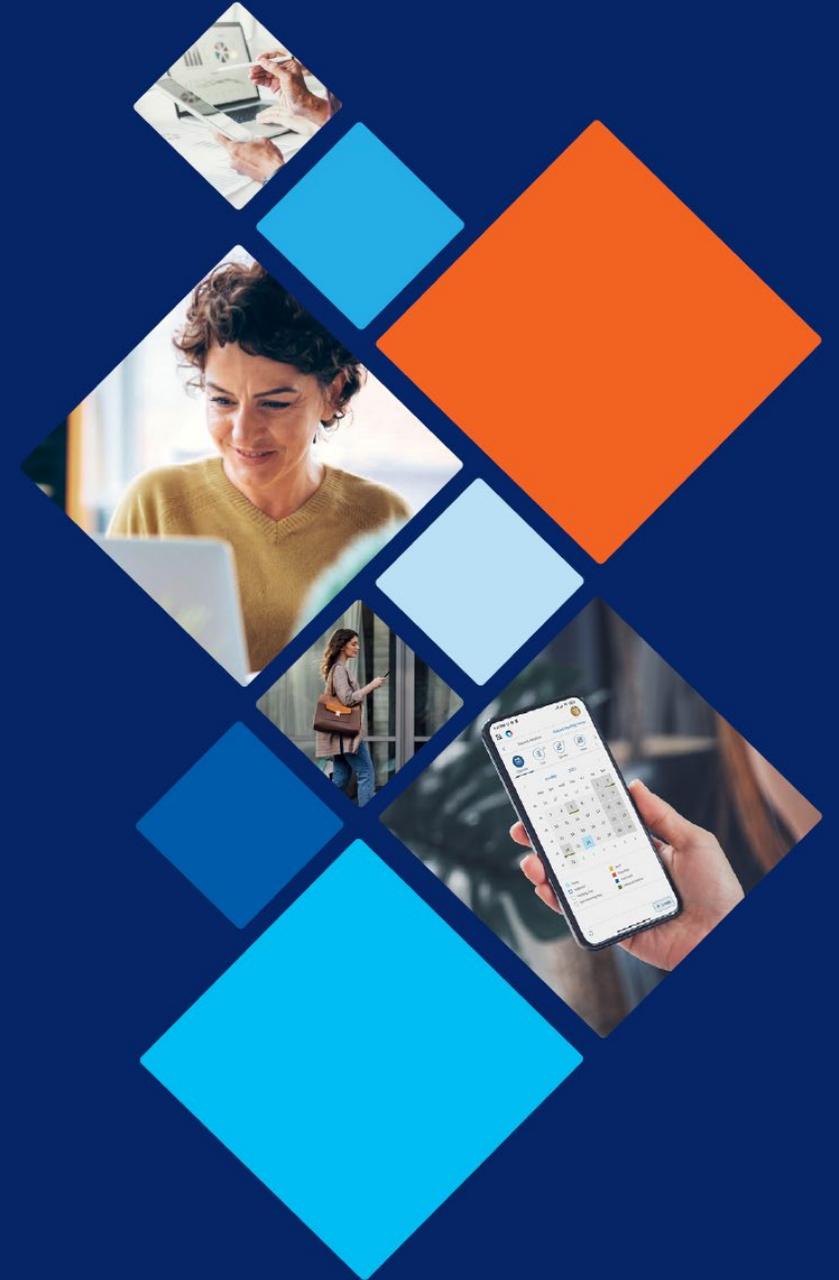


19 September 2023

Capital Markets Day



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Agenda

- **Strategy and goals**
Hans-Petter Mellerud
- **PeopleHub: HR and Payroll platform with global reach**
Halvor Leirvåg
- **Market positioning and growth opportunities**
Øyvind Reiten
- **A competitive global delivery model**
Richard E. Schiørn
- **Consulting business**
Hans-Petter Mellerud
- **Turning internal HR to a business opportunity**
Hilde Karlsmyr
- **Financial strategy and targets**
Gunnar Manum
- **Key take-aways**
Hans-Petter Mellerud
- **Q&A**

Today's presenters



Hans-Petter Mellerud
CEO and Founder



Halvor Leirvåg
CTO



Øyvind Reiten
EVP Commercial and Sales



Richard E. Schiørn
EVP Solution &
Delivery Global
Managed Services



Hilde Karlsmyr
CHRO



Gunnar Manum
CFO

The three main points that we want to convey today

- 1) **Zalaris PeopleHub is increasingly in favour by mid-market and large customers** seeking to digitalize their Payroll & HR processes resulting in 33% reported growth in Q2. We are now a **100 MEUR annualized revenue company** and expect to **continue delivering above our 10% growth target over the next 36 months.**
- 2) **Zalaris PeopleHub is a scalable solution** supporting our Zalaris 4.0 industrialized approach to HR & Payroll. We are **on track delivering on our 10% EBIT target** and are **now aiming higher.**
- 3) **Focus on capital allocation** in combination with increased profitability will **drive free cash flow to target levels.**

Strategy and goals

Hans-Petter Mellerud
CEO and Founder



Simplify work life.
Achieve more.



Payroll & HR solutions that enable digital organizations

One global IT platform with local presence

Zalaris is a leading European provider of global payroll and human capital management solutions delivered through software as a service, outsourcing, or consulting delivery models

Supporting **fully digital processes** for payroll and human capital management targeting 20-30% cost savings

One common multi-country solution satisfying GDPR requirements combined with competent resources serving complex customers with local competence and language

Market leader within mid-size companies with cross-border need and a strong customer portfolio of some of the largest corporations in the Nordics, DACH, UKI and APAC regions

1,500,000

Employees served monthly by Zalaris supported HR solutions

~1,100

Zalaris employees across the world

300,000+

Employees served monthly through payroll services

~EUR 100m

Annual run rate revenues Q2'2023

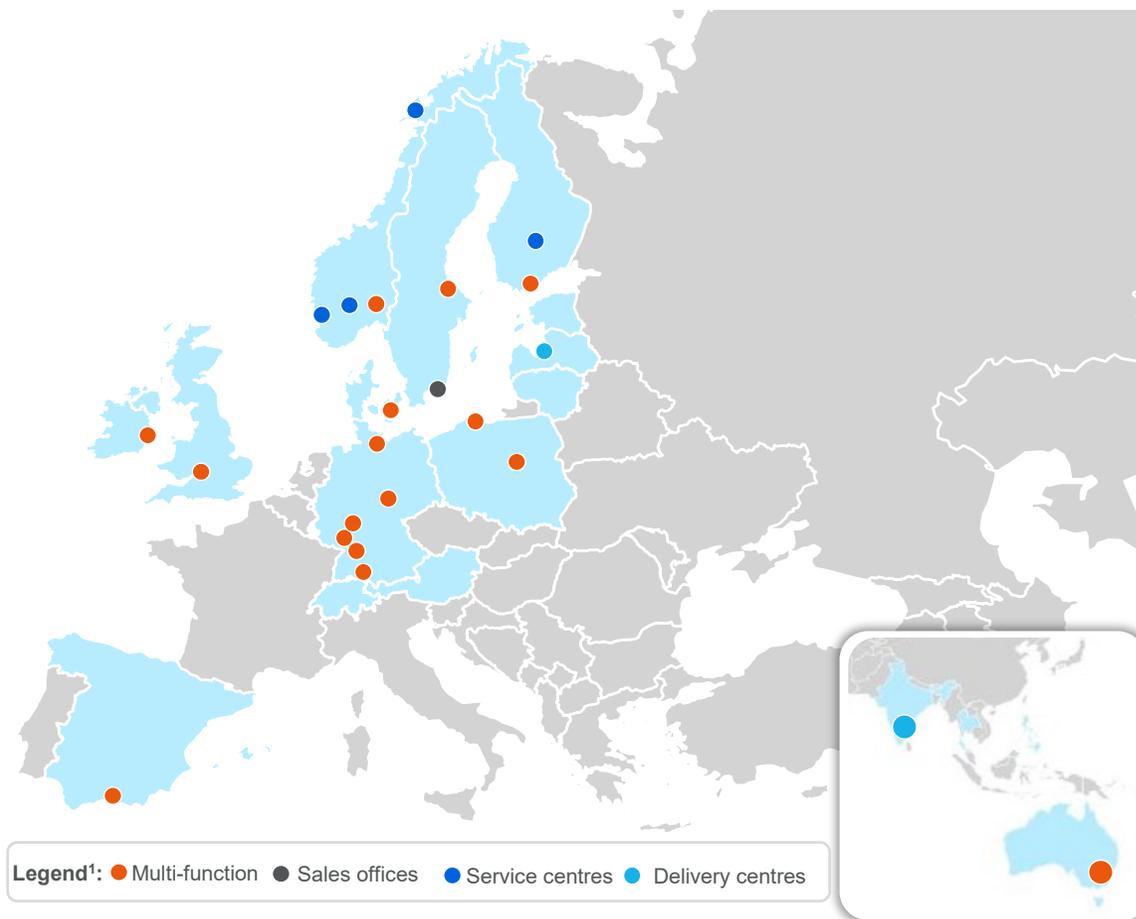
17 countries

With own service centers and expertise in local laws and regulations

150+ countries

With expertise in local laws and regulations, together with partners

Geographical footprint

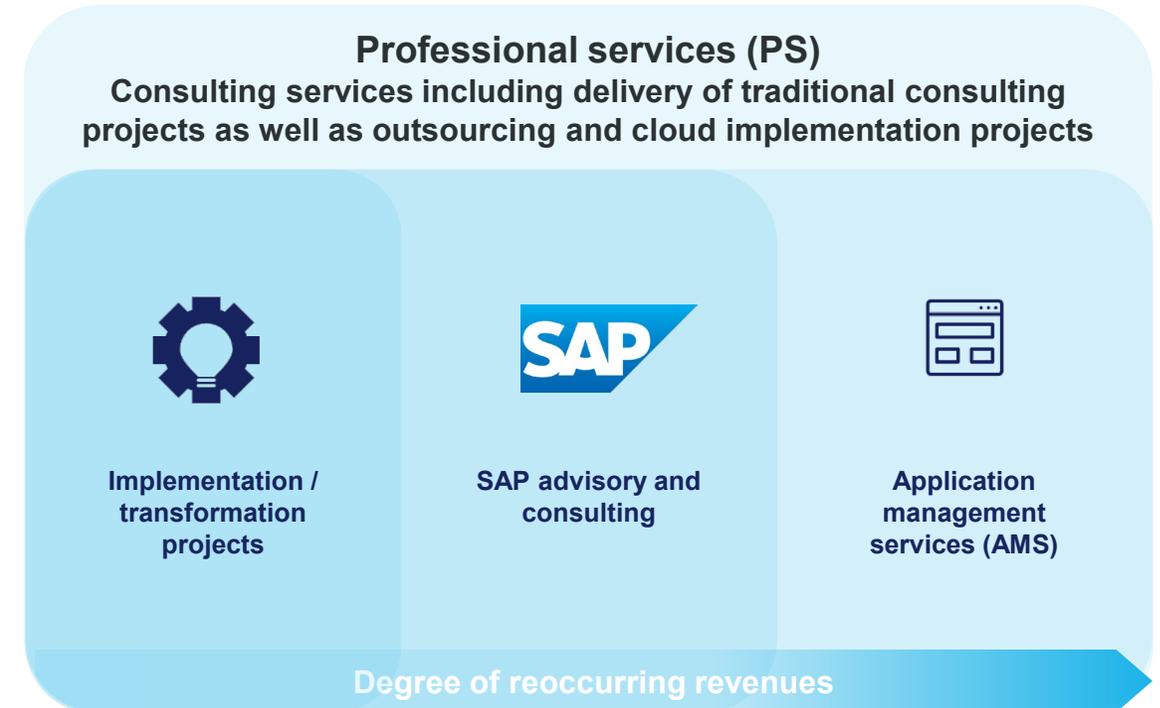
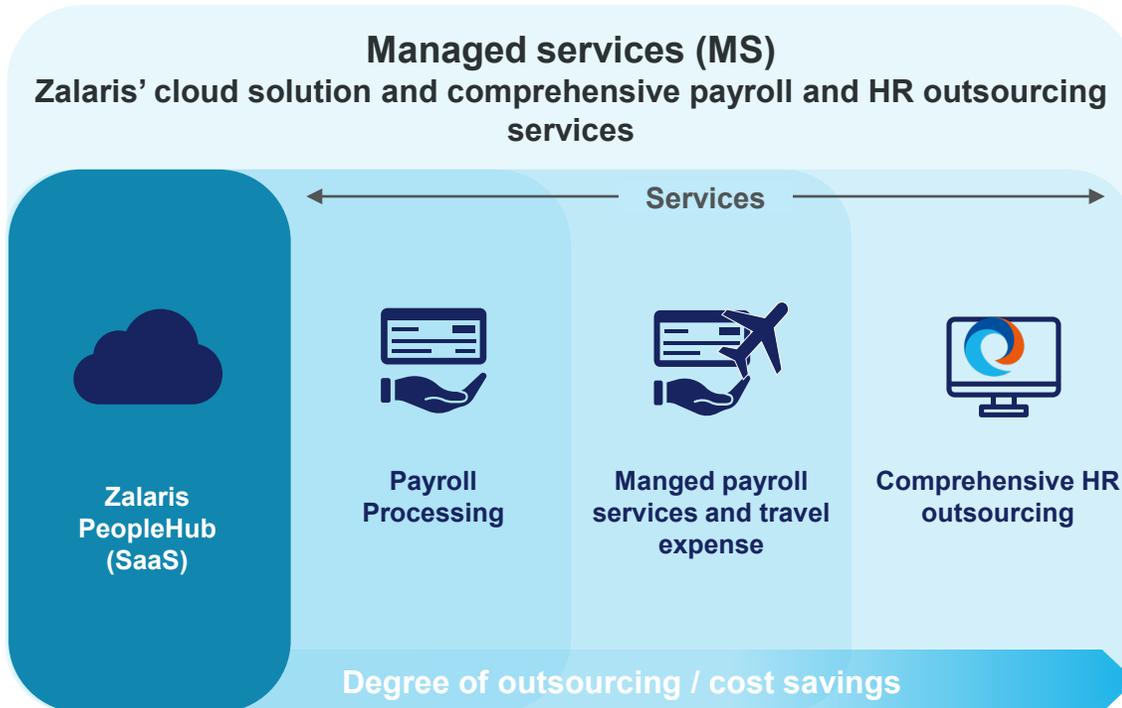


