

PeopleHub BY ZALARIS

Your one-stop
HR platform

Q4 2024

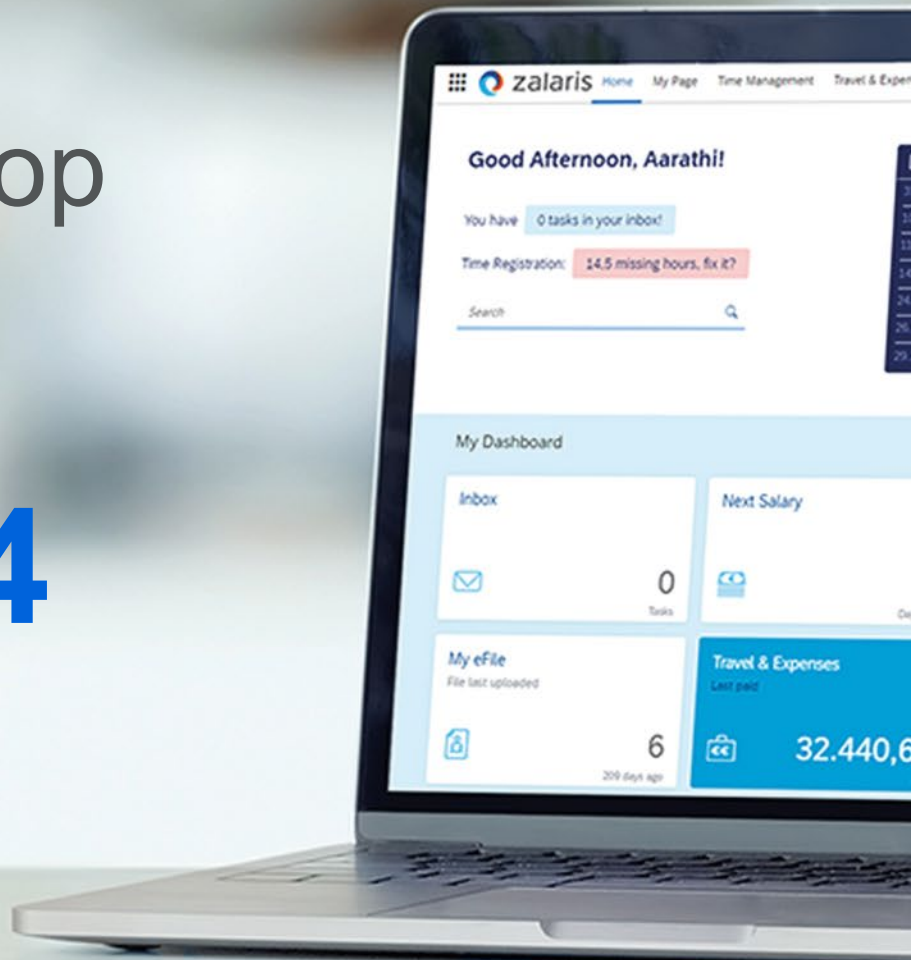


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**Simplify work life.
Achieve more.**



**Our mission is to
simplify HR and payroll
administration and
empower you with
useful information so
that you can invest
more in people.**



About Zalaris

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

Zalaris is a leading European provider of human capital management (HCM) and payroll solutions, covering the entire employee lifecycle from recruitment and onboarding to compensation, time and attendance, travel expenses and performance management.

We offer flexible delivery models, including on-premises, software as a service (SaaS), cloud integration and business process outsourcing (BPO). We also have experienced consultants and advisors who can support any industry and IT environment.

Based in Oslo, Norway, and listed on the Oslo Stock Exchange (ZAL), we serve close to one and a half million employees every month across various industries and with some of Europe's most reputable employers. We have grown steadily since our inception in 2000 and today operate in the Nordics, the Baltics, Poland, Germany, Austria, Switzerland, Hungary, France, Spain, India, Ireland, the UK, the Czech Republic, Singapore and Australia.

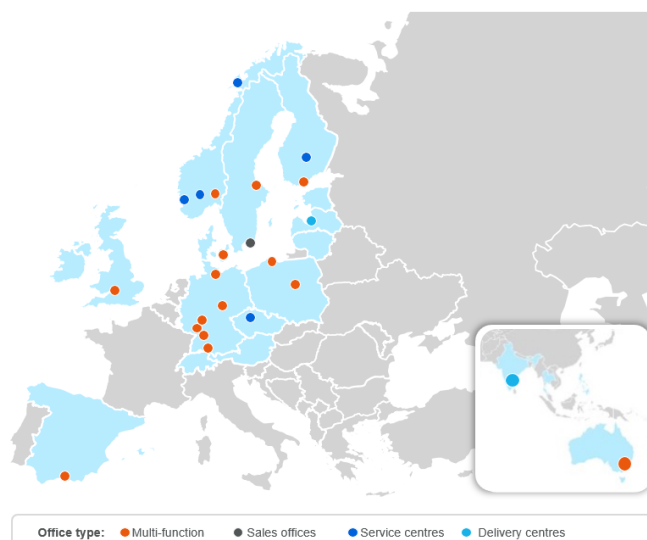
Payroll & HR solutions that enable digital organizations

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	340,000+ Employees served monthly through payroll services
~NOK 1.3bn/11.0% 2024 revenue / adj. EBIT-margin	17 countries With service centres and expertise in local regulations	150+ countries With expertise in local regulations with partners

Geographical footprint



Q4 Highlights

STRONG REVENUE GROWTH

Revenue of NOK 364.9 million (NOK 313.2 million), representing organic revenue growth of 16.5% YoY and 13.6% in constant currency

ALL TIME HIGH ADJ. EBIT

Adj. EBIT NOK 47.4 million (NOK 33.4 million) and adj. EBIT margin 13.1% (10.7%)

HIGH OPERATING CASH FLOW

Operating cash flow NOK 58.4 million (NOK 43.7 million)

Other updates

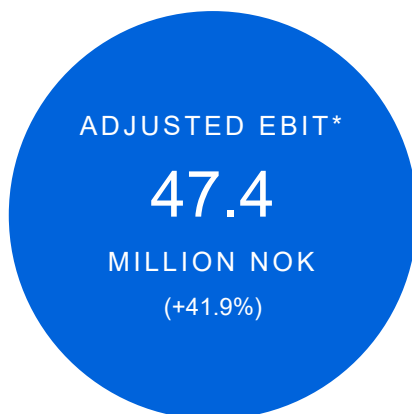
- Revenue for the full-year of NOK 1,346.3 million (NOK 1,134.0 million), representing an organic growth of 18.7% (16.1% in constant currency)
- Adjusted EBIT and EBIT margin for the full-year of NOK 147.5 million and 11.0% respectively (NOK 95.8 million and 8.5%)
- New global contract signed with large German IT company for comprehensive payroll and HR services for 4,400+ employees in 9 countries.
- Continued increase in sales to existing customers yielding net retention for Managed Services of 104% in the fourth quarter, in constant currency.
- The sales pipeline in Managed Services and Professional Services remains strong.
- Operating cash flow for Q4 of NOK 57.4 million (NOK 44.1 million).
- The Board will propose a dividend of NOK 0.90 per share for 2024.



