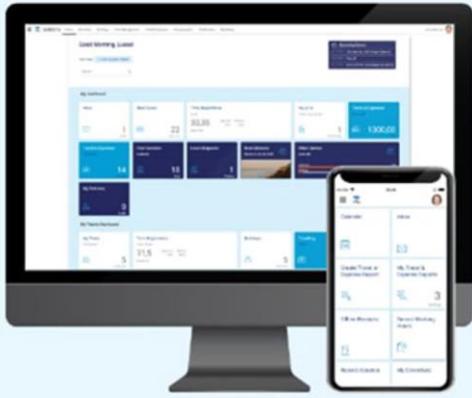




PeopleHub

Personnel. Time. Travel. Compensation.



One-stop HR platform

Q1 2022

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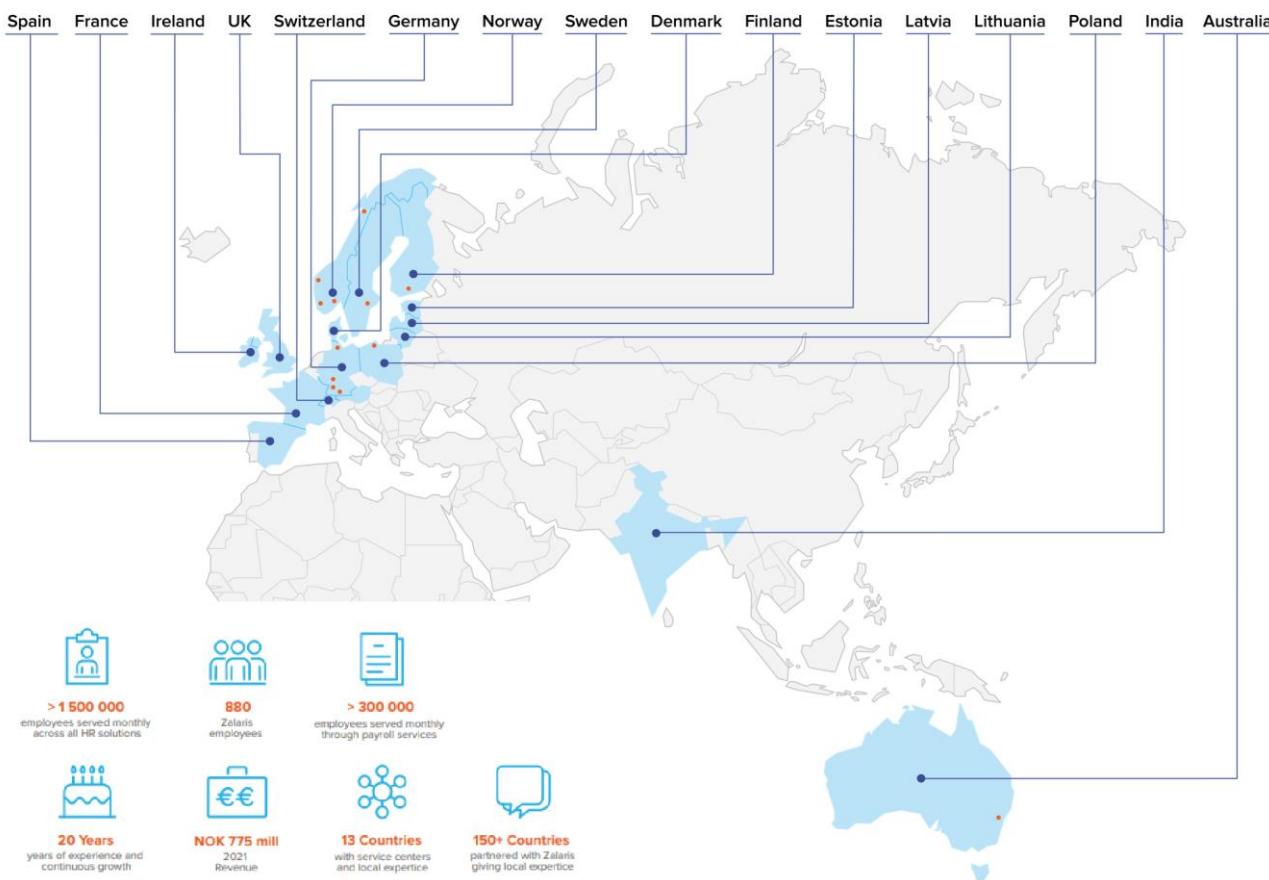
About Zalaris

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

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

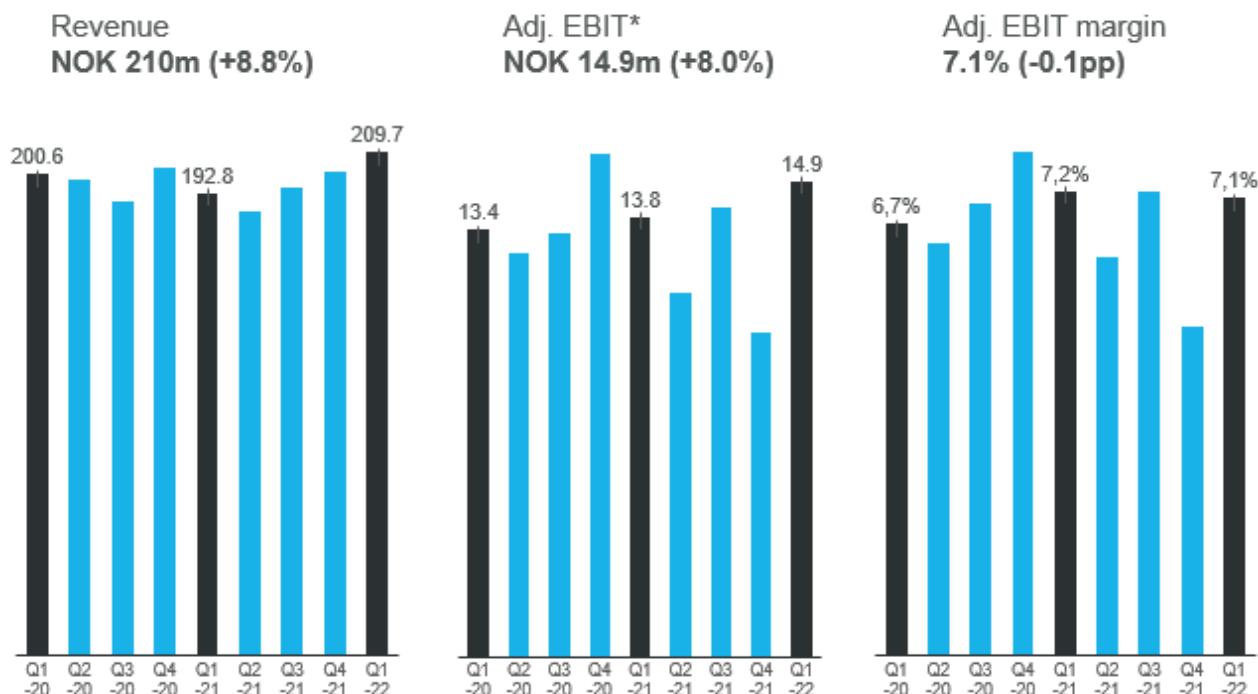
Our proven local and multi-country delivery models include: on-premise implementations, software as a service (SaaS), cloud integration and business process outsourcing (BPO). Furthermore, Zalaris' experienced consultants and advisors cover all industries and IT environments.