1) Type of office

PeopleHub covers the full employee life cycle



Services delivered by two integrated business units with most revenues being recurring of nature



89¹ customers, ~73%³ of total revenues with ~90% recurring revenues

46² customers, ~27%³ of total revenue with ~50% recurring revenues

1) 89 customers paying Zalaris NOK >1m, with a long-tail of 100 smaller customers
 2) 46 customers paying Zalaris NOK >1m, with a long-tail of 189 smaller customers
 3) Based on LTM Sep '22 revenues

Diversified customer base across a wide range of industries

Customer traits

Managed services

- ✓ >1,000 employees
- ✓ >2 countries
- ✓ Software agnostic

Professional services

- ✓ >1,000 employees
- ✓ Private and public sector
- ✓ SAP integration

Bank, Insurance & Financial services	Health & Life Science	Infrastructure & Transportation
IT, Technology & Telecom	Offshore & Energy	Product & Industrials
Public Services & Other Institutions	Retail	Service Industries

Continuing growth journey to become the leading European provider of Global Payroll & HR Solutions and Services to Mid-market and Large customers.

Grow to MEUR 150+ Annualized Revenue and EBIT of 12-15% by 2026 Q4

Deliver Fully Digitalized Payroll and HR Solutions Helping Customers Implement and Run the Best People Processes in Their Industry

Strategic Focus/Projects

Drive Managed Services Operational Excellence

- Zalaris 4.0 across all operations
- Target 100% Automated Payroll
- Fully digitalized operations

Drive Organic Growth

- Grow revenue with existing customers and sell new names that utilize existing infrastructure and scale driving incremental margin
- Increase Peoplehub Geo coverage to cover EU through growing with customers or partnering
- AI/ML as basis for new value adding services
- ESG into products & services DNA

Drive Professional Services Operational Excellence

- Focus on customer with Managed Services Potential or Reference Value
- Operate as Global Business Unit with common methodology and target Right-Shoring
- Drive productivity through standard solutions
- Leverage install base for cross selling value to customers
- Establish Zalaris Care AMS

Organizational Capability, Learning & Growth

The Best Talent, Team and Technology in Our Industry

Train and roll out AI Tools

Retool the organization for the future

Operate Zalaris Academy

Competencies

Cyber Security Awareness and Preparation

Organizational Robustness

Zalaris PeopleHub HR and Payroll platform with Global reach

Halvor Leirvåg
CTO



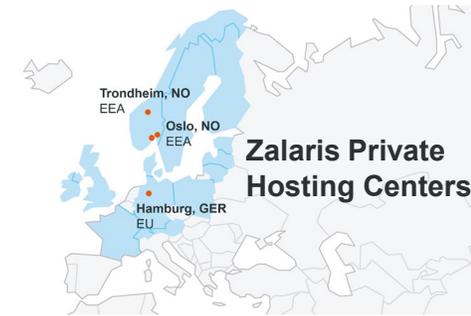
Simplify work life.
Achieve more.

The image shows a laptop and a smartphone displaying the PeopleHub interface. The laptop screen displays a dashboard with various HR and payroll metrics, including "Good Morning, Lene!", "My Dashboard", "Payroll Summary", and "My HR". The smartphone displays a mobile version of the interface with a grid of icons for "Home", "My HR", "My Payroll", and "My Benefits".

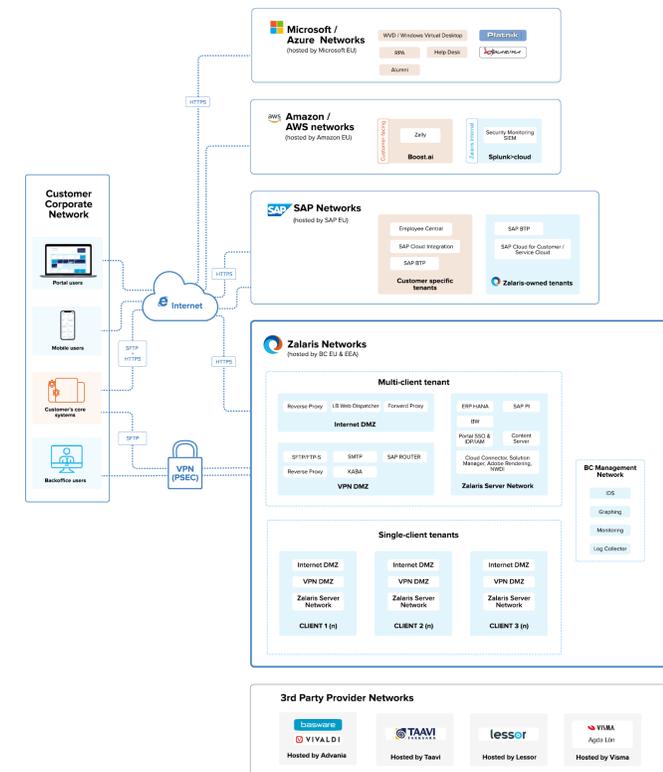
PeopleHub
By Zalaris

One-stop HR platform

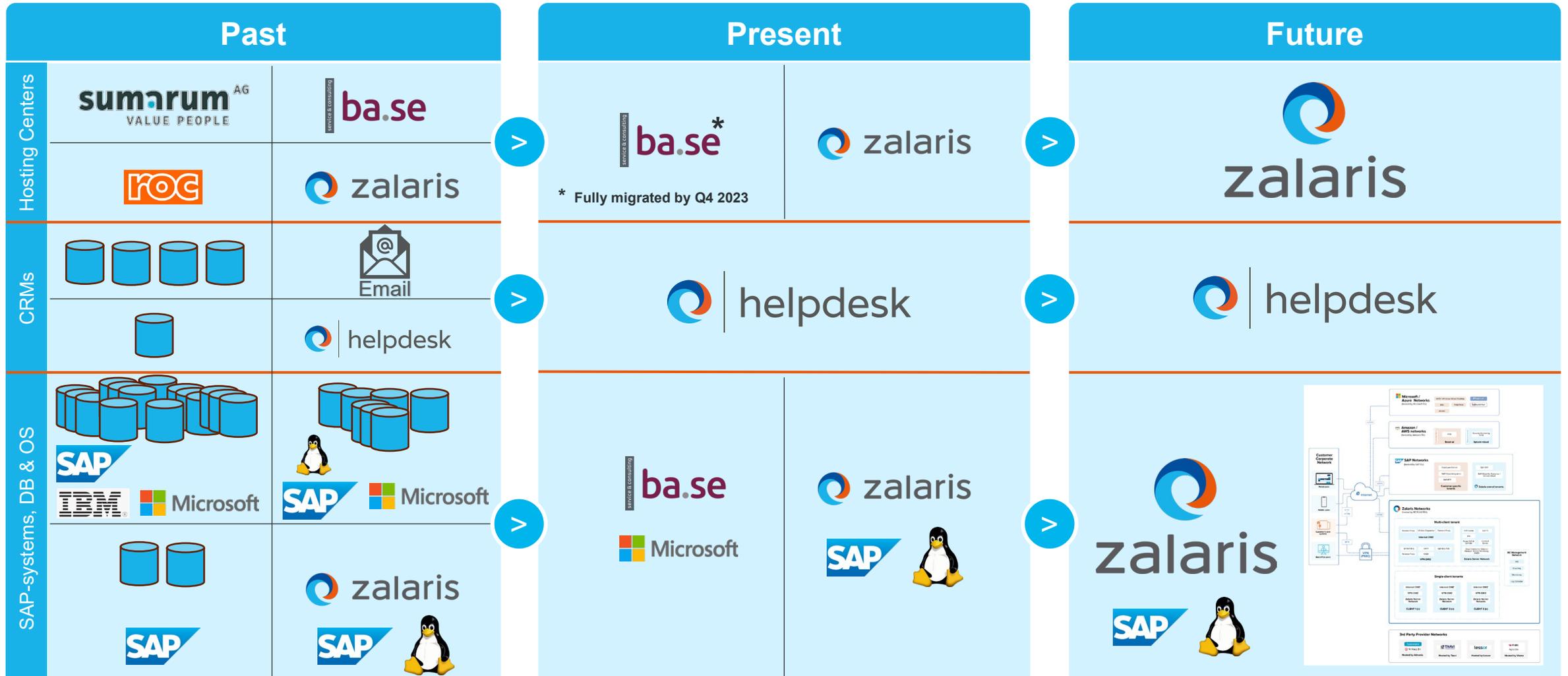
Zalaris PeopleHub-platform is a global scalable solution used for all new customers



- ✓ PeopleHub Hybrid Cloud offers a state-of-the-art technology stack combined with a proven and robust payroll engine
- ✓ The Core is Powered by SAP Payroll with vendor support until 2040 offering local support and compliance in approximately 100 countries.
 - ✓ All in one integrated system as seen from the customer perspective
 - ✓ Zalaris Standard implementation-methodology adding up to **80% improvements in implementation times in some areas since start of standardisation-efforts**
- ✓ Scalability of PeopleHub-Infrastructure is secured and proven over time
 - ✓ Grown with Zalaris and has sustained a **>10x user-growth while improving performance-levels**
 - ✓ New customers added with **minimal additional investment in system and landscape infrastructure**

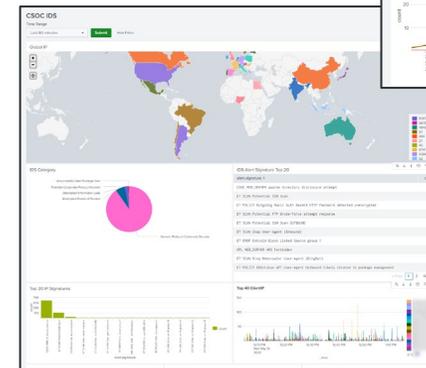
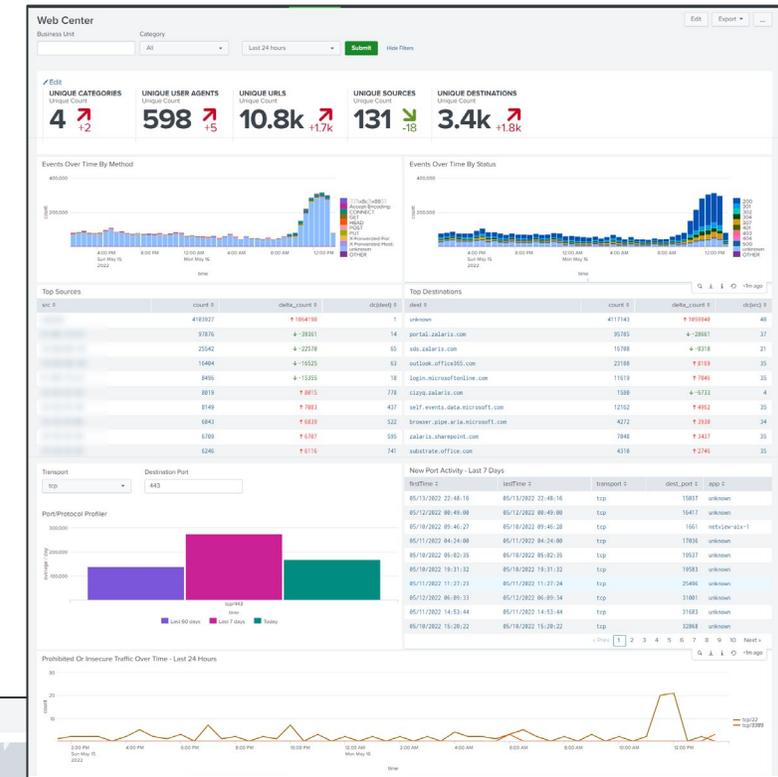


