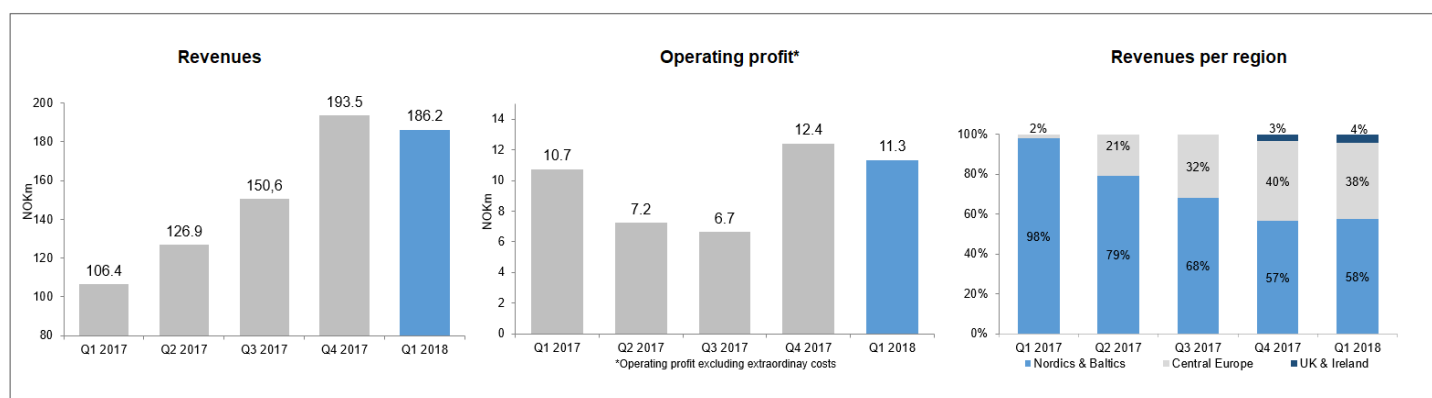


OUTSOURCING

Interim Report • Q1 2018

- New contract signed with oil champion Aker BP for HR outsourcing services.
- Successful launch of existing customers in Ireland and Germany proves revenue potential in our scalable business model across regions.
- Good progress of integration activities across acquired businesses.
- Quarterly revenues amount to NOK 186.2 million covering markets in 12 countries across Europe.
- EBIT Q1/18 NOK 11.3 million with a profit margin of 6.1% for the quarter.
- Proposed dividend of NOK 0.65 per share for FY 2017.





Becoming one Zalaris

In the first quarter of 2018, Zalaris celebrated go-live on several important customer projects and entered into agreement with Aker BP, a highly profiled player in the oil and gas sector. At the same time, we forged ahead with our efforts to integrate the acquired businesses from ROC and sumarum into Zalaris, implementing Zalaris' strategy. Our financial results continued the trend from previous quarters. Revenues in the first quarter increased significantly from NOK 106 million last year to NOK 186 million. Earnings were however only slightly improved since integration activities affected the first quarter, as earlier announced.

Implementing strategy

As talent management is becoming increasingly important, our customers continue to look for strategic partners who can support them in building the next generation multi-process HR model on a digital platform. Tomorrow's HR services are highly automated, they offer seamless and integrated employee experience, they are delivered through the cloud and offer deep strategic insight through higher-end analytics.

With our expansion into Central Europe, UK and Ireland we are positioning our company as a leading provider of advanced consulting and outsourced human capital management and payroll services in regions characterized by significant growth.

In Q1, Zalaris established a Dublin based service center to deliver HR- and payroll outsourcing services to customers in UK and Ireland. This strengthen our multi country delivery footprint - serving customers cross-borders based on one common scalable system combined with local language expertise and support.

Growing with our customers

In the previous quarterly letter to Zalaris' shareholders, I wrote that our main theme going forward will be to grow with our customers as we continue to service them and offer ever better, broader and more valuable services. I am pleased to see several examples of this happening already.

«We began 2018 with a clear vision for our future, including the completion of acquisitions supporting our pan-European strategic direction.»

In Q1 this year we extended our relationship with Circle K, a long-term customer, as Zalaris expanded into Ireland.

For Statkraft, a leading company in hydropower and Europe's largest generator of renewable energy, we recently celebrated go-live for delivery of payroll and other transactional HR services in Norway, and we are currently rolling out similar services in the UK and Germany.

We are also proud to include Aker BP on our list of prominent customers. Measured in production, Aker BP is one of the largest independent oil companies in Europe. This highly ambitious company has taken a proactive approach to digital change. It is considered by many as a leader as it bids to transform not only itself, but the entire industry. We will be working with Aker BP to build a state-of-the art human capital management system. In addition to the core HR services such as payroll, travel and expense, other features of the solution will allow instant and seamless access to competence data and certificates, which will make safe work planning and documentation much easier.

