

Fast forward

Software for society

Annual report 2020





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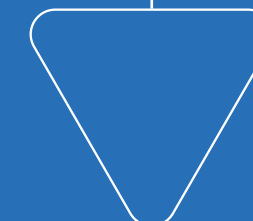
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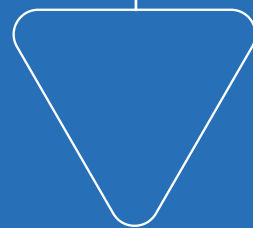
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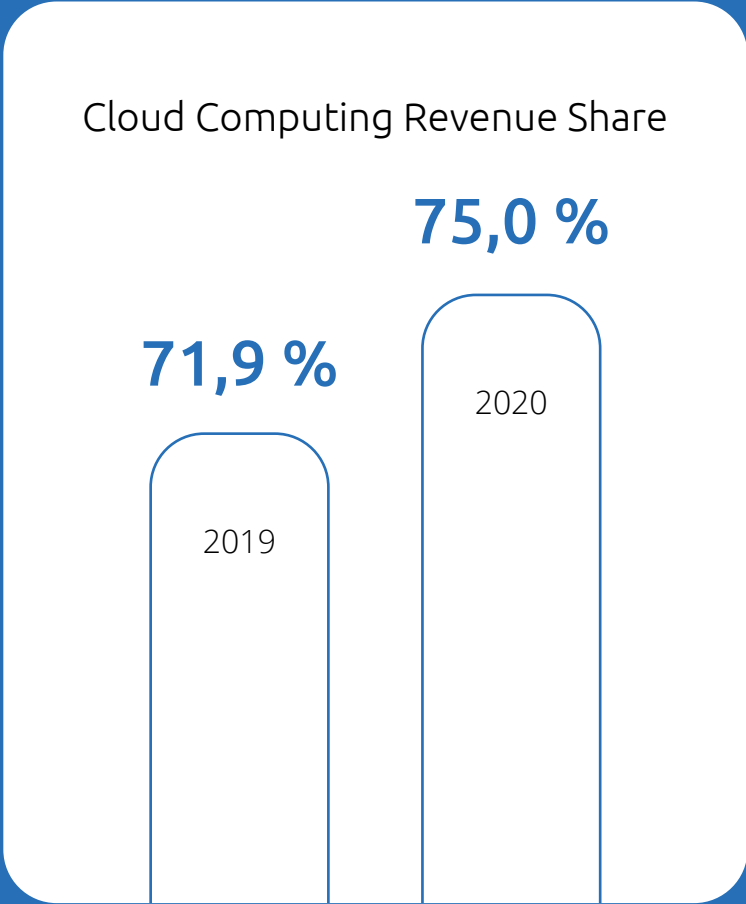
Visma by the numbers



Key figures

(NOK 1 000)	2020 IFRS	2019 IFRS*
Operating revenues	18 674 922	15 027 780
Growth	26 %	32 %
EBITDA	5 366 851	4 061 415
Profit/(loss) from continuing and discontinued operations after minority interests	3 385 804	993 715
Earnings per share	3 385 804	993 715
No. of shares	1	1
Total assets	49 450 853	37 634 418
Current liabilities	7 793 769	4 943 488
Long-term liabilities	24 012 854	18 885 715
Equity	17 644 230	13 805 214

* 2019 has been restated to reflect the sale of the Public e-procurement operations



26 %
Growth

12 500
Number of employees

18 674 922
Operating revenues 2020

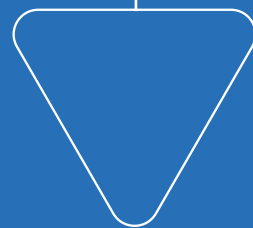
17 644 230
Equity

The last decade



2

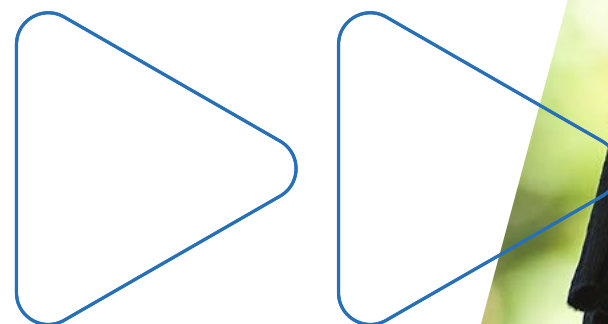
2020 and beyond





CEO's comment with Merete Hverven

2020 saw not just one, but a whole flock of black swans flying in. Despite this, Visma has coped extremely well with surprise — and is thriving.





The year and the new decade started with an upbeat mood. Strong growth from 2019 was carried into the new year, the global economy was humming along with good GDP growth, equity markets were up, and debt was cheap. What could go wrong? Yes, we heard about this mysterious flu in Wuhan, but we thought it would be contained, just like Swine flu, Bird flu, Ebola, etc. And then, just 11 weeks into the new year, we sent all our employees home and our societies went into an almost complete lockdown.

Taking over as Visma's CEO in April 2020 became different from what I expected. Rather than travelling around meeting the major businesses in Visma all over Europe, rather than celebrating the long-term, outgoing CEO, and rather than meeting important customers face to face, I ended up managing, inspiring and engaging with a 12 000-people organisation from my kitchen using the phone, email and video conferencing.

We sent our people to their home offices early in March following the government's recommendations. From a technical point of view the transition went smoothly and without a hitch, as Visma for several years already had cloud-based internal computing, and we were already experienced users of video conferencing. Our cyber security systems were adapted to employees working from many locations including homes, and there have hardly been any incidents or losses of productivity with the tech infrastructure.

The human and social strain on the other hand has been considerable, as employees have to perform their work from bedrooms and kitchen tables, maybe with kids doing homeschooling at the same time. The Visma management team recognised this challenge early on. We have prioritised communication with our leaders and employees and done our utmost to keep up the motivation. Leaders in middle management in particular have been challenged to engage with their people, also many newly employed and newly educated. While many seasoned employees may

have enjoyed the ability to avoid commuting and the peace and quiet of working from home, young talents may suffer from lack of ability to learn in a social setting. And yet, I believe our management teams rose to the occasion, putting in long hours and engaging with everyone. We see that our employee engagement remains extraordinarily high through the lockdowns.

Financial performance

It is important to have engaged employees, but the proof of the quality of the leadership is in the productivity of the organisation. As such, 2020 ended better than we expected and productivity remained record high.

For the full year, revenue was NOK 18 675m constituting a growth of 25,7% over 2019. While Visma was able to keep up the productivity and revenue growth, the Covid-19 situation reduced our operational expenses considerably, especially anything associated with travel. We were able to sell customer contracts on video, hold massive customer seminars and marketing events online, and negotiate and close acquisitions of companies without meeting in person. Thus our profitability remained strong during 2020 and exceeded our expectations. EBITDA showed strong development, ending at NOK 5 367m, a growth of 35,0%.