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



Q1 Highlights

- All time high quarterly revenue of NOK 209.7 million (NOK 192.8 million) for the first quarter. Revenue grew by +12.0% YoY in constant currency
- Adjusted EBIT of NOK 14.9 million (NOK 13.8 million) +8.0% YoY
- Adjusted EBIT margin of 7.1% (7.2%). The margin is expected to increase throughout the year to our 10% target, as our new projects go live and corresponding revenue being recognised
- Signed a seven-year agreement with Stora Enso in April, a leading Finish industrial company, for delivery of Payroll and Time Management technology and outsourcing services. The contract will be among our 10 largest and strengthens our position in the global production industry vertical
- Revenue deferred during the quarter was NOK 18.5 million (NOK 8.6 million), an increase of 119% as a result of many new customer contracts being implemented
- Acquired vyble, a German provider of cloud-based Payroll & HR management system (SaaS) for the SME market
- Cash and cash equivalents of NOK 134.7 million, +NOK 17.1 million compared to last year
- The board has proposed a dividend for 2021 of up to NOK 1.00 per share in total, with NOK 0.35 to be paid immediately following shareholder approval, and up to NOK 0.65 planned to be paid before the end of the year pursuant to a proposed board authorization



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

Key Figures

Q1 2022 financial summary

	2022	2021	2021
(NOK 1 000)	Jan-Mar	Jan-Mar	Jan-Dec
Revenue	209 650	192 778	775 265
<i>Growth (YoY)</i>	8,8 %	-3,9 %	4,2 %
EBITDA	25 156	28 915	101 948
Adjusted EBITDA ¹⁾	27 996	25 890	101 353
<i>Adjusted EBITDA margin (as % of revenue)</i>	13,4 %	13,4 %	13,1 %
EBIT	4 686	10 265	22 585
Adjusted EBIT ¹⁾	14 899	13 788	49 574
<i>Adjusted EBIT margin (as % of revenue)</i>	7,1 %	7,2 %	6,4 %
Profit/(loss) for the period	9 457	17 475	12 812
Earnings per share (EPS)	0,44	0,89	0,60
Total comprehensive income	(1 558)	5 179	1 148
Free cash flow ¹⁾	(9 145)	(2 187)	12 407
Net interest-bearing debt (NIBD) ¹⁾	212 890	242 423	183 019

Q1 2022 financial performance by business segment

	2022	2021	2021
(NOK 1 000)	Jan-Mar	Jan-Mar	Jan-Dec
Revenue			
Managed Services	146 547	128 437	529 685
Professional Services	61 893	64 342	245 580
Revenue	208 440	192 778	775 265
HR & Payroll Tech Investments	1 210	-	-
Total revenue	209 650	192 778	775 265
EBIT			
Managed Services	15 136	15 378	62 000
Professional Services	6 808	5 490	17 941
HQ and other	(13 495)	(10 603)	(57 355)
EBIT	8 449	10 265	22 586
HR & Payroll Tech Investments	(3 763)	-	-
Total EBIT	4 686	10 265	22 586
EBIT margin (%)			
Managed Services	10,3 %	12,0 %	11,7 %
Professional Services	11,0 %	8,5 %	7,3 %
EBIT margin (%)	4,1 %	5,3 %	2,9 %
HR & Payroll Tech Investments	n.a	n.a	n.a
Total EBIT margin (%)	2,2 %	5,3 %	2,9 %

CEO Insights

#teamZalaris closed Q1 with record high revenue of NOK 209.7 million growing 12% in constant currency compared to Q1 last year. Our more than NOK 115 million sold ARR in 2021 – securing 11.5% growth on a full year basis - started materializing in recognized revenue and will continue propagating throughout 2022 with full effect in Q1 2023. Add to this NOK 18.8 million of deferred revenue in the quarter – up with more than NOK 10 million from last year - and you find a business that is really humming.

Our adjusted EBIT was NOK 14.9 million (7.1%). 8% up from last year, but still negatively impacted by costs related to build-up of capacity to serve customers not yet in production

We are not directly impacted by the war in Ukraine as we have no operations nor work with any suppliers located in Russia, Ukraine, or Belarus. With a distributed network of service centres operating on one common solution we can move work quickly between various locations if we should need to and still deliver on customer commitments. We are continuously monitoring the situation and are maintaining our business continuity plans. We are actively supporting where we can promote democratic and human values.

Signing Streak Continues

Within Managed Services we continued our streak of signing new fantastic customers further strengthening our recurring revenue streams in all main markets. Including a five-year agreement to deliver a new SaaS Payroll and HR solution to serve Kaefer's 3,000 employees in UK and Ireland and a five-year agreement to deliver a new integrated HR and Payroll solution and outsourcing services to serve German iconic retailer KaDeWe's 1,900 employees. Just after quarter-end we signed a seven-year agreement with Stora Enso, a leading provider of renewable solutions in packaging, biomaterials, wooden construction and paper, to deliver Payroll and Time Management technology and outsourcing services for their 6,000 employees in Finland.

In addition to securing successful implementation of our numerous ongoing payroll and HR transformation projects Professional services continued its strong development signing new agreements with leading brands like Hitachi, Veolia, and Porsche in the UK. In Poland we signed new and extended agreements with companies like ABB, Lidl, and Ryanair to provide Application Maintenance Services. In Germany we

extended our long-term agreement for application maintenance services with the state of Rhineland-Pfalz, extended our agreement with Bitzer AG for a global rollout and finalized a new payroll solution to serve ThyssenKrupp Elevator's 7,000 employees.

Our pipeline continues being strong supporting our communicated ambition of securing ARR to continue on our current growth path in 2023.

Investing in Global Capability

To strengthen our position in the fast growing market for global payroll and to better support large customers complex needs including coverage of the APAC region we established local operations in Australia and Singapore during the quarter. Our initial five-person strong team has come off to a flying start signing an agreement to implement a new payroll solution for Google Australia and have already built a super pipeline of opportunities.