PeopleHub is an integral part in transforming acquired companies' infrastructure into a common delivery framework



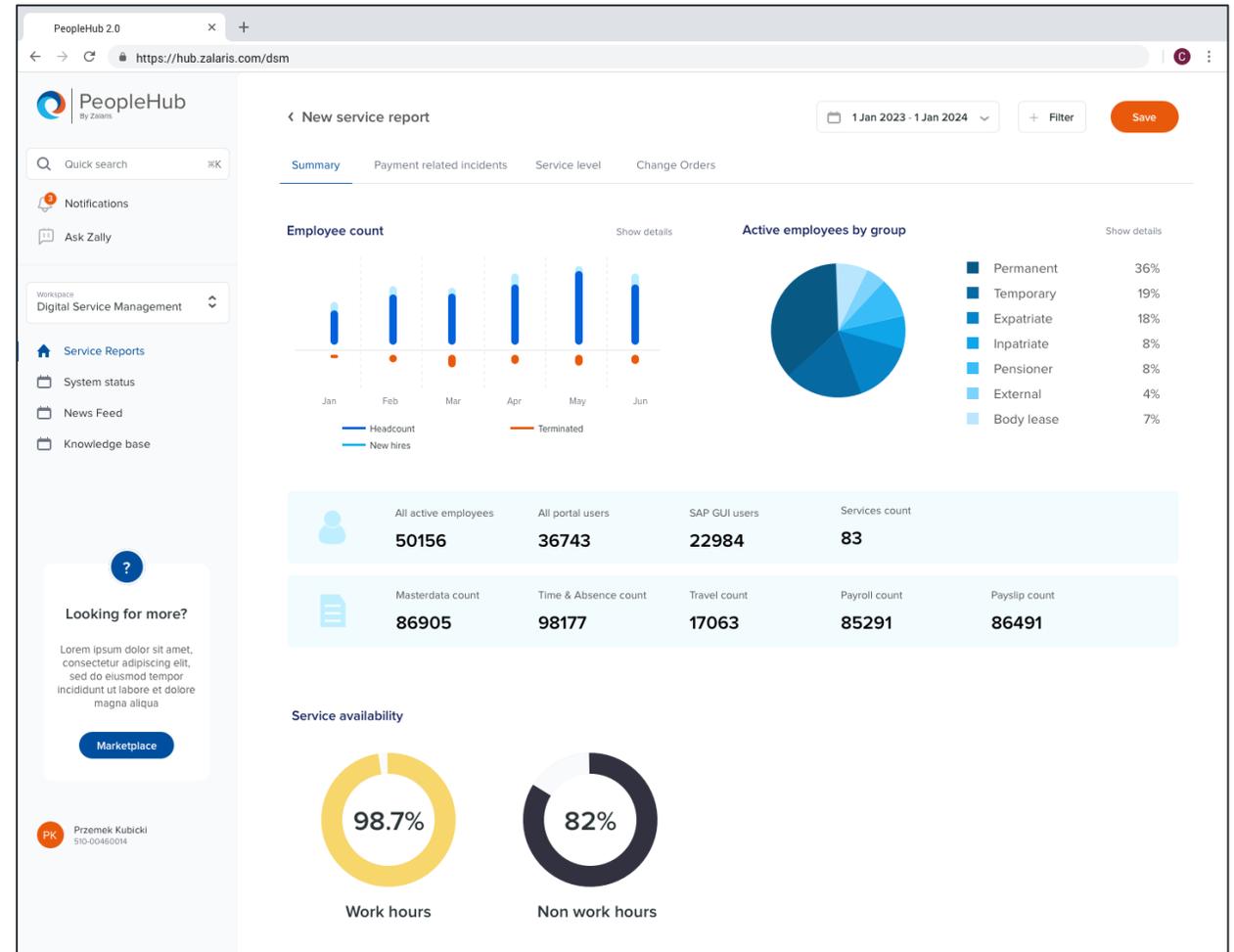
Zalaris has privacy by design and Cyber security embedded in our DNA

- ✓ **Security and privacy by design**
 - ✓ Inhouse Cyber Security Operations Centre(CSOC) in place since 2016 and running 24/7/365
 - ✓ Great feedback received from current, new and even lost customers on ongoing security-efforts even if we keep some parts secret
- ✓ **AI in use in most security-related scenarios**
 - ✓ Will be further enhanced as CI/CD
- ✓ **Certified and audited annually according to the relevant security and quality standards**
 - ✓ ISO27001
 - ✓ ISO9001
 - ✓ ISAE3402



PeopleHub increasingly based on own IP and winning with a user centric approach

- ✓ 100% Zalaris IP on new developments
- ✓ Microservices, microfrontend, hexagonal architecture
- ✓ Cutting edge technology like ReactJS, Tailwind, Spring Cloud
- ✓ Utilizing Azure services like hybrid databases, messaging, Kubernetes, vaults, cloud storages, search indexes, OpenAI
- ✓ API first design - generate code from API definition
- ✓ Provision infrastructure from code (IaC)
- ✓ Individual components can be sold and implemented on customer infrastructure
 - Helpdesk-app already **sold and implemented for pilot-customer on their platform**



Artificial intelligence (AI) has been instrumental to improved user experience and increasingly being used for new services

Current AI-usage which will be extended in immediate future

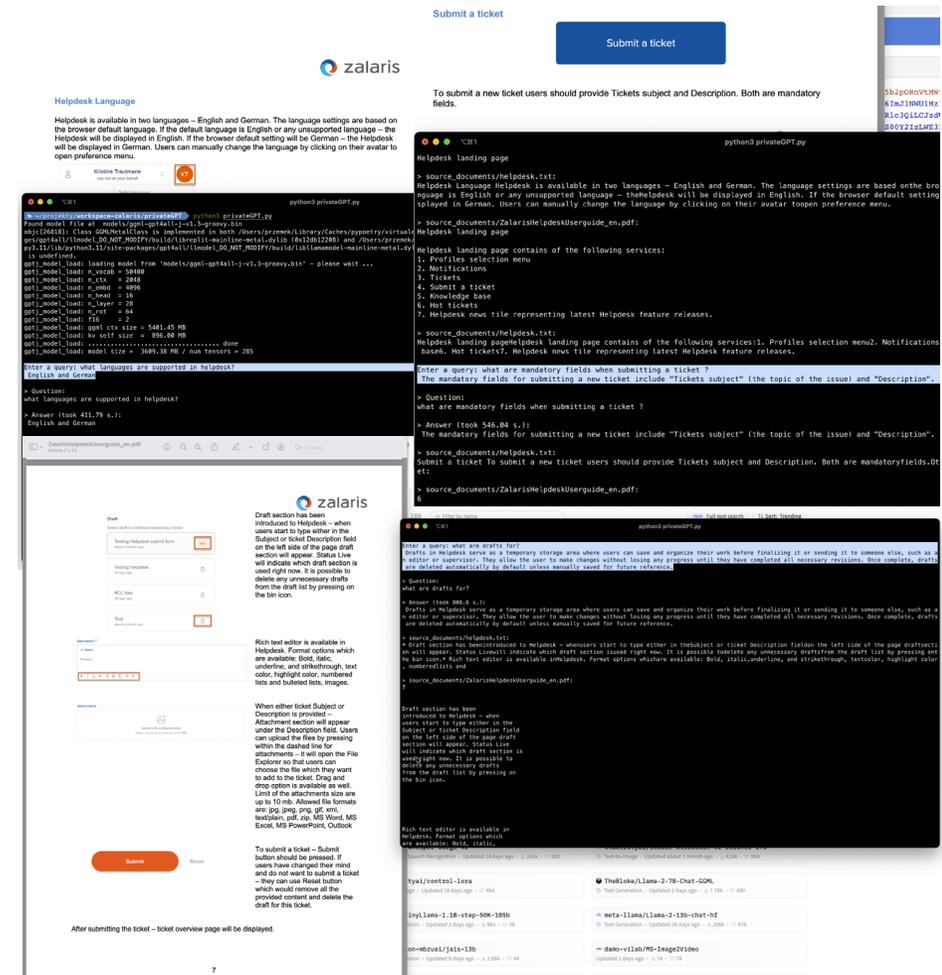
- AI-based ticket categorisation in new Helpdesk. To be extended with GPT-options for customers who opt-in
- Conversational AI in use for all customers via Zally the chat-bot

Improving productivity in daily Operations

- Bing Enterprise (“ChatGPT Pro”) for all employees
- Microsoft Copilot for key employee-groups to enhance and improve quality of deliverables

PoCs ongoing to monetize our Big Data repository

- Large potential to predict future events based on similarity detection on anonymized- and productive data
- 20years of data to be embedded into vector-based analytics to gain unknown insights
- OpenAI/GPT4, PrivateGPT and other options being tested



Market positioning and growth opportunities

Øyvind Reiten
EVP Group Commercial and Sales

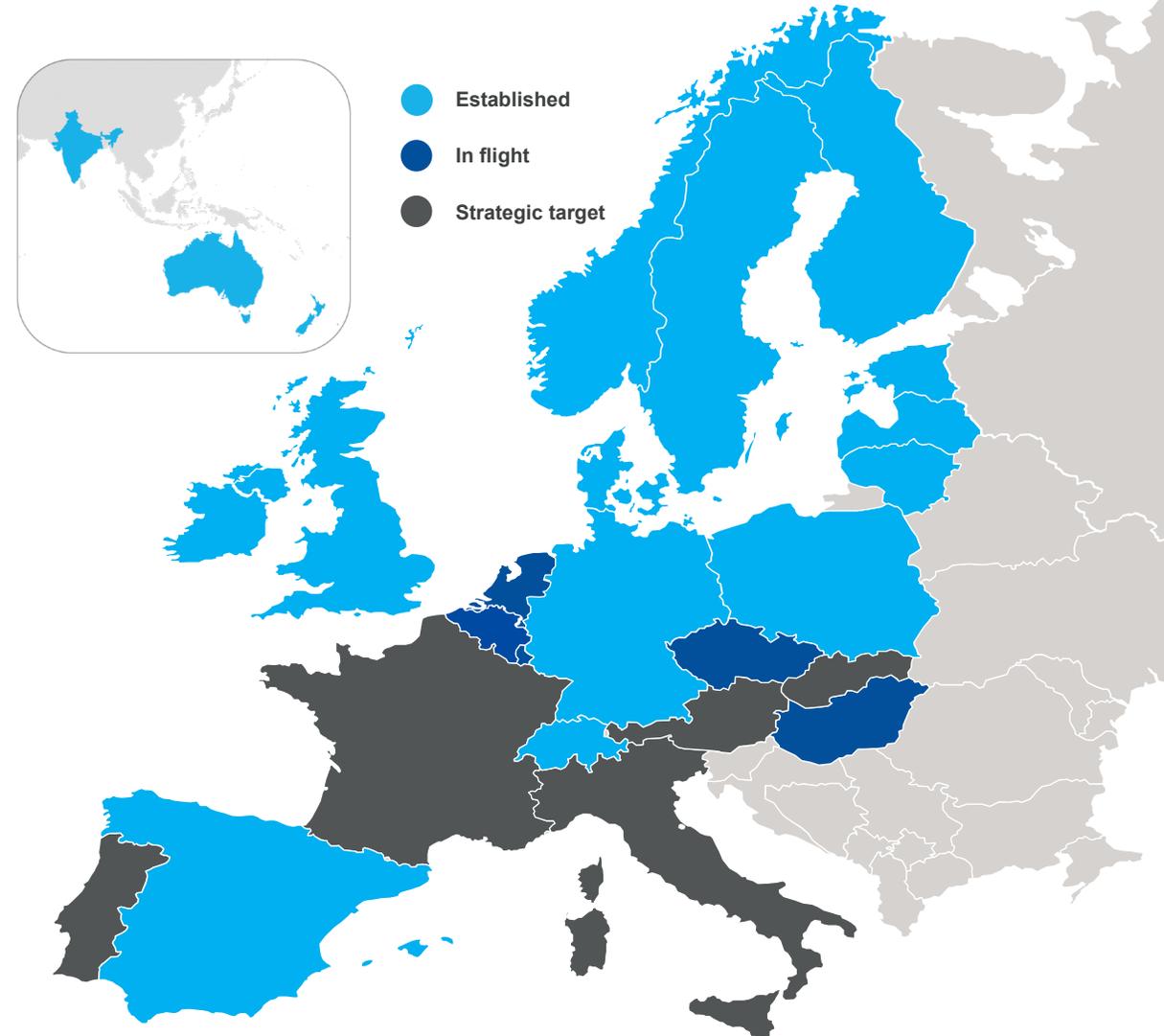


Simplify work life.
Achieve more.