Cloud software

The last decade was both challenging and rewarding as a software company. The major challenge was moving from Windows-based, on-premise client server technology to true cloud computing with Software as a Service. Fortunately this transition had already progressed quite far by the beginning of 2020, with about 75% of our revenue coming from cloud. Covid-19, home offices and the need to control expenses have led most organisations to accelerate their transition to cloud computing, and Visma has benefited from that. The cloud stars of Visma, such as Yuki, Tripletex, e-economic, PowerOffice, Dinero, Netvisor, Számlázz, SmartDok etc., have enjoyed over 20% growth and we see that both demand and growth are continuing in 2021 as well.



The transition to the cloud will continue in the coming years and will most likely be completed during the next three. We do not believe much on-premise software will be in use after 2025, and the mounting cybercrime threat means that most organisations with applications on their own servers do not have the resources to protect themselves. Moving to well-protected cloud solutions seems to be the answer to many needs: fewer cybercrime risks, fewer upfront investments, predictable monthly rent and accessibility from anywhere, from any device.



Expansion and growth

With 37 acquisitions in 2020, Visma continued its growth in the core Nordic and Dutch markets. In addition, Visma set foot in Belgium for the first time, and continued expansion and growth in Eastern Europe and Latin America. In recent years, Visma has focused on acquiring fast-growing, born-in-the-cloud companies, and we no longer acquire companies with Windows-based software as their core products.

The expansion in Benelux and Eastern Europe has been well supported by the Team Jumbo-Visma sponsorship, and the team finished 2020 as the #1 road cycling team in the world.

2020 became very different than expected, and both our markets and the global economy had negative economic growth. As the lockdowns continue into 2021, we do not expect substantial GDP growth before the second half of the year, when the majority of the populations in our markets will have been vaccinated. Fortunately the economies of our core markets are strong, the governments are able to sustain the hardest-hit industries, and once lockdowns are over, we may see a strong bounceback in the economy. Visma is ready to support our customers when the growth comes back.

We continue to invest in the future

Investments in product development and innovation are key success factors for Visma. In 2020, R&D expenses amounted to approximately 15% of revenues.

Visma operates in high-cost markets with a strong drive to increase efficiency. Through advanced algorithms, big data and artificial intelligence, Visma is exploring more ways to automate business processes for customers to increase efficiency and competitiveness. We are particularly focused on creating connected solutions, giving our customers the freedom to choose the software that best meets their needs in particular industries and segments.



Finding the right talent

Finding and keeping the right talent are key to Visma's future success, and the competition is tough for the best and brightest minds. Across our core geographies, Visma has worked consistently to build brand awareness among students in top universities, and we see application numbers for our trainee programs increasing.

Visma is competing with larger global and regional companies and we are dependent on our nearshoring capacity, which today comprises operations in Lithuania, Latvia, Slovakia, Poland, Romania, Spain, Ireland, Bulgaria, and Argentina. By the end of 2020, Visma had close to 1 700 employees in these locations. Most resources are within software development and the level of employee engagement in these locations is among the highest in the group.

Cyber security and privacy

As a provider of mission-critical systems, Visma takes its responsibility seriously when it comes to cyber security and privacy. Cyber attacks have become more intense and professional, but Visma has invested in talent, software and AI to protect ourselves and our customers.

We have also made security an integral part of our work culture, thanks to awareness-raising programs and enhanced processes to integrate security into decision-making. From enabling our development teams to deliver secure products and services, to securing the successful delivery of cloud services to customers, to running bug bounty and responsible disclosure programs, we are firmly invested in future-proofing our security for the coming years.

Continued growth ahead

Visma will continue to promote competitiveness by providing our customers with software that makes their business and administrative processes more efficient than those of their competition. The Covid-19 situation accelerates the transition to the cloud and Visma is in an excellent situation to meet this demand.

With 2020 in the rear-view mirror, it has never been clearer that Visma is providing critical software for society. Whether fueling the organisations responsible for key private and public services, or freeing employees to focus on more meaningful work, our software is enabling our customers to create higher business and social value.

In a changing world with tough competition, it is hard to plan for all possible scenarios. However 2020 showed that an agile, competent and engaged organisation is able to adapt to disruption. We believe that a solid infrastructure, a healthy financial situation, the right products, good strategic position and over 12 000 engaged and competent employees are the best guarantee for future success.

Merete Hverven

CEO of Visma



Finding and keeping the right talent are key to Visma's future success, and the competition is tough for the best and brightest minds.

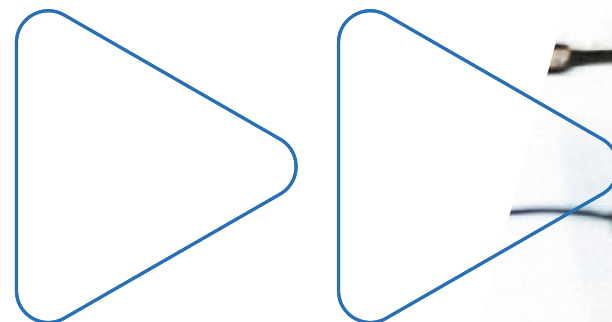
Merete Hverven

CEO of Visma



Fast forward — Software for society

Over the last decade, organisations' transition to the cloud has enabled society to run more smoothly than ever before. Now, with a new everyday life of more remote work, the importance of cloud solutions — and Visma's role in delivering them — has never been clearer.





Shaping the future

Our vision is to shape the future of society through technology. By enabling businesses and governments to achieve more with the same resources, we contribute to their long-term success. By simplifying people's everyday lives, we empower them to engage in meaningful activities and build more value for themselves, business and society.

Our efforts take shape in the ordinary lives of people: those who save time and effort on complex work tasks, and those who are positively affected by our solutions.

Shaping the future of society demands that we focus on a number of key areas, with technology as the key ingredient. These include a connected cloud, artificial intelligence, a strong security culture, and sustainability.

