liabilities		67 777	404 303
Current liabilities			
Trade accounts payable		45 407	18 257
Customer projects liabilities	3	103 744	66 452
Interest-bearing loans	7	369 693	1 356
Lease liabilities		17 783	14 423
Income tax payable		3 270	2 550
Public duties payable		37 686	36 113
Other short-term liabilities		92 003	73 921
Derivatives		-	249
Total short-term liabilities		669 585	213 322
Liabilities directly associated with the assets held for sale	9	4 783	-
Total liabilities		742 145	617 625
TOTAL EQUITY AND LIABILITIES		905 742	826 635

Consolidated Statement of Cash Flow

(NOK 1 000)	Notes	2022	2021	2022	2021
		Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
		<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>	
Cash Flow from operating activities					
Profit (Loss) before tax from continued operation		4 479	1 548	(16 407)	15 014
Profit (Loss) before tax from discontinued operation		(4 989)	-	(20 536)	-
Net financial items	5	5 218	(76)	40 103	7 571
Share based program		2 481	1 747	8 706	5 679
Depreciation and impairments		1 418	1 573	3 907	4 077
Depreciation right-of-use assets		5 192	4 098	18 535	16 114
Amortisation intangible assets		7 208	7 494	28 409	29 296
Depreciation implementation costs customer projects	3	8 830	8 858	31 638	29 874
Capitalisation implementation costs customer projects	3	(13 343)	(18 398)	(67 771)	(51 350)
Customer project revenue deferred	3	13 145	12 867	62 134	41 356
Customer project revenue recognised	3	(4 677)	(8 763)	(17 853)	(21 701)
Taxes paid		(4 703)	(3 252)	(14 356)	(4 815)
Changes in accounts receivable		(13 635)	(1 948)	(50 318)	12 464
Changes in accounts payable		21 268	4 839	35 733	(3 525)
Changes in other items		(2 484)	17 393	-15 314	(27 581)
Interest received		203	13	308	99
Interest paid		(5 815)	(4 815)	(20 252)	(19 536)
Net cash flow from operating activities		19 796	23 176	6 666	33 037
Cash flows to investing activities					
Investment in fixed and intangible assets		(9 815)	(6 165)	(27 845)	(20 630)
Acquisition of subsidiaries, net of cash acquired		-	(830)	(11 317)	(43 322)
Net cash flow from investing activities		(9 815)	(6 996)	(39 163)	(63 952)
Cash flows from financing activities					
Sale of own shares		-	7 235	-	7 235
Buyback of own shares		-	(9 163)	(17 768)	(975)
Contribution from minority shareholder		747	-	2 203	
Capital increase (net proceeds)		-	(401)	-	115 508
Payment of lease liabilities		(5 119)	(5 854)	(17 884)	(15 767)
Repayment of loan		0	(457)	(2 901)	(1 919)
Dividend payments to owners of the parent		-	-	(7 558)	(19 639)
Net cash flow from financing activities		(4 372)	(8 640)	(43 909)	84 444
Net changes in cash and cash equivalents		5 609	7 541	(76 406)	53 529
Net foreign exchange difference		(1 499)	(102)	(120)	(2 151)
Cash and cash equivalents at the beginning of the period		95 587	168 782	176 224	124 843
Cash and cash equivalents at the end of the period		99 695	176 221	99 695	176 224