Leading European player with Global reach

- ✓ Providing **outsourced Payroll and HR services** to large and mid-size companies, mainly in northern and central Europe
- ✓ Leading consultancy practice **providing the full spectrum of SAP and SAP SuccessFactors services**
- ✓ 5+ countries in flight across Europe with an **ambition of full European coverage** within the next few years
- ✓ Seen as a **major contender in the industry** by leading industry analysts like Gartner, Everest, and Nelson Hall
- ✓ We have exceeded analyst benchmarks in sales, achieving a **YTD closed sales performance that surpasses 120%**



We successfully support European companies globally



Strategic GEO fit	Complexity	Competitive landscape
Size	Client preference	Adherence to T&C

- ✓ The **addressable market has increased significantly** with global opportunities
- ✓ We **efficiently manage CAPEX exposure by leveraging our established partner ecosystem** for PeopleHub implementation and operation in larger GEOs – and full long-tail coverage
- ✓ **3 countries outside Europe in flight** supported by partners will enable us to onboard a larger European customer base with global demands
- ✓ **Prudent approach** with clear criteria being used and evaluated **when qualifying opportunities**
- ✓ **Centralized contract management** and established standards **minimizing risks**

We target specific customer characteristics enabling efficient selling



Multi-country vs. Single –country

Focusing on multicountry and large single-country opportunities



Company size

Large and mid-size enterprises in one or multiple countries



Industry type

Covers most industries with some strongholds



1st vs 2nd generation outsourcing

Particularly strong in 1st generation outsourcing deals. 2nd generation is typically more competitive



IT strategy/HR system

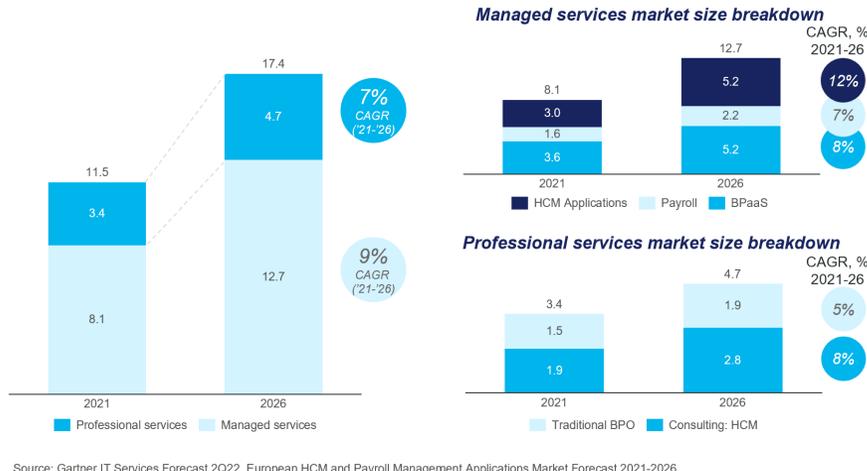
Historically strong if the customer has an SAP strategy. However, our aim is to be the preferred partner regardless of the Customer`s preference for a global HR solution



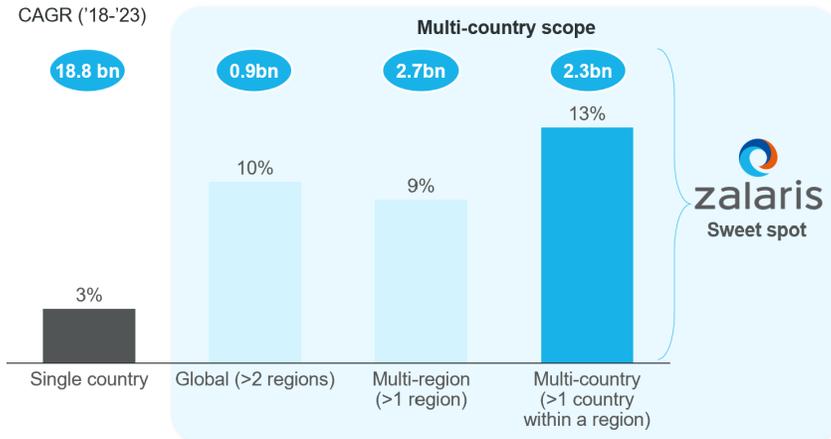
We operate in an attractive market which is expected to grow with a CAGR of ~8-10%

Market growth expectations

Market size, USDbn



2023 Market size
CAGR ('18-'23)



Source: Nelson Hall, "Next Generation Payroll Services"

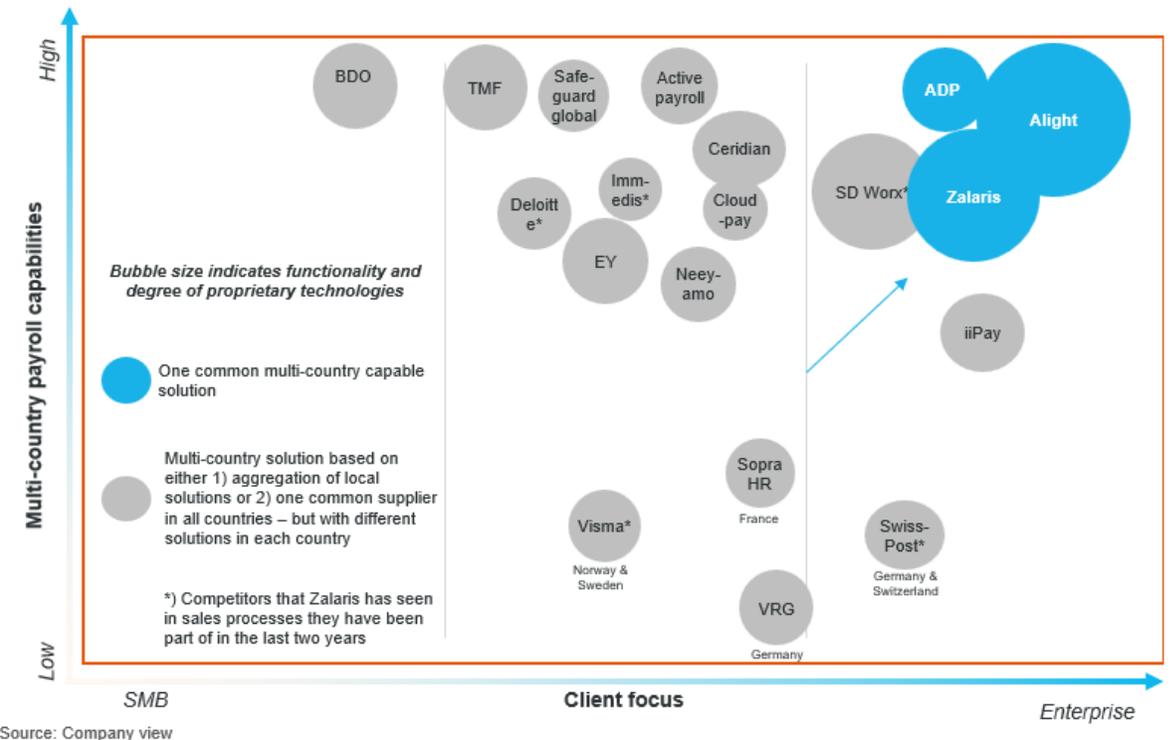
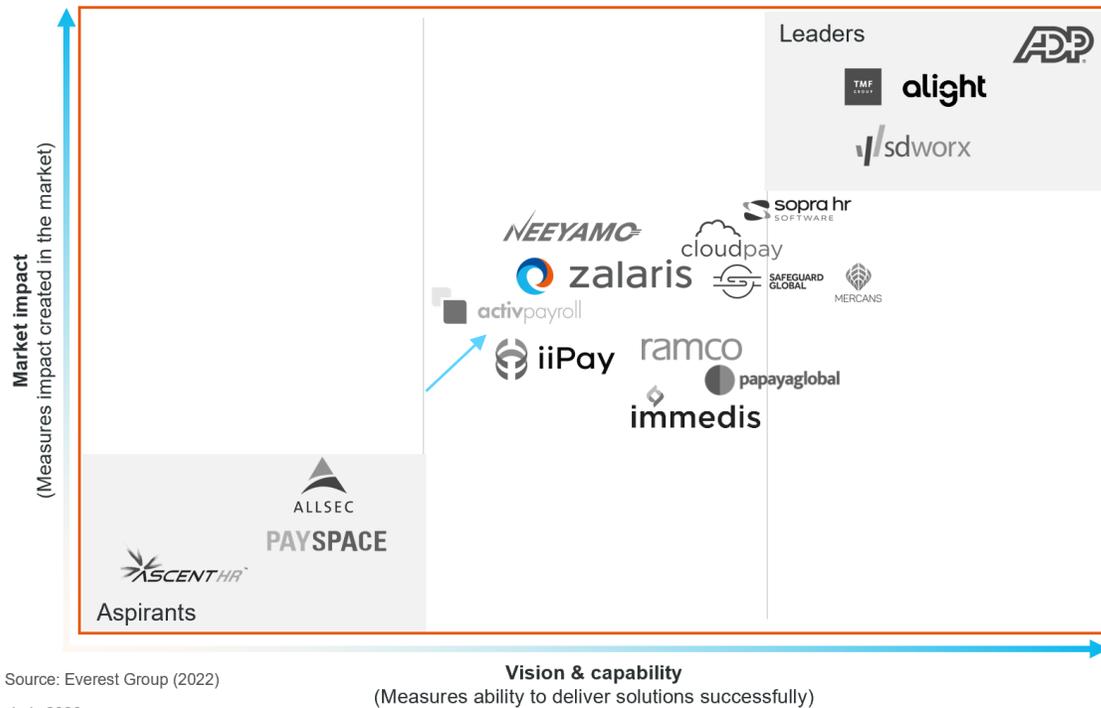
- ✓ Attractive market with a **strong growth outlook** across both managed and professional services for which **Zalaris currently outperforms**
- ✓ **Market supported by several tailwinds** such as increasing global workforce, intensifying compliance burden, cost and innovation focus, and longer refresh cycles in HCM and Payroll
- ✓ The **core market is multi-country companies** with more than two or more countries within a region, **aligning seamlessly with one of our key strengths**
- ✓ Additionally, Zalaris' other focus markets, multi-region and global are expected to grow ~10% annually
- ✓ **Zalaris is well positioned with a sweet spot within multi-country and further upside from multi-region and global**

Competitive environment according to industry analysts

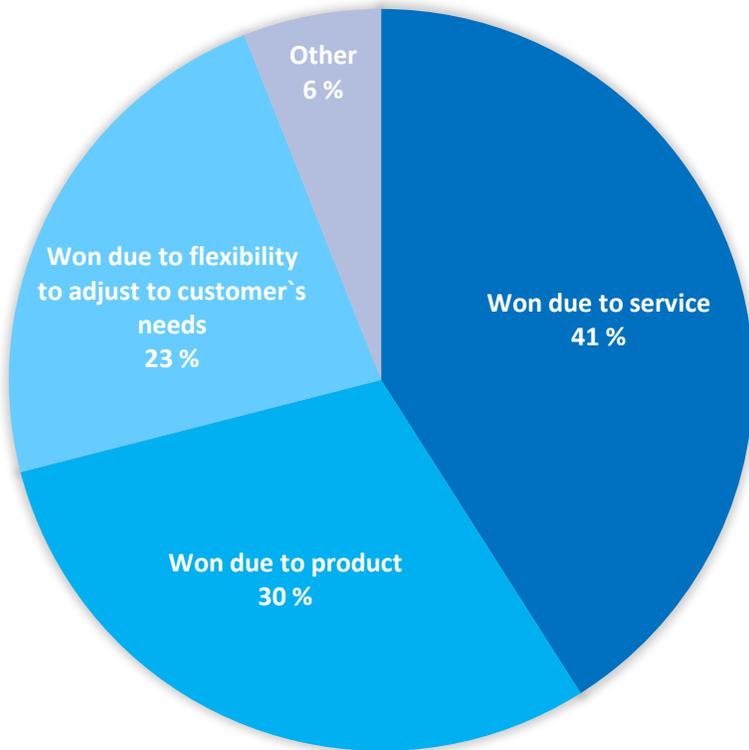
The **Global** competitive landscape for which *Zalaris is a strong challenger*

vs.

Europe for which *Zalaris is considered among the providers of choice* for enterprise customers



Customers choose us due to qualitative measures



“Zalaris were selected due to their professional competency with payroll, digitization, and the personal fit of the team. The Zalaris leadership team and the team members were impressive and convinced us with pragmatism, efficiency, and trustworthiness regarding how to respond to each other, and how to keep promises”.