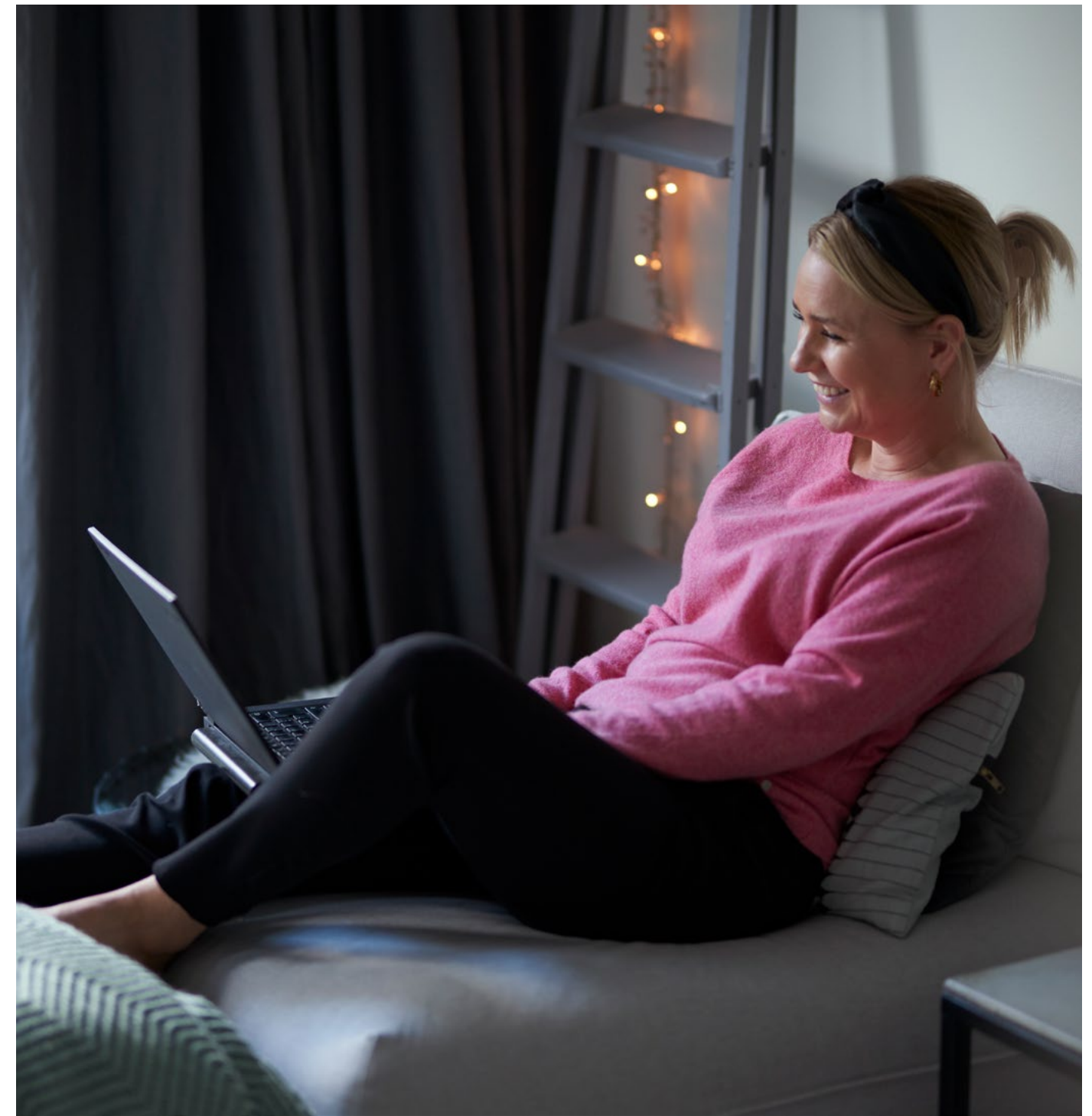
Connecting the cloud

The last decade has brought a remarkable shift. Social needs and technological innovation have accelerated the transition to the cloud, enabling businesses and organisations to digitalise and run more efficiently. Software providers must now focus on further innovating cloud services to address the modern challenges of businesses, public sector organisations, and the people who depend on them.

As our real-world challenges evolve, so must the solutions provided by cloud technology. In the last year alone, we have seen a 15-year leap in digitalisation, as organisations have sought new ways to maintain their operations remotely.

Visma has been at the forefront of this technological boost. During the good times, and the not-so-good times, Visma ensures that organisations have the best tools to remain functional, strong and competitive. This is evident in the 9 million payslips and 14 million invoices now running through Visma's systems every month.

With the cloud here to stay, the future is a cloud that is connected. We are finding new ways to make data accessible, insightful, and secure for our customers. Connecting data between systems, across organisational functions, and across industries will be pivotal to keeping businesses informed, competitive, and poised to act on the best available information.





Developing artificial intelligence (AI)

AI has become so ubiquitous, we hardly notice it. From the content we are shown in social media, to the way our expense claims are handled, AI impacts our personal and professional lives like never before.

AI has the potential to significantly reduce the time we spend on manual work, especially collecting and working with data. In addition to increasing productivity, AI also enhances our ability to deliver critical services to society, for example within nursing and education.

However, most companies are still missing out on enormous efficiency gains. Visma is committed to helping business and society do more with less. It is our duty to help our customers be efficient with the resources they have.

By empowering customers with AI technology, we are radically transforming their manual processes into competitive advantages, enabling them to make better decisions, optimise internal resources and capitalise on opportunity costs. Our customers can spend more time on innovation, leading to better solutions and services of higher quality, as well as greater customer experiences.

The future of AI shows great promise, and we are committed to innovating further for the customers we serve.

Strengthening security

The nature of security threats is constantly changing. Cyberattacks are becoming more frequent and sophisticated at the same time that societies are using more digital services.

There needs to be a continued raising of awareness, both among the public and within the organisations responsible for protecting the security of society's information and services. At the corporate level, there must be comprehensive security programmes in place for products, services, and the management of information risk more generally.

At Visma, we continually develop the security culture in our organisation. Our awareness-raising activities in the form of internal communication and events ensure that security is top of mind for everyone.

To ensure that our organisation and products meet the highest security standards, we have developed the Visma Cloud Delivery Model (VCDM) and Visma Application Security Program (VASP). These security programs are based on leading industry standards and best practices, and are embedded directly into our processes and production systems. Through these programmes, we demonstrate our commitment to delivering the most secure services to our customers.





Fostering sustainability

The world currently faces a multitude of challenges, from climate and environmental change to insufficient levels of equality and human rights. Businesses are increasingly recognising their social responsibility, contributing to solutions and working across borders to achieve the UN's Sustainable Development Goals.

Sustainability is about healthy people, healthy communities, a healthy economy and a healthy environment. In this respect, at Visma we have the opportunity to positively impact the world and drive change towards more sustainable business practices in all of our operations and value chains. This means minimising waste and the use of natural resources and energy. It also means taking the true cost of our actions into account, which is part of ethical and sound business practice.

Furthermore, we have a role to play through our products. Freeing people from mundane and time consuming work tasks gives them freedom and allows them to contribute meaningfully to more purpose-driven actions. At the same time, Visma fuels the organisations directly responsible for the efficient functioning of society, such as those providing education, health and other services in both the public and private spheres.

▶▶ Through our focus on a connected cloud, innovative AI, strong security, and comprehensive sustainability, we believe we can contribute to more efficient business and greater wealth in society.



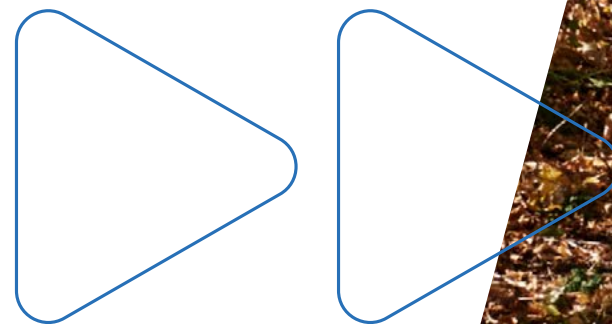


Shaping the future of society demands that we focus on a number of key areas, with technology as the key ingredient.



