



Q3

QUARTERLY
REPORT

2020

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Annualized Cloud Revenue reaching NOK 15,1bn

Acquisition pace at all time high with 23 acquisitions completed YTD

HIGHLIGHTS, third quarter 2020

- Revenue of NOK 4 626 million, an increase of 25,5%
- EBITDA of NOK 1 557 million, an increase of 37,7%
- Cloud Annualized Revenue of NOK 15,1 billion, a year-on-year growth of 34,6%
- Through the acquisition of the Yuki company, Visma further cements its position in the Dutch AO segment and also enters the Belgian market
- Transaction volumes with positive trend shift in Q3 compared to Q2 - indicating increased economic activity among Visma's customers

The third quarter showed impressive growth for the Visma group with top line growing 25,5% to reach 4 626m. Visma has been able to sustain healthy growth rates through the last months despite the ongoing Covid-19 pandemic, thus demonstrating recession resilience in its business model. Through a combination of scale and cost focus, Visma increased the EBITDA margin by an impressive 3 percentage points compared to the third quarter of 2019.

Growth remains high across each of Visma's four core divisions, which all deliver revenue growth well above 20%. SaaS and cloud software continue to be the main driver of growth for the Visma group with cloud annualized revenue growing at an outstanding 34,6% year on year.

Visma continues its high acquisition pace, completing 8 acquisitions during the third quarter. Among the acquired companies were the fast growing SaaS accounting software providers Yuki and Cash Software in the Netherlands. In Norway, Visma launched an extensive focus on cloud-based software for the real estate segment, acquiring three companies within this vertical during the quarter.

KEY FIGURES

Continuing operations (NOK in millions)	3rd quarter			First three quarters			Year
	2020 Actual	2019 Actual	Growth	2020 Actual	2019 Actual	Growth	2019 Actual
Revenue	4 626	3 685	25,5 %	13 682	10 831	26,3 %	15 028
EBITDA	1 557	1 131	37,7 %	3 979	2 915	36,5 %	4 061
<i>EBITDA margin</i>	<i>33,7 %</i>	<i>30,7 %</i>		<i>29,1 %</i>	<i>26,9 %</i>		<i>27,0 %</i>
EBITA	1 349	968	39,3 %	3 394	2 426	39,9 %	3 386
EBIT	731	512	42,9 %	1 657	1 162	42,6 %	1 647
Net profit	476	456	4,4 %	1 012	765	32,4 %	977
Operational cash flow (after tax)	1 075	787	36,5 %	3 796	2 722	39,4 %	3 611

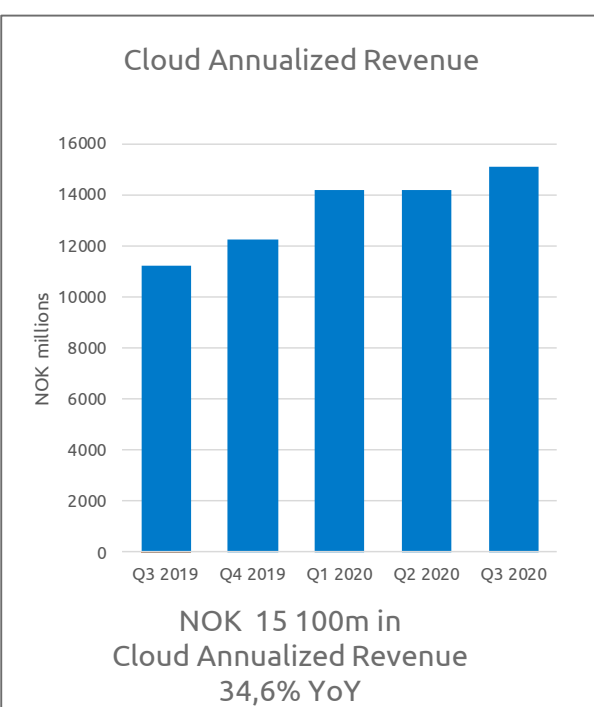
FINANCIAL REVIEW – GROUP (THIRD QUARTER 2019 IN BRACKETS)

Revenue amounted to NOK 4 626 million (3 685) and EBITDA to NOK 1 557 million (1 131) in the third quarter of 2020. Revenue increased 25,5% while EBITDA increased by 37,7% over Q3 2019.

Group EBIT amounted to NOK 731 million in the second quarter (512). Net financial items were -117 million (77). Consequently, profit before taxes was NOK 614 million (589). Taxes amounted to NOK 138 million (132), and net income from continuing operations resulted in NOK 476 million (456) in the third quarter.

Cash flow from continuing operations after tax amounted to NOK 1 075 million (787). Cash flow from investments, which are fixed assets, software R&D and investments in acquired businesses, was NOK -818 million (-961). At the end of the third quarter, the cash position of Visma was NOK 8 233 million (5 623).

Equity amounted to NOK 15 786 million (11 627), corresponding to an equity ratio of 33% (33%). Long term interest bearing debt amounted to NOK 14 596 million (11 319). The debt-facilities have maturity dates in the 4th quarter 2025.



COMMENTS ON SELECTED KPIS

Visma is experiencing good traction on the SaaS product portfolio, this trend has been seen over the past few years and have further been accelerated by the Covid pandemic.

It is impressive that Cloud Annualized Revenue has grown by 34,6% year-on-year in Q3 to reach NOK 15 100m. Strong organic growth is further boosted from strategic SaaS acquisitions such as the Yuki Company.

The number of SaaS customer contracts continue to grow at a high pace. Visma now has over 1 100 000 customer contracts, of which more than to 880 000 are for SaaS products. This is 25,8% higher than the number of SaaS contracts last year. Additionally, Visma has a large number of freemium and trial customers not yet paying for the use of the services.

The average monthly volume of e-invoices transported through Visma e-invoicing hubs passed 10,4 million in Q3 (15,6% y-on-y growth). One key objective for Visma’s software products and solutions is to make the traditional paper invoice redundant.