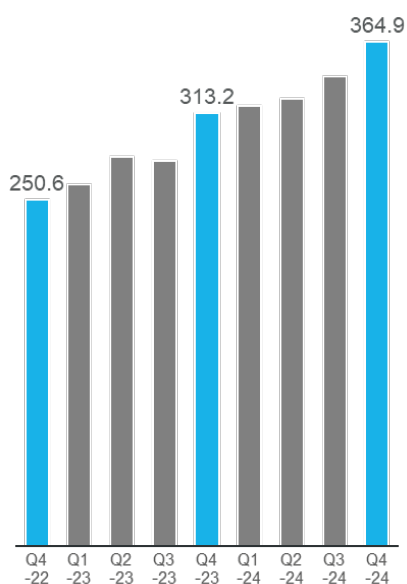
Key Figures



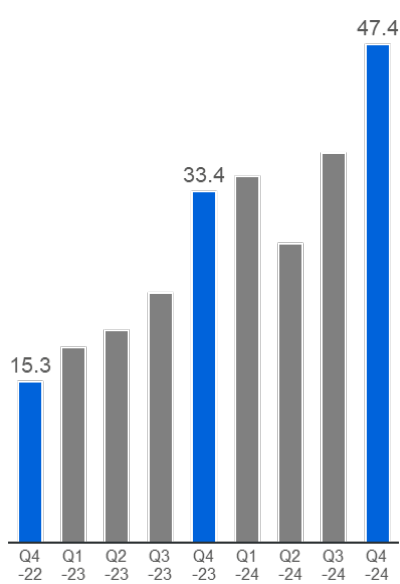
All time high quarterly revenue and adj. EBIT



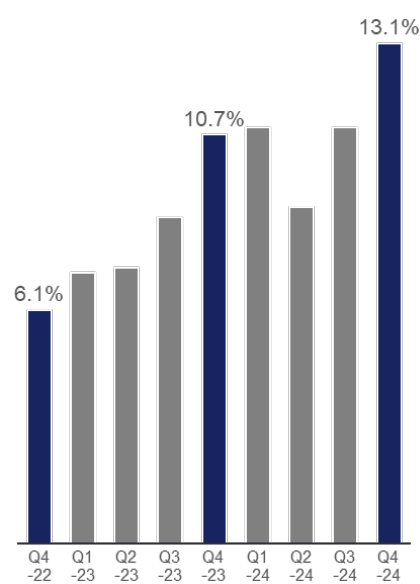
Revenue



Adjusted EBIT*



Adjusted EBIT margin



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

Financial performance by business segment

(NOK 1 000)	2024	2023	2024	2023 *
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Revenue				
Managed Services	275 251	228 870	1 002 669	819 575
Professional Services	72 731	75 342	290 825	291 170
New business (APAC)	15 128	8 209	48 200	20 465
Non-core (vyble)	1 766	790	4 588	2 762
Total revenue	364 876	313 211	1 346 282	1 133 972
Adjusted EBIT¹⁾				
Managed Services	57 143	30 569	168 100	114 399
Professional Services	5 703	10 741	23 106	31 404
New business (APAC)	46	(562)	64	(7 169)
HQ (unallocated costs)	(15 466)	(7 348)	(43 755)	(42 865)
Adj. EBIT	47 426	33 400	147 516	95 768
<i>Adj. EBIT margin (%)</i>	<i>13,1 %</i>	<i>10,7 %</i>	<i>11,0 %</i>	<i>8,5 %</i>
Non-core (vyble)	(296)	(920)	(2 648)	(10 381)
Share-based payments	(5 079)	(2 786)	(21 867)	(11 575)
Amortisation excess value on acquisitions	(3 560)	(3 494)	(14 024)	(13 691)
Strategic process costs	(774)	-	(5 798)	-
Gain on sale of assets	-	-	10 473	-
EBIT	37 716	26 200	113 652	60 121
<i>EBIT margin</i>	<i>10,3 %</i>	<i>8,4 %</i>	<i>8,4 %</i>	<i>5,3 %</i>

* 2023 accounts are reclassified with vyble from discontinued to continued operations

Financial summary

(NOK 1 000)	2024	2023	2024	2023 *
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Revenue	364 876	313 211	1 346 282	1 133 971
<i>Growth (YoY)</i>	<i>16,5 %</i>	<i>55,3 %</i>	<i>18,7 %</i>	<i>26,0 %</i>
Adjusted EBITDA ¹⁾	68 835	49 444	220 389	152 781
Adjusted EBITDA margin	18,9 %	15,8 %	16,4 %	13,5 %
Adjusted EBIT¹⁾	47 428	33 400	147 514	95 769
Adjusted EBIT margin	13,1 %	10,7 %	11,0 %	8,5 %
EBIT	37 718	26 200	113 652	60 122
Profit/(loss) for the period	13 404	20 881	33 447	(2 962)
Basic earnings per share (EPS)	0,62	0,97	1,54	(0,14)
Total comprehensive income	15 966	22 473	56 864	26 798
Net cash flow from operating activities	57 357	44 132	131 469	58 548
Net interest-bearing debt (NIBD) ¹⁾	247 468	314 751	247 468	314 751
NIBD/Adjusted EBITDA (LTM)	1,1	2,1	1,1	2,1

* 2023 accounts are reclassified with vyble from discontinued to continued operations

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

CEO Insights

As we close our 25th year in business and head towards of 25th anniversary in April, I am pleased to present our fourth-quarter results, which mark another significant milestone in Zalaris' journey. Our **Q4 revenue reached an all-time high of NOK 365 million**, with **adj. EBIT of NOK 47 million (13%)**, a significant increase from NOK 313 million revenue and NOK 33 million EBIT (10.7%) in the same period last year. The performance confirms the effect from our dedicated programs to improve operational efficiency, not least in the DACH region. We remain confident that our business model is perceived as long term attractive to our customers and will continue to deliver value to all stakeholders in our value chain.

For the full year, we delivered **NOK 1.35 billion in revenue** and **NOK 148 million adj. EBIT (11%)**, a topline growth of 16% and margin growth that is 2.5 percentage points, with solid progress across all our business segments. **Run-rate figures based on Q4** (Q4 multiplied by 4), implies revenues of **NOK 1.46 billion in revenue** and **NOK 190 million adj. EBIT**.

Our **Managed Services** division has established a contract portfolio with approximately 90% recurring revenue, which generated **NOK 1 billion in revenue** and **NOK 168 million adj. EBIT (17%)** in 2024 on a standalone basis. This demonstrates the resilience and predictability of our revenue streams, providing a strong foundation for continued growth.

Meanwhile, our **Professional Services** division, to be renamed **Zalaris Consulting**, delivered stable revenues in 2024 of **NOK 291 million**, with adj. EBIT of **NOK 23 million (8%)**. This business continues to play an important role in supporting our clients with strategic HR and payroll transformation initiatives.

We had **strong operating cash flow of NOK 57 million in Q4**, and our financial position is robust with **cash at the end of the year**

standing at NOK 222 million, a significant increase from NOK 136 million last year.



Zalaris was founded in on 14th of April 2000 by Hans-Petter Mellerud in Oslo, Norway, and has since grown into a 1.5 billion kroner company with around 1,100 highly competent colleagues worldwide who serve customers with payroll and HR services in more than 50 countries.

Regional Performance Highlights:

- **Nordic Region** continued to deliver stable growth and solid margins, reinforcing our leadership in this core market.
- **DACH Region** continues to improve on all key numbers, delivering in line with our EBIT and operational improvement plan outlined in May. Revenue recognition from new customers continued to improve, overperforming on our planned targets.
- **UK Region** continued to experience stable deliveries, with growth driven by new customers going live in Managed Services.
- **APAC Region** continued its **strong growth** trajectory, achieving a full quarter of strong performance and a positive EBIT contribution.

The strategic review process that we announced on April 4th last year is progressing well. With the company's strong operational improvements

and corresponding positive share price development since the announcement, the board of directors is taking a measured approach in concluding the process. We continue to carefully expand our strategic opportunities and expect to conclude the process towards the end of Q2 2025. Shareholders will be informed as and when relevant updates become available.

Zalaris' commitment to innovation, operational excellence, and customer-centricity remains at the core of our success. We are proud of the progress made this past year and are excited about the opportunities ahead. As always, I extend my gratitude to our dedicated colleagues, valued customers, and supportive shareholders who continue to drive our success.

We look forward to an exciting 2025, building on this momentum to further enhance our market position and continue creating long-term value for another 25-year term!



Hans-Petter Mellerud,
CEO and founder of Zalaris

Financial Review

Revenue

Revenue for the fourth quarter 2024 amounted to NOK 364.9 million (NOK 313.2 million). The increase in revenue was +16.5%. Measured in constant currency the increase was +13.6%*.