Sustainability at Visma

Businesses play an important role in the world's transition to become more sustainable. At Visma, we acknowledge that sustainability work is a shared responsibility that requires everyone's contribution for people, the planet and the economy to thrive.





1. Visma's approach to sustainability

There has never been a more important time to look inward and ensure that we are doing what we can to improve people's lives across our markets. At Visma, sustainability is about using resources in a way so that they aren't depleted over time. It has to do with healthy people, healthy communities, a healthy economy and a healthy environment, both now and in the future.

Visma's vision is to shape the future of society through technology. Our software gives people the opportunity to streamline processes and take advantage of vast amounts of data – offering a world of new opportunities for businesses and organisations.

In Visma's role as a leading international software company, we have the opportunity to positively impact the world and drive change towards more sustainable business practices in all of our operations and value chains. We have yet not reached our ambitions when it comes to governing our own impacts, but we are eager to improve and obtain better insight into our impacts on society and the environment. To drive this work and to create a unified Visma approach to sustainability, Visma appointed a Group Sustainability Manager in September 2020.

Historically, sustainability initiatives have been implemented differently across Visma companies, markets and office locations. As a result of this, there are different levels of maturity when it comes to working with sustainability across the organisation. Currently, we are working on a new sustainability strategy with a more unified approach. As part of our strategy work, we are developing a new Visma-wide Sustainability Policy to complement our already existing policies. This group policy aims to set a foundation for improved transparency and governance on sustainability topics within Visma.

1.1 Governance

For information about Corporate Governance at Visma, please see the Directors' Report farther down in this document. Visma's Corporate Governance policy can be found [here](#).

1.2 Stakeholders

As an international company dedicated to helping organisations and people thrive, we know that our success depends on meeting the needs of all our stakeholders. We believe our impact is greatest when we capitalise on our strengths: a strategic approach using the effort of our people and technology to build innovative solutions to problems. What is at stake is not just our longevity as a company, but our ability to create and deliver value to all our stakeholders—be they customers, employees, users, suppliers, or any others in society.

In order to align and communicate with stakeholders on sustainability we are collaborating on all levels of the organisation. The following efforts will therefore be important going forward:

- Updating the board of Visma on status and progress.
- Building ownership among each company within the group.
- Communicating our progress regarding sustainability in our internal channels and externally through Visma's corporate web pages and company reports.
- Establishing dedicated sustainability coordinator roles within Visma.

[Read more about how we engage with stakeholders in the Director's report.](#)

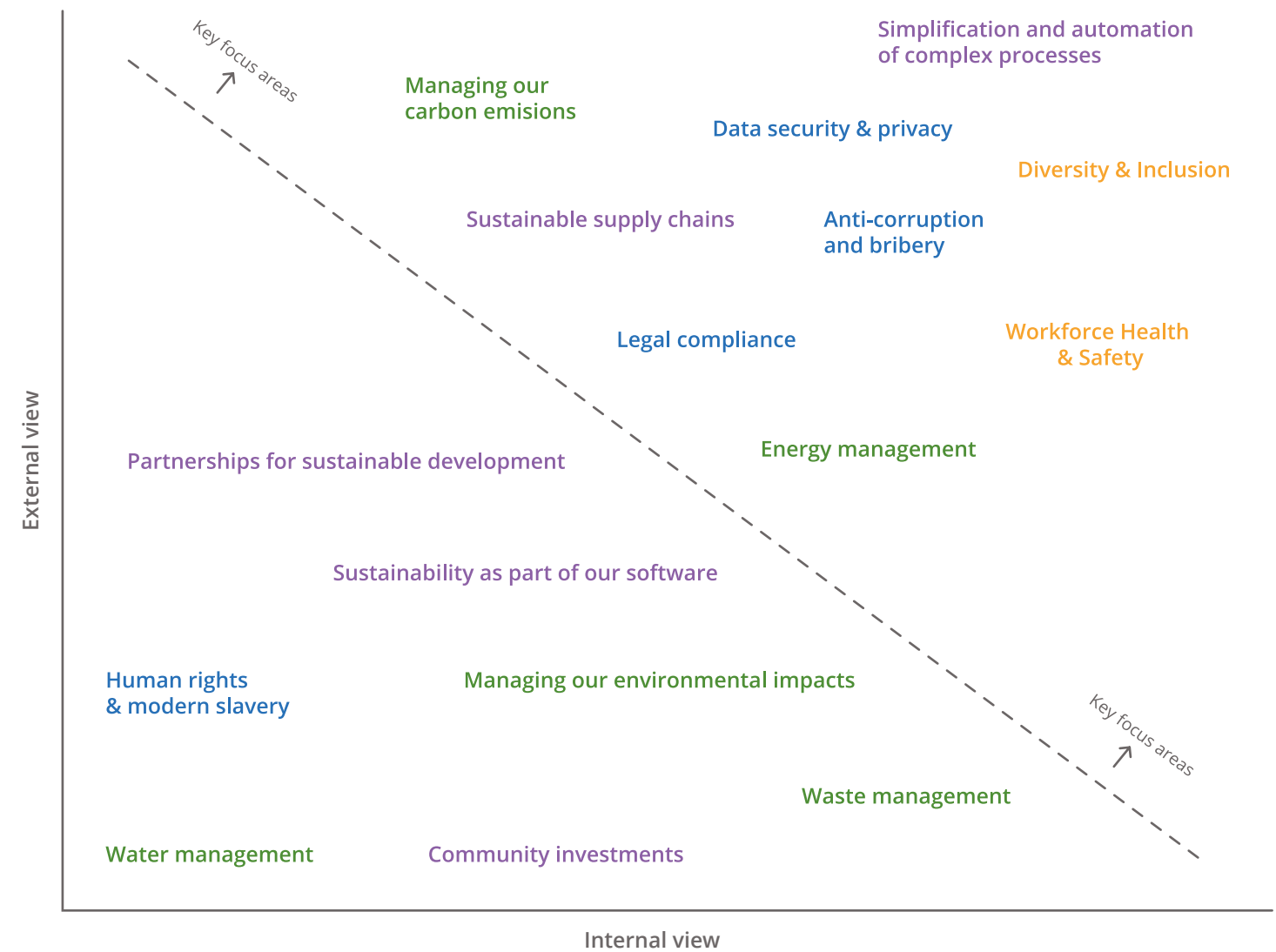
1.2.1 The economic impact of Visma’s activities during 2020




	Stakeholders	Measurement	Economic impact (NOK)
Economic value generated	Customers	Net sales	18 675m
Economic value distributed	Suppliers	Total purchases of goods and services	4 577m
	Employees	Wages and benefits paid	8 624m

1.3 Materiality

During 2020, Visma reviewed all sustainability topics considered material to the organisation, allowing us to identify key focus areas. How we decide what is material, is based on our corporate strategy, as well as questionnaires and interviews of representatives from several parts of the organisation. The external perspective is based on a number of inputs, including:

- requirements and information requests especially from our customers and investors.
- benchmarking with industry peers and best practices.
- analysis of the UN Sustainable Development Goals (SDGs), their related targets and their relevance to Visma.
- international sustainability frameworks and standards, such as the Sustainability Accounting Standards Board (SASB), the Global Reporting Initiative (GRI) and the UN Global Compact.
- legal requirements and the development of new legislation related to sustainability.
- analysis of the economic, environmental and social areas where we can create value throughout our value chain.