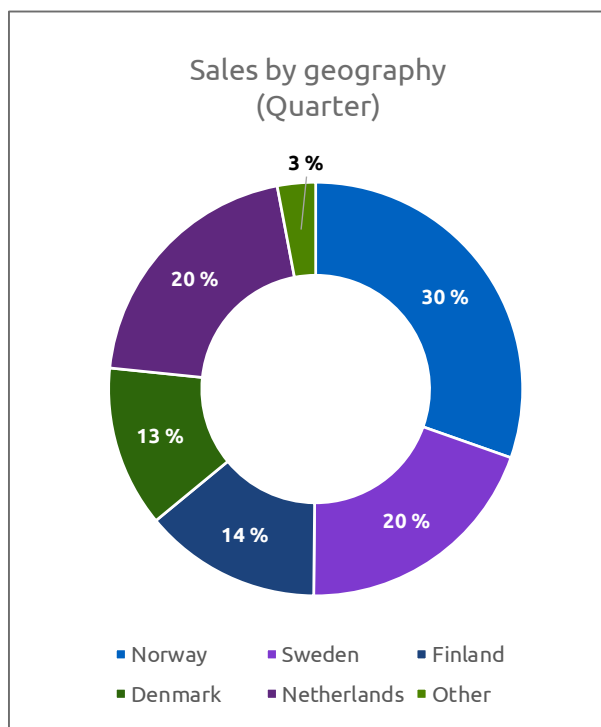
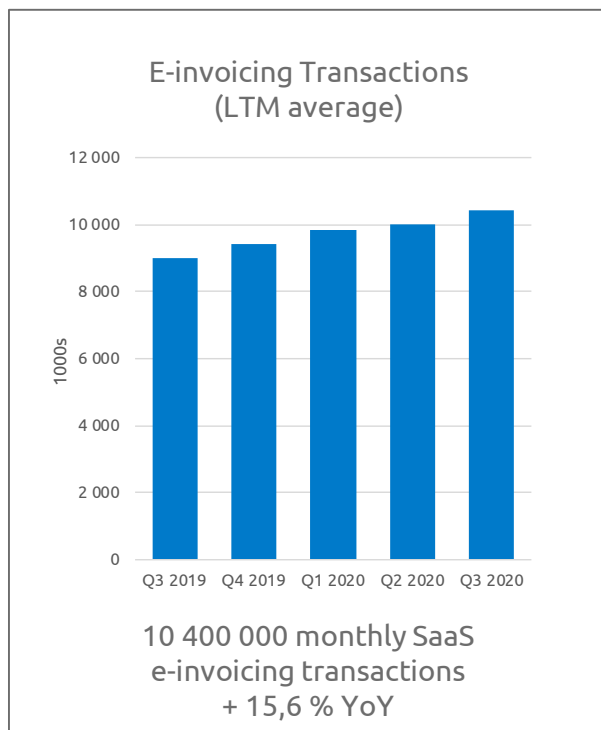
MARKET OUTLOOK

Although still impacted by the Covid-19 pandemic, the economies in Visma’s core markets have coped relatively well during the third quarter. With infection numbers on the rise, it is expected that the fall and winter will also be marked by the virus.

Visma’s business model has proven recession resilient over the past months. The group has a well diversified customer portfolio counting over 1 million customer contracts, ranging from SMBs to government institutions. Further, the core offering is mission critical software that customers need to run their business independent of the economic climate. A significant portion of the revenue is also of a recurring or repeatable nature. As a result, Visma has experienced only limited impact from the ongoing recession on the top line. Nevertheless, the group is closely monitoring the development in the core markets.

The demand for modern cloud solutions has increased over the course of the pandemic as more and more customer’s see the benefit of accessing their software from anywhere. More than 75% of Visma’s revenues are generated from cloud software and related services. The group continue to invest considerably in SaaS and steadily launching new SaaS products. Our customers increasingly prefer subscription payment models over large up-front investments, and revenue from licenses is now less than one percent of total revenues.

Visma’s R&D focus and acquisition strategies are concentrated on SaaS. Visma continues its strategy of organic and acquisitive growth and expects to continue its acquisition pace.



OWNERSHIP

Seven international private investors own Visma. HgCapital and co-investors 53,9%, GIC 17,2%, ICG 6,6 %, CPPIB 6,0%, Warburg Pincus 4,7%, TPG 3,1% and General Atlantic 1,7%. A broad management group holds approximately 6,8 % of the shareholder equity in Visma. In addition to the stability of the principal owners, key shareholders have co-investors comprised of some larger Nordic and international pension funds. Together this contributes to a stable ownership situation.

RISKS

Visma is exposed to the general economic climate in the countries where the company operates. However, the business risk is limited by the company's diversified customer base and a reasonably priced, high-quality portfolio of mission critical products and services.

CYBER SECURITY

There were no security incidents with customer impact during the quarter. Most of Visma's employees are still working from home office in accordance with advice and restrictions from national health authorities in each country. The home office setting has been working out both efficiently and securely – the group sees no real increase in the threat picture due to this.

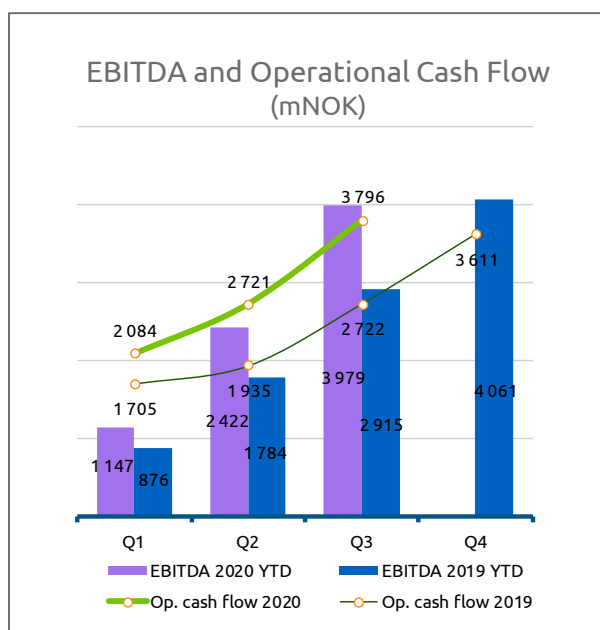
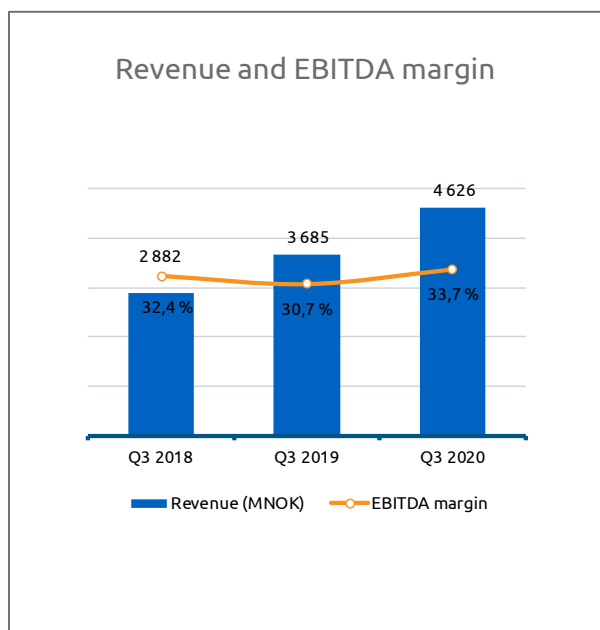
Late September Visma was targeted by a phishing mail campaign - aimed at spreading ransomware in the infrastructure. It is satisfactory to note that the group's security systems detected the attack which was promptly stopped and mitigated with no customer or financial impact and no data breaches.