Revenue growth compared to last year was driven primarily by a 20% increase in Managed Services. This growth stemmed from new customers going live, as well as geographical and product expansion with existing clients. Additional contributions came from a higher volume of change orders and extra services. Net Retention within Managed Services was approximately 104% in constant currency.

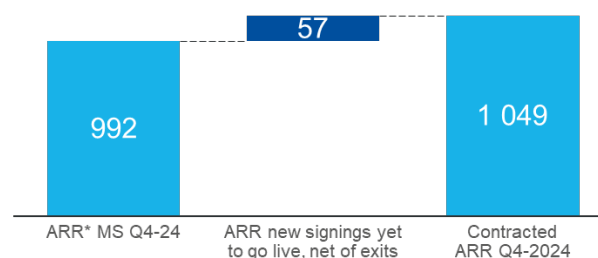
In the fourth quarter, Zalaris signed a global contract with a new large German IT company for comprehensive payroll and HR services for 4,400+ employees in 9 countries.



New contracts signed during the fourth quarter, amounted to annual recurring revenue (“ARR”) of approximately NOK 28 million.

Signed contracts that are still to go live as of 31 December 2024, is presented in the table below. The table shows the ARR within Managed Services at the end of the fourth quarter, and how the Group’s ARR will increase, when these contracts are implemented.

CONTRACTED ARR* IN MS NOK MILLION

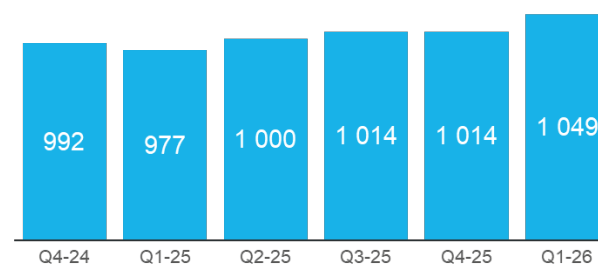


*See definitions and reconciliation of APM's in a separate section of the interim report.

The additional net ARR of NOK 57 million represents an increase in annual revenue for Managed Services of +6% (compared to reported revenue for 2024).

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

EXPECTED TIMING OF CONTRACTED ARR NOK MILLION



Revenue for the full-year 2024 amounted to NOK 1,346.3 million, compared to NOK 1,134.0 million last year, an increase of +18.7%. Measured in constant currency the increase was +16.1%.

Nordics & Baltics

Revenue in the Nordic & Baltic region was NOK 178.8 million in the fourth quarter. Adjusted for currency effects, the revenue was +14.8% compared to the figure last year of NOK 151.0 million. This was achieved through the implementation of new customer agreements, and additional volumes and change orders from existing customers, within Managed Services.

Revenue in the Nordic & Baltic region for the full-year 2024 amounted to NOK 661.7 million, compared to NOK 556.5 million last year.

Central Europe

Revenue in the Central Europe region was NOK 149.7 million in the fourth quarter, compared to NOK 127.9 million last year. An increase of +15.5% in local currency.

The organic growth came mainly from new customers in Managed Services in Germany.

Managed Services in Germany grew by +25.3% in local currency, compared to last year. This is

a significant step up from earlier, and underline our growing acceptance as a leading service provider in this very large and strategically important market.

The growth was largely achieved through the implementation of new customers.

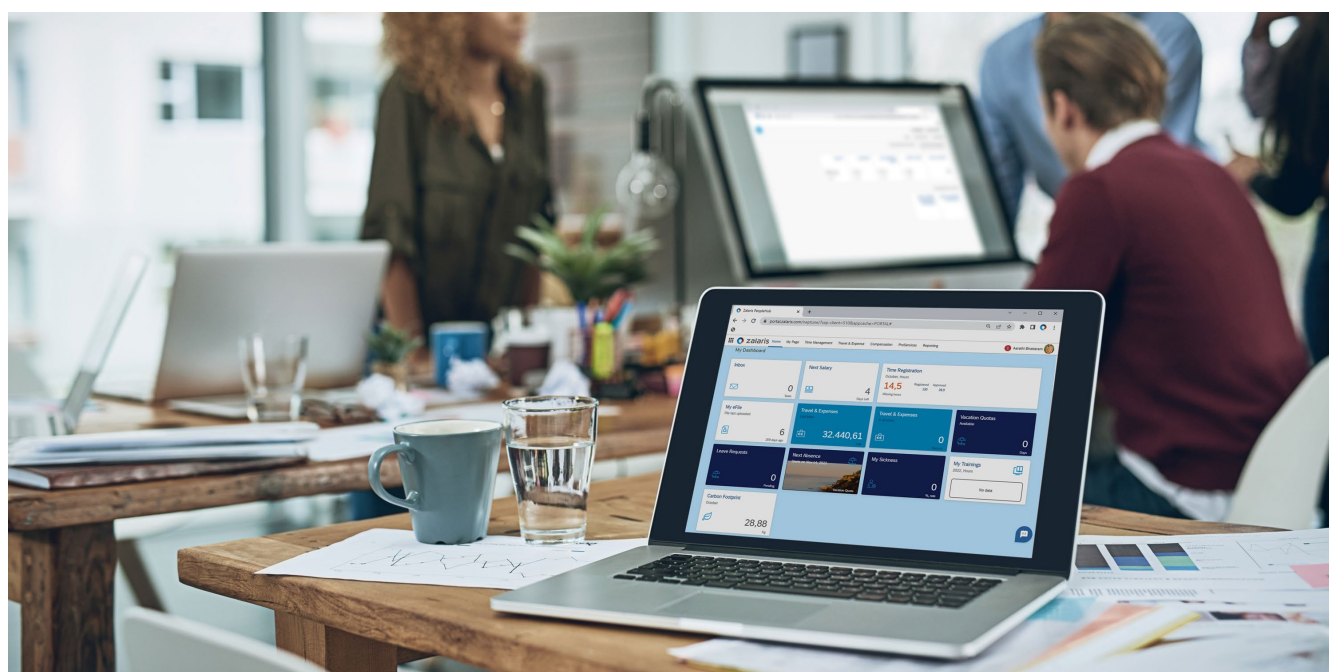
Within Professional Services, Germany and Poland delivered a change in revenue of +4.6% and +6.9% respectively in local currency compared to last year.

Revenue in the Central Europe region for the full-year 2024 amounted to NOK 545.7 million, compared to NOK 467.3 million last year.

UK & Ireland

Revenue in the UK & Ireland region amounted to NOK 19.6 million in the fourth quarter, compared to NOK 25.3 million in the same quarter last year, a decrease of 26.3% in local currency. The lower revenue was primarily due to the partial completion of a major consulting project in Professional Services.

Revenue in the UK & Ireland region for the full-year 2024 amounted to NOK 86.1 million, compared to NOK 87.0 million last year.



Earnings

The adjusted EBIT was NOK 47.4 million for the fourth quarter (NOK 33.4 million). The EBIT growth was primarily driven by increased revenue from new and existing Managed Services customers in the Nordic region and DACH, along with improved customer margins in DACH. The EBIT improvement program for DACH, introduced in the second quarter, is now delivering results, significantly increasing EBIT in the fourth quarter.

The adjustments made to EBIT were the calculated costs of the Company's share-based payment plan, including estimated payroll tax (negative NOK 5.1 million), costs related to the strategic process (NOK 0.8 million), negative EBIT for non-core business vyble (NOK 0.3 million) and amortisation of excess values on acquisitions (NOK 3.6 million).

Adj. EBIT for the full-year amounted to NOK 147.5 million (NOK 95.8 million).

Consolidated EBIT for the quarter was NOK 37.7 million (NOK 26.2 million). The positive variance from last year is mainly due the factors noted above.

Consolidated EBIT for the full-year amounted to NOK 113.7 million (NOK 60.1 million).