Through our partnership with ActivePayroll announced during the quarter we now can offer a comprehensive suite of cost-effective payroll and HR services to global enterprises with large employee population countries served on Zalaris Peoplehub and small employee population countries served by ActivePayroll. Fully integrated with Zalaris Peoplehub for a seamless user experience.

Acquired vyble® to offer fully digitised HR and Payroll as SaaS to the SME market

With the acquisition of the German entity vyble® in Q1, our ambition is to become a significant player in the growing market for fully digitised payroll and HR solutions for small and medium sized businesses. The German SME market segment, including companies with 10-250 employees, has an estimated annual value of EUR 1.5 billion.

Our initial focus for vyble will be to support the company in the German market using a network of accounting agencies and distributors to scale growth. With ownership of our own IP, we will explore the potential of porting vyble to our other markets.

Building Sustainability into Products and Services

Zalaris has from its inception aimed at creating a business based on Nordic values. We have always

believed in long-term thinking and treating people as human capital.

In 2021, we launched a strategic initiative to build ESG into all our products and services. As we are an office-based business, our environmental footprint is limited to travel, energy consumption related to the powering of our IT solutions and securing a good working environment for our people. To support creating awareness in how we can influence our personal and organizational footprint, we started developing an app, as part of PeopleHub, to help track and visualize our CO2 footprint from commuting and business travel. This was launched in Q1.

We have a key position in providing solutions to help our customers manage their workforce with cloud-based HR and payroll solutions, and are in an advantageous position to support reporting, and to visualize and target performance related to diversity, equity, and inclusion. We have created our first analytics and reporting solution for internal use that we will start marketing to customers later this year.

Continued focus on operational improvement and growth

Further, to improving EBIT through scaling existing operations, we are stepping up our automation and smart shoring efforts with the aim to achieve further margin improvements through the implementation of our Zalaris 4.0 delivery models and packaged solutions.

We will continue pursuing non-organic growth options that can strengthen our position in existing markets and leverage the scale of our existing organization. This includes opportunities that can support expanding our geographic coverage, or companies with new HR Tech solutions that can be utilized by our existing customer portfolio. We successfully raised NOK 120 million in new equity in 2021 to be used in a disciplined manner for this purpose.

Financial Review

Revenue

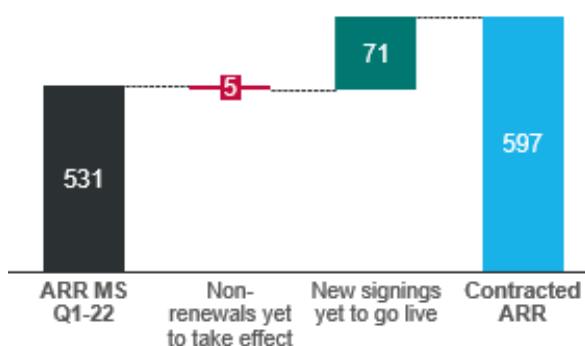
Consolidated revenue for the first quarter 2022 amounted to NOK 209.7 million (Q1 2021: NOK 192.8 million). The actual revenue increase was +8.8%. Measured in constant currency the increase was +12.0%.

Compared to the first quarter last year, revenue from new customers and the revenue from ba.se, which was acquired in the third quarter 2021, contributed to the growth, and was only partly offset by customers that did not renew their contracts in 2021.

Zalaris has signed several new BPO contracts within Managed Services ("MS") during the first quarter. These will be converted to monthly recurring revenue when the contracts go live. New contracts signed during the first quarter have expected annual recurring revenue ("ARR") of NOK 6 million. In addition, subsequent to quarter end, Zalaris signed a seven-year agreement with major Finnish industrial company, Stora Enso, for delivery of Payroll and Time Management technology and outsourcing services for their employees in Finland. This is one of Zalaris' 10 largest contracts to date, and the value will be included in the expected ARR in the interim report for the second quarter.

As an illustration of the revenue impact of new contracts signed, the table below shows the ARR within MS at the end of the first quarter, and how the ARR will increase, when signed contracts as of 31 March 2021 have been implemented (not including the ARR from Stora Enso, which was signed in April).

Contracted ARR* in MS (NOKm)

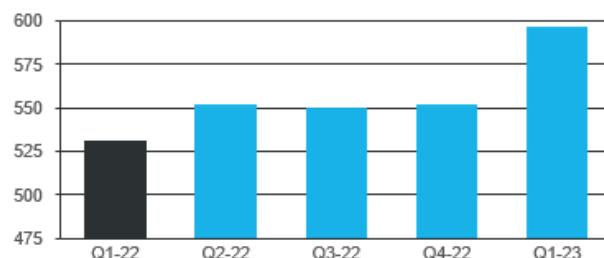


* Please refer to the APMs section of this report for definition of ARR and contracted

The net ARR to be implemented from new contracts (NOK 65 million) represents an increase in total annual revenue for Zalaris of +8.2% (when compared to revenue last twelve months).

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

Expected timing of Contracted ARR (NOKm)



Nordics & Baltics

Revenue in the Nordic & Baltic region was NOK 106.1 million in the first quarter. Adjusted for negative currency effects, the revenue was 2.9% higher than the figure last year of NOK 106.0 million. This was explained by the implementation of new customers, partly offset by non-renewals in 2021.

Central Europe

Revenue in the Central Europe region was NOK 94.7 million in the first quarter, compared to NOK 76.6 million last year. An increase of +26.4%, when adjusted for negative currency effects. The revenue was approximately 9% higher when adjusted for the inclusion of bas.se (consolidated from the third quarter 2021).

The organic growth came from Professional Services in Poland and from new customers in Managed Services in Germany that went live during the first quarter.

Within Professional Services, Poland and Germany showed a revenue growth of +37.7% and -4.7% respectively in local currency compared to last year.

UK & Ireland

Revenue in the UK & Ireland region amounted to NOK 8.8 million in the first quarter, compared to NOK 10.2 million in the same quarter last year. There has been increased activity within Manage Services in the region, and revenue from Managed Services has increased significantly. However, Professional Services resources have been utilized on the implementation of new BPO contracts (deferred revenue), which has had a negative impact on revenue in that segment.

Earnings

The adjusted EBIT was NOK 14.9 million for the first quarter (NOK 13.8 million), an increase of +8.0%.

The adjustments made were the calculated costs of the Company's share-based payment plan (NOK 1.9 million), amortisation of excess values on acquisitions (NOK 3.0 million), negative EBIT in newly acquired vyble (NOK 3.8 million) and costs of approximately NOK 1.5 million relating to the establishment of operations in Australia, and the establishment of an Application Maintenance

Services centre for Managed Services in Poland. These investments are expected to generate additional revenue in 2022.