Consolidated Statement of Changes in Equity

(NOK 1000)	Share capital	Share premium	Other paid in equity	Total paid-in equity	Other equity	Retained earnings	Currency reevaluation reserve	Total	Non-controlling interests	Total equity
Equity at 01.01.2021	1 962	34 250	6 655	42 868	14 267	58 888	(11 664)	104 359		104 359
Profit of the year						12 812		12 812		12 812
Other comprehensive income					-11 664			(11 664)		(11 664)
Sale of own shares	15	6 731		6 746		489		7 235		7 235
Purchase of own shares	(2)			(2)		(975)		(977)		(977)
Share based payments			5 679	5 679				5 679		5 679
Settlement of share based payments	8	1 858	(8 384)	(6 518)				(6 518)		(6 518)
Issue of Share Capital	201	120 537		120 738				120 738		120 738
Transaction costs related to issue of new share:		(5 032)		(5 032)				(5 032)		(5 032)
Other changes			(294)	(294)	252	2 056		2 015		2 015
Dividend						(19 638)		(19 638)		(19 638)
Equity at 31.12.2021	2 185	158 345	3 656	164 186	2 855	53 632	(11 664)	209 009		209 009
Equity at 01.01.2022	2 185	158 345	3 657	164 186	2 855	53 632	(11 664)	209 009		209 009
Profit of the year						(37 118)		(37 118)	(1 602)	(38 720)
Other comprehensive income							11 290	11 290		11 290
Sale of own shares								-		-
Purchase of own shares	(35)			(35)		(17 743)		(17 778)		(17 778)
Share based payments			6 372	6 372		2 334		8 706		8 706
Settlement of share based payments	10	2 271		2 281				2 281		2 281
Issue of Share Capital								-		-
Transaction costs related to issue of new share:								-		-
Other changes			1 429	1 429	(5 119)	57		(3 633)		(3 633)
Dividend						(7 558)		(7 558)		(7 558)
Equity at 31.12.2022	2 160	160 616	11 458	174 233	(2 264)	(6 396)	(374)	165 199	(1 602)	163 597

Notes to the condensed interim consolidated financial statements

Note 1 – General Information and basis for preparation

General information

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

Basis for preparation

These interim consolidated condensed financial statements are prepared in accordance with International Accounting Standard 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU). The condensed consolidated interim financial statements do not include all the information and disclosures required by International Financial Reporting Standards (IFRS) for a complete set of financial statements, and these condensed interim financial statements should be read in conjunction with the annual financial statements. The interim condensed consolidated financial statements for the three months ended 31 December 2022, have not been audited or reviewed by the auditors.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December, 2021.

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. In the first quarter of 2022 Zalaris established HR & Payroll Tech Investments as a new segment, following the establishment of vyble GmbH "vyble", and subsequent acquisition of the assets of vyble AG. However, following the restructuring of vyble, the Company has decided to focus its resources entirely on the Managed Services and Professional Services segments, and a sales process has been initiated for vyble, and the asset reclassified to "assets held for sale".

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.

Group overhead and unallocated are the costs not allocated to business segments, and are mainly intercompany sales, interest-bearing loans and other associated expenses and assets related to administration of the Group.

The financial result from new businesses activities (e.g. the establishment of a new geographical region) are included as a separate column in the segment reporting ("APAC"), until the business is up and running at a normal level and included in one of the two main segments. The objective is to provide information on the result of new business development activities that generally would generate a financial loss in an interim period, and to show the financial result of the existing business activities without the disturbance of these new business activities. This segment currently only consist of the new business in APAC (Australia and Singapore) established in the first quarter of 2022.

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.

2022 Oct-Dec

(NOK 1 000)	Managed Services	Professional Services	APAC	Gr.Ovhd & Unallocated	Total
Revenue, external	185 958	61 946	2 646		250 551
Operating expenses	(151 019)	(55 052)	(3 275)	(8 860)	(218 205)
EBITDA	34 939	6 895	(629)	(8 860)	32 345
Depreciation and amortisation	(12 591)	(2 468)	(21)	(7 569)	(22 649)
EBIT	22 348	4 427	(650)	(16 429)	9 696
Net financial income/(expenses)				(5 218)	(5 218)
Income tax				(12 685)	(12 685)
Profit for the period from continuing operations	22 348	4 427	(650)	(34 333)	(8 207)
Cash flow from investing activities					(9 815)

2021 Oct-Dec

(NOK 1 000)	Managed Services	Professional Services	APAC	Gr.Ovhd & Unallocated	Total
Revenue, external	143 014	58 681	-	-	201 695
Operating expenses	(117 827)	(51 619)		(8 755)	(178 201)
EBITDA	25 187	7 062	-	(8 755)	23 494
Depreciation and amortisation	(11 072)	(2 308)	-	(8 642)	(22 022)
EBIT	14 115	4 753	-	(17 396)	1 472
Net financial income/(expenses)			-	76	76
Income tax			-	(458)	(458)
Profit for the period from continuing operations	14 115	4 753	-	(17 779)	1 090
Cash flow from investing activities					(6 996)