The Group had net financial expenses of NOK 13.0 million for the fourth quarter (net expense NOK 15.7 million), including a net unrealised currency loss of NOK 2.8 million (loss NOK 1.5 million), mainly related to the EUR 40 million bond loan.

Net financial expenses for the full-year was NOK 64.2 million (expense NOK 74.6 million), including an unrealised currency loss of NOK 15.6 million (gain NOK 0.1 million).

The net profit for the quarter was NOK 13.4 million (NOK 20.9 million). The net profit last year included a positive tax expense of NOK 10.4 million due to the recognition of a deferred tax loss. The tax expense this year was NOK 11.3 million.

The net profit for the full-year was NOK 33.4 million (loss NOK 3.0 million).

Total comprehensive income amounted to NOK 16.0 million (NOK 22.5 million), after positive currency translation differences of NOK 2.6 million (NOK 1.6 million) relating to foreign subsidiaries.

Total comprehensive income for the full-year was NOK 62.6 million (NOK 26.8 million).

The board will propose a dividend of NOK 0.90 per share for 2024.

EBIT improvements

Zalaris targets an adjusted EBIT margin of 12% – 15% by the end of 2026. Our ambition is that each region will have a local EBIT margin of 15 – 20%, before any group charges.

Regions that perform well have a high level of standardization, automation and customer deliveries based on the Zalaris PeopleHub platform and make use of more resources from near- and offshore locations when providing services.

The EBIT target is achieved in the Nordic countries, partly by moving significant tasks from local to near-/offshore locations to reduce operational costs and increase existing capacity for more revenue without hiring new local resources in our key strategic markets.

Historically, the subsidiary in Germany has delivered significantly lower margins compared to other countries and in the second quarter this year, we further formalized our activities in the form of a DACH improvement program, targeting an EBIT improvement for DACH stand alone of approximately NOK 40 million over the next 12 to 18 months, with approximately NOK 30 million to be realized over the next 12 months, in addition to approximately NOK 10 million that will come from new customer contracts. In the fourth quarter, we began realizing the benefits of our improvement program, resulting in a significantly enhanced

EBIT margin in DACH. The key focus areas of this program include:

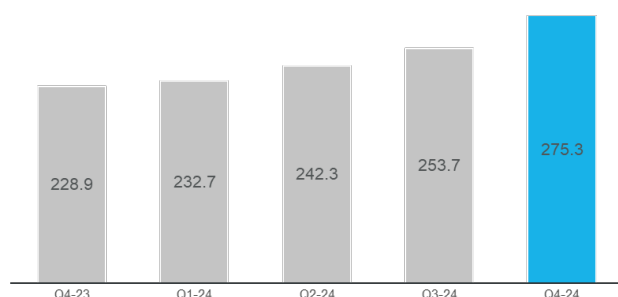
- Cost synergies from integrating Base GmbH – now renamed to Zalaris Retail Solutions GmbH – into our German Managed Services operations from Q3 2024;
- Renegotiated terms in existing customer agreements, including migrating customers on legacy platforms to PeopleHub, with effect from Q3 2024 and Q1 2025;
- Implementing the Zalaris 4.0 operating model with a balanced onshore; nearshore, offshore, and digital workforce, to be implemented by Q1 2025;
- Normalizing the use of external SAP consultants to 15% of current produced hours, down from approximately 30%, targeting full implementation by Q4 2025; and
- Streamlining of organization reducing administrative overhead through digitalization

Business segment performance

Managed Services

The Managed Services (“MS”) segment had revenue of NOK 275.3 million (75% of total revenue) for the fourth quarter 2024, compared to NOK 228.9 million in the same quarter last year. The increase was +17.3% when adjusted for currency effects and was mainly driven by revenue from new customers that have gone live since the fourth quarter last year and additional services and increased change orders from existing customers.

REVENUE MANAGED SERVICES NOK MILLION



As noted earlier in this report, Zalaris is implementing a large number of new MS contracts. As a result, significant resources are being utilized on contract implementation, resulting in deferred revenue, which will start being recognized as revenue when the projects go live. MS revenue deferred for the fourth quarter 2024 was NOK 30.1 million, compared to NOK 30.8 million last year.

The adj. EBIT for MS for the fourth quarter was NOK 57.1 million (NOK 30.6 million), and adj. EBIT margin was 20.7% (13.4%). The increase in EBIT is mainly due to higher revenue in the Nordic region and DACH, as well as operational improvements in DACH.

The target is for MS to operate on a standardised platform across all regions. This will secure harmonised operational processes, maximizing use of digitalisation, and take full effect of the flexibility and competence of resources across all geographical regions, hereunder both locally, nearshore (Latvia, Poland, Spain) and offshore (India). The

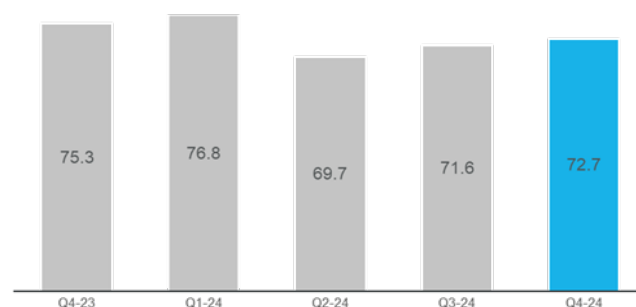
increased EBIT in MS is partly a result of this harmonisation across regions, including Germany.

Professional Services

Revenue in the Professional Services (“PS”) segment amounted to NOK 72.7 million for the fourth quarter 2024, compared to NOK 75.3 million last year. When adjusted for currency movements the reduction was -5.3% year-on-year.

The primary reason for the reduction in PS revenue compared to last year was lower revenue in the UK, attributed to the partial completion of a large consulting project.

REVENUE PROFESSIONAL SERVICES NOK MILLION



The adj. EBIT for PS for the fourth quarter was NOK 5.7 million (NOK 10.7 million), and adj. EBIT margin was 7.8% (14.2%). Marginal lower revenue and additional bonus accruals contributed to the lower EBIT in the quarter.

New business - APAC

In 2022, Zalaris established operations in Australia and Singapore, to expand its multi-country payroll capabilities to the Asia-Pacific region (“APAC”). The purpose was to better support European headquartered customers with operations in APAC countries. APAC is one of the fastest growing regions for multi-country payroll in the world. We offer a full suite of Professional Services and Managed Services. APAC will be reported separately until it has reached a mature business volume, and the activities can be included in one of our two main segments. The objective is to provide separate

information on early-stage business development activities to isolate a financial loss in an interim period and to visualize the financial result of the existing business activities without the disturbance of these new activities.

The APAC region recorded revenue and adj. EBIT of NOK 15.1 million (NOK 8.2 million) and NOK 0.04 million (negative NOK 0.6 million) respectively in the fourth quarter.

vyble

In 2022, the Group started a process to reduce its ownership in vyble GmbH (“vyble”), a payroll and HR solution start-up located in Rostock and Hamburg, Germany. vyble has a complete suite of Payroll and HR solutions delivered as Software as a Service (SaaS) targeting the SME market in Germany. Despite discussions with potential buyers, no offers met Zalaris' expectations. During this period, the company has been restructured and operating expenses significantly reduced. Further cost reductions are expected. The sales process is now on hold and the financial statements for the periods from the classification has been amended accordingly. vyble is a non-core business and is reported separately to the other business segments.

vyble had revenue and EBIT of NOK 1.8 million (NOK 0.8 million) and negative NOK 0.3 million (negative NOK 0.9 million) respectively in the fourth quarter.

Financial position and cash flow

Zalaris had total assets of NOK 1,319.9 million as of 31 December 2024, compared to NOK 1,257.9 million as of 30 September 2024.

Cash and cash equivalents were NOK 221.8 million as of 31 December 2024, an increase of

NOK 41.7 million from the end of the previous quarter.

Total equity as of 31 December 2024 was NOK 260.7 million, compared to NOK 244.0 million as of 30 September 2024. This corresponds to an equity ratio of 19.8% (19.4%).