The Aker BP product offering from Zalaris was tailored for an oil and gas company. Many companies in other industries, however, depend on reliable and efficient systems and have similar needs for an integrated product offering. These are all likely customers of such full solutions in the future.

One Zalaris

The market is growing in segments that are beneficial to Zalaris. We are well positioned and expect that we will be gaining from these trends. In short, we expect that our growth will continue as we now emerge as one united Zalaris team. By the end of the second quarter this year, we will have completed rebranding of all acquired businesses and we will be operating our business on one common system.

Hans-Petter Mellerud, CEO

Financial Review

(Figures in brackets = same period or balance date last year, unless otherwise specified)

All figures in NOK 1 000	2018	2017	2017
	Jan-Mar	Jan-Mar	Jan-Dec
Revenue	186,167	106,389	577,338
Growth (y-o-y)	75.0 %	8.0 %	45.6 %
Operating profit before other costs	11,339	10,745	37,040
Operating profit margin before other costs	6.1 %	10.1 %	6.4 %
EBITDA before other costs	27,170	21,162	92,138
EBITDA margin before other costs	14.6 %	19.9 %	16.0 %
Ordinary Profit before tax	12,712	6,992	(9,526)
Profit for the period	11,376	5,411	(12,187)
Earnings per share	0.57	0.28	(0.61)
Net cash from operating activities	1,836	(2,846)	57,104
Headcount end of the period	837	494	829

Group Revenues

In Q1/18 group total revenue amounted to NOK 186.2 million (NOK 106.4 million), representing 75.0% growth compared to the same quarter previous year. The organic growth was 2.9% in Q1/18 compared to Q1/17.

The acquisitions of sumarum and ROC have increased Zalaris' geographical reach. In addition to the business segment reporting on the next page, Zalaris has therefore decided to report its revenues for the following geographical regions going forward: *Nordics & Baltics*, *Central Europe* and *UK & Ireland*.

Central Europe revenues had a slight decrease compared to previous quarter, after a strong trend in 2017. This is due to seasonal variations and that consulting capacity has been engaged in sales activities.

UK & Ireland which was integrated in Q4/17 grew in all business segments compared to previous quarter. The region launched its first customer both within the HR Outsourcing segment and in Ireland in the quarter.

The revenues from the Nordics & Baltics region had growth both from the HR Outsourcing and Cloud segment through the launch of new customers compared with the same quarter previous year. The region had a successful launch of payroll services for Statkraft both in Norway and in Sweden in the quarter. The Consulting unit had a slight decrease because much of the consulting capacity delivered service to customers within the other segments.

Number of employees and group full time equivalent at the end of the quarter were 837 and 779 respectively.

Group Profits

Group operating profit Q1/18 was NOK 11.4 million, representing a 6.1% margin (NOK 10.7 million and 10.1%). Profit margins for the quarter were marked by post-merger integration activities with extra-ordinary costs amounting to ~NOK 3.5 million as already announced and which is expected to continue until mid 2018.

Part of the post-merger project is to integrate the new businesses in Zalaris' ERP system, ensuring a shared set of processes throughout the organization. Thus internal consulting capacity is allocated to this system project in all regions. Planned launch is May 2018.

Multiple new opportunities, both for existing and new customers, have engaged consultants within sales in all regions and segments. In addition, capacity allocated to customer implementation projects were higher in Q1/18 compared to Q1/17. These efforts have affected all business segments in Q1/18. However, these efforts are supporting short and longterm growth prospects.

There were no significant currency effects on the operating margin in Q1/18. Net financial income for the quarter was NOK 1.4 million, including an unrealized foreign currency profit of NOK 4.2 million related to debt nominated in Euro. Tax expense in the period was NOK 1.3 million and profit for the period was NOK 11.4 million.

Segment information

Revenues

Q1/18 revenues in the **HR outsourcing** segment have increased with 18.8% compared with the same quarter previous year. The growth is mainly attributable to new business in Central Europe on existing and new customers. Total revenue for HR outsourcing in Q1/18 amounted to NOK 107.7 million (NOK 90.6 million). The organic growth within this segment was 3.9% compared to Q1/17 due to launch of new customers.

Number of employees served per month was 280.000.

The **Cloud services** segment's revenues in Q1/18 amounted to NOK 31.2 million (13.6 million). The acquisition of sumarum and ROC provided most of the growth within this segment compared to Q1/17. Total growth was 130.4%, of which 3.5% or NOK 0.5 million was organic growth.