There have also been some cost increases in preparation for increased volumes, as new BPO contracts go live.

Consolidated EBIT for the quarter was NOK 4.7 million (NOK 10.3 million). The variance from last year is due to higher calculated costs for share-based payments, as well as the factors noted above.

The Group had net financial income of NOK 6.3 million for the first quarter (net income NOK 11.2 million), including an unrealised currency gain of NOK 11.8 million (gain NOK 17.4 million) relating to the EUR 35 million bond loan and other foreign currency denominated balances.

The net profit for the quarter was NOK 9.5 million (NOK 17.5 million).

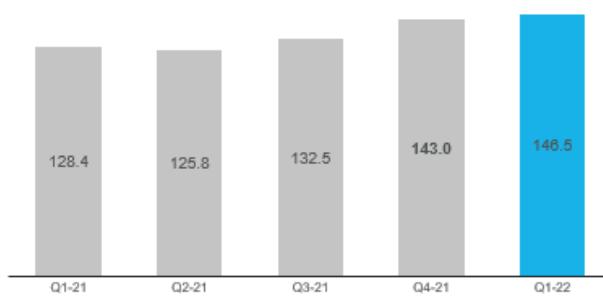
Total comprehensive income amounted to negative NOK 1.6 million (NOK 5.2 million), after currency translation differences of negative NOK 11.0 million (negative NOK 12.3 million) relating to foreign subsidiaries.

Business segment performance

Managed Services

The Managed Services (“MS”) segment had revenue of NOK 146.5 million for the first quarter 2022, compared to NOK 128.4 million in the same quarter last year. The increase was 17.4% when adjusted for negative currency effects. The inclusion of ba.se service & consulting GmbH (“ba.se”) added NOK 13.1 million (+10.2%), while the remaining increase is mainly due to revenue from new customers that have gone live since the first quarter last year, partly offset by non-renewals during 2021.

Revenue Managed Services (NOKm)



As noted earlier in this report, new BPO contracts with a total ARR of NOK 6 million were signed during the first quarter. As a result of the increased number of new contracts in 2021, more resources are being utilized on contract implementation, compared to last year, resulting in increased deferred revenue, which will result in increased revenue as the projects go live during 2022 and onwards. MS revenue deferred for the first quarter was NOK 18.5 million, compared to NOK 8.6 million last year, an increase of 115%.

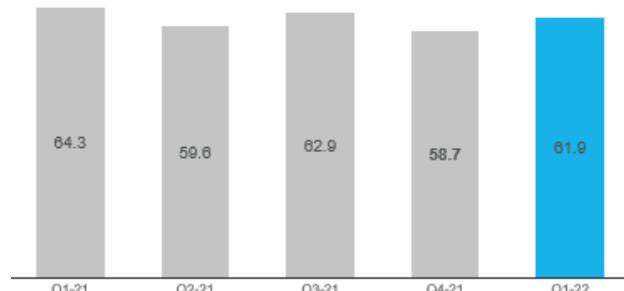
The EBIT for MS for the first quarter was NOK 15.1 million (NOK 15.4 million).

Professional Services

Revenue in the Professional Service (“PS”) segment amounted to NOK 61.9 million for the first quarter 2022, compared to NOK 64.3 million last year. When adjusted for negative currency movements the reduction was approximately 0.5% year-on-year. Higher revenue in Poland, was offset by lower revenue in Germany and UK. The reduction in these countries is mainly due to PS resources being utilized on the implementation of new MS contracts, which has resulted in increased deferred revenue (invoiced but not recognized). The largest PS countries Poland and Germany showed

a revenue growth of +37.7% and -4.7% respectively, in local currency.

Revenue Professional Services (NOKm)



The EBIT for PS for the first quarter was NOK 6.8 million (NOK 5.5 million). The EBIT was positively impacted by higher customer margins in Poland.

HR & Payroll Tech Investments

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

vyble is in a development phase, and had revenue of NOK 1.2 million and negative EBIT of NOK 3.8 million for the first quarter 2022.

Financial position and cash flow

Zalaris had total assets of NOK 821.5 million as of 31 March 2022, compared to NOK 826.6 million on 31 December 2021.

Cash and cash equivalents were NOK 134.7 million as of 31 March 2022, a decrease of NOK 41.5 million from the end of the previous quarter. The reduction in cash is mainly due to the acquisition of own shares through the announced buy-back program now completed (NOK 17.7 million – 1.6% of the total issued shares) and the acquisition of the assets of vyble AG (NOK 10 million), and working capital movements.

Total equity as of 31 March 2022 was NOK 189.7 million, compared to NOK 209.0 million as of 31 December 2021. This corresponds to an equity ratio of 23.1% (25.3%).

The Company holds 640,693 own shares at 31 March 2022.

Net interest-bearing debt (interest-bearing debt less cash and cash equivalents) increased from NOK 183.0 million on 31 December 2021 to NOK 212.9 million on 31 March 2022. This corresponds to a ratio of net interest-bearing debt over adj. EBITDA of 2.0 (1.8). The decrease in net interest-bearing debt is mainly due to the reduction in cash noted above.

Operating cash flow during the first quarter 2022 was negative NOK 4.4 million (negative NOK 0.1 million).

Net cash flow from investing activities for the first quarter was negative NOK 14.8 million (negative NOK 2.1 million). The increase was due to the acquisition of the assets of vyble AG during the quarter of NOK 10.1 million, and some additional investments Zalaris' PeopleHub platform.

Net cash flow from financing activities for the first quarter was negative NOK 22.1 million (negative NOK 4.4 million). The increased outflow is due to the purchase of own share of NOK 17.7 million during the quarter

The board will propose a dividend of NOK 0.35 per share to be paid for 2021. The board will also

propose that the general meeting provides an authorisation to the board to distribute additional dividends based on the Company's approved annual accounts for 2021, and may be used to distribute a dividend per share of up to NOK 0.65 to the extent the Company is in a position to distribute such dividend.

Subsequent events

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

Outlook

Zalaris is well positioned for future revenue growth, having signed an all-time high level of new long-term BPO contracts within Managed Services during 2021. This high activity level has continued into 2022, with a new major contract entered into with Stora Enso in April, and contracts with new significant customers in Germany and UK.

The increased scale of our operations from this revenue growth will be a key driver for higher profitability. Further automation of our delivery processes, and a more optimised use of resources from different Zalaris locations, are key targets for 2022 – hereunder extended use of offshoring.