2022 Jan-Dec

(NOK 1 000)	Managed Services	Professional Services	APAC	Gr.Ovhd & Unallocated	Total
Revenue, external	644 801	243 138	4 803		892 742
Operating expenses	(536 580)	(213 865)	(10 438)	(25 675)	(786 559)
EBITDA	108 221	29 273	(5 636)	(25 675)	106 183
Depreciation and amortisation	(43 994)	(9 281)	(63)	(29 151)	(82 489)
EBIT	64 227	19 992	(5 699)	(54 826)	23 695
Net financial income/(expenses)			-	(40 102)	(40 102)
Income tax			-	(6 295)	(6 295)
Profit for the period from continuing operations	64 227	19 992	(5 699)	(101 223)	(22 702)
Cash flow from investing activities					(39 163)

2021 Jan-Dec

(NOK 1 000)	Managed Services	Professional Services	APAC	Gr.Ovhd & Unallocated	Total
Revenue, external	529 685	245 580		-	775 265
Operating expenses	(428 087)	(218 921)		(26 314)	(673 322)
EBITDA	101 598	26 658	-	(26 314)	101 942
Depreciation and amortisation	(39 598)	(8 717)	-	(31 042)	(79 357)
EBIT	62 000	17 941	-	(57 356)	22 585
Net financial income/(expenses)	-	-	-	(7 571)	(7 571)
Income tax	-	-	-	(2 203)	(2 203)
Profit for the period from continuing operations	62 000	17 941	-	(67 130)	12 812
Cash flow from investing activities					(63 952)

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)	2022	2021	2022	2021
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Norway	57 078	50 841	199 851	200 875
Northern Europe ex Norway	72 641	57 670	266 492	221 047
Central Europe	103 529	84 986	374 682	314 540
UK & Ireland	14 658	8 198	46 852	38 803
APAC	2 647	-	4 863	-
Total	250 551	201 695	892 742	775 265

Note 3 – Revenue from contracts with customers

Disaggregated revenue information

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

Contract balances:

(NOK 1 000)	2022	2021
	31. Dec	31. Dec
Trade receivables	191 715	141 397
Customer project assets	135 359	94 799
Customer project liabilities	(103 744)	(66 452)
Prepayments from customers	(18 501)	(9 474)

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)	2022	2021	2022	2021
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Opening balance in the period	131 479	86 586	94 799	78 246
Cost capitalised	13 343	18 398	67 771	51 350
Amortisation	(8 830)	(8 857)	(31 638)	(29 874)
Disposals & currency	(632)	(1 328)	4 427	(4 923)
Customer projects assets end of period	135 359	94 799	135 359	94 799

Movements in customer project liabilities through the period:

(NOK 1 000)	2022	2021	2022	2021
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Opening balance in the period	(98 302)	(63 280)	(66 452)	(50 256)
Revenue deferred	(13 145)	(12 866)	(62 134)	(41 356)
Revenue recognised	7 631	8 763	20 807	21 701
Disposals & currency	71	931	4 035	3 458
Customer project liabilities end of period	(103 745)	(66 452)	(103 745)	(66 452)

Note 4 – Personnel expenses

(NOK 1 000)	2022	2021	2022	2021
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Salary	111 838	91 314	416 264	357 333
Bonus	7 098	6 065	18 719	19 452
Social security tax	16 434	16 998	61 387	55 823
Pension costs	6 427	4 478	21 841	18 480
Share based payments	2 497	2 191	8 627	5 749
Other personnel expenses	3 329	2 839	14 992	11 906
Capitalised to internal development projects	(5 300)	(3 291)	(14 540)	(11 444)
Capitalised to customer project assets	(2 292)	(18 399)	(43 466)	(51 350)
Total personnel expenses	140 032	102 196	483 824	405 949