DISCLAIMER

This report contains forward-looking statements that reflect management's current views with respect to future events. All such statements are subject to inherent risks and uncertainties, and many factors can lead to developments deviating from what has been expressed or implied in such statements.

Oslo, 22 October 2020

The Board of Directors of VISMA AS



Software Nordic & International

Comments on the third quarter

Across Software Nordics and International, Visma sees continued strong traction for its leading cloud ERP systems. Despite the challenges in the current macro environment, businesses still need to get paid and pay their employees. Visma has met this need and continues to see a high growth in customer contracts and a solid pipeline for the quarter ahead within Financial Management Systems, Payroll and Workforce Management across all segments.

The Small Segment cloud solutions are characterized by impressive growth, with the products e-economic, Dinero, Netvisor, Tripletex, eAccounting and Poweroffice counting a total of 418 000 customer contracts; a growth of 15% from 2019.

Within the Medium Business & Industry Tailored segment, *Visma.net ERP* continues to see embryonic success in Norway and a strengthening position in Sweden due to a strong partner channel with a good SaaS value proposition. Continued strategic investments in the Visma.net portfolio will secure this growth for the future.

The Public and Large Private units are evolving towards becoming more agile software providers by streamlining product development and go-to-market functions and significant technology investments. The aim is to simplify the workday for employees in public sector and large companies through smart, cloud based and self-driving ERP-solutions. At the same time, Visma is repackaging customer success plans to deliver a top-notch customer journey.

During Q3, the division has welcomed a new acquisition, Codegarden, in Norway. Codegarden simplifies and digitizes processes for real estate agents and their partners with the market's preferred system and a broad understanding of real estate. Together with Webmegler and Fenestra, this will strengthen Visma's position as a provider of ERP solutions to the Norwegian real estate market.

Segment at a glance

Target market:

- Small & medium sized businesses
- Accounting Offices
- Large Enterprises
- Central and local government

Management:

- Steffen Torp, Division Director Software Nordic & International

Share of Group



Operating revenue



EBITDA

Quarterly Key Figures

Revenue	2 381 MNOK
Growth, YoY	24,5 %
EBITDA	972 MNOK
EBITDA margin	40,8 %
FTE	5 716
Headcount	5 979

Products and services:

- ERP and financial management systems
- HRM and payroll administration systems
- Cloud-based expense management
- Cloud-based invoicing and payment solutions
- Solutions for craftsmen and other industries
- Cloud-based project management
- Procurement administration and notification
- Cloud Solutions for schools, childcare and welfare
- Business intelligence and dashboards
- Customer collaboration for accounting practices
- Practice management for accounting practices
- Business automation for accounting practices

Software Benelux

Comments on the third quarter

Software Benelux continued to increase its footprint in the Netherlands, growing revenues 25,1% in the third quarter. Through acquisitions as well as own R&D investments, Visma offer a wide range of modern SaaS solutions in Benelux and cloud computing now accounts for 88% of the division's revenues. In light of the Corona-virus pandemic, Visma see an accelerating increase in demand for SaaS software that can be accessed remotely and offered at a subscription model eliminating the need for large upfront investments in software licenses.

During the third quarter, Visma has taken a firm position as a leading supplier of modern cloud software to the Dutch Accounting Office industry through the acquisitions of Cash Software and Yuki. These two fast growing companies substantially broaden and deepen the richness of Visma's product offering tailored towards Accounting Offices and their customers. Yuki is also giving Visma the first footprint in the Belgium market, being really successful with closer to 35% YOY growth making Yuki the fastest growing bookkeeping solution in Belgium.

This year, Visma has expanded rapidly in the Netherlands, growing into a strong powerhouse that is ready to be the challenger in the accountancy market. Within the Software Benelux division, Visma Software, PinkWeb, Visionplanner, Nmbros, Yuki, Comandi, DizzyData and Cash Software together makes a strong position in the accountancy and ERP market in the Netherlands.

The Netherlands remain a key growth focus for Visma with several interesting M&A targets in the pipeline that will be a great strategic fit in the Benelux ecosystem.

Segment at a glance

Target market:

- Large Enterprises
- Small & medium sized businesses
- Central and local government
- Accounting Offices

Management:

- Ellen Furrú, Interim Division Director Software Benelux
- John Reynders, Country Director, Netherlands

Share of Group



Operating revenue



EBITDA

Quarterly Key Figures

Revenue	727 MNOK
Growth, YoY	25,1 %
EBITDA	161 MNOK
EBITDA margin	22,2 %
FTE	1 891
Headcount	2 207

Products and services:

- ERP and financial management cloud systems
- HRM and payroll administration cloud systems
- Pension and benefit cloud systems
- Leave and Absence management cloud solutions
- Expense management cloud solutions
- Invoicing and payment cloud solutions
- Procurement administration and notification
- Project management cloud solutions
- Business intelligence and dashboards
- Customer collaboration for accounting practices
- Practice management for accounting practices
- Business automation for accounting practices

Custom Solutions

Comments on the third quarter

Visma Custom Solutions delivered a strong third quarter. External revenue was 869 MNOK with a solid Year on Year growth of 30,4% growth. EBITDA off 226 MNOK and a margin of 26,0%. Impact from the COVID-19 crisis were limited during the third quarter.