The **Consulting segment** activities have increased significantly due to previous year's acquisitions. This represents a remarkable upswing from 2.2 NOK million to 47.3 NOK million. In Q1/18 the consulting capacity in all regions has been utilized with customer implementation projects for new customers and existing customers who has chosen to expand the scope of work provided by Zalaris. In addition, consulting capacity has been used for the internal system integration project and business development for new opportunities in all segments.

Profits

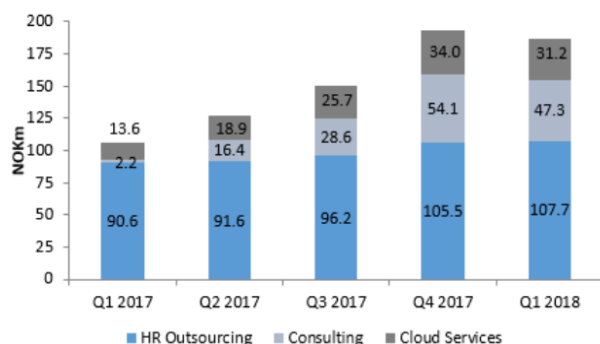
All business segments have been impacted by the extra-ordinary post-merger integration activities in the quarter.

Operating profit margin for the **HR Outsourcing** segment in Q1/18 amounted to NOK 6.1 million or 5.7% (NOK 8.2 million or 9%). The underlying business showed a positive margin trend compared to same quarter previous year.

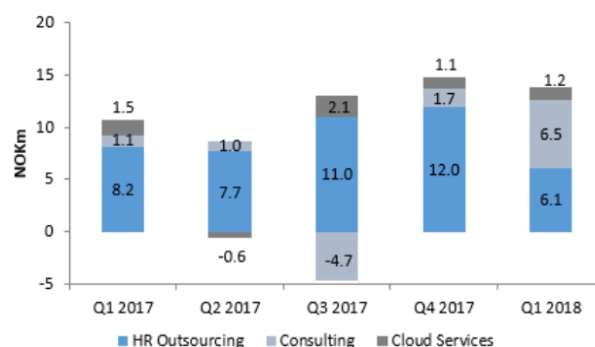
The **Cloud business** segment had an operating profit of NOK 1.2 million in Q1/18, with a margin of 3.8% (NOK 1.5 million, 11.5%). This negative effect is attributable to low utilization of Cloud resources in new markets, also shown in the company's Q4/17 reporting. A part of the integration project, is the implementation of a cross region workforce planning to ensure that people are utilized across the Group.

Consulting business segment had an operating profit of NOK 6.5 million equal to a 13.6% profit margin (NOK 1.1 million, 48.1%). The increase in nominal profit compared to same quarter previous year, was a result of the acquisitions of ROC and sumarum. The level of integration activities decreased from Q4/17 to Q1/18 and the impact is visible on the profit margin development, growing from 3.2% to 13.8%.

Revenues per segment



Operating profit per segment



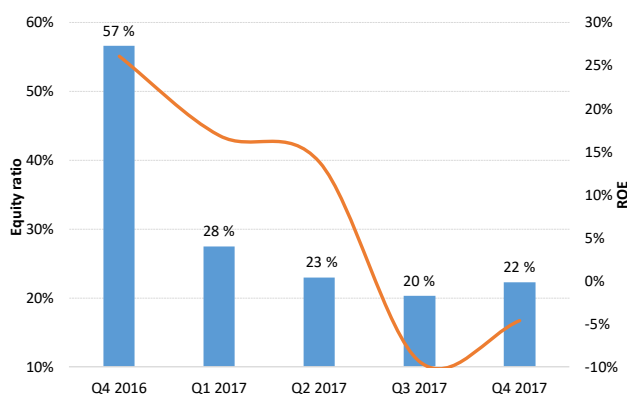
Financial position

As of 31 March, total assets amounted to NOK 561.8 million and total equity was NOK 125.3 million. This equals an equity ratio of 22.3% (56.6%).

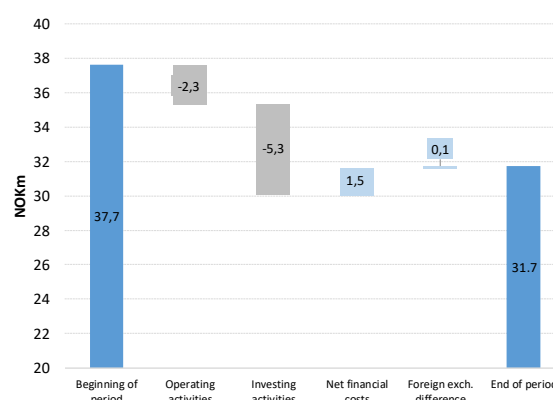
The debt-financed acquisitions, acquisition costs and post-merger activities had a negative impact on the equity ratio. Long term interest bearing debt as of 31 March amounted to NOK 217.4 million (NOK 1.4 million).