Note 5 – Finance income and finance expense

(NOK 1 000)	2022	2021	2022	2021
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Interest income on bank accounts and receivables	201	13	304	99
Currency gain	1 295	1 067	6 028	4 020
Other financial income	898	506	1 232	1 372
Finance income	2 394	1 585	7 565	5 491
Interest exp. on financial liab. measured at amortised cost	5 564	4 294	18 522	17 625
Currency loss	2 383	1 157	5 518	5 685
Interest expense on leasing	615	382	2 237	1 281
Other financial expenses	1 174	955	5 829	4 440
Finance expenses	9 736	6 788	32 106	29 031
Unrealized foreign exchange profit/(loss)	2 124	5 279	(15 561)	15 968
Net financial items	(5 218)	76	(40 102)	(7 571)

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

	2022	2021
(NOK 1 000)	31. Dec	31. Dec
Cash in hand and at bank - unrestricted funds	87 706	170 034
Deposit accounts - guarantee rent obligations - restricted funds	6 244	2 078
Employee withheld taxes - restricted funds	4 090	4 112
Cash and cash equivalents continuing operations	98 040	176 224
Cash discontinued operations	1 655	-
Total cash and cash equivalents	99 695	176 224

Note 7 – Interest-bearing loans and borrowings

			2022	2021
(NOK 1 000)	Annual interest	Maturity	31. Dec	31. Dec
Bond loan	3 m Euribor + 4.75%	28.09.2023	368 208	346 806
Commerzbank - DE	1.3%	31.12.2031	11 108	11 687
Landesbank Baden-Württemberg	2,45%	31.12.2022	-	750
De Lage Landen Finans	17,2%	31.01.2028	1 268	-
Total interest-bearing loans			380 584	359 244
Total long-term interest-bearing loans			10 891	357 887
Total short-term interest-bearing loans			369 693	1 356
Total interest-bearing loans			380 583	359 244

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 8 – Equity

There were no new share options granted to employees during Q4 2022. As of 31 December, there are 2,243 500 share options and 66,299 RSUs outstanding.

Note 9 – Discontinued operation

In the board meeting on 13 June 2022, the Group decided to initiate a process to reduce its ownership in vyble GmbH ("vyble"), a subsidiary in which the Group has a 90 % ownership. The transaction is expected to be completed within a year from this date. At 30 June 2022, vyble was classified as a company held for sale and as a discontinued operation. The business of vyble represented the entirety of the Group's HR & Payroll Tech Investments until the decision of sale was made. With vyble being classified as discontinued operations, the HR & Payroll Tech Investments segment is no longer presented in the segment note. The results of vyble for the year are presented below:

Profit & Loss from discontinued operations

(NOK 1000)	2022
Revenue	3 378
Operating expenses	23 992
Operating loss	(20 614)
Finance costs	167
Profit/(loss) before tax from discontinued operation	(20 781)
Tax benefit	4 763
Profit/(loss) for the year tax from discontinued operation	(16 018)

The major classes of assets and liabilities of vyble classified as held for sale as at 31 December are as follows:

Assets held for sale

(NOK 1000)	2022
Assets	
Intangible assets	9 628
Property, plant and equipment	11
Trade accounts receivable	1 089
Cash and cash equivalents	1 655
Total assets held for sale	12 383

Liabilities

Creditors	1 500
Interest-bearing loans and borrowings	3 283
Liabilities directly associated with assets held for sale	4 783

Net assets directly associated with disposal group **7 600**

The net cash flows incurred by vyble are as follows:

(NOK 1000)	2022
Operating	(18 828)
Investing	(11 592)
Net cash outflow	(30 420)

Note 10 – 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)	2022	2021	2022	2021
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
EBITDA	32 346	23 494	106 184	101 948
Restructuring costs*	-	-	-	275
Mergers & Acquisitions	-	1 829	-	7 677
Settlement of VAT dispute from 2018-2019	-	1 844	-	1 844
Cost incurred in establishing AMS centre in Poland	-	-	1 906	-
Share-based payments	2 481	1 791	8 706	5 723
Depreciation right-of-use assets (IFRS 16 effect)	(5 192)	(4 098)	(18 535)	(16 114)
Adjusted EBITDA	29 635	24 861	98 261	101 353