Across the Nordic countries, the division secured numerous important deals during Q3, securing strong relationships with customers for many years to come. In the third quarter there has been an increased demand for secure authentication services, which can be seen in the light of COVID 19 moving companies onto SaaS platforms to continue their day-to-day operations. Recent acquisition Nordic Peak strengthens Visma's offering to meet the demand in this market.

In Finland, newly acquired Biit Oy, is demonstrating good traction in the Salesforce CRM consulting arena. The integration of prior acquisitions is showing good results in the whole division with synergies materializing well between the incumbent and new companies

In the Netherlands, Visma Roxit and Visma Circle continues the strong performance in Q3, by winning several tenders on the Dutch municipality market for ECM and Urban Development. Both are delivering high-end SaaS/Cloud products, catering to both complex and simple organizations and setups. Visma Connect has begun delivering integration solutions for the first customers of Visma Raet on time management solutions.

Segment at a glance

Target market:

- Central and local government, institutions and organizations
- Large enterprises

Management:

- Carsten B. Møller, Division Director Custom Solutions

Share of Group



Operating revenue



EBITDA

Quarterly Key Figures

Revenue	869 MNOK
Growth, YoY	30,4 %
EBITDA	226 MNOK
EBITDA margin	26,0 %
FTE	2 353
Headcount	2 458

Products and services:

- System development and integration
- Application management
- E-government solutions
- Case and document management
- E-commerce solutions
- Business intelligence
- Fishery control solutions
- Cloud based GIS (Geographical Information Syst.)
- Cloud based Authentication Services

Commerce Solutions

Comments on the third quarter

Q3 results were strong in Commerce Solutions, despite somewhat slower growth in the number of transactions due to COVID-19 during two slow summer months. After the summer, there has been a clear trend of increasing invoicing volumes, culminating in an all-time high number of transactions across a number of the invoicing platforms in September.

A number of the businesses performed exceptionally strong. Good examples are invoice software provider Szamlazz in Hungary which added a total of 75 000 freemium and paying users during Q3. The digital board portal and data room supplier Admincontrol shows strong organic growth with high scalability across Northern Europe. The real estate software provider Meglerfront in Norway also experienced strong demand.

The Credit Management sub-division (Invoicing, debt collecting, financing) is showing healthy development. Number of issued invoices increased and the productivity level in the debt collection departments continued to improve over the third quarter. Significant efforts has also been devoted to ensuring that the organization is well prepared for the regulatory changes for debt collection that come into force in Norway from November 1.

Visma offers Financial Services (factoring, invoice discounting and loans) embedded in a number of cloud accounting systems. These initiatives all have seen a strong uptake after the summer holiday

Segment at a glance

Target market:

- Small and medium sized businesses
- Large enterprises
- Public sector

Management:

- Eivind Gundersen, Division Director Commerce Solutions

Share of Group



9 %

Operating revenue



8 %

EBITDA

Quarterly Key Figures

Revenue	400 MNOK
Growth, YoY	27,4 %
EBITDA	118 MNOK
EBITDA margin	29,6 %
FTE	906
Headcount	951

Products and services:

- Credit management services
 - Invoicing
 - Account receivable management
 - Collection services
 - Purchased debt
 - Financial services
- Pool Procurement and Employee benefit programs
- Board Portals and Virtual Data Rooms

CONDENSED INTERIM FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF INCOME

(NOK in thousands)	3rd quarter		First three quarters		Year
	2020	2019	2020	2019	2019
CONTINUING OPERATIONS					
OPERATING REVENUE					
Sales revenue	4 625 536	3 684 885	13 682 312	10 831 015	15 027 780
Total operating revenue	4 625 536	3 684 885	13 682 312	10 831 015	15 027 780
OPERATING EXPENSES					
Sales and distribution costs (COGS)	752 269	592 627	2 222 794	1 694 483	2 380 331
Gross profit	3 873 267	3 092 258	11 459 518	9 136 533	12 647 449
Payroll and personnel expenses	1 955 433	1 588 833	6 316 301	5 088 671	7 025 231
Bad debts	33 461	10 638	60 843	27 168	31 255
Other operating expenses	321 468	352 989	1 075 077	1 066 536	1 480 986
Total operating expenses	2 310 362	1 952 459	7 452 221	6 182 374	8 537 472
EBITDA before M&A expenses	1 562 906	1 139 799	4 007 296	2 954 159	4 109 977
M&A expenses	5 904	8 900	28 189	39 415	48 562
EBITDA	1 557 001	1 130 899	3 979 107	2 914 744	4 061 415
Depreciation tangible assets and capitalised R&D	89 407	69 196	239 116	207 982	297 723
Depreciation right of use assets	119 094	93 485	346 297	280 282	377 959
EBITA	1 348 501	968 219	3 393 694	2 426 480	3 385 734
Amortisation intangible assets	617 139	456 579	1 737 104	1 264 750	1 738 762
Operating profit EBIT	731 362	511 639	1 656 590	1 161 730	1 646 972
Result from associated companies	0	0	(10 475)	686	(551)
FINANCIAL ITEMS					
Financial income	74 417	227 572	158 140	258 142	282 937
Financial expenses	(191 529)	(150 590)	(494 864)	(433 964)	(666 950)
Net financial items	(117 112)	76 982	(336 724)	(175 822)	(384 013)
Profit before taxes from continuing operations	614 249	588 621	1 309 391	986 594	1 262 408
Taxes	138 206	132 440	296 970	221 829	284 930
Net income from continuing operations	476 043	456 181	1 012 421	764 765	977 477
DISCONTINUED OPERATIONS					
Net income from discontinued operations	0	0	0	13 268	13 268
Net income from continuing and discontinued operations	476 043	456 181	1 012 421	778 033	990 745
ATTRIBUTABLE TO:					
Equity holders of Visma AS	477 536	456 181	1 015 735	778 346	993 715
Non-controlling interests	(1 492)	0	(3 314)	(314)	(2 970)
EARNINGS PR SHARE					
Basic earnings per share (NOK in thousands)	477 536	456 181	1 015 735	778 346	993 715
Diluted earnings per share (NOK in thousands)	477 536	456 181	1 015 735	778 346	993 715
EBITDA margin	33,7 %	30,7 %	29,1 %	26,9 %	27,0 %