-  Environmental footprint
-  Shaping the future of society
-  Respecting people & embracing differences
-  Conducting our business ethically and with integrity

Materiality: the topics shown in this diagram are material to our sustainability work at Visma. Those in the top right corner of the diagram are our key focus areas going forward.



1.4 Visma's approach to risks

Visma's top management is responsible for ensuring that the organisation is taking a planned approach to addressing risks and realising opportunities, and that actions are recorded. Several companies within the Visma group also have certifications in relevant areas, to ensure the quality and security of our products.

Read more about Visma's approach to risks in the Director's Report farther down in this document.

Through our sustainability work, we are actively working to reduce risks related to:

- any challenges to retain, engage, and recruit skilled employees in the future
- violations of Visma's policies and ethical standards, including our Code of Conduct
- non-compliance with regulations, and mandatory reporting standards
- non-compliance with stakeholder requirements

1.5 About this report

This report relates to actions and activities of the Visma Group during the financial year 2020.

2. Visma's environmental footprint

At Visma, we are in the process of defining a unified approach towards sustainability, including identifying the performance indicators that are most important for us to track. While we have mainly office-based operations and do not produce physical goods, protecting the environment and managing our own impacts is simply the right thing to do, as well as being a sound way to conduct business. The transition to a low-carbon, resource-efficient and circular economy, in line with the United Nations' Sustainable Development Goals, is key to ensuring long-term competitiveness.

2.1 Carbon footprint

An important step in our efforts to gain better insight into the environmental impacts of all parts of the organisation is to measure our carbon footprint. To do this, we have started the process of onboarding Visma companies into carbon accounting software provided by Worldfavor AB since the beginning of 2021. With more than 200 Visma companies spread across multiple countries and locations, setting up a long-term structure and obtaining the right data from all companies will be a time-consuming endeavour. However, we are hopeful that we will be able to report on our carbon footprint within the coming year.

2.1.1 Business travel

The Covid-19 pandemic significantly reduced business travel during 2020, and conducting meetings online has proved to be an efficient way to both decrease wasted (travel) time and reduce carbon emissions.

Average travel cost per employee:

- 2019: NOK 13 000
- 2020: NOK 4 000

3. Respecting people & embracing differences

Visma believes that it is crucial to have employees with diverse backgrounds, experiences and skills, as more varied ways of thinking can provide new and innovative insights that spark better business results. In addition, all employees in Visma should be able to bring their whole self to work.

Employee wellbeing has been set high on the agenda both within the companies as well as at the group level. Inclusion and awareness training is conducted for all new leaders, as well as several webinars within the same topic.

In 2020, according to [a report](#) by the Financial Times, Visma was ranked #23 out of 15 000 European companies for inclusiveness, as decided by employees.

In addition we have several partnerships with organisations focusing on equal opportunities, such as Equality Check, Women in Tech, and more. Learn more [here](#).

Find more information about Visma’s work with diversity and inclusion [here](#).

The following SDGs relate to our work with diversity and inclusion in 2020:



SDG Target 5.1

End all forms of discrimination against all women and girls everywhere.

SDG Target 5.5

Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life.



SDG Target 10.2

By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

3.1 Employee satisfaction, engagement, and development

In 2020 we changed the process for how we measure and work with Employee Engagement. A more continuous approach through frequent pulse surveys has enabled us to take the temperature of our organisation on topics such as inclusion, wellbeing and individual development on an ongoing basis.

- eNPS Score December 2020: 48 (27 points above industry benchmark). The eNPS score consists of the aggregated sum of 4 key engagement indicators, including the traditional eNPS question “How likely is it that you would recommend Visma as a place to work?”, as well as loyalty, satisfaction and belief in Visma’s products.
- Annual employee turnover at Visma in 2020 was 14,6%.
- Number of participants at the Visma Management Academy 2020 was 30, compared to 29 participants in 2019
- Number of participants in the Visma Leadership Onboarding in 2020 online sessions was 390, compared to 90 participants in the 2019 onsite session.
- Visma’s Glassdoor Score is 4.2 (average company rating in Glassdoor is 3.5).¹

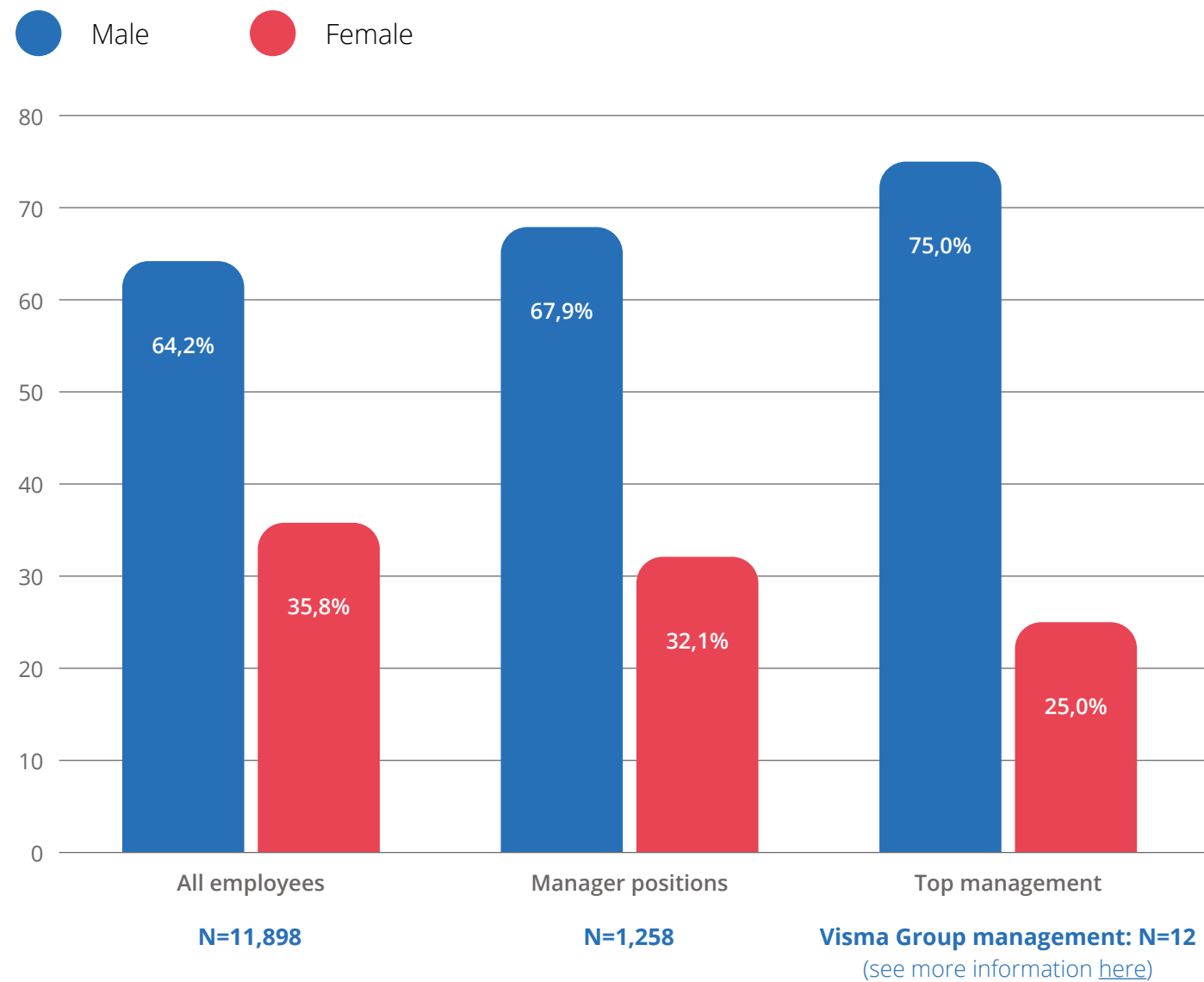
Learn more about employee engagement and development in the [Director's report](#) chapter.