Group cash and cash equivalents were NOK 31.7 million as of the end of Q1/18. Cash from operating activities amounted to NOK -2.3 million. This was mainly negatively influenced by decreased current liabilities.

Equity ratio and return on equity (ROE)



Cash decomposition, Q4/17 to Q1/18



Outlook

Zalaris is embarking on a promising path as we proceed to complete the integration of our recent acquisitions of the ROC Group and sumarum AG. These companies complement our core competencies in HR and Human Capital Management and will enable expansion into key Northern European markets.

Margin improvement is a priority going forward. A structured program has been established for this purpose as the company aims to gain additional synergies and efficiency improvements from last year's acquisitions.

The business pipeline remains solid and management is optimistic about growth prospects in current and new markets, including Germany, UK and Ireland. Zalaris continues to grow with new customers as well as existing customers through geographic expansion as well as additional solution and application implementations. Zalaris can further capitalize as current industry trends gain more momentum.

Cloud solutions and mobile innovations are among our key focus areas.

The business of HR and Human Capital Management is changing. Companies seek the advantages and cost savings of outsourcing and digitization of all HR functions. In addition, new requirements associated with the General Data Protection Regulation (GDPR) contribute to a positive outlook because Zalaris' services, best practices and processes help enterprises achieve and maintain compliance.

Zalaris continues to serve customers across an increasingly diverse range of industries and geographies. Our customers have transformation at the top of their minds as they seek to advance in the data-driven culture of the future. Zalaris provides comprehensive solutions from designing efficient people processes to deployment and integration services as well as post-implementation support.

Our increasing presence in Europe, makes us well positioned for future growth.

Oslo, 2 May 2018
The Board of Directors of Zalaris ASA



Lars Laier Henriksen
(chairman)



Karl Christian Agerup



Liselotte Hägertz Engstam



Tina Steinsvik Sund



Jan M. Koivurinta

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

Interim consolidated condensed financial statements

Consolidated Statement of Profit and Loss

(NOK 1000)	Notes	2018	2017	2017
		Jan-Mar <i>unaudited</i>	Jan-Mar <i>unaudited</i>	Jan-Dec
Revenue	2	186 167	106 389	577 338
Operating expenses				
License costs		14 681	7 175	48 002
Personell expenses	3	100 418	56 613	308 935
Other operating expenses		43 898	21 439	131 311
Depreciations		888	464	2 217
Amortisation intangible assets	4	5 816	2 377	14 963
Amortisation implementation costs customer	5	9 127	7 575	37 918
Other costs		-	3 067	23 398
Total operating expenses		174 828	98 711	566 744
Operating profit		11 339	7 678	10 593
Financial items				
Financial income		381	750	1 498
Financial expense		(3 223)	(1 436)	(9 560)
Unrealized foreign currency loss	7	4 215		(12 057)
Net financial items		1 373	(686)	(20 120)
Ordinary profit before tax		12 712	6 992	(9 526)
Income tax expense				
Tax expense on ordinary profit		1 336	1 582	2 661
Total tax expense		1 336	1 582	2 661
Profit for the period		11 376	5 411	(12 187)
Profit attributable to:				
- Owners of the parent		11 376	5 411	(12 187)
- Non-controlling interests		-	-	-
Earnings per share:				
Basic earnings per share (NOK)		0,56	0,28	(0,61)

Consolidated Statement of Comprehensive Income

(NOK 1000)	Notes	2018	2017	2017
		Jan-Mar <i>unaudited</i>	Jan-Mar <i>unaudited</i>	Jan-Dec
Profit for the period		11 376	5 411	(12 187)
Other comprehensive income				
Currency translation differences		(5 985)	690	
Total other comprehensive income		(5 985)	690	14 003
Total comprehensive income		5 392	6 101	1 815
Total comprehensive income attributable to:				
- Owners of the parent		5 392	6 101	1 815
- Non-controlling interests		-	-	-