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(NOK in thousands)	3rd quarter		First three quarters		Year
	2020	2019	2020	2019	2019
Net income from continuing and discontinued operations	476 043	456 181	1 012 421	778 033	990 745
Net gain (loss) on financial hedging instruments, net of tax	(9 458)	412	(97 553)	(14 337)	8 867
Exchange differences on translation of foreign operations, net of tax	141 743	115 471	866 783	(32 416)	(23 706)
Other comprehensive income (loss) for the period, net of tax	132 286	115 883	769 230	(46 753)	(14 839)
Total comprehensive income for the period	608 329	572 065	1 781 651	731 279	975 907
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Equity holders of Visma AS	609 821	572 065	1 784 965	731 593	978 876
Non-controlling interests	(1 492)	0	(3 314)	(314)	(2 970)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(NOK in thousands)	30 September 2020	30 September 2019	30 June 2 020	31 December 2019
ASSETS				
Deferred tax assets	95 975	56 729	90 092	57 016
Patents and other intangible assets	5 110 275	4 120 183	4 904 575	4 054 564
Capitalised R&D cost own software	665 772	642 624	646 960	634 945
Contracts and customer relationships	6 991 522	5 514 282	6 929 978	5 691 906
Goodwill	20 876 216	14 033 906	19 030 263	15 755 615
Property, land and buildings	26 806	24 014	24 014	24 014
Machinery and equipment	183 394	233 534	199 395	222 488
Financial assets/Shares	14 567	7 876	26 274	4 954
Investment in associated companies	0	73 712	0	72 475
Other long-term receivables	553 082	512 096	544 317	525 843
Right of use assets	2 211 984	1 608 228	2 233 708	1 567 127
Net Investment in subleases	26 709	16 543	32 749	13 649
Total non-current assets	36 756 304	26 843 727	34 662 325	28 624 596
Inventory	140 791	55 319	128 373	42 561
Accounts receivables	1 986 341	1 631 633	1 894 618	1 902 465
Other current receivables	890 512	650 886	963 802	492 907
Cash and cash equivalents	8 232 695	5 622 869	7 927 946	6 571 888
Total current assets	11 250 340	7 960 708	10 914 739	9 009 821
TOTAL ASSETS	48 006 643	34 804 435	45 577 064	37 634 417
EQUITY AND LIABILITIES				
Paid-in capital	6 142 402	3 241 978	5 611 027	5 142 027
Other reserves	1 272 817	471 673	1 140 531	503 587
Retained earnings	8 338 910	7 913 042	7 861 374	8 128 411
Equity attributable to equity holders of Visma AS	15 754 128	11 626 693	14 612 932	13 774 025
Non-controlling interests	31 678	0	32 660	31 189
Total equity	15 785 806	11 626 693	14 645 592	13 805 214
Deferred tax liability	3 475 670	2 690 005	3 177 953	2 568 462
Financial hedging Instruments	198 245	102 311	186 042	72 370
Long-term interest bearing bank loans	14 596 376	11 319 234	14 417 608	13 065 812
Accrued funding fees	(13 735)	(11 623)	(15 265)	(18 326)
Long-term lease liabilities	1 673 322	1 333 025	1 706 316	1 298 216
Other long-term non interest bearing liabilities	2 384 978	1 385 522	2 616 938	1 899 181
Total non-current liabilities	22 314 857	16 818 473	22 089 591	18 885 715
Bank overdraft	2 220 160	1 750 244	1 855 040	(0)
Short-term interest bearing bank loans	105 010	92 520	103 980	94 420
Trade creditors	675 086	541 292	691 499	590 812
Public duties payable	931 678	645 061	880 738	690 052
Tax payable	13 354	(23 216)	20 796	148 476
Deferred revenue	2 114 240	1 668 480	2 453 688	1 445 520
Short-term lease liabilities	572 659	386 148	570 664	394 505
Other current liabilities	3 273 792	1 298 740	2 265 476	1 579 704
Total current liabilities	9 905 980	6 359 269	8 841 882	4 943 488
Total liabilities	32 220 837	23 177 742	30 931 473	23 829 204
TOTAL EQUITY AND LIABILITIES	48 006 643	34 804 435	45 577 064	37 634 417

CONSOLIDATED STATEMENT OF CASH FLOWS

(NOK in thousands)	3rd quarter		First three quarters		Year
	2020	2019	2020	2019	2019
Ordinary profit before tax from continuing and disc. operations	614 249	588 621	1 309 391	986 594	1 262 408
Depreciation right of use assets	119 094	93 485	346 297	280 282	377 959
Depreciation tangible assets	43 423	25 228	102 481	76 339	110 333
Depreciation capitalised R&D cost	45 984	43 967	136 635	131 644	187 389
Amortisation patents and other intangible assets	292 086	248 569	816 372	597 918	821 460
Amortisation contracts and customer relationships	325 053	208 010	920 732	666 832	917 302
Tax paid	(52 892)	(71 798)	(261 429)	(226 648)	(330 460)
Changes in debtors	(91 723)	62 832	(83 876)	236 349	(34 483)
Changes in inventory and trade creditors	(28 831)	(75 040)	(13 956)	(99 365)	(37 087)
Changes in public duties payable	50 940	90 552	241 626	23 430	68 420
Changes in deferred revenue	(339 448)	(265 704)	668 721	179 178	(43 782)
Changes in other accruals	96 616	(161 339)	(387 425)	(130 459)	311 080
Net cash flow from continuing and discontinued operations	1 074 551	787 383	3 795 569	2 722 092	3 610 538
Net cash flow from continuing operations	1 074 551	787 383	3 795 569	2 722 092	3 610 538
Sale of (investment in) tangible fixed assets	(19 343)	(20 016)	(78 349)	(74 100)	(99 115)
Sale of (investment in) R&D own software	(22 095)	(21 417)	(64 619)	(56 547)	(79 447)
Net cash flow from investments	(41 438)	(41 433)	(142 968)	(130 646)	(178 562)
Investment in tangible fixed assets related to business comb.	(14 542)	(1 730)	(41 993)	(46 093)	(59 194)
Investment in R&D software related to business combinations	(38 643)	(22 619)	(63 400)	(68 593)	(93 929)
Sale of (investment in) businesses	(734 885)	(1 130 999)	(3 253 365)	(3 273 715)	(4 803 787)
Sale of (investment in) shares	11 707	235 622	52 387	232 107	237 818
Net proceeds from divestiture of discontinued operations	0	0	0	13 268	13 268
Net cash flow from investments related to business combinations	(776 363)	(919 726)	(3 306 371)	(3 143 027)	(4 705 824)
Repayments of interest bearing loans	(50 000)	(50 001)	(100 061)	(347 001)	(347 001)
Net proceeds from interest bearing loans	0	0	0	2 428 621	4 227 406
Changes in bank overdraft	319 977	751 526	2 152 192	300 878	(1 508 009)
Cashflow from leases	(168 363)	(145 735)	(453 939)	(365 369)	(515 473)
Changes in long term receivables/payables	160	159	(1 587)	512	(4 872)
Payment of Group contribution	0	0	(563 354)	(507 767)	(507 767)
Cash inflow from dividends	62 000	0	114 000	6 000	6 000
Net cash flow from share issues	0	0	0	0	1 900 049
Cash inflow from interest	3 492	6 286	18 488	17 079	30 708
Cash outflow from interest and fees	(219 353)	(227 187)	(478 832)	(425 057)	(521 962)
Net cash flow from financing activities	(52 087)	335 048	686 906	1 107 898	2 759 081
Net cash flow	204 664	161 273	1 033 136	556 317	1 485 233
Cash and cash equivalents, beginning of period	7 927 946	5 402 514	6 571 888	5 148 003	5 148 003
Net foreign exchange differences	100 085	59 085	627 671	(81 449)	(61 346)
Cash and cash equivalents, end of period	8 232 695	5 622 871	8 232 695	5 622 871	6 571 890
EBITDA to net cash flow from operations	69,0 %	69,6 %	95,4 %	93,4 %	88,9 %