¹ [Glassdoor About Us](#)

3.2 Diversity and equal opportunity at Visma

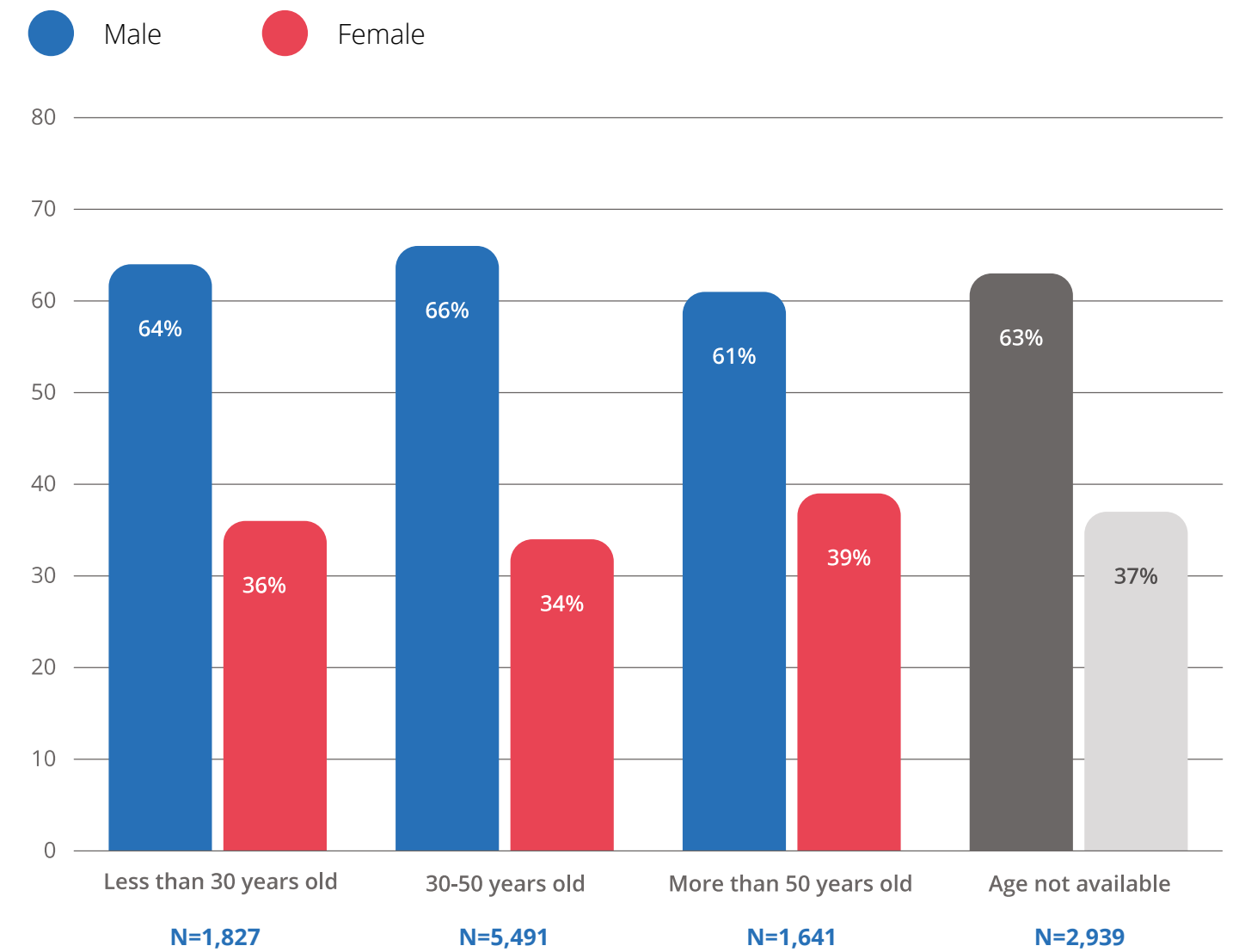
The following chart shows the gender diversity for all permanent employees at Visma at the end of 2020, compared to the gender diversity of employees in manager positions and top management. The industry average for percentage of women across the organisation is 17,0%².

Gender diversity at the end of 2020 for permanent employees at Visma:



Age can be an important factor in the power balance between genders, so having diversity in all age groups is important. The following chart shows the age diversity by gender for all permanently employed employees at Visma at the end of 2020. As can be seen, the gender diversity across age groups is relatively stable.

Male % and female %:



To promote the principle of equal opportunities for all genders, Visma has implemented several measures to strengthen and secure the gender balance. Read more about these measures, and Visma's compensation policy in the [Director's report](#) chapter.