Consolidated Statement of Financial Position

(NOK 1000)	Notes	2018	2017	2017
		31. Mar	31. Mar	31 Dec
		<i>unaudited</i>	<i>unaudited</i>	
ASSETS				
Non-current assets				
Intangible assets				
Other intangible assets	4	145 777	40 053	145 747
Goodwill		148 765		151 075
Total intangible assets		294 542	40 053	296 822
Deferred tax asset		829	1 765	848
Fixed assets				
Office equipment		1 471	1 237	1 546
Property, plant and equipment		33 778	4 696	34 926
Total fixed assets		35 249	5 932	36 472
Total non-current assets		330 620	47 750	334 143
Current assets				
Trade accounts receivable		158 622	75 340	157 493
Customer projects	5	23 318	22 300	21 798
Other short-term receivables		17 498	8 565	16 290
Cash and cash equivalents		31 741	36 243	37 657
Total current assets		231 178	142 448	233 237
TOTAL ASSETS		561 798	190 197	567 380

Consolidated Statement of Financial Position

		2018	2017	2017
(NOK 1000)	Notes	31. Mar	31. Mar	31 Dec
		<i>unaudited</i>	<i>unaudited</i>	
EQUITY AND LIABILITIES				
Equity				
Paid-in capital				
Share capital		2 012	1 912	2 012
Own shares - nominal value		(6)	(6)	(6)
Other paid in equity		1 355	465	1 116
Share premium		58 217	37 048	58 217
Total paid-in capital		61 578	39 419	61 339
Other equity		(2 057)		(2 114)
Retained earnings		65 745	68 228	60 461
Equity attributable to equity holders of the parent		125 267	107 648	119 686
Non-controlling interests				
Total equity		125 267	107 648	119 686
Non-current liabilities				
Deferred tax		27 923	3 113	29 482
Interest-bearing loans and borrowings	7	217 437	1 368	220 225
Total long-term debt		245 360	7 804	249 707
Current liabilities				
Trade accounts payable		17 946	16 631	24 211
Interest-bearing loan from shareholders		7 636		7 775
Interest-bearing loans		45 927		41 782
Income tax payable		4 871	5 174	4 773
Public duties payable		33 854	23 395	36 418
Other short-term debt		80 676	29 546	82 773
Derivatives		262		255
Total short-term debt		191 171	74 745	197 987
Total liabilities		436 532	82 550	447 694
TOTAL EQUITY AND LIABILITIES		561 798	190 197	567 380

Consolidated Statement of Cash Flow

(NOK 1000)	Notes	2018	2017	2017
		Jan-Mar	Jan-Mar	Jan-Dec
Cash Flow from operating activities		<i>unaudited</i>	<i>unaudited</i>	
Profit before tax		12 712	6 992	(9 526)
Financial income		(4 596)	(542)	(1 169)
Financial costs		2 188	916	18 546
Depreciations and impairments		888	464	2 217
Amortisation intangible assets		5 816	2 377	14 963
Amortisation implementation costs customer projects		9 127	7 575	37 918
Customer projects		(10 647)	(6 763)	(36 603)
Taxes paid		(1 218)	(1 147)	(1 711)
Changes in accounts receivable and accounts payable		(7 393)	1 385	(73 188)
Changes in other short term debt and disposals		(7 271)	(13 726)	110 681
Interest received		33	8	129
Interest paid		(1 979)	(385)	(5 155)
Net cash flow from operating activities		(2 340)	(2 846)	57 104
Cash flows from investing activities				
Purchase of fixed and intangible assets		(7 563)	(4 698)	(154 887)
Purchase of goodwill		2 310		(151 075)
Net cash flow from investing activities		(5 253)	(4 698)	(305 962)
Cash flows from financing activities				
Net financial items				
Buyback shares from minority				
Changes minorities				
Stock purchase program		252	343	992
Issuance of new shares				35 713
Transaction costs related to issuance of new shares				(3 411)
Proceeds from issue of new borrowings		1 297		258 327
Repayments of borrowings		(9)	(68)	(31 507)
Dividend payments				(16 557)
Dividend payments to non-controlling interest				
Net cash flow from financing activities		1 540	275	243 556
Net changes in cash and cash equivalents		(6 053)	(7 269)	(5 302)
Net foreign exchange difference		138	4	(550)
Cash and cash equivalents at the beginning of the per		37 656	43 509	43 509
Cash and cash equivalents at the end of the period		31 741	36 244	37 656
Unused credit facilities		22 701	15 000	24 439