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(NOK in thousands)	Attributable to equity holders of Visma AS					Total equity
	Paid-in share capital	Other reserves	Retained earnings	Majority's share of equity	Non-controlling interests	
Equity as at 01.01.2019	1 830 373	518 426	7 511 679	9 860 477	1 058	9 861 535
Issue of share capital	3 311 654			3 311 654		3 311 654
Profit for the period			993 715	993 715	(2 970)	990 745
<i>Net gain (loss) on financial hedging instruments, net of tax</i>		8 867		8 867		8 867
<i>Exchange differences on translation of foreign operations, net of tax</i>		(23 706)		(23 706)		(23 706)
Total comprehensive income for the period		(14 839)	993 715	978 876	(2 970)	975 907
Group contribution	469 000		(845 982)	(376 982)		(376 982)
Changes to non-controlling interest; acquisition and arising on business combination				0	33 101	33 101
Equity at end of period	5 611 027	503 587	7 659 411	13 774 025	31 189	13 805 214
Equity as at 01.01.2020	5 611 027	503 587	7 659 411	13 774 025	31 189	13 805 214
Issue of share capital	531 375			531 375		531 375
Profit for the period			1 015 735	1 015 735	(3 314)	1 012 421
<i>Net gain (loss) on financial hedging instruments, net of tax</i>		(97 553)		(97 553)		(97 553)
<i>Exchange differences on translation of foreign operations, net of tax</i>		866 783		866 783		866 783
Total comprehensive income for the period		769 230	1 015 735	1 784 965	(3 314)	1 781 651
Group contribution			(336 236)	(336 236)		(336 236)
Changes to non-controlling interest; acquisition and arising on business combination			0	0	3 803	3 803
Equity at end of period	6 142 402	1 272 816	8 338 910	15 754 129	31 678	15 785 807

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

NOTE 1 – ORGANISATION AND BASIS OF PREPARATION

General information and organisation

Visma (the Group) consists of Visma AS (the Company) and its subsidiaries. Visma AS is a limited liability company, incorporated in Norway. The address of its registered office is Karenslyst allé 56, N-0214 Oslo, Norway.

Visma's condensed interim financial statements for the third quarter of 2020 were authorised for issue by the board of directors on 22 October 2020.

Basis of preparation

These condensed interim financial statements are prepared in accordance with International Reporting Standard IAS 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 the information and disclosures required by Financial Reporting Standards (IFRSs) for a complete set of financial statements, and these condensed interim financial statements should be read in conjunction with the Visma annual financial statements. A description of the significant accounting policies applied is included in the Visma annual financial statements for 2018 and applies to these condensed interim financial statements, except for the adoption of new standards and interpretations as of 1 January 2020.

The condensed interim financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the financial position, results of operations and cash flows for the dates and interim periods presented. Interim period results are not necessarily indicative of results of operations or cash flows for an annual period. Certain amounts in the comparable periods have been restated to conform to current period presentation.

The condensed interim financial statements are unaudited.

Use of estimates

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis, considering the current and expected future market conditions. A change in an accounting estimates is recognised in the period in which the estimate is revised if the revision affect only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

NOTE 2 — SEGMENT INFORMATION

Visma reports its business through four core divisions; Software Nordic & International, Software Benelux, Custom Solutions and Commerce Solutions. Group HQ + IT + Cloud Infrastructure Services are reported as other. These aggregations has its basis in similar economic characteristics, the nature of products, services and the type and class of customers and the market their customer operates in.

Transfer prices between segments are set at an arm's length basis in a manner similar to transactions with third parties. Visma AS and national holding companies are disclosed under Group HQ.

NOTE 2 — SEGMENT INFORMATION continued

Segment data for the third quarter of 2020 and 2019 are presented below. The measurement basis of segments profit is Net operating income. Deferred tax assets, pension assets and non-current financial assets are not allocated to the segments.