Based on industry and market research reports, Zalaris' key markets within multi-country payroll and HR outsourcing are expected to grow in the foreseeable future. The Company is well positioned to capture part of this growth through new customers, as demonstrated by the multi-country contracts with Metsä and Yunex Traffic, entered in 2021, and by expanding the service offering to existing customers, as we have done with e.g. Siemens and Tryg. Zalaris is also

expanding its geographical coverage to strengthen its competitive position in this market.

We are actively pursuing non-organic growth options that can strengthen our position in existing markets, and leverage the scale of our existing organisation, exemplified by the acquisition of ba.se during 2021. The key focus is on opportunities that can support expanding our geographic coverage, or companies that add new HR Tech solutions that can be utilized by our existing customers, or that can expand our customer base. An example of this is the acquisition of vyble during the first quarter, which has a payroll and HCM software solution targeting the SME market.

Zalaris is not directly affected by the war in Ukraine, and has no operations or customers in Ukraine or Russia, however Zalaris is following the developments closely. Covid-19 may still have some impact short-term, however, the underlying fundamentals remain strong, and Zalaris has entered 2022 with a solid pipeline of potential new sales in all regions.

The Board of Directors of Zalaris ASA
Oslo, 28 April 2022

Interim Consolidated Financial Statements

Consolidated Statement of Profit and Loss

(NOK 1 000)	Notes	2022 Jan-Mar unaudited	2021 Jan-Mar unaudited	2021 Jan-Dec
Revenue	2	209 650	192 778	775 265
Operating expenses				
License costs		19 862	15 575	67 481
Personnel expenses	4	107 324	106 062	405 949
Other operating expenses		57 307	42 226	199 886
Depreciation and impairments		1 098	755	4 078
Depreciation right-of-use assets		4 136	3 930	16 114
Amortisation intangible assets		7 214	7 208	29 296
Amortisation implementation costs customer projects	3	8 022	6 756	29 874
Total operating expenses		204 964	182 513	752 679
Operating profit (EBIT)		4 686	10 265	22 585
Financial items				
Financial income	5	1 638	1 074	5 491
Financial expense	5	(7 118)	(7 304)	(29 031)
Unrealized foreign exchange gain/(loss)	5	11 769	17 449	15 968
Net financial items		6 289	11 220	(7 571)
Profit before tax		10 975	21 485	15 014
Tax expense		(1 518)	(4 010)	(2 203)
Profit for the period		9 457	17 475	12 812
Profit attributable to:				
- Owners of the parent		9 834	17 475	12 812
- Non-controlling interests		-376	0	0
Earnings per share:				
Basic earnings per share (NOK)		0,44	0,89	0,60
Diluted earnings per share (NOK)		0,41	0,85	0,56

Consolidated Statement of Comprehensive Income

(NOK 1 000)	Notes	2020	2021	2021
		Jan-Mar <i>unaudited</i>	Jan-Mar <i>unaudited</i>	Jan-Dec
Profit for the period		9 457	17 475	12 812
Other comprehensive income				
Items that will be reclassified to profit and loss in subsequent periods				
Currency translation differences		(11 015)	(12 296)	(11 664)
Total other comprehensive income		(11 015)	(12 296)	(11 664)
Total comprehensive income		(1 558)	5 179	1 148
Total comprehensive income attributable to:				
- Owners of the parent		(1 182)	5 179	1 148
- Non-controlling interests		(376)	-	-

Consolidated Statement of Financial Position

(NOK 1 000)	Notes	2022	2021	2021	
		31. Mar	31. Mar	31. Dec	
<i>unaudited</i>					
ASSETS					
Non-current assets					
Intangible assets		121 667	116 336	120 140	
Goodwill		183 503	155 576	187 843	
Total intangible assets		305 169	271 912	307 983	
Deferred tax asset		26 928	22 326	26 999	
Fixed assets					
Right-of-use assets		34 603	21 840	29 765	
Property, plant and equipment		29 249	30 802	29 855	
Total fixed assets		63 852	52 642	59 620	
Total non-current assets		395 950	346 881	394 601	
Current assets					
Trade accounts receivable		154 807	144 859	141 397	
Customer projects	3	106 434	74 731	94 799	
Other short-term receivables		29 576	25 149	19 614	
Cash and cash equivalents	6	134 704	117 561	176 224	
Total current assets		425 521	362 300	432 034	
TOTAL ASSETS		821 470	709 181	826 635	

Consolidated Statement of Financial Position

(NOK 1 000)	Notes	2022	2021	2021	
		31. Mar	31. Mar	31. Dec	
<i>EQUITY AND LIABILITIES</i>					
Equity					
Paid-in capital					
Share capital		2 149	1 964	2 185	
Other paid in equity		5 534	7 634	3 657	
Share premium		158 345	34 250	158 345	
Total paid-in capital		166 028	43 847	164 186	
Other equity		(8 161)	2 184	2 855	
Retained earnings		31 456	64 464	41 968	
Equity attributable to equity holders of the parent		189 323	110 496	209 009	
Non-controlling interest		350	0	0	
Total equity		189 673	110 496	209 009	
Liabilities					
Non-current liabilities					
Deferred tax		25 083	23 235	26 836	
Interest-bearing loans	7	346 282	358 625	357 887	
Other long-term liabilities		3 033	-	3 134	
Lease liabilities		21 667	11 433	16 445	
Total long-term liabilities		396 065	393 293	404 303	
Current liabilities					
Trade accounts payable		14 978	21 510	18 257	
Customer projects liabilities	3	78 052	53 134	66 452	
Interest-bearing loans	7	1 313	1 359	1 356	
Lease liabilities		14 191	11 333	14 423	
Income tax payable		228	5 406	2 550	
Public duties payable		40 720	39 885	36 113	
Other short-term liabilities		86 137	72 082	73 921	
Derivatives		113	685	249	
Total short-term liabilities		235 732	205 393	213 322	
Total liabilities		631 797	598 686	617 625	
TOTAL EQUITY AND LIABILITIES		821 470	709 181	826 635	