Consolidated Statement of Changes in Equity

(in NOK 1000)	Share capital	Own shares	Share premium	Other paid in equity	Total paid-in equity	Cumul. translation differences	Other equity	Non-controlling interests	Total equity
Equity at 01.01.2018	2 012	(6)	58 217	1 116	61 339	10 770	47 576	-	119 686
Profit of the period					-		11 376		11 376
Other comprehensive income				(13)	(13)	(5 972)			(5 985)
Share based payments				252	252				252
Issue of Share Capital					-				-
Transaction costs related to issue of new shares					-				-
Other changes					-		(64)		(64)
Dividend					-				-
Equity at 31.03.2018	2 012	(6)	58 217	1 355	61 578	4 799	58 889	-	125 267
<i>unaudited</i>									
Equity at 01.01.2017	1 912	(6)	37 048	122	39 076	(2 662)	64 209	-	100 624
Profit of the period					-		5 411		5 411
Other comprehensive income					-	690			690
Share based payments				343	343				343
Issue of Share Capital					-				-
Transaction costs related to issue of new shares					-				-
Other changes					-	10	570		580
Dividend					-				-
Equity at 31.03.2017	1 912	(6)	37 048	465	39 419	(1 961)	70 190	-	107 648
<i>unaudited</i>									
Equity at 01.01.2017	1 912	(6)	37 048	122	39 076	(2 661)	64 209	-	100 624
Profit of the period					-		(12 187)		(12 187)
Other comprehensive income				2	2	14 001			14 003
Share based payments				992	992				992
Issue of Share Capital	100		37 727		37 827		(2 114)		35 713
Transaction costs related to issue of new shares							(3 411)		(3 411)
Other changes					-	(570)	1 080		510
Dividend			(16 557)		(16 557)				(16 557)
Equity at 31.12.2017	2 012	(6)	58 217	1 116	61 339	10 770	47 576	-	119 686

Notes to the interim consolidated condensed financial statements

Note 1 – General Information and basis for preparation

General information

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

Zalaris' interim financial statements for the first quarter of 2018 were authorized for issue by the board of directors on 2nd May 2018.

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 interim financial statements do not include all of the information and disclosures required by International Financial Reporting Standards (IFRS) for a complete set of financial statements, and these condensed interim financial statements should be read in conjunction with the annual financial statements. The interim condensed consolidated financial statements for the nine months ended 30 September, have not been audited or reviewed by the auditors.

A description of the significant accounting policies is included in Zalaris' annual financial statements for 2016, and applies to these interim consolidated condensed financial statements. New and amended standards applicable for the period starting 1 January 2018 did not have any effect for the Company.

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 has three operating segments, which are Outsourcing, Cloud Services and Consulting Outsourcing, offering a full range of payroll and HR outsourcing services, including payroll processing, time and attendance and travel expenses. Consulting delivers turnkey projects based on Zalaris templates or implementation of customer-specific functionality. They also assist customers with cost-effective maintenance and support of customers' own on-premise solutions. The Cloud services unit is offering additional cloud-based HR functionality to existing outsourcing customers as talent management, digital personnel archive, HR analytics, mobile solutions, etc.

Information is organized by business area and geography. The reporting format is based on the Group's management and internal reporting structure. Items that are not allocated are mainly intercompany sales, interest-bearing loans and other associated expenses and assets related to administration of the Group. The Group's key management is the chief decision maker in the Group. The investing activities comprise total expenses in the period for the acquisition of assets that have an expected useful life of more than one year.

2018 Jan-Mar

(NOK 1.000)	HR Outsourcing	Cloud- services	Consulting	Unallocated	Total
Other operating income, external	107 652	31 223	47 292	-	186 167
Other operating expenses	(90 799)	(27 814)	(40 383)		(158 996)
Depreciation and amortisation	(10 704)	(2 221)	(454)	(2 452)	(15 831)
Transaction related costs					-
Operating profit/(loss)	6 148	1 188	6 455	(2 452)	11 339
Net financial income/(expenses)				1 373	1 373
Income tax				(1 336)	(1 336)
Profit for the period	6 148	1 188	6 455	(2 414)	11 376
Cash flow from investing activities				(5 253)	(5 253)

2017 Jan-Mar

(NOK 1.000)	HR Outsourcing	Cloud- services	Consulting	Unallocated	Total
Other operating income, external	90 642	13 553	2 193		106 389
Other operating expenses	(73 109)	(11 040)	(1 079)		(85 228)
Depreciation and amortisation	(9 363)	(995)	(59)		(10 416)
IPO related costs				(3 067)	(3 067)
Operating profit/(loss)	8 171	1 518	1 056	(3 067)	7 678
Net financial income/(expenses)				(686)	(686)
Income tax				(1 582)	(1 582)
Profit for the period	8 171	1 518	1 056	(5 335)	5 411
Cash flow from investing activities				(4 698)	(4 698)

2017 Jan-Dec

(NOK 1.000)	HR Outsourcing	Cloud- services	Consulting	Unallocated	Total
Other operating income, external	383 924	92 062	101 352		577 338
Other operating expenses	(306 439)	(80 054)	(101 754)		(488 247)
Depreciation and amortisation	(40 671)	(8 390)	(1 076)	(4 962)	(55 098)
Transaction related costs				(23 398)	(23 398)
Operating profit/(loss)	36 814	3 618	(1 478)	(28 360)	10 594
Net financial income/(expenses)				(20 120)	(20 120)
Income tax				(2 661)	(2 661)
Profit for the period	36 814	3 618	(1 478)	(51 142)	(12 187)
Cash flow from investing activities				(301 503)	(301 503)

Geographic Information

The Group's operations are carried in several countries, and information regarding revenue based on geography is provided below. Information is based on location of the entity generating the revenue, which to a large extent, corresponds to the geographical location of the customers.