The Company holds 449,844 treasury shares (2.0% of total outstanding shares) at 31 December 2024.

Net interest-bearing debt (interest-bearing debt less cash and cash equivalents) as of 31 December 2024 was NOK 247.5 million, compared to NOK 286.4 million as of 30 September 2024.

The leverage, measured by dividing the net interest-bearing debt at the end of the quarter by the adjusted EBITDA for the last twelve months, was reduced from 1.4 as of 30 September 2024 to 1.2 as of 31 December 2024.

Operating cash flow during the fourth quarter 2024 was NOK 57.4 million (Q4 2023: NOK 44.1 million). The increase is mainly due to higher earnings before interest, tax, depreciation and amortisation (EBITDA).

Net cash flow from investing activities in the fourth quarter was negative NOK 4.9 million (negative NOK 20.2 million). This was all related to investment in fixed and intangible assets.

Net cash flow from financing activities in the fourth quarter was negative NOK 10.5 million (negative NOK 6.5 million).

Subsequent events

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

Outlook

Zalaris maintains a strong outlook for future revenue growth, driven by recently secured long-term BPaaS/SaaS contracts within the Managed Services division, along with expansions of existing agreements. Most of these contracts will be fully operational during 2025. Additionally, several Managed Services contracts offer significant potential for volume expansion into new countries or additional services. With a robust pipeline of new opportunities, Zalaris remains well on track to achieve its growth targets.

We maintain our guidance of average annual churn of 1.5%-3% over a cycle, and an average annual growth target of 10%.

Large scale benefits from revenue growth combined with continued cost optimisation from X-shoring, automation and the use of AI will be the key drivers for continued improved profitability going forward. Key targets for 2025 include further automation of our delivery processes and improved use of our near- and offshore delivery centres in Latvia, Poland and India.

Industry and market research reports indicate sustained growth in Zalaris' key markets for multi-country payroll and HR outsourcing. Zalaris is well-positioned to capitalise on this trend with its competitive technology platform and cost-efficient, skilled workforce. This is exemplified by multi-country contracts with clients such as Yunex Traffic and Innomotics. Additionally, growth will be driven by expanding services for existing customers, including broader geographic coverage, as demonstrated by partnerships with Siemens, Tryg, and Circle K, along with our agreement with a major global retailer.

Zalaris has been expanding its geographical coverage both in Europe and the Asia-Pacific region to strengthen its competitive position. Whilst the Company previously established its own subsidiaries in new countries, an important revised expansion strategy has been implemented using in-country partners, deploying Zalaris' PeopleHub solution. This secures low risk profitable global geographic expansion, even for low and moderately sized employee volumes. The global macro picture with high inflation, increased interest rates, and fear of recession, have so far not impacted our business negatively. The strong pipeline of available opportunities indicate that this positive trend will continue.

We are experiencing upward pressure on salaries, and the recruitment of new skilled employees is challenging in some markets. However, most of our long-term contracts within the Managed Services Division have provisions for the annual indexation of salaries, additionally we have established trainee programs, to mitigate this effect.

Historically, there has been a growing market interest in outsourcing during periods when companies prioritise operational efficiencies and cost optimisation. The underlying fundamentals remain strong, and Zalaris continues to maintain a robust pipeline of potential new sales across all regions.

The Board of Directors of Zalaris ASA
Oslo, 27 February 2025

Interim Consolidated Financial Statements

Consolidated Statement of Profit and Loss

(NOK 1 000)	Notes	2024	2023	2024	2023 *
		Oct-Dec <i>unaudited</i>	Oct-Dec <i>unaudited</i>	Jan-Dec <i>unaudited</i>	Jan-Dec <i>unaudited</i>
Revenue	2	364 876	313 211	1 346 282	1 133 971
Operating expenses					
License costs		28 711	26 498	108 074	103 231
Personnel expenses	4	174 545	153 650	674 778	589 845
Other operating expenses		92 107	81 229	347 642	287 068
(Gain)/loss on sale of assets		-	-	(10 504)	-
Depreciation and impairments		1 318	1 431	5 045	4 272
Depreciation right-of-use assets		6 827	6 096	25 741	23 002
Amortisation intangible assets		8 108	8 192	32 272	32 666
Amortisation implementation costs customer projects	3	15 542	9 915	49 581	33 765
Operating profit (EBIT)		37 718	26 200	113 653	60 122
Financial items					
Financial income	5	4 027	3 175	10 593	8 496
Financial expense	5	(14 246)	(17 375)	(59 185)	(83 186)
Unrealized foreign exchange gain/(loss)	5	(2 774)	(1 493)	(15 604)	61
Net financial items		(12 993)	(15 693)	(64 196)	(74 630)
Profit before tax		24 725	10 507	49 457	(14 508)
Tax expense		(11 321)	10 374	(16 010)	11 546
Profit for the period		13 404	20 881	33 447	(2 962)
Profit attributable to:					
- Owners of the parent		13 625	21 054	34 089	(1 752)
- Non-controlling interests		(134)	(173)	(642)	(1 210)
Earnings per share:					
Basic earnings per share (NOK)		0,62	0,97	1,54	(0,14)
Diluted earnings per share (NOK)		0,57	1,04	1,39	(0,14)

* 2023 accounts are reclassified with vlyble from discontinued to continued operations

Consolidated Statement of Comprehensive Income

(NOK 1 000)	Notes	2024	2023	2024	2023 *
		Oct-Dec <i>unaudited</i>	Oct-Dec <i>unaudited</i>	Jan-Dec <i>unaudited</i>	Jan-Dec <i>unaudited</i>
Profit for the period		13 404	20 881	33 446	(2 962)
Other comprehensive income					
Currency translation differences		2 562	1 592	23 418	29 760
Total other comprehensive income		2 562	1 592	23 418	29 760
Total comprehensive income		15 966	22 473	56 864	26 798
Total comprehensive income attributable to:					
- Owners of the parent		16 100	22 646	57 507	28 008
- Non-controlling interests		(134)	(173)	(642)	(1 210)

* 2023 accounts are reclassified with vyble from discontinued to continued operations

Consolidated Statement of Financial Position

(NOK 1 000)	Notes	2024 31. Dec <i>unaudited</i>	2023 31. Dec
ASSETS			
Non-current assets			
Intangible assets		118 895	118 126
Goodwill		222 152	209 443
Total intangible assets		341 047	327 569
Deferred tax asset		45 409	52 065
Fixed assets			
Right-of-use assets		66 314	44 853
Property, plant and equipment		9 960	35 186
Total fixed assets		76 274	80 039
Total non-current assets		462 730	459 673
Current assets			
Trade accounts receivable		291 862	262 690
Customer projects	3	277 957	197 106
Other short-term receivables		65 572	46 083
Cash and cash equivalents	6	221 751	135 722
Total current assets		857 142	641 601
Assets held for sale		-	10 275
TOTAL ASSETS		1 319 872	1 111 549

Consolidated Statement of Financial Position

(NOK 1 000)	Notes	2024 31. Dec <i>unaudited</i>	2023 31. Dec
EQUITY AND LIABILITIES			
Equity			
Paid-in capital			
Share capital		2 169	2 165
Other paid in equity		21 400	21 481
Share premium		143 956	143 045
Total paid-in capital		167 525	166 691
Other equity		14 519	14 519
Retained earnings		83 433	24 190
Equity attributable to equity holders of the parent		265 477	205 400
Non-controlling interest		(4 761)	(2 443)
Total equity		260 716	202 957
Liabilities			
Non-current liabilities			
Deferred tax		22 383	27 418
Interest-bearing loans	7	464 210	439 964
Lease liabilities		41 541	28 585
Total long-term liabilities		528 134	495 967
Current liabilities			
Trade accounts payable		42 736	38 159
Customer projects liabilities	3	245 475	182 588
Interest-bearing loans	7	5 010	10 757
Lease liabilities		28 437	18 469
Income tax payable		5 476	4 537
Public duties payable		60 665	44 621
Other short-term liabilities		143 223	108 815
Total short-term liabilities		531 022	407 946
Liabilities directly associated with the assets held for sale		-	4 679
Total liabilities		1 059 156	908 592
TOTAL EQUITY AND LIABILITIES		1 319 872	1 111 549