3rd quarter	2020						2019						
	(NOK in thousands)	Software Nordic & Int.	Software Benelux	Custom Solutions	Commerce Solutions	Other	TOTAL	Software Nordic & Int.	Software Benelux	Custom Solutions	Commerce Solutions	Other	TOTAL
Revenue													
Total segment revenue	2 880 186	906 455	927 227	418 824	488 498	5 621 190	2 437 648	579 421	720 873	323 754	422 450	4 484 147	
Internal revenue	498 932	179 610	58 266	19 063	239 783	995 654	499 460	28 013	54 714	9 866	207 208	799 262	
External revenue on each group of similar products and services													
On-premises software	679 461	81 093	158 972	20 553	0	940 079	663 955	68 602	142 525	0	0	875 083	
New software licences	8 533	1 602	800	0	0	10 935	10 591	2 176	9 345	0	0	22 113	
Annual agreements	598 217	69 327	65 119	18 989	0	751 652	564 795	55 504	55 336	0	0	675 635	
Software Consulting and Implementation	72 711	10 164	93 053	1 563	0	177 492	88 569	10 922	77 844	0	0	177 335	
Cloud Computing	1 639 352	643 387	698 164	376 514	156 735	3 514 151	1 220 287	480 593	516 525	312 938	156 538	2 686 881	
SaaS Subscriptions	1 092 061	149 721	179 902	99 954	4 868	1 526 506	813 424	72 875	104 140	65 251	4 317	1 060 007	
SaaS Transactions and sign up fees	436 087	307 519	35 899	80 888	2 914	863 307	312 618	239 578	7 241	58 671	2 317	620 424	
Cloud Infrastructure and Hosting Services	2 736	3 319	55 678	0	148 952	210 685	929	(468)	49 862	0	149 905	200 227	
Software Consulting and Implementation on SaaS	66 044	70 665	426 685	10 407	0	573 801	51 705	50 934	355 282	7 151	0	465 073	
Managed HR Services	40 374	112 163	0	0	0	152 537	38 613	117 673	0	0	0	156 287	
FinTech Services and debt collection	2 050	0	0	185 264	0	187 314	2 998	0	0	181 865	0	184 862	
Other	62 440	2 365	11 826	2 695	91 980	171 306	53 945	2 213	7 109	950	58 704	122 921	
External revenue	2 381 254	726 846	868 961	399 761	248 715	4 625 536	1 938 188	551 408	666 159	313 888	215 242	3 684 885	
Actual growth (external) %	22,9 %	31,8 %	30,4 %	27,4 %	15,6 %	25,5 %							
EBITDA	972 134	161 140	225 657	118 332	79 738	1 557 001	718 177	95 100	159 109	103 828	54 685	1 130 899	
EBITDA margin	40,8 %	22,2 %	26,0 %	29,6 %	32,1 %	33,7 %	31,1 %	17,2 %	23,9 %	33,1 %	25,4 %	30,7 %	

First three quarters	2020						2019						
	(NOK in thousands)	Software Nordic & Int.	Software Benelux	Custom Solutions	Commerce Solutions	Other	TOTAL	Software Nordic & Int.	Software Benelux	Custom Solutions	Commerce Solutions	Other	TOTAL
Revenue													
Total segment revenue	8 702 837	2 562 721	2 906 544	1 235 797	1 406 297	16 814 196	7 312 698	1 720 676	2 120 112	884 621	1 173 016	13 211 124	
Internal revenue	1 606 134	537 243	218 386	55 987	714 133	3 131 884	1 485 972	115 120	167 166	30 386	581 464	2 380 108	
External revenue on each group of similar products and services													
On-premises software	2 136 446	232 706	520 718	54 946	0	2 944 816	2 076 710	207 989	405 495	0	0	2 690 193	
New software licences	32 316	5 886	23 969	0	0	62 171	47 954	7 625	32 770	0	0	88 349	
Annual agreements	1 786 271	190 658	195 144	51 373	0	2 223 446	1 687 464	163 991	130 180	0	0	1 981 634	
Software Consulting and Implementation	317 858	36 163	301 605	3 573	0	659 199	341 291	36 373	242 546	0	0	620 210	
Cloud Computing	4 771 847	1 785 426	2 132 055	1 119 521	469 564	10 278 413	3 588 844	1 393 205	1 525 524	851 239	458 347	7 817 159	
SaaS Subscriptions	3 134 622	335 062	459 895	269 722	14 409	4 213 710	2 365 728	184 051	272 983	184 865	12 388	3 020 015	
SaaS Transactions and sign up fees	1 279 321	887 300	92 661	225 651	8 551	2 493 483	907 558	702 657	27 335	126 018	6 853	1 770 420	
Cloud Infrastructure and Hosting Services	7 266	10 107	164 141	0	446 604	628 119	2 995	6 247	135 189	0	439 106	583 536	
Software Consulting and Implementation on SaaS	224 528	216 655	1 415 359	35 833	0	1 892 374	194 018	157 299	1 091 158	21 560	0	1 464 034	
Managed HR Services	120 523	336 302	0	0	0	456 824	108 613	342 951	0	0	0	451 564	
FinTech Services and debt collection	5 587	0	0	588 315	0	593 902	9 933	0	(1 141)	518 796	0	527 589	
Other	188 410	7 345	35 385	5 343	222 600	459 082	161 173	4 362	21 927	2 996	133 206	323 663	
External revenue	7 096 703	2 025 477	2 688 158	1 179 810	692 164	13 682 312	5 826 726	1 605 555	1 952 946	854 235	591 552	10 831 015	
Actual growth (external) %	21,8 %	26,2 %	37,6 %	38,1 %	17,0 %	26,3 %							
EBITDA	2 453 947	404 398	641 218	319 789	159 755	3 979 107	1 817 483	330 633	451 124	226 311	89 192	2 914 744	
EBITDA margin	34,6 %	20,0 %	23,9 %	27,1 %	23,1 %	29,1 %	31,2 %	20,6 %	23,1 %	26,5 %	15,1 %	26,9 %	

Reconciliation	3rd quarter		First three quarters
	2020	2019	
Profit before taxes	614 249	588 621	1 309 391
Net financial items	117 112	(76 982)	336 724
Result from associated companies	0	0	10 475
Depreciations and amortisations	825 640	619 259	2 322 517
EBITDA	1 557 001	1 130 899	3 979 107
EBITDA in operating segments	1 557 001	1 130 899	3 979 107

GEOGRAPHICAL AREAS

(NOK in thousands)	2020			2019		
	Net sales	%	Long lived assets	Net sales	%	Long lived assets
Norway	4 406 947	32,2 %	9 993 673	3 466 761	32,0 %	4 812 989
Sweden	2 774 266	20,3 %	3 116 889	2 360 299	21,8 %	2 387 607
Denmark	1 754 720	12,8 %	4 333 986	1 372 413	12,7 %	3 930 568
Finland	1 976 197	14,4 %	2 362 342	1 605 240	14,8 %	2 340 302
Netherlands	2 770 183	20,2 %	13 836 896	2 026 302	18,7 %	10 839 528
Total	13 682 312	100,0 %	33 643 786	10 831 015	100,0 %	24 310 994

NOTE 3 — BUSINESS COMBINATIONS

During the third quarter of 2020, the Visma Group had a net cash outflow from investment related to business combinations of NOK 776m.