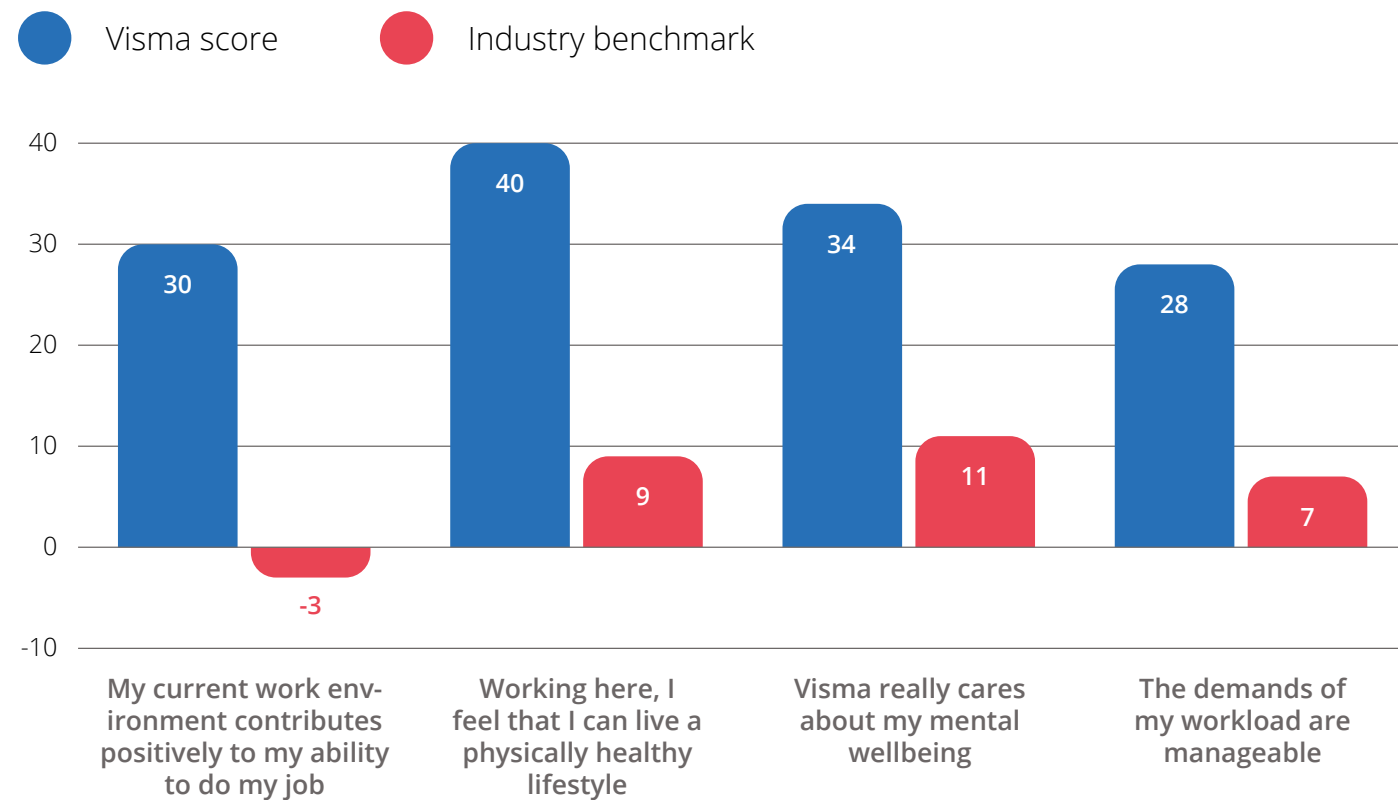
² [Women in Tech Survey \(2019\)](#)

3.3 Occupational health and safety

We believe that healthy people are the best resource an organisation can have, so health and safety in the workplace are vital. Visma ensures the general welfare of employees and supports them in their work tasks, as health and safety procedures are part of Visma's ISO 9000 approved quality system. All employees are responsible for contributing to a great working environment and showing respect for each other. The monthly pulse surveys, conducted at Visma since December 2020, aim to empower our business and leaders with real-time data on work climate and employee engagement in the organisation on a continuous basis.

Total sick leave for the Group averaged 3,2 per cent in 2020 (3,3 in 2019). In 2020 we had 6 reported work-related accidents.

Visma Peakon results vs. Industry benchmark:



Peakon uses question sampling to reduce the amount of questions being asked in each survey. As a result, the employee Net Promoter Score (eNPS) scores above are aggregated from employees' survey results from a period spanning between December 2020 and February 2021. The eNPS scale (0-10) is used to calculate the question scores above by subtracting the percentage of detractors (0-6) from the percentage of promoters (9-10). Passives (7-8) count towards the total number of respondents, so can push the overall net score towards 0 by diluting the proportion of promoters and detractors. Scores can range from -100 to 100; scores within the bracket of 10 to 30 are considered good and scores of 50 and above are excellent.

4. Conducting our business ethically and with integrity

Visma's approach to ethical business practices is codified in our [Corporate Governance Policy](#) and [Code of Conduct](#).

4.1 Privacy, data & cybersecurity



SDG Target 16.10

Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements

Visma is subject to a regime led by security and compliance that monitors, measures and flags risk. When a risk is flagged, there is a system in place that displays who is responsible for the risk, outlines the nature of the risk and monitors mitigation. Visma has developed an index where Visma at any time can find the status and trends of our products and services from a privacy and security perspective. As a consequence, product teams have a continuous drive to proactively limit and mitigate risks, as this affects the index.

Secure development and Operations

The Visma Application Security Program (VASP) is a well-defined approach to secure software products and services within Visma. VASP consists of a comprehensive set of standardised services and solutions to enable Visma's development teams to develop secure software. VASP also includes security policies and guidelines that further guide the teams in their work.

Security requirements are based on a combination of client feedback, industry best practices and compliance with privacy laws and regulations. Both our internal IT environment and services offered to customers are carefully monitored. This includes continuous scanning for vulnerabilities, monitoring of intrusion attempts as well as abuse detection. If any security or privacy incident occurs, we have dedicated security operations experts to ensure that it is managed professionally and resolved with minimal impact on our customers and their data.

After any incident, we document the events leading up to the incident together with a root cause analysis. A mandatory lessons-learned session is held to ensure that we have taken actions to minimise the risk of the same situation occurring again.

For more information, please visit [Visma's Trust Centre](#).

Privacy, data- & cybersecurity in 2020:

<p>Training of the Data Protection Managers</p>	<p>A Data Protection Manager (DPM) is appointed in all Visma companies, and continuously reports to and cooperates with the Data Protection Officer (DPO) to solve everyday tasks in their company. All DPMs in Visma gather at workshops arranged by Visma Group Legal & Compliance regularly, to walk through the latest news from the authorities and what is new in Visma regarding privacy and compliance. The last workshop was arranged in November 2020, with the main topics being the Schrems II judgement, GDPR fines from 2018 to present, privacy culture across the European countries, GDPR attestations and certifications, data protection and the use of AI, as well as information regarding internal projects such as the implementation of a new privacy and compliance management tool in 2021.</p>
<p>% of employees that completed GDPR/ privacy training in 2020</p>	<p>93% of the employees registered in the My Development learning platform (9 208 active users) have completed the GDPR training.</p>

4.2 Legal compliance

In 2020, there were 3 material disputes, infringements, court cases or judgements officially filed against Visma. One case is considered closed. The two other cases are subject to constructive dialogues with the counterparty and are being dealt with according to applicable legislation.



4.3 Anti-bribery & corruption



SDG Target 16.5

Substantially reduce corruption and bribery in all their forms

SDG Target 16.6

Develop effective, accountable and transparent institutions at all levels

In Visma, we have an anti-corruption program with a policy and dedicated responsible personnel in the Visma companies. The policy gives practical guidance on how to act in relevant situations in addition to general information about anti-corruption and why it is important to us. An annual anti-corruption training is part of our anti-corruption program.