Consolidated Statement of Cash Flow

(NOK 1 000)	Notes	2024	2023	2024	2023
		Oct-Dec <i>unaudited</i>	Oct-Dec <i>unaudited</i>	Jan-Dec <i>unaudited</i>	Jan-Dec
Cash Flow from operating activities					
Profit (Loss) before tax from continued operation		24 724	11 537	49 457	(3 721)
Profit (Loss) before tax from discontinued operation			(1 032)	-	(10 787)
Net financial items	5	12 993	15 583	64 196	74 225
Share based program		2 668	2 786	13 083	11 575
Depreciation and impairments		1 318	1 430	5 045	4 269
Depreciation right-of-use assets		6 827	6 096	25 741	23 002
Amortisation intangible assets		8 108	7 784	32 272	31 068
Capitalisation implementation costs customer projects	3	(32 066)	(20 514)	(121 153)	(89 272)
Depreciation implementation costs customer projects	3	15 542	9 914	49 581	33 765
Customer project revenue deferred	3	30 086	30 768	96 050	104 139
Customer project revenue recognised	3	(14 987)	(9 851)	(42 113)	(29 408)
Taxes paid		(1 861)	(2 720)	(7 901)	(11 452)
Changes in accounts receivable		(15 150)	(21 679)	(29 172)	(70 975)
Changes in accounts payable		5 694	6 433	4 577	(7 248)
Changes in other items		22 739	17 560	30 414	35 100
Interest received		1 116	968	4 611	2 585
Interest paid		(10 394)	(10 932)	(43 219)	(38 317)
Net cash flow from operating activities		57 357	44 132	131 469	58 548
Cash flows to investing activities					
Investment in fixed and intangible assets		(4 853)	(20 180)	(27 451)	(33 868)
Proceedes from sale of property		-	-	41 899	-
Net cash flow from investing activities		(4 853)	(20 180)	14 448	(33 868)
Cash flows from financing activities					
Sale of own shares		-	-	2	881
Buyback of own shares		-	-	(12)	-
Cash settlement employee share options		(1 579)	-	(13 277)	-
Contribution from minority shareholder		-	-	-	293
Payment of lease liabilities		(8 842)	(6 292)	(32 604)	(22 790)
Net proceeds from new EUR 40m bond loan		-	-	-	440 796
Repayment of loans		(67)	(201)	(10 995)	(400 547)
Net cash flow from financing activities		(10 488)	(6 493)	(56 886)	18 633
Net changes in cash and cash equivalents		42 016	17 459	89 031	43 313
Net foreign exchange difference		(384)	(2 243)	(3 252)	(799)
Cash and cash equivalents at the beginning of the period		180 118	120 749	135 970	93 456
Cash and cash equivalents at the end of the period		221 752	135 970	221 751	135 970

Consolidated Statement of Changes in Equity

(NOK 1000)	Share capital	Own shares	Share premium	Other paid in equity	Total paid-in equity	Other equity	Retained earnings	Currency revaluation reserve	Total	Non-controlling interests	Total equity
Equity at 01.01.2023	2 214	(54)	141 898	10 038	154 095	14 519	8 622	(12 038)	165 198	(1 602)	163 596
Profit of the year							(2 121)		(2 121)	(841)	(2 962)
Other comprehensive income								29 760	29 760		29 760
Share based payments				11 575	11 575				11 575		11 575
Exercise of share based payments		1	131	(132)			(5)		(5)		(5)
Employee share purchase program		4	1 015		1 019		(139)		880		880
Other changes							113		113		113
Equity at 31.12.2023	2 214	(49)	143 044	21 481	166 690	14 519	6 469	17 722	205 400	(2 443)	202 957
Equity at 01.01.2024	2 214	(49)	143 044	21 481	166 690	14 519	6 469	17 722	205 400	(2 443)	202 957
Profit/(loss) of the year							35 765		35 765	(2 318)	33 447
Other comprehensive income								23 418	23 418		23 418
Share based payments				13 083	13 083				13 083		13 083
Exercise of share based payments				(13 277)	(13 277)				(13 277)		(13 277)
Employee share purchase program		4	912		916				916		916
Other changes				112	112		59		171		171
Equity at 31.12.2024	2 214	(45)	143 956	21 400	167 525	14 519	42 293	41 140	265 477	(4 761)	260 716

Unaudited

Notes to the 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 2024, 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 2023.

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. The company vyble GmbH "vyble" was acquired to develop products within the Tech Investments segment.

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 such 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-premises solutions. A large portion of these services are of recurring nature and many 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 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 consists of the new business in APAC (Australia and Singapore).

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 the 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.

2024 Oct-Dec

(NOK 1 000)	Managed Services	Professional Services	APAC	vyble GmbH	Gr.Ovhd & Unallocated	Total
Revenue, external	275 251	72 731	15 128	1 766		364 876
Operating expenses	(198 449)	(65 429)	(14 922)	(1 650)	(14 912)	(295 362)
EBITDA	76 801	7 302	206	116	(14 912)	69 513
Depreciation and amortisation	(20 973)	(2 045)	(230)	(412)	(8 136)	(31 796)
EBIT	55 829	5 257	(24)	(296)	(23 048)	37 717
Net financial income/(expenses)					(12 993)	(12 993)
Income tax					(11 321)	(11 321)
Profit for the period	55 829	5 257	(24)	(296)	(47 362)	13 403
Cash flow from investing activities						(4 853)

2023 Oct-Dec*

(NOK 1 000)	Managed Services	Professional Services	APAC	vyble GmbH	Gr.Ovhd & Unallocated	Total
Revenue, external	228 870	75 342	8 209	790	-	313 211
Operating expenses	(184 318)	(62 686)	(8 583)	(1 157)	(4 634)	(261 377)
EBITDA	44 552	12 656	(374)	(367)	(4 634)	51 834
Depreciation and amortisation	(14 955)	(2 216)	(258)	(553)	(7 651)	(25 634)
EBIT	29 597	10 441	(632)	(920)	(12 285)	26 200
Net financial income/(expenses)					(15 693)	(15 693)
Income tax					10 374	10 374
Profit for the period	29 597	10 441	(632)	(920)	(17 604)	20 881
Cash flow from investing activities						(20 180)

* 2023 accounts are reclassified with vyble from discontinued to continued operations

2024 Jan-Dec

(NOK 1 000)	Managed Services	Professional Services	APAC	vyble GmbH	Gr.Ovhd & Unallocated	Total
Revenue, external	1 002 669	290 825	48 200	4 588		1 346 282
Operating expenses	(770 384)	(260 674)	(47 811)	(5 606)	(46 020)	(1 130 494)
Sale of assets	-	-	-		10 504	10 504
EBITDA	232 285	30 151	389	(1 017)	(35 516)	226 292
Depreciation and amortisation	(69 880)	(8 986)	(600)	(1 631)	(31 542)	(112 639)
EBIT	162 405	21 165	(211)	(2 648)	(67 058)	113 653
Net financial income/(expenses)					(64 196)	(64 196)
Income tax					(16 010)	(16 010)
Profit for the period	162 405	21 165	(211)	(2 648)	(147 264)	33 447
Cash flow from investing activities						14 448

2023 Jan-Dec*

(NOK 1 000)	Managed Services	Professional Services	APAC	vyble GmbH	Gr.Ovhd & Unallocated	Total
Revenue, external	819 575	291 170	20 465	2 762		1 133 972
Operating expenses	(658 506)	(252 430)	(26 857)	(11 544)	(30 809)	(980 146)
EBITDA	161 069	38 740	(6 392)	(8 782)	(30 809)	153 826
Depreciation and amortisation	(51 511)	(8 426)	(974)	(1 599)	(31 194)	(93 704)
EBIT	109 558	30 314	(7 366)	(10 381)	(62 003)	60 121
Net financial income/(expenses)					(74 630)	(74 630)
Income tax					11 546	11 546
Profit for the period	109 558	30 314	(7 366)	(10 381)	(125 087)	(2 962)
Cash flow from investing activities						(33 868)