Consolidated Statement of Cash Flow

(NOK 1 000)	Notes	2022	2021	2021
		Jan-Mar unaudited	Jan-Mar unaudited	Jan-Dec
Cash Flow from operating activities				
Profit (Loss) before tax		10 975	21 485	15 014
Net financial items	5	(6 289)	(11 220)	7 571
Share based program		1 877	630	5 679
Depreciation and impairments		1 098	755	4 077
Depreciation right-of-use assets		4 136	3 930	16 114
Amortisation intangible assets		7 214	7 208	29 296
Depreciation implementation costs customer projects	3	8 022	6 756	29 874
Capitalisation implementation costs customer projects	3	(21 118)	(7 959)	(51 350)
Customer project revenue deferred	3	18 505	8 622	41 356
Customer project revenue recognised	3	(4 565)	(4 205)	(21 701)
Taxes paid		(5 646)	(1 563)	(4 815)
Changes in accounts receivable		(13 410)	3 792	12 464
Changes in accounts payable		(3 279)	320	(3 525)
Changes in other items		2 659	(23 669)	(27 581)
Interest received		16	15	99
Interest paid		(4 596)	(4 982)	(19 536)
Net cash flow from operating activities		(4 400)	(85)	33 037
Cash flows to investing activities				
Investment in fixed and intangible assets		(4 745)	(2 102)	(20 630)
Investment in fixed and intangible assets business combinations		(10 103)	-	-
Acquisition of subsidiaries, net of cash acquired	9	-	-	(43 322)
Net cash flow from investing activities		(14 848)	(2 102)	(63 952)
Cash flows from financing activities				
Sale of own shares		-	-	7 235
Buyback of own shares		(17 743)	-	(975)
Capital increase (net proceeds)		-	-	115 508
Payment of lease liabilities		(3 887)	(3 957)	(15 767)
Repayment of loan		(464)	(481)	(1 919)
Dividend payments to owners of the parent		-	-	(19 639)
Net cash flow from financing activities		(22 094)	(4 437)	84 444
Net changes in cash and cash equivalents		(41 342)	(6 624)	53 529
Net foreign exchange difference		(177)	(657)	(2 151)
Cash and cash equivalents at the beginning of the period		176 224	124 843	124 843
Cash and cash equivalents at the end of the period		134 704	117 561	176 224

Consolidated Statement of Changes in Equity

(NOK 1000)	Note	Share capital	Share premium	Other paid in equity	Total paid-in equity	Other equity	Retained earnings	Total equity
Equity at 01.01.2021		1 962	34 250	6 655	42 868	14 267	47 224	104 359
Profit of the year							17 475	17 475
Other comprehensive income						(12 296)		(12 296)
Sale of own shares	2		(1)		1			1
Settlement of share based payments				630	630			630
Other changes				348	348	214	(236)	326
Equity at 31.03.2021		1 964	34 249	7 634	43 847	2 185	64 463	110 495
Unaudited								
Profit of the year							(4 663)	(4 663)
Other comprehensive income						632		632
Sale of own shares	13	6 732			6 745		490	7 234
Purchase of own shares	(2)				(2)		(975)	(977)
Share based payments				5 679	5 679			5 679
Settlement of share based payments	8	1 858		(9 014)	(7 148)			(7 148)
Issue of Share Capital	201	120 537			120 738			120 738
Transaction costs related to issue of new shares			(5 032)		(5 032)			(5 032)
Other changes				(642)	(642)	38	2 292	1 689
Dividend							(19 639)	(19 639)
Equity at 31.12.2021		2 185	158 345	3 657	164 186	2 855	41 968	209 009
Profit of the year							9 457	9 457
Other comprehensive income						(11 015)		(11 015)
Purchase of own shares	(35)				(35)		(17 743)	(17 778)
Settlement of share based payments				1 877	1 877			1 877
Other changes							(1 877)	(1 877)
Equity at 31.03.2022		2 150	158 345	5 534	166 028	(8 161)	31 805	189 673
Unaudited								

Notes to the condensed interim consolidated financial statements

Note 1 – General Information and basis for preparation

General information

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

Basis for preparation

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

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

Going concern

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

Note 2 – Segment Information

The Company's operations are split into three main business segments; Managed Services, Professional Services and HR & Payroll Tech Investments. HR & Payroll Tech Investments is a segment established in the first quarter of 2022, following the establishment of vyble GmbH, and subsequent acquisition of the assets of vyble AG.

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

Professional Services includes deliveries of change projects based on Zalaris templates or implementation of customer-specific functionality. This business segment also assists with cost-effective maintenance and support of customers' own on-premise solutions. A large portion of these services are of recurring nature and much of the services are based on long-term customer relationships.

HR & Payroll Tech Investments currently only includes the activities of the subsidiary, vyble GmbH, which has a complete suite of Payroll and HR solutions delivered as Software as a Service (SaaS) targeting the SME market in Germany.

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

2022 Jan-Mar

(NOK 1 000)	HR & Payroll				Total
	Managed Services	Professional Services	Tech Investments	Gr.Ovhd & Unallocated	
Revenue, external	146 547	61 893	1 210	-	209 650
Operating expenses	(120 383)	(52 669)	(4 745)	(6 739)	(184 536)
EBITDA	26 164	9 224	(3 535)	(6 739)	25 114
Depreciation and amortisation	(11 028)	(2 416)	(228)	(6 756)	(20 428)
EBIT	15 136	6 808	(3 763)	(13 495)	4 686
Net financial income/(expenses)			-	6 289	6 289
Income tax			-	(1 518)	(1 518)
Profit for the period	15 136	6 808	(3 763)	(8 724)	9 457
Cash flow from investing activities					(17 019)

2021 Jan-Mar

(NOK 1 000)	HR & Payroll				Total
	Managed Services	Professional Services	Tech Investments	Gr.Ovhd & Unallocated	
Revenue, external	128 437	64 342	-	-	192 778
Operating expenses	(103 707)	(56 800)	-	(5 752)	(166 259)
EBITDA	24 730	7 542	-	(5 752)	26 519
Depreciation and amortisation	(9 352)	(2 052)	-	(4 851)	(16 254)
EBIT	15 378	5 490	-	(10 603)	10 265
Net financial income/(expenses)			-	11 220	11 220
Income tax			-	(4 010)	(4 010)
Profit for the period	15 378	5 490	-	(3 393)	17 475
Cash flow from investing activities					(2 102)

2021 Jan-Dec

(NOK 1 000)	HR & Payroll				Total
	Managed Services	Professional Services	Tech Investments	Gr.Ovhd & Unallocated	
Revenue, external	529 685	245 580	-	-	775 265
Operating expenses	(428 087)	(218 921)	-	(26 309)	(673 317)
EBITDA	101 598	26 658	-	(26 309)	101 947
Depreciation and amortisation	(39 598)	(8 717)	-	(31 047)	(79 362)
EBIT	62 000	17 941	-	(57 355)	22 585
Net financial income/(expenses)			-	(7 571)	(7 571)
Income tax			-	(2 202)	(2 202)
Profit for the period	62 000	17 941	-	(67 128)	12 812
Cash flow from investing activities					(63 952)

Geographic Information

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

Revenue from external customers attributable to:

(NOK 1 000)	2022	2021	2021
	Jan-Mar	Jan-Mar	Jan-Dec
Norway	46 369	50 586	200 875
Northern Europe ex Norway	59 738	55 430	221 047
Central Europe	94 709	76 550	314 540
UK & Ireland	8 835	10 213	38 803
Total	209 650	192 778	775 265

Note 3 – Revenue from contracts with customers
Disaggregated revenue information

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

Contract balances:

(NOK 1 000)	2022	2021	2021
	31. Mar	31. Mar	31. Dec
Trade receivables	154 807	144 859	141 397
Customer project assets	106 434	74 731	94 799
Customer project liabilities	(78 052)	(53 134)	(66 452)
Prepayments from customers	(14 030)	(11 845)	(9 474)

Customer project assets are costs specific to a given contract, generate or enhance the Group's resources that will be used in satisfying performance obligations in the future, and are recoverable. These costs are deferred and amortized evenly over the period the outsourcing services are provided.