(NOK 1 000)	2022	2021	2022	2021
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
EBIT	9 697	1 472	23 695	22 585
Restructuring costs*	-	-	-	275
Mergers & Acquisitions	-	1 829	-	7 677
Settlement of VAT dispute from 2018-2019	-	1 844	-	1 844
Cost incurred in establishing AMS centre in Poland	-	-	1 906	-
Share-based payments	2 481	1 791	8 706	5 723
Amortization of excess values on acquisition	3 113	3 293	11 935	11 469
Adjusted EBIT	15 291	10 228	46 242	49 574

*Relates mainly to redundancy costs/severance pay for employees

Adjusted EBIT per segment

(NOK 1 000)	2022	2021	2022	2021
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Managed Services - EBIT	22 348	14 115	64 227	62 000
Settlement of VAT dispute from 2018-2019	-	1 844	-	1 844
Cost incurred in establishing AMS centre in Poland	-	-	1 906	-
Share-based payments	547	766	2 881	2 595
Managed Services - Adjusted EBIT	22 896	16 725	69 014	66 440

(NOK 1 000)	2022	2021	2022	2021
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Professional Services - EBIT	4 427	4 753	19 992	17 941
Share-based payments	183	271	1 014	875
Professional Services - Adjusted EBIT	4 610	5 024	21 006	18 816

*Relates mainly to redundancy costs/severance pay for employees

(NOK 1 000)	2022	2021	2022	2021
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
New business (APAC) - EBIT	(650)	-	(5 699)	-
New business (APAC) - Adj. EBIT	(650)	-	(5 699)	-

(NOK 1 000)	2022	2021	2022	2021
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Group overhead/unallocated - EBIT	(16 429)	(17 396)	(54 826)	(57 355)
Restructuring costs*	-	-	-	275
Mergers & Acquisitions	-	1 829	-	7 677
Share-based payments	1 751	755	4 811	2 253
Amortization of excess values on acquisition	3 113	3 293	11 935	11 469
Group overhead/unallocated - Adjusted EBIT	(11 565)	(11 520)	(38 079)	(35 681)

*Relates mainly to redundancy costs/severance pay for employees

Annual recurring revenue (ARR)

ARR is defined as the annualised value of revenue the Company expects to receive from SaaS (software as a service) and BPaaS (business process as a service) contracts with customers but excludes change orders that do not result in regular future revenue. The ARR is calculated by taking the revenue for Managed Services in the applicable quarter, adjusted for change orders and, contracts that have not generated revenue for part of the quarter (revenue from customers that have exited during the quarter is deducted, and estimated revenue for new contracts that have gone live during the quarter is added), multiplied by four. Contracted ARR includes the ARR at the end of the quarter, plus the estimated ARR of new contracts yet to go live.

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.

	2022	2021
(NOK 1 000)	31. Dec	31. Dec
Cash and cash equivalents continuing operations	98 040	176 224
Cash and cash equivalents discontinuing operations	1 655	-
Interest-bearing loans and borrowings - long-term	10 891	357 887
Interest bearing loans and borrowings - short-term	369 693	1 356
Net interest-bearing debt (NIBD)	280 888	183 019

Revenue growth constant currency

The following table reconciles the reported growth rates to a revenue growth rate adjusted for the impact of foreign currency. The impact of foreign currency is determined by calculating the current year revenue using foreign exchange rates consistent with the prior year.