* 2023 accounts are reclassified with vyble from discontinued to continued operations

Geographic Information

The Group's operations are carried out in several countries, and information regarding revenue based on geography is provided below. Information is based on the 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:

Oct-Dec (NOK 1 000)	2024				2023 *			
	MS	PS	Total	as % of total	MS	PS	Total	as % of total
Norway	63 877	219	64 097	18%	60 303	285	60 587	19%
Northern Europe, excluding Norway	113 905	764	114 670	31%	89 996	442	90 438	29%
Central Europe	87 082	62 576	149 658	41%	69 233	58 633	127 866	41%
UK & Ireland	10 387	9 171	19 558	5%	9 338	15 983	25 321	8%
APAC	4 463	10 665	15 128	4%	3 047	5 162	8 209	3%
Non-core (vyle)		1 765	1 765	0%		790	790	0%
Total	279 715	85 161	364 875	100%	231 917	81 294	313 211	100%

* 2023 accounts are reclassified with vyle from discontinued to continued operations

Jan-Dec (NOK 1 000)	2024				2023 *			
	MS	PS	Total	as % of total	MS	PS	Total	as % of total
Norway	246 075	1 050	247 126	20%	227 252	1 066	228 318	73%
Northern Europe, excluding Norway	412 400	2 130	414 529	30%	326 416	1 741	328 156	105%
Central Europe	305 494	240 208	545 702	40%	231 544	235 745	467 289	149%
UK & Ireland	38 700	47 437	86 136	8%	34 505	52 478	86 982	28%
APAC	12 848	35 352	48 200	3%	8 406	12 059	20 465	7%
Non-core (vyle)	-	4 587	4 587	3%	-	2 762	2 762	1%
Total	1 015 517	330 764	1 346 281	100%	828 122	305 850	1 133 972	100%

* 2023 accounts are reclassified with vyle from discontinued to continued operations

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)	2024	2023
	31. Dec	31. Dec
Trade receivables	291 862	262 690
Customer project assets	277 957	197 106
Customer project liabilities	(245 475)	(182 588)
Prepayments from customers	(24 554)	(15 993)

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

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

MOVEMENTS IN CUSTOMER PROJECT ASSETS THROUGH THE PERIOD:

(NOK 1 000)	2024	2023	2024	2023
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Opening balance in the period	260 739	187 686	197 106	135 359
Cost capitalised	32 066	19 542	121 153	89 272
Amortisation	(15 542)	(9 915)	(49 581)	(33 765)
Currency	694	(207)	9 279	6 240
Customer projects assets end of period	277 957	197 106	277 957	197 106

MOVEMENTS IN CUSTOMER PROJECT LIABILITIES THROUGH THE PERIOD:

(NOK 1 000)	2024	2023	2024	2023
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Opening balance in the period	(229 673)	(161 363)	(182 589)	(103 745)
Revenue deferred	(30 086)	(30 768)	(96 050)	(104 139)
Revenue recognised	14 987	9 127	42 113	29 408
Currency	(704)	416	(8 950)	(4 113)
Customer project liabilities end of period	(245 476)	(182 589)	(245 476)	(182 589)

Note 4 – Personnel expenses

(NOK 1 000)	2024	2023	2024	2023 *
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Salary	147 717	131 911	582 536	513 345
Bonus	10 874	9 780	31 512	23 359
Social security tax	26 113	21 940	99 239	80 252
Pension costs	7 090	6 538	27 366	24 782
Share based payments	2 696	2 797	12 325	11 589
Other personnel expenses	6 764	5 921	21 825	18 056
Capitalised to internal development projects	(2 678)	(2 032)	(13 832)	(6 847)
Capitalised to customer project assets	(24 035)	(23 205)	(86 197)	(74 691)
Total personnel expenses	174 541	153 650	674 774	589 845

* 2023 accounts are reclassified with vlybe from discontinued to continued operations

Note 5 – Finance income and finance expense

(NOK 1 000)	2024	2023	2024	2023 *
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Interest income on bank accounts and receivables	1 112	968	4 606	2 448
Currency gain	1 117	2 267	4 188	5 902
Other financial income	1 798	(60)	1 799	147
Finance income	4 027	3 175	10 593	8 496
Interest exp. on financial liab. measured at amortised cost	10 394	11 032	43 219	38 684
Currency loss	1 494	4 570	7 440	36 693
Interest expense on leasing	1 199	4 727	4 003	2 677
Other financial expenses	1 159	(2 953)	4 523	5 132
Finance expenses	14 246	17 375	59 185	83 186
Unrealized foreign exchange profit/(loss)	(2 774)	(1 493)	(15 604)	61
Net financial items	(12 993)	(15 693)	(64 196)	(74 630)

* 2023 accounts are reclassified with vlybe from discontinued to continued operations

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

(NOK 1 000)	2024	2023
	31. Dec	31. Dec
Cash in hand and at bank - unrestricted funds	218 341	131 878
Employee withheld taxes - restricted funds	3 410	4 092
Cash and cash equivalents continuing operations	221 751	135 970
Cash discontinued operations	-	248
Total cash and cash equivalents	221 751	136 218

Note 7 – Interest-bearing loans and borrowings

(NOK 1 000)	Annual interest	Maturity	2024	2023
			31. Dec	31. Dec
Bond loan	3 m Euribor + 5.25%	28.03.2028	463 711	439 205
Commerzbank - DE	1.3%	31.12.2031	-	10 506
De Lage Landen Finans	7,05%	31.01.2028	749	1 010
AHAG Vermögensverwaltung GmbH	Minority share loan	31.03.2025	4 759	-
Total interest-bearing loans			469 219	450 721
Total long-term interest-bearing loans			464 209	439 964
Total short-term interest-bearing loans			5 010	10 757
Total interest-bearing loans			469 219	450 721

The Company's bond loan of EUR 40 million is to be listed on the Oslo Stock Exchange.

Note 8 – Equity

During Q4 2024, there were no new share options nor RSUs granted to employees. As of 31 December 2024, there are 1 745 200 share options and 183,361 RSUs outstanding.

Note 9 – Events after balance sheet date

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

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 income and costs, costs relating to share based payments to employees, including related calculated payroll tax if it exceeds NOK 1.0 million in a quarter, 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.

	2024	2023	2024	2023
(NOK 1 000)	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
EBITDA	69 513	51 834	226 291	153 827
Gain on sale of assets	-	-	(10 473)	-
Share-based payments	5 079	2 786	21 867	11 575
Strategic process costs	774	-	5 798	-
Depreciation right-of-use assets (IFRS 16 effect)	(6 827)	(6 096)	(25 741)	(23 002)
Non-core (vyble)	296	920	2 648	10 381
Adjusted EBITDA	68 835	49 444	220 389	152 781

	2024	2023	2024	2023
(NOK 1 000)	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
EBIT	37 718	26 200	113 652	60 123
Gain on sale of assets	-	-	(10 473)	-
Share-based payments	5 079	2 786	21 867	11 575
Strategic process costs	774	-	5 798	-
Amortization of excess values on acquisition	3 560	3 494	14 023	13 691
Non-core (vyble)	296	920	2 648	10 381
Adjusted EBIT	47 428	33 400	147 514	95 769

Adjusted EBIT per segment

	2024	2023	2024	2023
(NOK 1 000)	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Managed Services - EBIT	55 829	29 597	162 405	109 558
Share-based payments	1 314	972	5 695	4 840
Managed Services - adjusted EBIT	57 143	30 569	168 100	114 398

	2024	2023	2024	2023
(NOK 1 000)	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Professional Services - EBIT	5 257	10 441	21 165	30 315
Share-based payments	446	300	1 941	1 089
Professional Services - adjusted EBIT	5 703	10 741	23 106	31 404

	2024	2023	2024	2023
(NOK 1 000)	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
New business (APAC) - EBIT	(24)	(632)	(211)	(7 367)
Share-based payments	70	70	275	198
New business (APAC) - adjusted EBIT	46	(562)	64	(7 169)

	2024	2023	2024	2023
(NOK 1 000)	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Group overhead/unallocated - EBIT	(23 048)	(12 286)	(67 058)	(62 002)
Gain on sale of assets			(10 473)	-
Share-based payments	3 248	1 444	13 955	5 446
Amortization of excess values on acquisition	3 560	3 494	14 023	13 693
Strategic process costs	774		5 798	-
Group overhead/unallocated - adjusted EBIT	(15 466)	(7 348)	(43 755)	(42 863)

Annual recurring revenue (ARR)

Annual recurring revenue (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 only 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.