Revenue from external customers attributable to:

(NOK 1000)	as % of total	2018 Jan-Mar	as % of total	2017 Jan-Mar	as % of total	2017 Jan-Dec
Northern Europe	58 %	107 360	98 %	104 099	72 %	416 729
Central Europe	38 %	70 727	2 %	2 290	27 %	154 173
UK & Ireland	4 %	8 080			1 %	6 436
Total	100 %	186 167	100 %	106 389	100 %	577 338

Information about major customers

(NOK 1000)	as % of total	2018 Jan-Mar	as % of total	2017 Jan-Mar	as % of total	2017 Jan-Dec
5 largest customer	27 %	50 507	50 %	52 968	36 %	208 328
10 largest customer	38 %	71 357	69 %	73 520	51 %	291 821
20 largest customer	53 %	99 187	83 %	87 985	64 %	370 349

Note 3 – Personnel Costs

(NOK 1000)	2018 Jan-Mar
Salary	91,169
Bonus	312
Social security tax	14,597
Pension costs	5,236
Other expenses	6,825
Capitalised development expenses	(3,590)
Capitalised implementation costs customer	(14,131)

Note 4 – Intangible Assets

(NOK 1000)	Licenses and software	Intern. developed software	Internally developed AuC	Customer Relation & Contracts	Goodwill	Total
Book value 01.01.2018	8 940	31 458	10 555	94 794	151 075	296 822
Additions of the period	1 355		6 209			7 563
Reclassifications		6 403	(6 403)			-
Disposals and currency effects	(79)	(186)	0	(1 453)	(2 310)	(4 028)
This period ordinary amortisation	(696)	(2 669)	-	(2 451)		(5 816)
Book value 31.03.2018	9 520	35 006	10 361	90 891	148 765	294 542
Book value 01.01.2017	6 613	22 853	9 589			39 054
Net additions through acquisition						-
Additions of the period			3 353			3 353
Reclassifications		1 703	(1 703)			-
Disposals and currency effects	7	16				23
This period ordinary amortisation	(438)	(1 939)				(2 377)
Book value 31.03.2017	6 182	22 633	11 238	-	-	40 053
Book value 01.01.2017	6 613	22 853	9 589			39 054
Net additions through acquisition	841	416		95 535	144 337	241 129
Additions of the period	3 337		17 121			20 458
Reclassifications		16 210	(16 210)			-
Disposals and currency effects	143	(13)	56	4 221	6 738	11 145
This period ordinary amortisation	(1 993)	(8 008)		(4 962)		(14 963)
Book value 31.12.2017	8 940	31 458	10 555	94 794	151 075	296 822
Useful life	3-10 years	5 years		10 years		
Depreciation method	linear	linear		linear		

Note 5 – Customer Projects

Costs related to delivering outsourcing contracts are recognized as they are incurred. However, a portion of costs incurred in the initial phase of outsourcing contracts may be deferred when they are specific to a given contract, relate to future activity on the contract, will generate future economic benefits and are recoverable. These costs are capitalized as "customer projects" and any prepaid revenues by the client are recorded as a deduction from the costs incurred in the balance for customer projects. The deferred costs are expensed evenly over the period the outsourcing services are provided and included in the line item "Amortization implementation cost customer projects." Deferred revenue is recognized over the corresponding period.

	2018	2017	2017
(NOK 1000)	31.mar	31.mar	31 Dec
Deferred costs related to customer projects	98 490	83 433	95 284
Deferred revenue related to customer projects	(75 172)	(61 133)	(73 487)
Net customer implementation costs	23 318	22 300	21 798

Note 6 – Transactions with Related Parties

Related party	Transaction	2018	2017	2017
(NOK 1000)		Jan-Mar	Jan-Mar	Jan-Dec
Rayon Design AS ¹⁾	Management Services	482	121	902
Total		482	121	902

¹⁾ Hans-Petter Møllerud, CEO, is director of the board and Norwegian Retail AS, a company 100% owned by Hans-Petter Møllerud, owns 45% of the shares in Rayon Design AS since September 2016.