Customer project liabilities are prepayments from customer specific to a given contract and are recognized as revenue evenly as the Group fulfills the related performance obligations over the contract period.

Prepayments from customers comprises a combination of short- and long-term advances from customers. The short-term advances are typically deferred revenues related to smaller projects or change orders related to the system solution. The long-term liabilities relate to initial advances paid upon signing the contract. These advances are contracted to be utilized by the customer to either transformation-, change- or other projects. These advances are open for application until specified, or when the contract is terminated, where the eventual remainder of the amount become the property of Zalaris and is hence rendered as income by the Group.

Movements in customer project assets through the period:

(NOK 1 000)	2022	2021	2021
	Jan-Mar	Jan-Mar	31. Dec
Opening balance in the period	94 799	78 246	78 246
Cost capitalised	21 118	7 959	51 350
Amortisation	(8 022)	(6 756)	(29 874)
Disposals & currency	(1 460)	(4 718)	(4 923)
Customer projects assets end of period	106 435	74 731	94 799

Movements in customer project liabilities through the period:

(NOK 1 000)	2022	2021	2021
	Jan-Mar	Jan-Mar	Jan-Dec
Opening balance in the period	(66 452)	(50 256)	(50 256)
Revenue deferred	(18 505)	(8 622)	(41 356)
Revenue recognised	4 565	4 205	21 701
Disposals & currency	2 341	1 539	3 458
Customer project liabilities end of period	(78 052)	(53 134)	(66 452)

Note 4 – Personnel expenses

(NOK 1 000)	2022	2021	2021
	Jan-Mar	Jan-Mar	Jan-Dec
Salary	100 993	90 475	357 333
Bonus	5 122	3 160	19 452
Social security tax	15 796	14 903	55 823
Pension costs	4 528	4 495	18 480
Share based payments	1 888	631	5 749
Other personnel expenses	3 651	2 988	11 906
Capitalised to internal development projects	(3 537)	(2 631)	(11 444)
Capitalised to customer project assets	(21 118)	(7 959)	(51 350)
Total personnel expenses	107 324	106 062	405 949

Note 5 – Finance income and finance expense

(NOK 1 000)	2022	2021	2021
	Jan-Mar	Jan-Mar	Jan-Dec
Interest income on bank accounts and receivables	16	15	99
Currency gain	1 432	800	4 020
Other financial income	190	259	1 372
Finance income	1 638	1 074	5 491
Interest exp. on financial liab. measured at amortised cost	4 013	4 524	17 625
Currency loss	1 576	1 373	5 685
Interest expense on leasing	446	263	1 281
Other financial expenses	1 083	1 143	4 440
Finance expenses	7 118	7 303	29 031
Unrealized foreign exchange profit/(loss)	11 769	17 449	15 968
Net financial items	6 289	11 220	(7 571)

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

(NOK 1 000)	2022 31. Mar	2021 31. Mar	2021 31. Dec
Cash in hand and at bank - unrestricted funds	128 981	112 293	170 034
Deposit accounts - guarantee rent obligations - restricted funds	2 955	2 448	2 078
Employee withheld taxes - restricted funds	2 767	2 821	4 112
Cash and cash equivalents	134 704	117 561	176 224

Note 7 – Interest-bearing loans and borrowings

(NOK 1 000)	Annual interest	Maturity	2022 31. Mar	2021 31. Mar	2021 31. Dec
Bond loan	3 m Euribor + 4.75%	28.09.2023	336 020	346 082	346 806
Commerzbank - DE	1.3%	31.12.2031	11 029	12 587	11 687
Landesbank Baden-Württemberg	2,45%	31.12.2022	544	1 315	750
Total interest-bearing loans			347 594	359 984	359 244
Total long-term interest-bearing loans			346 282	358 625	357 887
Total short-term interest-bearing loans			1 313	1 359	1 356
Total interest-bearing loans			347 594	359 984	359 244

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

Note 8 – Equity

During Q1 2022, there were no new share options granted to employees. As of 31 March 2022, there are 1,506,000 share options and 125,268 RSUs outstanding.

Note 9 – Business Combination

On 1 February 2022, the Group acquired 90% of the voting shares of vyble GmbH, a non-listed company based in Germany without previous activity. Subsequently vyble GmbH purchased assets from vyble AG, 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.

The Group has elected to measure the non-controlling interests in the acquiree at fair value.

(NOK 1 000)	Amount
Estimated purchase consideration	11 317
Identified assets to fair value	7 393
Excess value to be allocated	3 924
Customer contracts	2 684
Deferred taxes	(805)
Total allocated to identifiable intangible assets	1 879

Goodwill

* The acquired goodwill is not tax deductible and mainly relates to human relations

** The PPA performed is preliminary and may be adjusted

The goodwill is calculated on the basis of expected synergies between Zalaris' experience and technical solutions and vyble's market presence, and established customer relations, in addition to the assembled workforce. The intangible assets in vyble are license costs posted at face value. There are no contingent agreements. There are no transactions recognised separately from the acquisition of the assets and liabilities.

From the date of acquisition, vyble had revenue of NOK 1.2 million and negative EBIT of NOK 3.8 million for the first quarter 2022.