Total Contract Value (TCV)

The total revenue that a customer contract is expected to generate is called total contract value (TCV). This metric is mainly used in Professional Services to assess the overall value of consulting projects that are contracted.

Net Retention

Net Retention is the percentage of revenue retained from Managed Services customers over a 12 months period. This figure takes into account any changes in revenue resulting from alterations in

services, products and volumes, as well as any lost revenue from customer attrition. Net Retention at the end of a given quarter is calculated by starting with the Managed Services revenue from the same quarter prior year, but excluding revenue from customers who had not fully implemented our solutions or services in that quarter. The next step is to measure the revenue from the same customers in the current quarter, using a constant currency (ref. definition below). This amount is then divided by the revenue from the same quarter prior year to obtain the Net Retention rate.

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's revenue using foreign exchange rates consistent with the prior year.

	2024	2023	2024	2023
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Revenue growth, as reported	16,5 %	24,7 %	18,7 %	26,7 %
Impact of foreign currency	-2,9 %	-10,6 %	-2,6 %	-10,7 %
Revenue growth, constant currency	13,6 %	14,1 %	16,1 %	16,0 %
Managed Services revenue growth, as reported	20,3 %	23,1 %	22,3 %	27,1 %
Impact of foreign currency	-3,0 %	-8,9 %	-2,2 %	-9,3 %
Managed Services revenue growth, constant currency	17,3 %	14,2 %	20,1 %	17,8 %
Professional Services revenue growth, as reported	-3,5 %	21,6 %	-0,1 %	19,8 %
Impact of foreign currency	-1,8 %	-14,4 %	-3,2 %	-14,3 %
Professional Services revenue growth, constant currency	-5,3 %	7,2 %	-3,3 %	5,5 %

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.

	2024	2023
(NOK 1 000)	31. Dec	31. Dec
Cash and cash equivalents continuing operations	221 751	135 970
Interest-bearing loans and borrowings - long-term	464 209	439 964
Interest bearing loans and borrowings - short-term	5 010	10 757
Net interest-bearing debt (NIBD)	247 468	314 751

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.

	2024	2023	2024	2023
(NOK 1 000)	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net cash flow from operating activities	57 357	44 132	131 470	58 552
Investment in fixed and intangible assets	(4 853)	(20 180)	14 448	(33 868)
Free cash flow	52 504	23 952	145 918	24 684

Full time equivalents (FTEs)

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

Key Figures

(NOKm unless otherwise stated)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Revenues	261,4	281,2	278,2	313,2	318,5	323,2	339,7	364,9
Revenue growth (YoY)	25,4 %	33,0 %	23,0 %	23,3 %	21,9 %	14,9 %	22,1 %	16,5 %
EBITDA adjusted	33,9	37,5	31,9	49,4	51,3	45,0	55,5	68,8
EBITDA margin adjusted	13,0 %	13,4 %	11,5 %	15,8 %	16,1 %	13,9 %	16,3 %	18,9 %
EBIT adjusted	18,5	20,2	23,7	33,4	34,8	28,4	37,0	47,4
EBIT margin adjusted	7,1 %	7,2 %	8,5 %	10,7 %	10,9 %	8,8 %	10,9 %	13,0 %
EBIT	8,5	10,0	15,4	26,2	32,5	12,3	31,1	37,7
EBIT margin	3,2 %	3,6 %	5,5 %	8,4 %	10,2 %	3,8 %	9,1 %	10,3 %
Profit Before Tax	(29,5)	(11,9)	16,4	10,5	8,6	6,1	10,0	24,7
Income Tax Expense	3,6	0,6	(3,0)	10,4	(2,2)	(0,8)	(1,7)	(11,3)
Profit (loss) for the period	(25,9)	(11,3)	13,4	20,9	6,4	5,3	8,3	13,4
Profit margin	-9,9 %	-4,0 %	4,8 %	6,7 %	2,0 %	1,6 %	2,4 %	3,7 %
Weighted # of shares outstanding (m)	21,6	21,6	21,6	21,6	21,7	21,7	21,7	21,7
Basic EPS (NOK)	(1,20)	(0,52)	0,62	0,96	0,30	0,25	0,38	0,62
Diluted EPS (NOK)	(1,20)	(0,52)	0,54	0,85	0,26	0,22	0,34	0,57
Cash flow items								
Cash from operating activities	(4,1)	3,3	15,3	44,1	7,2	18,4	48,4	57,4
Investments	(4,8)	(4,7)	(4,2)	(20,2)	(6,5)	(6,8)	(9,4)	(4,9)
Net changes in cash and cash equi.	27,1	(8,6)	7,1	17,7	25,8	3,2	18,1	42,0
Cash and cash equivalents end of period	124,1	113,6	120,7	136,0	161,1	163,2	180,1	221,8
Net interest-bearing debt	332,9	356,3	337,1	314,8	298,2	286,5	286,3	247,5
Total equity	168,9	176,7	177,6	203,0	229,4	231,6	244,0	260,7
Equity ratio	16,3 %	16,8 %	16,8 %	18,3 %	19,0 %	19,6 %	19,4 %	19,8 %
FTEs (quarter end)	983	987	1 004	1 007	1 052	1 065	1 059	1 049
Segment overview								
	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Revenues	261,4	281,2	278,2	313,2	318,5	323,2	339,7	364,9
Managed Services	186,7	204,0	200,0	228,9	231,7	242,3	253,7	275,3
Professional Services	70,5	72,3	73,1	75,3	76,8	69,7	71,6	72,7
APAC	3,6	4,3	4,4	8,2	8,8	10,8	13,5	15,1
Non-core (vyble)	0,6	0,7	0,7	0,8	1,2	0,4	0,9	1,8
EBIT	8,5	10,0	15,4	26,2	32,5	12,3	31,1	37,7
Managed Services	23,5	27,7	28,7	29,6	30,4	31,1	45,6	55,8
as % of revenue	12,6 %	13,6 %	14,3 %	12,9 %	13,1 %	12,8 %	18,0 %	20,3 %
Professional Services	10,3	2,9	6,6	10,4	9,0	1,5	5,3	5,3
as % of revenue	14,6 %	4,1 %	9,1 %	13,9 %	11,8 %	2,2 %	7,4 %	7,2 %
APAC	(2,5)	(2,2)	(2,0)	(0,6)	(0,9)	0,4	0,3	(0,0)
as % of revenue	-70,2 %	-50,5 %	-46,7 %	-7,7 %	-9,9 %	3,8 %	2,0 %	-0,2 %
Non-core (vyble)	(4,3)	(2,9)	(2,3)	(0,9)	(0,4)	(1,3)	(0,8)	(0,3)
as % of revenue	-732,6 %	-424,1 %	-322,6 %	-116,5 %	-35,7 %	-292,5 %	-92,6 %	-16,8 %
Gr.ovhd & Unallocated	(18,5)	(15,5)	(15,6)	(12,3)	(5,6)	(19,4)	(19,3)	(23,0)

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Financial information

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All financial information is
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