Note 7 – Interest bearing debt

In connection with the acquisitions in FY 2017, the company entered into a new loan agreement amounting to EUR 25.8 million. Due to fluctuations in the exchange rates the company has had an unrealized profit related to this loan in Q1/18 amounting to NOK 4.2 million. The maturity of the loan is 02.05.2022. Per 31.03.2018 the loan amounted to NOK 232.1 million whereof 31.7 is categorized as current liabilities.

Note 8 – Events after Balance Sheet Date

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

Key Figures

Key financials	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
NOKm except per share figures								
Revenues	95,3	97,7	105,2	106,4	126,9	150,6	193,5	186,2
Revenue growth (y-o-y)	3,2 %	5,4 %	11,2 %	8,0 %	33,2 %	54,2 %	83,9 %	75,0 %
EBITDA excl. Extraordinary items	10,0	11,3	16,2	13,6	11,3	11,8	23,6	19,3
EBITDA margin	10 %	12 %	15 %	13 %	9 %	8 %	12 %	10 %
EBIT excl. extraordinary items	7,1	9,2	12,4	10,7	7,2	6,7	9,4	11,3
EBIT margin	7,5 %	9,4 %	11,8 %	10,1 %	5,7 %	4,4 %	4,8 %	6,1 %
Profit Before Tax	6,4	8,5	11,1	7,0	-5,8	4,7	-15,5	12,7
Income Tax Expense	1,7	2,3	1,6	1,6	-1,2	0,9	1,3	1,3
Non- Controlling Interests	0,7	0,2	-1,5					
Net income	4,0	6,0	11,0	5,4	-4,6	3,8	-16,8	11,4
Profit margin	4,2 %	6,2 %	10,5 %	5,1 %	-3,6 %	2,5 %	-8,7 %	6,1 %
Weighted # of shares outstanding (m)								
Basic EPS	0,2	0,3	0,6	0,3	-0,2	0,2	-0,8	0,6
Diluted EPS	0,2	0,3	0,6	0,3	-0,2	0,2	-0,8	0,6
DPS	0,9				0,9			
Cash flow items								
Cash from operating activities	10,8	-0,9	21,5	-2,8	31,1	-5,7	30,0	-2,3
Investments	-4,3	-3,5	-5,0	-4,7	-203,4	-75,3	-18,1	-5,3
Net changes in cash and cash equi.	-10,6	-5,1	8,4	-7,3	10,0	10,6	-18,6	-6,1
Cash and cash equivalents end of period	40,5	35,4	43,5	36,2	42,2	56,7	37,7	31,7
Net debt								
	-49,0	-53,1	-54,1	-59,9	130,7	183,0	224,4	231,6
Equity								
	93,8	97,5	101,0	107,6	118,7	128,4	119,7	125,3
Equity ratio	52 %	54 %	53 %	57 %	28 %	23 %	21 %	22 %
ROE	19 %	21 %	26 %	26 %	17 %	14 %	-10,2%	-5,1%
Number of FTE (Period End)	444	419	427	461	643	786	768	779
Segment overview	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
NOKm								
Revenues	95,3	97,7	105,2	106,4	126,9	150,6	193,5	186,2
HR Outsourcing	86,8	85,8	92,1	90,6	91,6	96,2	105,5	107,7
Consulting	2,4	2,4	3,5	2,2	16,4	28,6	54,1	47,3
Cloud Services	6,0	9,4	9,6	13,6	18,9	25,7	34,0	31,2
Adjustments	-							
EBIT	7,1	9,2	12,4	7,7	-3,6	6,4	0,1	11,3
HR Outsourcing	6,3	9,1	6,8	8,2	7,7	11,0	10,0	6,1
Consulting	0,8	-0,4	2,5	1,1	1,0	-4,7	1,2	6,5
Cloud Services	-0,0	0,5	3,1	1,5	-0,6	2,1	0,6	1,2
Unallocated	-	-	-		-0,8	-1,7	-2,4	-2,5
Unallocated Other costs				-3,1	-10,8	-0,2	-9,3	
HR Outsourcing								
	7,3 %	10,6 %	7,4 %	9,0 %	8,4 %	11,5 %	9,4 %	5,7 %
Consulting								
	33,8 %	-17,7 %	70,9 %	48,1 %	6,1 %	-16,5 %	2,2 %	13,6 %
Cloud Services								
	-0,1 %	5,5 %	32,1 %	11,2 %	-3,2 %	8,1 %	1,8 %	3,8 %

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Financial information

Interim report Q2 2018 to be published 16. August 2018.

Interim report Q3 2018 to be published 25. October 2018.

Interim report Q4 2018 to be published ultimo February 2019.

All financial information is published on the Zalaris' website:

<http://www.zalaris.com/Investor-Relations/>

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

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