Alternative Performance Measures (APMs)

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

Adjusted EBITDA and EBIT

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

(NOK 1 000)	2022	2021	2021
	Jan-Mar	Jan-Mar	Jan-Dec
EBITDA	25 156	28 915	101 948
Restructuring costs*	-	275	275
Mergers & Acquisitions	-	-	7 677
Settlement of VAT dispute from 2018-2019	-	-	1 844
vyble (new segment)	3 606	-	-
Cost incurred in establishing new regions (Australia)	440	-	-
Cost incurred in establishing AMS centre in Poland	1 053	-	-
Share-based payments	1 877	630	5 723
Depreciation right-of-use assets (IFRS 16 effect)	(4 136)	(3 930)	(16 114)
Adjusted EBITDA	27 996	25 890	101 353

(NOK 1 000)	2022	2021	2021
	Jan-Mar	Jan-Mar	Jan-Dec
EBIT	4 686	10 265	22 585
Restructuring costs*	-	275	275
Mergers & Acquisitions	-	-	7 677
Settlement of VAT dispute from 2018-2019	-	-	1 844
vyble (new segment)	3 839	-	-
Cost incurred in establishing new regions (Australia)	440	-	-
Cost incurred in establishing AMS centre in Poland	1 053	-	-
Share-based payments	1 877	630	5 723
Amortization of excess values on acquisition	3 004	2 618	11 469
Adjusted EBIT	14 899	13 788	49 574

*Relates mainly to redundancy costs/severance pay for employees

Free cash flow

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

	2022	2021	2021
(NOK 1 000)	Jan-Mar	Jan-Mar	Jan-Dec
Net cash flow from operating activities	(4 400)	(85)	33 037
Investment in fixed and intangible assets	(4 745)	(2 102)	(20 630)
Free cash flow	(9 145)	(2 187)	12 407

Net interest-bearing debt (NIBD)

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

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

	2022	2021	2021
(NOK 1 000)	31. Mar	31. Mar	31.Dec
Cash and cash equivalents	134 704	117 561	176 224
Interest-bearing loans and borrowings - long-term	346 282	358 625	357 887
Interest bearing loans and borrowings - short-term	1 313	1 359	1 356
Net interest-bearing debt (NIBD)	212 890	242 423	183 019

Annual recurring revenue (ARR)

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

Revenue growth constant currency

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

	2022	2021	2021
	Jan-Mar	Jan-Mar	Jan-Dec
Revenue growth, as reported	8,8 %	-3,9 %	-2,2 %
Impact of foreign currency	3,2 %	0,3 %	3,2 %
Revenue growth, constant currency	12,0 %	-3,6 %	1,0 %
MS revenue growth, as reported	14,1 %	-9,8 %	-2,7 %
Adj. for customers moved from MS to PS in Q2 2020	0,0 %	4,0 %	1,2 %
Impact of foreign currency	3,3 %	-0,4 %	2,1 %
MS revenue growth, constant currency	17,4 %	-6,2 %	0,6 %
PS revenue growth, as reported	-3,7 %	10,3 %	-1,0 %
Adj. for customers moved from MS to PS in Q2 2020	0,0 %	-9,8 %	-2,6 %
Impact of foreign currency	3,2 %	2,0 %	5,3 %
PS revenue growth, constant currency	-0,5 %	2,5 %	1,7 %

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 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022
Revenues	200,6	198,4	189,7	203,5	192,8	185,4	195,4	201,7	209,7
Revenue growth (YoY)	4,3 %	5,8 %	-0,5 %	-1,3 %	-3,9 %	-6,5 %	-4,0 %	8,8 %	3,9 %
EBITDA adjusted	26,8	26,8	27,0	29,3	25,9	23,7	26,9	24,9	28,0
EBITDA margin	13,4 %	13,5 %	14,2 %	14,4 %	13,4 %	12,8 %	13,8 %	12,3 %	13,4 %
EBIT adjusted	13,4	12,7	13,3	15,9	13,8	11,4	14,1	10,2	14,9
EBIT margin	6,7 %	6,4 %	7,0 %	7,8 %	7,2 %	6,2 %	7,2 %	5,1 %	7,1 %
Profit Before Tax	(62,5)	27,2	(3,1)	25,1	21,5	(9,0)	1,0	1,6	11,0
Income Tax Expense	14,0	(4,7)	1,4	(6,2)	(4,1)	2,6	(0,4)	(0,3)	(1,5)
Net income	(48,6)	22,4	(1,8)	18,9	17,4	(6,4)	0,7	1,2	9,5
Profit margin	-24,2 %	11,3 %	-0,9 %	9,3 %	9,0 %	-3,5 %	0,3 %	0,6 %	4,5 %
Weighted # of shares outstanding (m)	19,6	19,6	19,6	19,6	19,6	20,7	21,1	21,3	21,5
Basic EPS (NOK)	(2,48)	1,14	(0,09)	0,96	0,89	(0,31)	0,03	0,06	0,44
Diluted EPS (NOK)	(2,48)	1,11	(0,09)	0,86	0,85	(0,31)	0,03	0,06	0,41
Cash flow items									
Cash from operating activities	16,9	45,4	13,3	16,7	(0,1)	(3,4)	13,4	23,2	(4,4)
Investments	(3,7)	(3,6)	(5,0)	(2,0)	(2,1)	(4,0)	(8,4)	(6,2)	(4,7)
Net changes in cash and cash equi.	3,9	41,0	(14,0)	8,1	(6,6)	93,9	(41,3)	7,5	(41,3)
Cash and cash equivalents end of period	87,5	129,0	116,3	124,8	117,6	211,3	168,8	176,2	134,7
Net interest-bearing debt	344,5	277,9	280,7	252,2	242,4	154,4	198,1	183,0	212,9
Equity	95,9	101,5	108,1	104,4	110,5	207,1	208,4	207,3	189,3
Equity ratio	12,4 %	13,5 %	14,9 %	14,4 %	15,6 %	25,7 %	24,9 %	25,0 %	23,0 %
ROE	-63,5 %	-36,9 %	-31,4 %	-8,8 %	53,7 %	21,2 %	19,4 %	7,0 %	2,4 %
Number of FTE (Period End)	728	723	713	712	754	-	-	-	-
Segment overview	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022
Revenues	200,6	198,4	189,7	203,5	192,8	185,4	195,4	201,7	209,7
Managed Services	142,3	137,1	127,4	137,5	128,4	125,8	132,5	143,0	146,5
Professional Services	58,3	61,3	62,4	66,0	64,3	59,6	62,9	58,7	61,9
HR & Payroll Tech Investments									1,2
EBIT	9,5	7,4	9,2	11,3	10,3	3,1	7,7	1,5	4,7
Managed Services	16,7	16,0	14,8	15,6	15,4	16,1	16,4	14,1	15,1
as % of revenue	11,8 %	11,7 %	11,6 %	11,3 %	12,0 %	12,8 %	12,4 %	9,9 %	10,3 %
Professional Services	6,3	4,1	6,8	8,2	5,5	3,6	4,1	4,8	6,8
as % of revenue	10,8 %	6,7 %	11,0 %	12,5 %	8,5 %	6,0 %	6,5 %	8,1 %	11,0 %
HR & Payroll Tech Investments									(3,8)
as % of revenue									-310,9 %
Gr.ovhd & Unallocated	(13,6)	(12,7)	(12,4)	(12,5)	(10,6)	(16,6)	(12,7)	(17,4)	(13,5)

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Financial information

Interim report Q2 2022 to be published on 25 August, 2022

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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