– Director Employee Experience and HR Services, Telefonica O2

*“The transition from a local In-house Payroll Team to Global Outsourced Payroll provider was a big move for our business and more specifically for our payroll team. **The team’s attitude throughout this transition has been second to none.**”*

- HR & HSE Director, Circle K

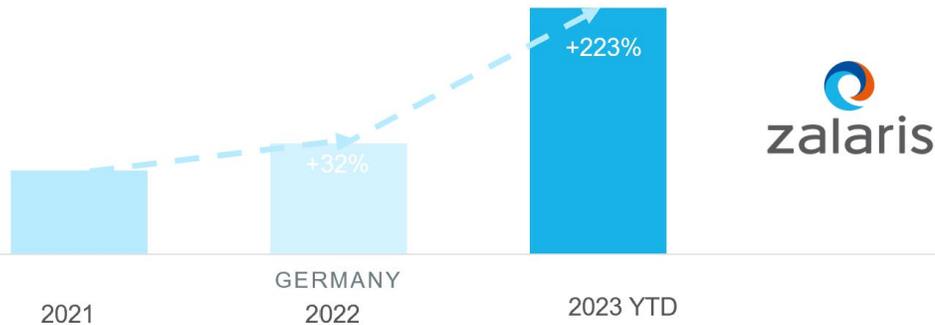
*“We undertook a robust selection process to identify Zalaris as our chosen solution provider – this process was competitive, but it was **Zalaris’ agility and culture that ultimately drew Sika to this partnership.** We are confident and look forward to working together to deliver ECP.”*

- Head of HR, Sika Limited

A uniform value proposition across all GEOs fuels growth

Exemplified by Germany's current upswing

Signed Contracts 2023 YTD – 3x as high as in 2021



Sales Pipeline 2023 – 5x as high as in 2021



- ✓ Combination of **global standards and local entrepreneurship** being a catalysator for growth
- ✓ **Addressable market** in DACH being **>3x the Nordics**
- ✓ Deal values typically being 2.5x the average in the Nordics with a **significant untapped potential** for multicountry and multiregional deals
- ✓ YTD closed sales in DACH represent ~70% of closed business for the group compared to ~40% (2022) and ~25% (2021)
- ✓ Focus going forward would be to achieve the same market success in the UK which represents a significant untapped potential for Zalaris

A competitive global operating model

Richard E. Schiørn

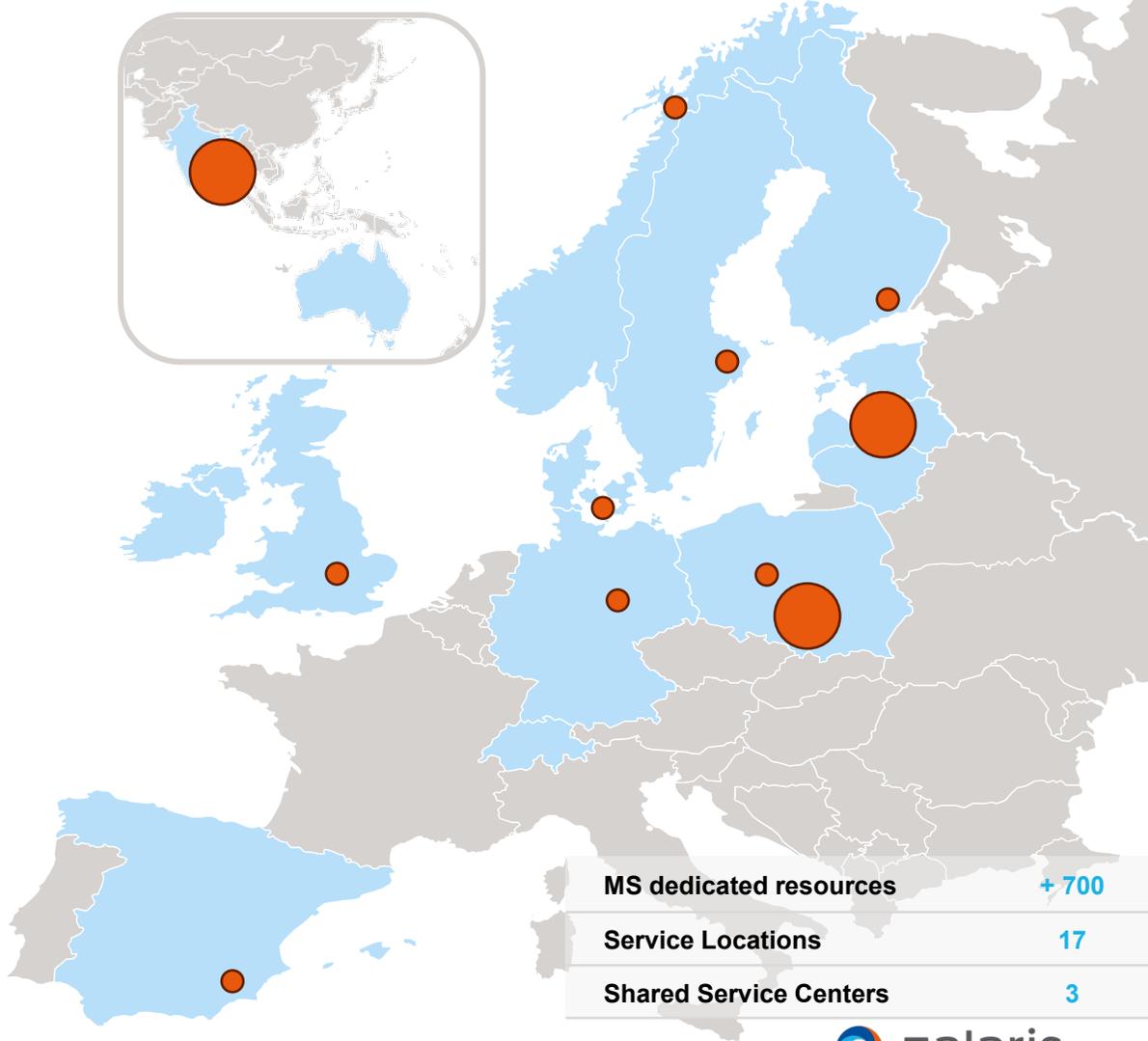
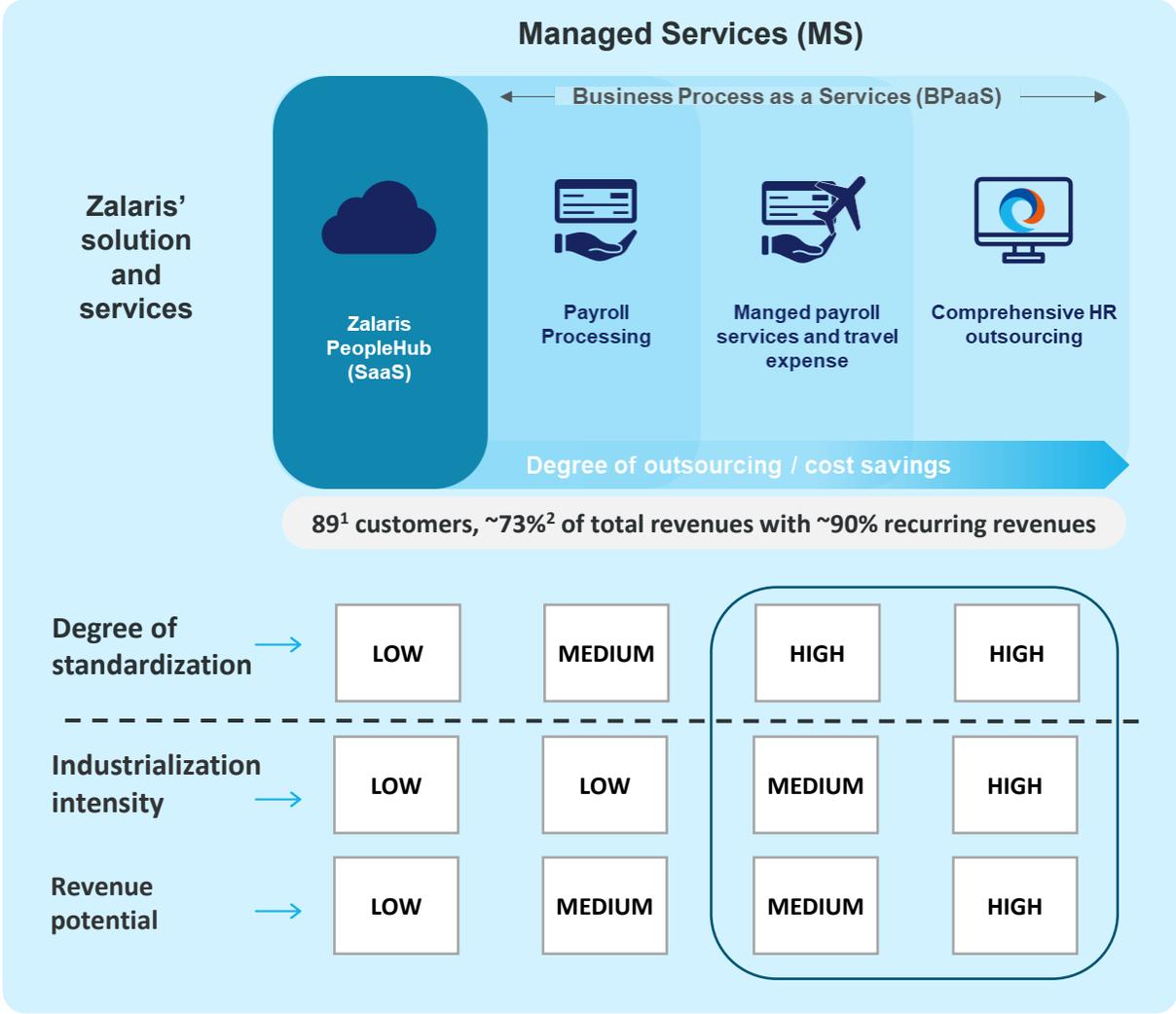
EVP Solution & Delivery – Global Managed Services



Simplify work life.
Achieve more.



Global operating model with strong local competence enables scalability and profitability



1) 89 customers paying Zalaris NOK >1m, with a long-tail of 100 smaller customers
 2) Based on LTM June '23 revenues

Key focus for Managed Services is to bring DACH/Germany to the same level as the Northern Europe the next 12 months

Areas driving Cost Efficiency	Status			Cost improvement
	NE Current	DACH Current	Target 12 months	
Process Standardization	HIGH	MEDIUM	HIGH	<ul style="list-style-type: none"> • Consistent & Predictable Outcomes • Reduce Non-compliance/deviations • Enable increase mix of rightshoring and automation
Synergies & Structure	HIGH	MEDIUM	HIGH	<ul style="list-style-type: none"> • Improved Productivity through Shared Services • Better Capacity & Demand Management
Rightshoring	HIGH	MEDIUM	HIGH	<ul style="list-style-type: none"> • Lower Cost of Operations • Proven Approach to Onshore/Nearshore/Offshore
Platform & Technology	HIGH	MEDIUM	HIGH	<ul style="list-style-type: none"> • Supporting fully digital processes • Increased Automation • Enforce Standardized processes • User Experience and self-service
Governance	MEDIUM	MEDIUM	HIGH	<ul style="list-style-type: none"> • Clear role and responsibility • Improved customer follow up and control • Innovation and business value creation
Digitalization and Automation	MEDIUM	MEDIUM	HIGH	<ul style="list-style-type: none"> • Structured data input • Improved Quality • Elimination of Manual processes • Further productivity

Rightshoring and Digitalization maximize value creation without compromising quality

Nearshore

Nearshore represents service locations in Latvia and Poland, and manages processes characterized by;

- Systematic and repeatable work
- Highly reliant on formal processes, methodologies and standards
- Depended on tight integration across functional boundaries
- Local Language

Onshore

Onshore represents local service locations e.g., Norway, Sweden etc. and manages processes characterized by;

- Highly reliant on deep expertise on local requirements and across multiple functions
- Depended on fluid deployment of flexible teams and improvisational work
- Local languages



Offshore

Offshore represents service locations in India and manages processes characterized by;

- Routine work
- Highly reliant on formal rules, procedures, and training
- Depended on low-discretion workforce or on automation

Mixed

Rightshoring & Mix represents the usage of a combination of onshore, nearshore and offshore locations to optimize costs and quality within each process in scope;

- Processes which include sub-areas which each should be performed onshore, nearshore, offshore according to its characteristics

Target	Status	
	NE	DACH
Onshore 40%	HIGH	MEDIUM
Nearshore 20 %	HIGH	MEDIUM
Offshore 20%	HIGH	LOW
Digital Workforce 20 %	LOW	LOW

Delivering business value and growing partnership with our customers

Guiding Principles	Standardization, harmonization, consolidation cross countries / services	Automation and rightshoring of services	Leverage and develop PeopleHub solution, process engineering, globalization
--------------------	--	---	---

Solution Approach	Build the Foundation	Deliver Business Value	Expanding GEO footprint
Core Objective	Optimize core services and reduce costs	Innovation and technology to optimize TCO	Global expansion and transformation
Solution	<ul style="list-style-type: none"> • Drive standardization and industrialization • Implement defined improvements to remove none added value activities • Leverage chosen technology and Zalaris integration experience • Implement a strong governance to ensure objectives are met 	<ul style="list-style-type: none"> • Drive innovation and best practice services • Business improvements adding new product & services • Enhancing and unify user experience and efficiency through Zalaris PeopleHub solution • Digitalization of all Employee Lifecycle events 	<ul style="list-style-type: none"> • Go global together with further cost reduction • One global solution supporting customers GEO footprint • Predictable and one integrated operating model • Further identify and implement global and local improvements reducing operating expense and/or improve efficiency

Solution and best practice led Service delivery

Outcomes	Mutually Beneficial Partnership
----------	---------------------------------

Consulting business

Hans-Petter Mellerud
CEO and Founder



Simplify work life.
Achieve more.