	2022	2021	2022	2021
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Revenue growth, as reported	24,2 %	-0,8 %	15,2 %	-2,2 %
Impact of foreign currency	-2,4 %	5,0 %	1,3 %	3,2 %
Revenue growth, constant currency	21,8 %	4,2 %	16,5 %	1,0 %
Managed Services revenue growth, as reported	30,0 %	4,1 %	21,7 %	-2,7 %
Adj. for customers moved from MS to PS in Q2 2020	0,0 %	0,0 %	0,0 %	1,2 %
Impact of foreign currency	-1,5 %	4,1 %	1,4 %	2,1 %
Managed Services revenue growth, constant currency	28,5 %	8,2 %	23,1 %	0,6 %
Professional Services revenue growth, as reported	5,6 %	-10,9 %	-1,0 %	-1,0 %
Adj. for customers moved from MS to PS in Q2 2020	0,0 %	0,0 %	0,0 %	-2,6 %
Impact of foreign currency	-3,4 %	6,9 %	1,3 %	5,3 %
Professional Services revenue growth, constant currency	2,2 %	-4,0 %	0,3 %	1,7 %

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.

	2022	2021	2022	2021
(NOK 1 000)	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net cash flow from operating activities	19 796	23 176	7 796	33 037
Investment in fixed and intangible assets	(9 815)	(6 165)	(27 845)	(20 630)
Free cash flow	9 981	17 011	(20 049)	12 407

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)	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Revenues	203,5	192,8	185,4	195,4	201,7	208,4	210,2	223,6	250,6
Revenue growth (YoY)	-1,3 %	-3,9 %	-6,5 %	3,0 %	-0,9 %	8,1 %	13,4 %	14,4 %	24,2 %
EBITDA adjusted	29,3	25,9	23,7	26,9	24,9	27,5	19,1	22,0	29,6
EBITDA margin	14,4 %	13,4 %	12,8 %	13,8 %	12,3 %	13,2 %	9,1 %	9,9 %	11,8 %
EBIT adjusted	15,9	13,8	11,4	14,1	10,2	14,4	6,8	9,7	15,3
EBIT margin	7,8 %	7,2 %	6,2 %	7,2 %	5,1 %	6,9 %	3,2 %	4,4 %	6,1 %
Profit Before Tax	25,1	21,5	(9,0)	1,0	1,7	14,7	(26,2)	(9,4)	4,5
Income Tax Expense	(6,2)	(4,1)	2,6	(0,4)	(0,3)	(1,5)	5,2	2,7	(12,7)
Net income	18,9	17,4	(6,4)	0,7	1,3	13,2	(21,0)	(6,7)	(8,2)
Profit margin	9,3 %	9,0 %	-3,5 %	0,3 %	0,7 %	6,3 %	-10,0 %	-3,0 %	-3,3 %
Weighted # of shares outstanding (m)	19,6	19,6	20,7	21,1	21,3	21,5	21,6	21,6	21,6
Basic EPS (NOK)	0,96	0,89	(0,31)	0,03	0,06	0,44	(0,72)	(0,95)	(0,56)
Diluted EPS (NOK)	0,86	0,85	(0,31)	0,03	0,06	0,41	(0,72)	(0,95)	(0,56)
Cash flow items									
Cash from operating activities	16,7	(0,1)	(3,4)	13,4	23,2	(4,4)	3,0	(10,6)	19,8
Investments	(2,0)	(2,1)	(4,0)	(8,4)	(6,2)	(4,7)	(5,3)	(8,0)	(9,8)
Net changes in cash and cash equi.	8,1	(6,6)	93,9	(41,3)	7,5	(41,3)	(17,4)	(23,3)	5,6
Cash and cash equivalents end of period	124,8	117,6	211,3	168,8	176,2	134,7	116,8	95,6	99,7
Net interest-bearing debt	252,2	242,4	154,4	198,1	183,0	212,9	254,4	284,5	280,9
Total equity	104,4	110,5	207,1	208,4	207,3	189,7	182,4	180,5	163,6
Equity ratio	14,4 %	15,6 %	25,7 %	24,9 %	25,0 %	23,1 %	20,9 %	20,1 %	18,1 %
FTEs (quarter end)	712	714	714	781	795	838	884	915	963

IR contacts:

Hans-Petter Mellerud

CEO

hans-petter.mellerud@zalaris.com

+47 928 97 276

Gunnar Manum

CFO

gunnar.manum@zalaris.com

+47 951 79 190

Financial information

Q1 2023 to be published on 13 April, 2023

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