Software Nordic & International

In the third quarter Visma further strengthened its focus on the real estate vertical through the acquisition of Codegarden AS, which offers mobile and cloud-based tools to real estate agents to simplify the sales process from start to finish.

Software Benelux

Visma continues to expand in the Dutch Accounting offices through the acquisitions of fast growing SaaS companies Yuki and Cash Software BV. With these two strategic acquisitions, which follow the acquisitions of Visionplanner and Nmbrs in Q2, the Visma Group continues to grow steadily in the Dutch accountancy and ERP market.

Custom Solutions

Through the acquisition of Giant Leap Technologies AS, Visma improves its capacity and expertise in the development of mobile applications and solutions in Norway. In Sweden, Visma strengthened its offering to municipalities and state authorities by acquiring Nordic Peak, the market leader in e-services for the public sector. In Finland, Visma expands its consulting offering through the acquisition of the Salesforce consultancy Biit Oy. Visma also acquired the analysis and technology company Create-Solutions AS serving the commercial real estate segment in Norway.

Commerce solutions:

Visma continues the investment in the digitalization of the real estate market by acquiring Presis Utleie AS.

The preliminary fair value of the identifiable assets and liabilities as at the date of acquisition were:

	The Yuki Company				
	BV	Giant Leap AS	Nordic Peak AB	Biit Oy	Cash Software BV
(NOK in thousands)	17.07.20	03.07.20	02.07.20	02.07.20	03.08.20
Deferred tax assets	0	544	0	0	0
Other intangible assets	26 304	151	0	0	50
Machinery and equipment	9 986	697	876	0	2 784
Other long-term receivables	34	0	0	0	0
Trade receivables	30 741	11 752	5 904	11 197	493
Other short term receivables	2 480	3 332	287	562	(2 796)
Cash and cash equivalents	3 460	24 489	14 339	4 738	13 671
Assets	73 005	40 965	23 569	16 497	14 202
Other long-term liabilities	1 590	1 582	0	327	0
Deferred tax liability	0	0	492	0	0
Bank overdraft	0	0	0	0	0
Trade creditors	14 795	5 141	229	0	196
Public duties payable	7 409	4 228	606	3 864	1 076
Tax payable	1 258	6 102	1 753	0	(118)
Other current liabilities	17 496	4 503	4 910	5 924	6 414
Liabilities	42 548	21 556	7 990	10 115	7 567
Fair value of net assets	30 457	19 410	15 579	6 382	6 635
Goodwill arising on acquisition	912 771	206 577	57 975	54 474	132 348
Other intangible assets	209 870	92 618	34 800	0	63 660
Contracts and customer relationship arising on acquisition	199 271	92 618	48 720	29 583	89 124
Deferred tax liability	(99 421)	(40 752)	(17 873)	(5 917)	(37 127)
Total acquisition cost	1 252 948	370 470	139 201	84 522	254 641
Net cash acquired with the subsidiary	(3 460)	(24 489)	(14 339)	(4 738)	(13 671)
Cash paid	351 990	205 570	65 456	25 966	147 453
Net cash outflow	348 530	181 081	51 117	21 228	133 782
Payment-in-Kind	529 975	0	0	0	0
Deferred payment	370 983	164 900	73 745	58 556	107 188

ALTERNATIVE PERFORMANCE MEASURES

General information

Visma's condensed interim financial statements are prepared in accordance with International Reporting Standard IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU). Additionally, selected alternative performance measures are provided by the management in this report to allow the reader to gain a better understanding of the Group's underlying performance. The alternative performance measures provided may be defined or calculated differently than for other companies.

EBITDA / EBITA / EBIT

EBITDA is defined as Earnings Before Interests, Tax, Depreciation and Amortization and is an indicator of the performance of the underlying operations in Visma Group. EBITDA margin is presented as EBITDA as a percentage of Operating Revenues. In addition to EBITDA, management also present EBITA which is defined as EBITDA less Depreciation as well as EBIT / operating profit defined as EBITA less amortization.

EBITDA growth is presented for the current quarter, defined as the percentage growth over EBITDA in the same quarter last year. EBITDA growth is also presented on a year-to-date basis, defined as the percentage growth over EBITDA for the corresponding period last year.

Cloud Annualized Revenue

Revenue from Software-as-a-Service ("SaaS") solutions and other cloud computing is an important growth area for Visma. Unlike traditional on-premises solutions that are locally installed, SaaS Solutions are centrally installed in datacentres run by either Visma or third party providers, and made accessible to the customer through a "thin client" such as a web browser or mobile app. Cloud computing includes SaaS solutions as well as related services such as consulting and implementation on SaaS solutions, cloud infrastructure services and Fin-tech services.

Cloud Annualized revenue measures the run rate of revenue derived from cloud computing. It is a forward looking indicator of future revenue from cloud computing. The monthly revenue generated from cloud computing at the end of the quarter is multiplied by 12 to arrive at an annualized value.

Customer Contracts

The number of customers that have a support, subscription or maintenance agreement. A customer may be counted several times between licensing systems, due to acquisitions.

Number of e-invoicing transactions

The number of e-invoicing transactions processed through Visma's e-invoicing hubs. SaaS e-invoices is an important growth area for Visma. To account for seasonal variations, monthly e-invoices is measured as the last twelve month average.

On-premises software

Revenue from On-premises software is revenue related to software installed on the customers premises, typically windows based software and similar. Revenue from consulting and implementation of on-premises software is also included here.

Cloud Computing

Revenue from cloud computing is revenue derived from SaaS and SaaS related services, such as for instance consulting on SaaS solutions or cloud infrastructure services. Unlike traditional on-premises solutions that are locally installed, SaaS Solutions are centrally installed in datacentres run by either Visma or third party providers, and made accessible to the customer through a "thin client" such as a web browser or mobile app.

Visma AS

Karenslyst allé 56
P.O. Box 733 Skøyen
NO-0214 OSLO

Tel +47 46 40 40 00
Fax +47 22 43 45 61
www.visma.com