Professional Services: An SAP Focused Powerhouse

Professional services (PS)

Consulting services including delivery of traditional consulting projects as well as outsourcing and cloud implementation projects



Implementation /
transformation
projects



SAP advisory and
consulting



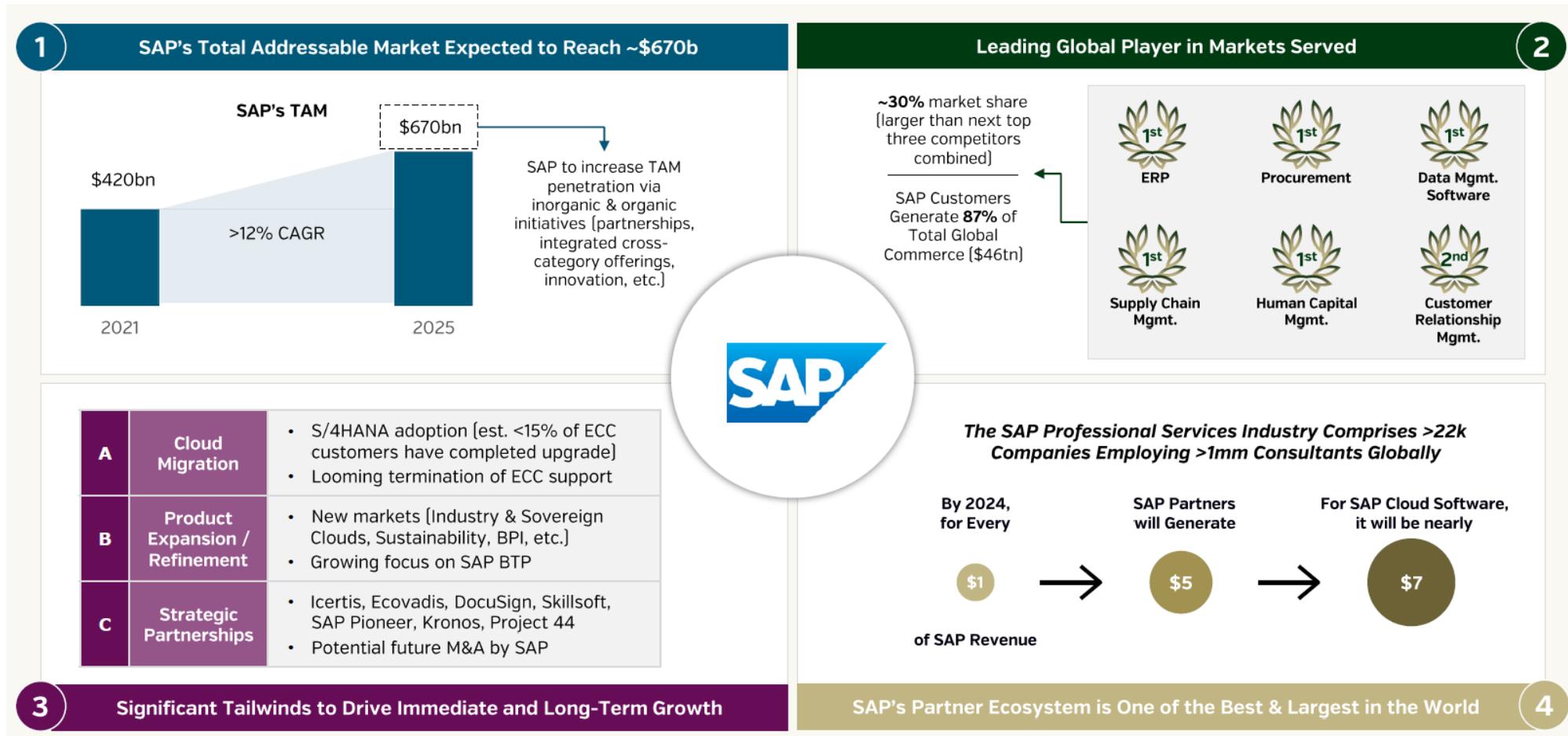
Application
management
services (AMS) &
Subscription Services

Degree of recurring revenues

46¹ customers, ~27%² of total revenue with ~50% recurring revenues

1) 46 customers paying Zalaris >1MNOK with a long-tail of 189 smaller customers
2) Based on LTM June '23 revenues

SAP operates in a large and expanding market that offers many possibilities for growth and has a strong leadership in its key areas of expertise.



Source: Equitec research, SAP, Gartner, IDC MarketScape

Zalaris Professional Services – in the process of transforming to a Unified Global Practice



EXTERNAL REVENUE (EUR) 2022¹
21.31 Million

1) YTD AUG 2023: 17.1M

© zalaris 2023

TRANSFORMATION PROJECTS- and
PeopleHub APPLICATION
MAINTENANCE consumed approx.:

45% of capacity



295+

FTEs

Of which 66% employees and
34% external consultants

With 130+ certifications



12

Present in 12 Countries with
Global Delivery Capability



235+

Clients



Strong Partnership

SAP Gold Partner



SAP Expert Level

Human Capital Management

Our 360° Service Offering give End-to-End Coverage

- Requirements Definition
- HR Roadmap Development
- Sourcing Services
- Business Case Development
- Org & Process Design
- Change Management Services
- Digital Adoption Planning
- Phase 0: Planning



- Transformation & Implementation Services
- Solution Architecture Services
- Functional & Technical Consulting
- Data Migration Services
- Integration (BTPI) Design & Development
- BTP/ ABAP Program Design & Development
- Test Management & Execution
- Strategic Analytics Consulting
- Quality Assurance Audits
- Change Management & Training Services
- Digital Adoption Execution

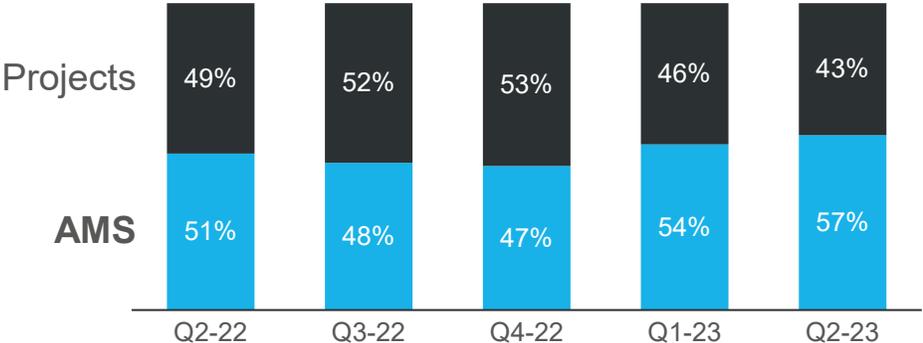
- Software as a Service
- Application Maintenance Services
- Release Management Services
- Health Check & Optimisation Services

SAP SuccessFactors  CODEBOT FOR SAP SUCCESSFACTORS 

 PeopleHub
By Zalaris

Majority of Professional Services revenue is recurring and supports a continuous presence with customers

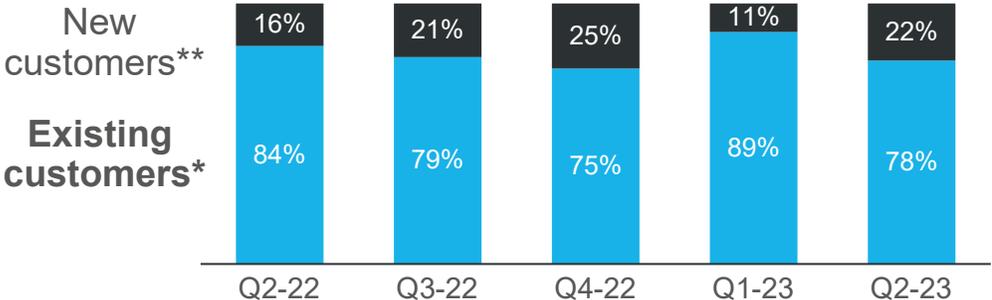
Distribution of Projects vs long term AMS based revenue



- ~57 % of Professional Services revenue is recurring, or recurring like, and based on long term agreements and relationships

- ~78 % of Professional Services revenue is from customers that were customers 12 months prior

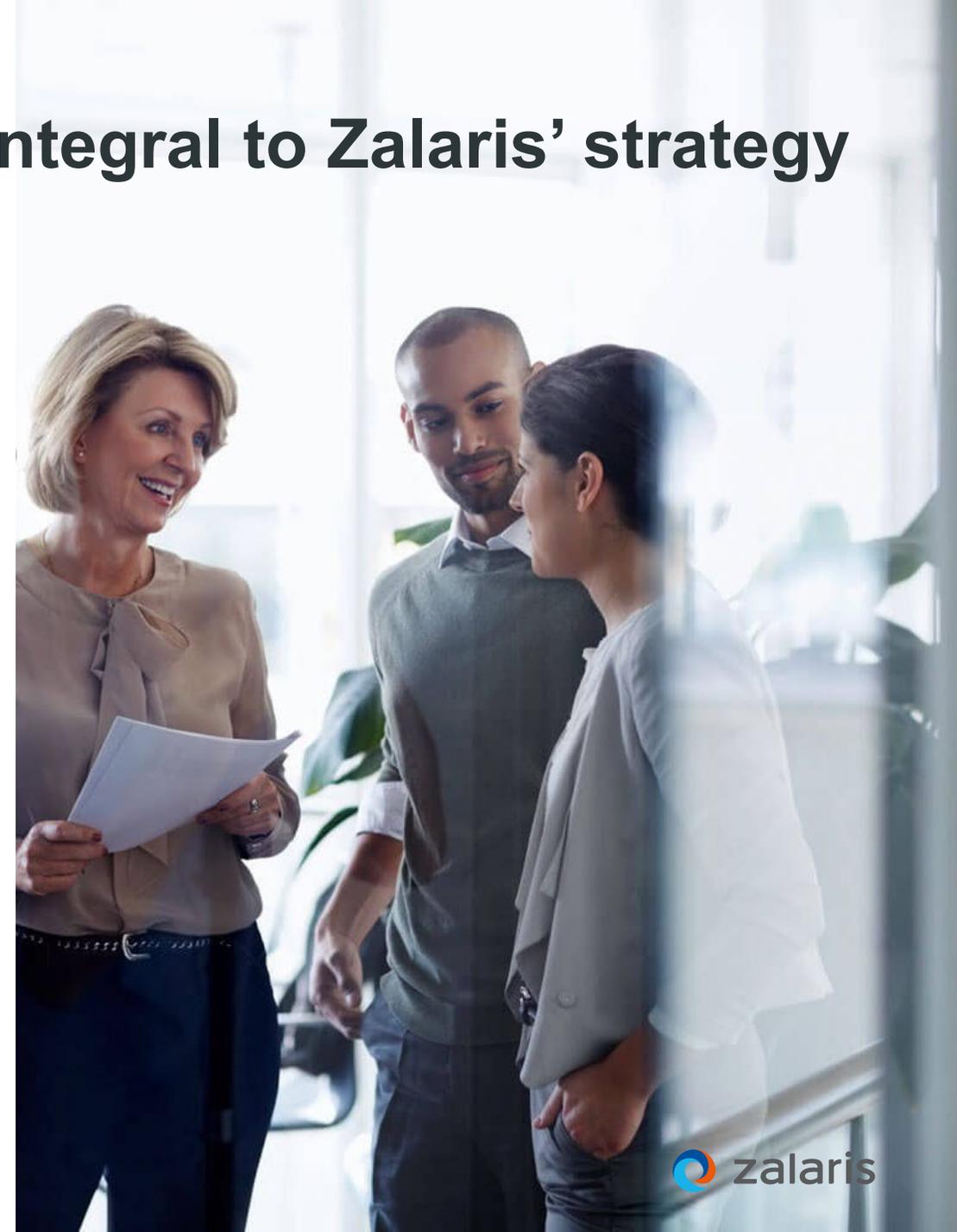
Revenue customer split



* Customers that were invoiced in the same quarter previous year
 ** New customers since the end of the same quarter previous year

A strong Professional Services is integral to Zalaris' strategy

- ✓ Access to a global team of HR Domain & SAP SuccessFactors Experts that secure capacity for Peoplehub projects & advisory
- ✓ Global Delivery capability ensuring high quality and high value approach
- ✓ Develop customer relationships that can be converted to Managed Services long term engagements and/or serve as references
- ✓ Toehold for greenfield geographic expansion creating brand awareness



Professional Services strategic projects target increased customer satisfaction, growth and improved margins

- ✓ Recruit and build own consultants to reduce dependency on external consultants
- ✓ Leverage install base to generate cross sell opportunities and additional value to customers
- ✓ Use RightShoring to gain access to larger talent pool and reduced cost to serve
- ✓ Continue improving PeopleHub implementation methodology and application maintenance productivity to free up resources that can generate additional customer value

Turning internal HR to a business opportunity



Simplify work life.
Achieve more.



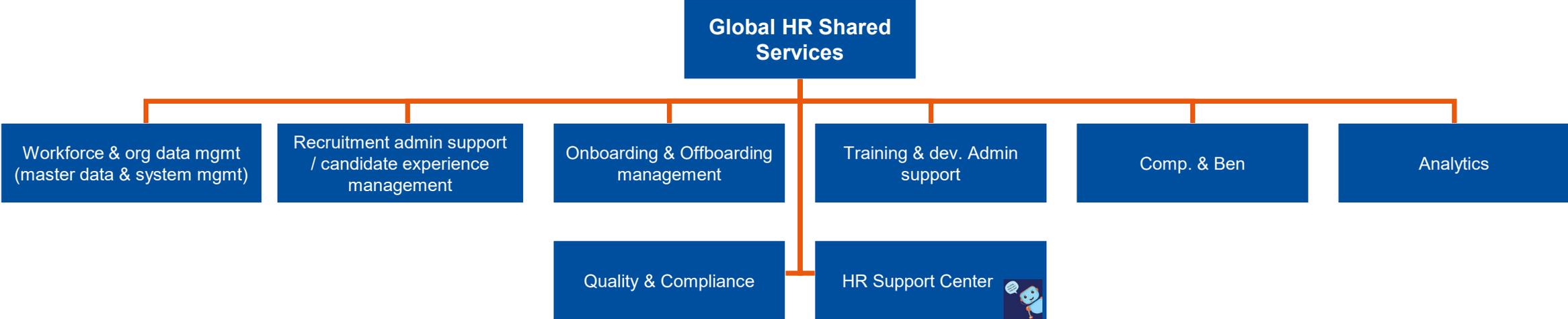
Zalaris HR is structured as a modern centralized organization serving the whole group based on standardization, digitalization, and automatization



- Onshore
- Offshore
- Combination; Offshore, nearshore and onshore

- ✓ The HR organization consist of 22 employees distributed according to our rightshore concept
- ✓ 50% offshore, 25% nearshore and 25% onshore

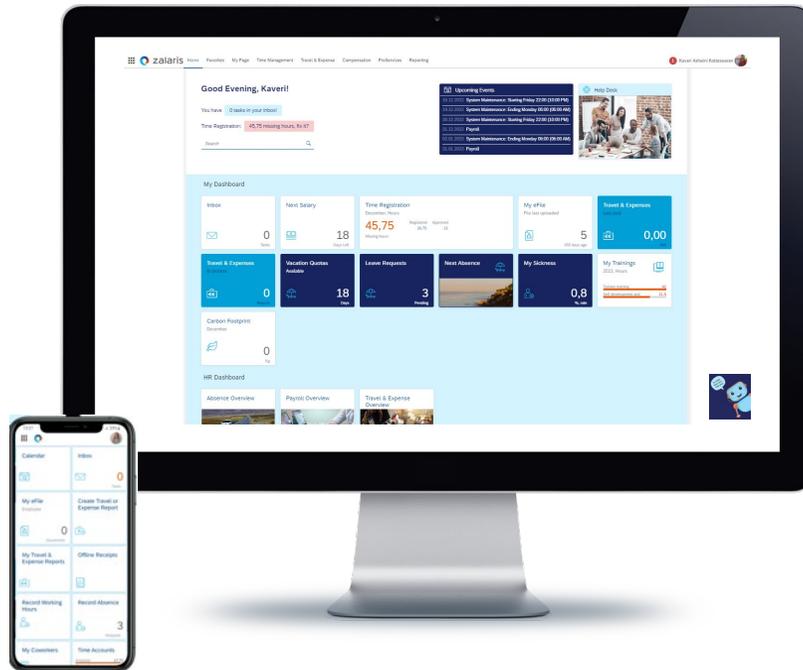
Scalable Global Shared Services



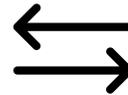
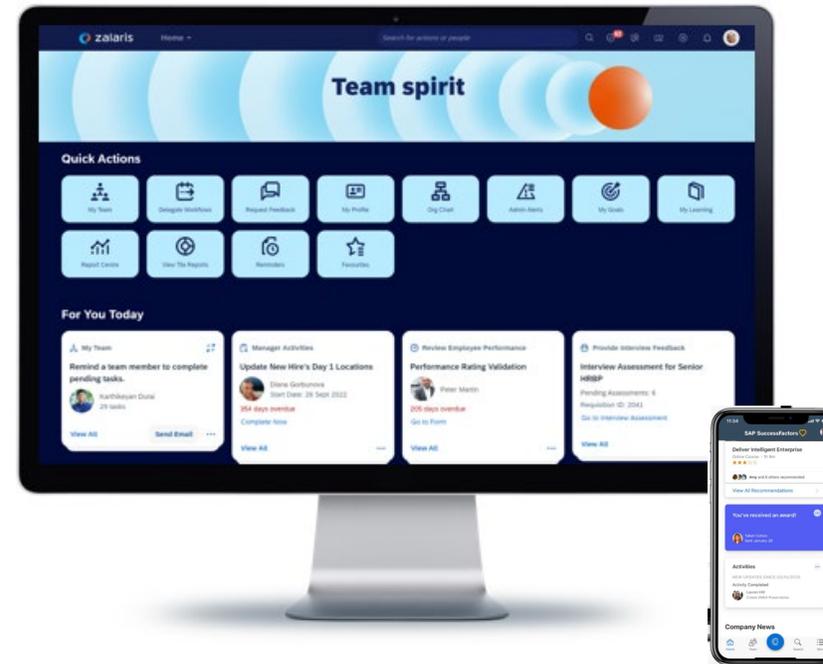
Fully integrated digital HCM is key for strategic HR

GDRP compliant with focus on employee experience

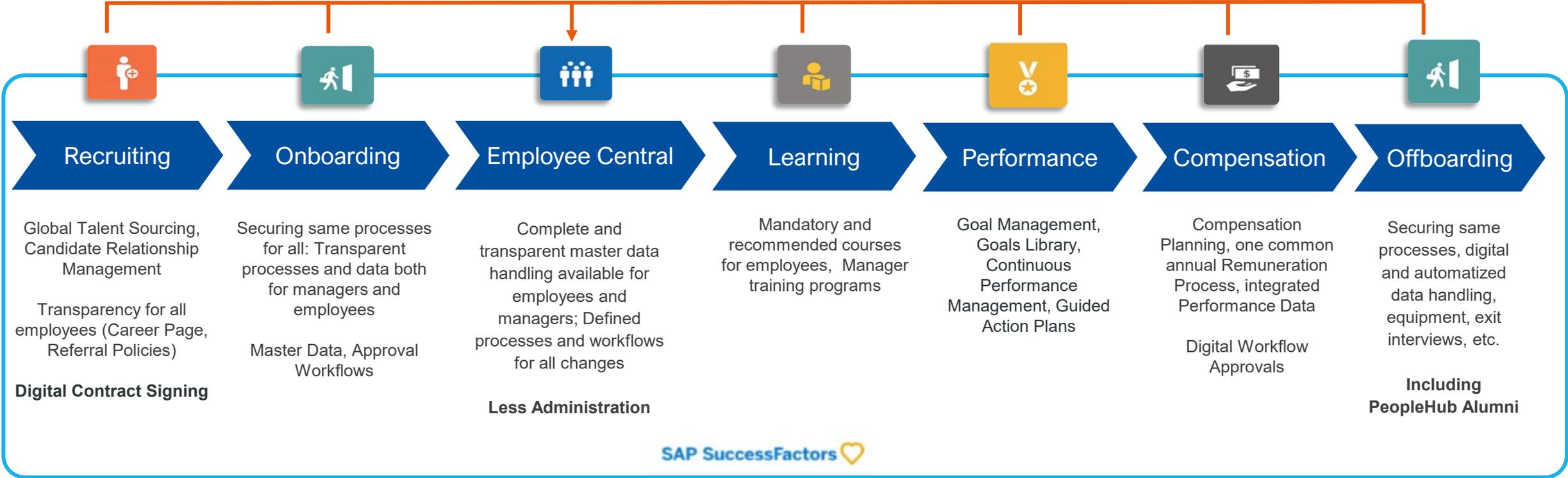
PeopleHub



SuccessFactors

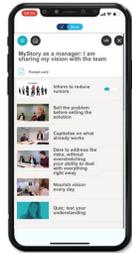


We deliver the whole employee life cycle fully digitalized based on SAP SuccessFactors fully integrated with PeopleHub



Integrated addons: veremark.
 Digital Background checks
 Aon tests

Integrated addons: TEACH ON MARS
 Gamified training and social interaction app



Evaluating going from cost center to profit center launching HR as our next tower of services

- ✓ Using own HR organization to build market tech enabled HR Services offering to customers. Enabling customers to scale into new geographies with limited addition of overhead functions
- ✓ Taking responsibility for all operational HR leaving customers to focus on strategic HR
- ✓ Framework - extended HR Services based on People Hub and SuccessFactors
- ✓ HR services as BPaaS estimated to represent a potential uplift of 120% on our managed payroll revenue, distributed 55% SaaS and 45% services
- ✓ Expected margins as for other services, and rightshore model as for Zalaris HR services today (50% offshore, 25% nearshore and 25% onshore)
- ✓ **First customer in pilot with 700 employees in 14 countries**



Financial strategy and targets

Gunnar Manum
CFO

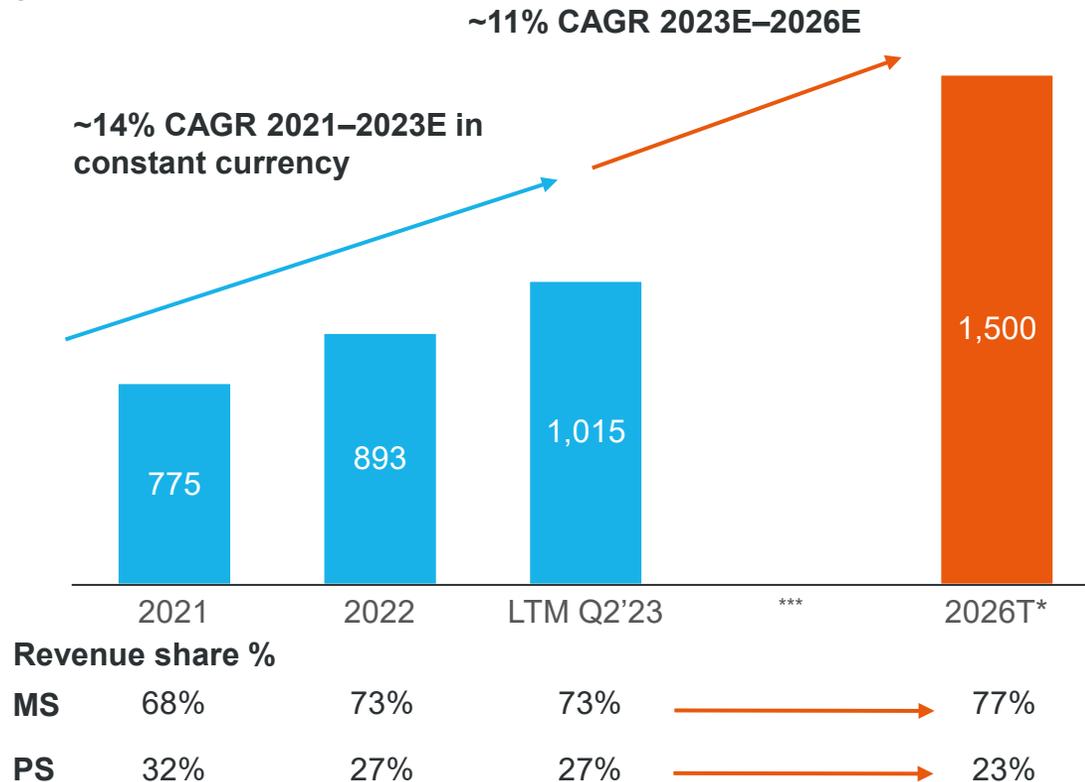


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Solid revenue growth last 2 years and ambition to grow to NOK 1.5 billion by 2026 (+10% p.a.)

Development in revenue NOKm



>10% annual organic revenue growth driven by:

- ✓ Growing HR and payroll market
- ✓ New large multi-country/global long-term contracts
- ✓ Expansion with existing customers – products and geography (i.e. positive net retention)
- ✓ Higher than targeted growth in APAC
- ✓ M&A as a potential upside

Growth target per segment:

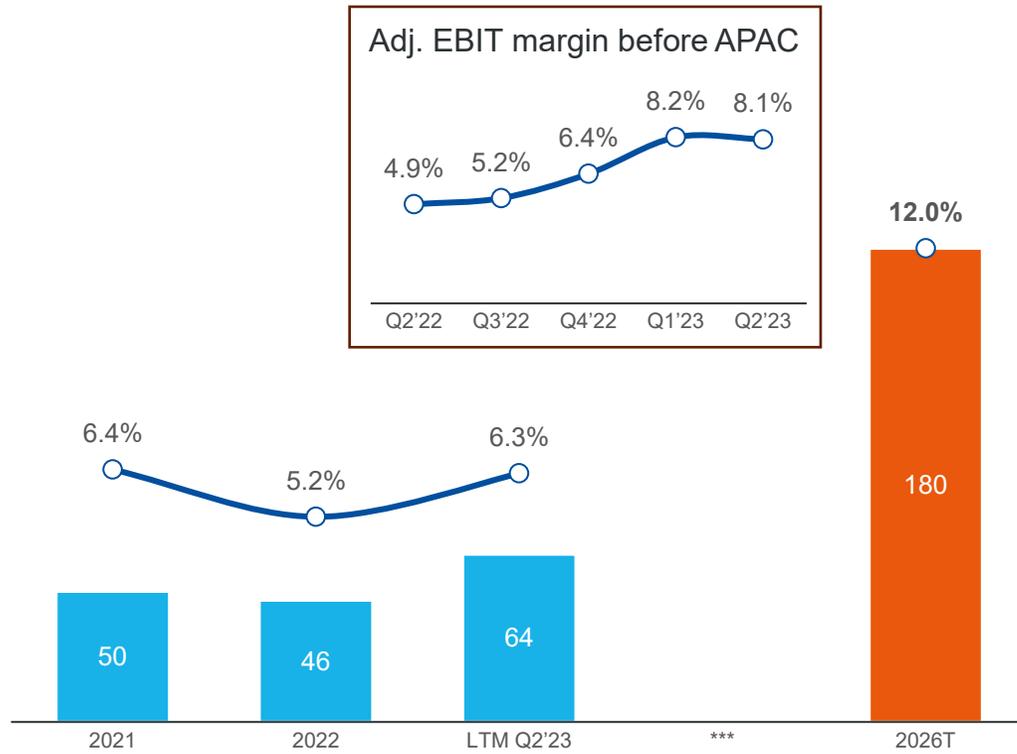
- ✓ Managed Services 15% growth
- ✓ Professional Services 5% growth
- ✓ Growing share of recurring revenue from Managed Services with long-term contracts of 5 – 7 years

* Based on current EUR/NOK rate

Closing in on short-term adj. EBIT margin target of 10% and ambition to expand to 12 - 15% by end-2026

Development in adj. EBIT and adj. EBIT margin

NOKm and %



>10% adj. EBIT margin short-term driven by:

- ✓ Current EBIT improvement program (Zalaris 4.0)
- ✓ Further right-shoring and standardisation to improve profitability in Germany

Region/country EBIT target of 15 – 20%:

- ✓ Most countries in line and increasing
- ✓ Germany significantly behind rest of the group, and major activities ongoing to rectify

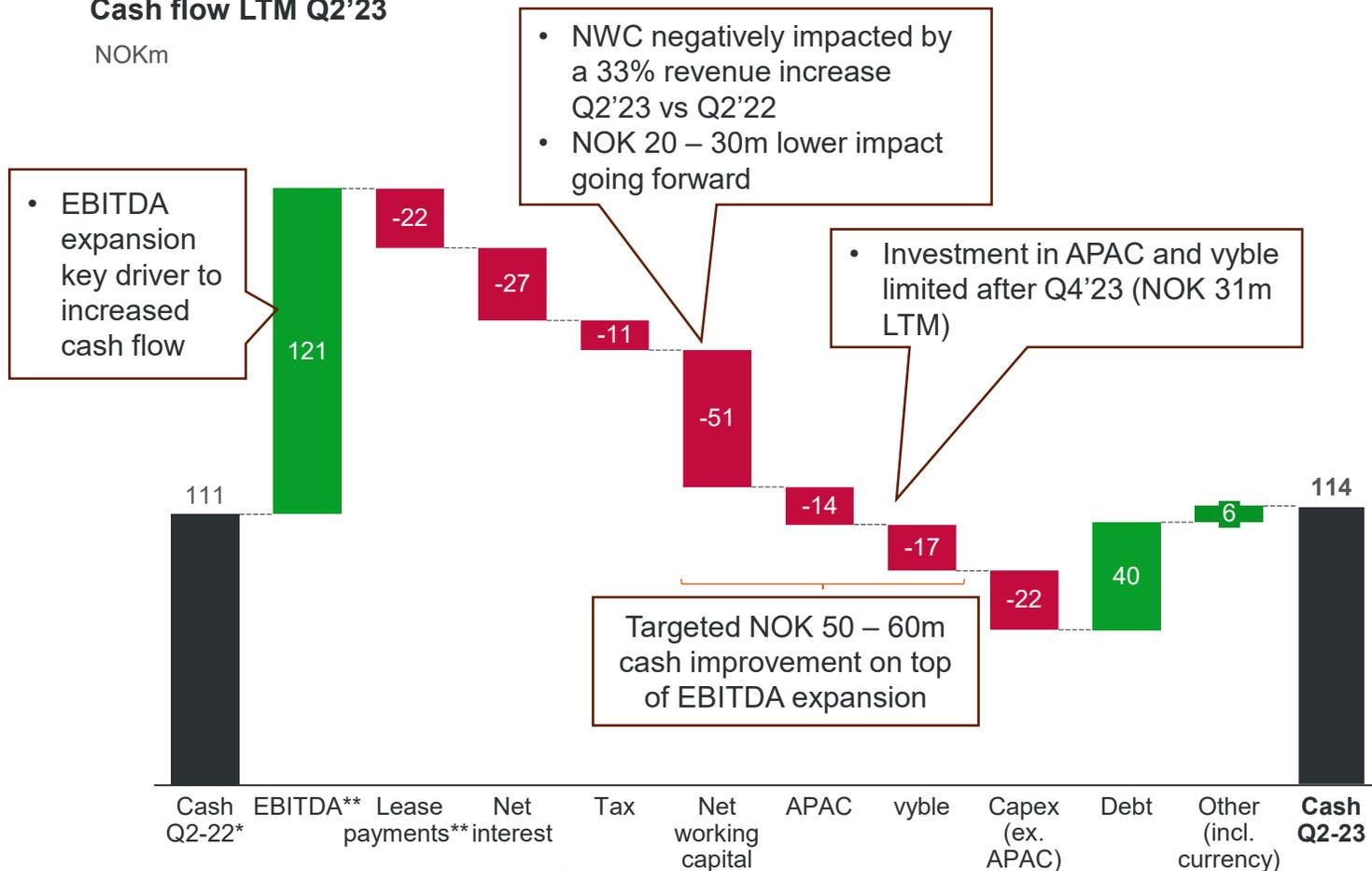
12% – 15% adj. EBIT margin by 2026 driven by:

- ✓ Utilising scalability of existing operations – lower marginal unit costs
- ✓ Further right-shoring
- ✓ Automation (AI) and standardisation
- ✓ Increase operational leverage (lower SG&A as a % of revenue)

Cash flow LTM hampered by investment initiatives and rapid revenue growth

Cash flow LTM Q2'23

NOKm



*Adj. for NOK 6.2 in restricted cash reclassified to other LT receivables

** Adj. for employee option costs and customer project revenue recognised (non-cash items) and before EBITDA in APAC

*** Relates mainly to rental costs for office premises

Cash flow improvements

- ✓ EBITDA expansion
- ✓ Reinvestment in organic growth
 - Geographical expansion through partners and when justified through contracts won
 - Growth will increase NWC (mainly trade receivables), however at a lower level
- ✓ Customer projects cash positive
 - Limit funding of customer projects (implementation projects should be net cash positive)
- ✓ CAPEX (System development)
 - Limit to NOK 15– 20m annually (average 2021 – 2022: NOK 20m)
- ✓ Net debt reduction
 - Through increased earnings and cash conversion

Increased focus on growing operating cash flow conversion and prudent capital allocation

- ✓ Targeted long-term operating cash flow conversion* of 70%
- ✓ Achieved mainly through:
 - ✓ Working capital improvements
 - ✓ Transformation projects for new customers to be minimum cash neutral

Target EBIT
2026
~NOK 180m
(12%)

Target EBITDA
2026
~NOK 275m
(18%)

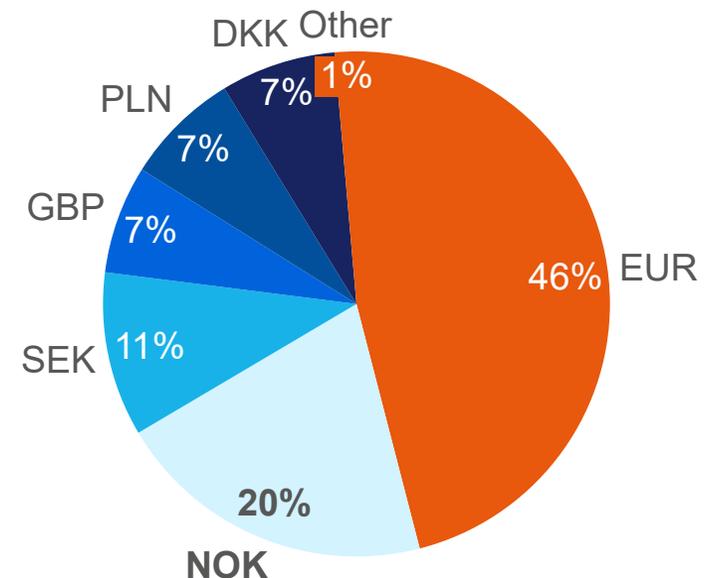
Target
Op. Cash Flow
2026
~NOK 190m
(~70% conversion)

*Operating cash flow conversion is calculated as cash from operating activities before interest over EBITDA

Bond financing secured to 2028 with potential for early redemption - conversion to bank financing is target

- ✓ Issued 5-year EUR 40 million bond loan in March 2023
 - ✓ Early redemption possible from Sep.25
 - ✓ Target to reduce leverage (NIBD/EBITDA) to <2.5 to improve re-financing options (e.g bank loans) and borrowing costs
- ✓ Loan in EUR used as a hedge against investments in Germany and other European countries
 - ✓ Loans originally used to acquire entities in Germany and UK
 - ✓ Approximately 80% of revenue from non-Norwegian entities, and an increasing share of the group's total revenue and net profit is being generated in currencies other than NOK
 - ✓ A weaker NOK vs. EUR has resulted in significant unrealised currency losses, but a corresponding increase in the value of foreign subsidiaries

~Revenue by currency YTD Q2'23



Summary of long-term financial targets (to 2026)

- ✓ **Revenue: >10% organic growth (Managed Services >15%, Professional Services >5%)**
 - ✓ Fuelled by large multi-country contracts and expansion with existing customers
- ✓ **Profitability: 12% - 15% adj. EBIT margin**
 - ✓ Utilising right shoring, automation (AI) and increase operational leverage
- ✓ **Cash conversion: >70% of adj. EBITDA**
 - ✓ Focus on reducing WC as a % of revenue and customer projects to be minimum cash neutral
- ✓ **ROCE: >15%**
 - ✓ Focus on organic growth initiatives
- ✓ **Leverage: NIBD/adj. EBITDA** <2.5**
 - ✓ Gradual reduction in leverage to ensure lending flexibility and lower costs
- ✓ **Dividend: Deliver on existing dividend policy**
 - ✓ ~50% net profit before tax

*According to definition in bond agreement

Key take-aways

Hans-Petter Mellerud
CEO and Founder



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The three main points that we conveyed today

- 1) **Zalaris PeopleHub is increasingly in favour by mid-market and large customers** seeking to digitalize their Payroll & HR processes resulting in 33% reported growth in Q2. We are now a **100 MEUR annualized revenue company** and expect to **continue delivering above our 10% growth target over the next 36 months.**
- 2) **Zalaris PeopleHub is a scalable solution** supporting our Zalaris 4.0 industrialized approach to HR & Payroll. We are **on track delivering on our 10% EBIT target** and are **now aiming higher and will be targeting 12-15% EBIT over the next 36 months.**
- 3) **Focus on capital allocation** in combination with increased profitability will drive **free cash flow toward our target level of >70% of EBITDA.**

Q&A



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