For more information about our work against corruption and bribery, read Visma's Anti-corruption policy [here](#).

Zero incidents were received through Visma's whistleblowing channel during 2020 regarding risks related to bribery, corruption or similar.

4.4 Human rights & modern slavery

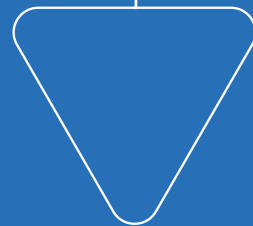
Visma does not tolerate any violations of human rights among our suppliers, partners, customers, and other stakeholders, and we are committed to conducting our business ethically and with integrity. We comply with all applicable employment legislation, including employee pay and working conditions in the countries where we are present and we invest heavily in supporting the health and wellbeing of our staff.

Based on the nature of our business as a professional software provider, we consider the risks of modern slavery and human trafficking in our value chain to be low. To reduce risks, we strive towards selecting reliable and well-known world-class vendors. We also undertake due diligence when evaluating agreements with new suppliers, and we regularly review our existing suppliers.

For more information, see Visma's [statement on modern slavery and human trafficking](#).

3

Director's report





Director's report

In spite of unexpected circumstances, Visma achieved excellent growth and a record pace of acquired cloud companies joining the Visma family.





2020 goes into the history books as the year of the Covid-19 pandemic which sent the population into lockdown for the better part of the year. As a provider of mission critical software, Visma sensed a strong responsibility to enable customers to run their businesses from home. With a strong product portfolio of modern cloud products, the Group has maintained operations without interruption due to the pandemic and also seen strong growth from new customers as well as acquisition targets choosing to join the Visma family of strong cloud products.

During 2020, Visma continued to expand aggressively in the Dutch market completing no less than 11 acquisitions. Particularly the product offering towards accounting offices serving small and medium sized businesses was transformed through the acquisitions of Yuki, Nnbrs and Visionplanner. Through the acquisitions of Yuki and Admisol, Visma also planted the flag firmly in the Belgian market.

Visma saw impressive growth in the Nordic markets as well and continued its excellent track record of above-market economic growth in 2020 with double-digit revenue and EBITDA growth. Through organic growth as well as acquisitions, the Group further strengthened its strong position within ERP, HRM and eGovernment software to the Nordic and Dutch markets. Visma ended the year with over 12 500 employees and over a million customers.

At the end of the year, the Covid-19 pandemic continues to plague the world. This is also the case for the Nordics and the Netherlands, which together account for 90% of Visma's revenues. Governments have introduced strong measures to aid businesses in the difficult economic climate. Visma provides need-to-have products for businesses, has a well diversified customer portfolio with more than 1 million customers and a significant portion of Visma's revenues are contracted, recurring and repeatable revenues. All of these factors provide a strong downside protection for Visma from the ongoing economic downturn.

Total revenue increased by 25,7 per cent to NOK 18 675 million in 2020. EBITDA increased by 35,0 per cent to NOK 5 367million. The Board of Directors is satisfied with the financial performance, which was in accordance with the expectations set forth in the Directors report for 2019.

Visma continued its strategic focus on Cloud Software in 2020, with SaaS Software and related services being an important driver of growth. Visma invested substantial development resources in SaaS products and technologies during the year, complemented by multiple SaaS acquisitions. Overall cloud revenue reached NOK 14 000 million up 31% from 2019, marking Visma as one of the largest Cloud software businesses in Europe.

Visma offers its customers products that help to manage businesses and improve efficiency. The essential and business critical nature of the product and services offering provides significant stability to Visma revenues. In addition, the broad product portfolio and growing customer density in Nordic and Dutch markets increases potential for cross-selling products and services across business units and national borders. Visma believes its strong customer base and strategic positioning provides a solid platform for continued growth in 2021.

Highlights

The economies where Visma operates were affected by the Covid-19 pandemic in 2020, however, governments have implemented several measures to support the economy. This has contributed to a degree of stability despite the pandemic turmoil across the core markets. As small, open economies of the Nordics and the Netherlands are exposed to the general economic development globally.

Visma's SaaS accounting offering to the small segment had close to 450 000 customers across the Nordic countries by the end of 2020. With the flagship products of eAccounting, Netvisor, Tripletex, e-economic and Poweroffice all seeing growth



rates and strong new sales during 2020. In the same segment in the Netherlands, Visma has built up a strong line up during 2020 fronted by the acquisitions of Yuki, Nmbri, Visionplanner and Cash Software in order to provide small businesses and their accountants with best in class cloud solutions.

Visma expanded its geographical footprint during 2020. Through the acquisitions of Yuki and Admisol, Visma entered the Belgian market. In Latvia, the offering was expanded to accounting software for small businesses through the acquisition of JumisPro. In Romania, Visma established a go to market presence through the acquisition of the leading SaaS invoicing solution SmartBill. Also the Polish presence was expanded through the acquisition of the SaaS accounting and payroll provider InFakt. In Argentina, the existing Visma product portfolio of payroll and HR solutions was expanded through the acquisition of fast growing Zetech.

Visma continues to pursue its vision of shaping the future of society through technology. This includes providing software allowing local and central government to digitize in order to become more efficient and free up resources to focus on providing services for its citizens. Through a number of acquisitions, Visma has expanded its portfolio of eGovernment software during 2020. In Norway, Visma acquired the cloud municipality reporting software Framsikt. In Denmark a strong offering of software to local government was built through the acquisitions of First Agenda and Ditmer. In Sweden Visma acquired NordicPeak, while the Dutch offering for local government was further strengthened through the acquisitions of Circle Software and Khonraad.

Innovative product development is of vital importance to retain existing and attract new customers to Visma. At the end of 2020, Visma employed close to 1 700 employees in cost effective and highly competent nearshore R&D centers. Nearshoring in combination with highly skilled onshore development resources are key strategic components to provide Visma with increasingly cost-effective and agile development teams.





Acquisitions

Visma acquired the following entities in 2020:

- OneStop Reporting AS, Norway, January 2020
- Circle Software BV, the Netherlands, January 2020
- Conceptos AS, Norway, January 2020
- Intelligent IT SRL, Romania, February 2020
- Admincontrol Finland Oy, February 2020
- Onguard International Holding BV, the Netherlands, February 2020
- Fenistra AS, Norway, February 2020
- 1stWeb ApS, denmark, February 2020
- FirstAgenda A/S, Denmark, February 2020
- Framsikt AS, Norway, April 2020
- Specter AB, Sweden, April 2020
- Visionplanner BV, the Netherlands, April 2020
- Intradata BV, the Netherlands, April 2020
- DraftIT AB, Sweden, April 2020
- Zetech SA, Argentina, May 2020
- Nmbrs BV, the Netherlands, May 2020
- GiantLeap Technologies AS, Norway, July 2020
- Biit Oy, Finland, July 2020
- NordicPeak AB, Sweden, July 2020
- Create-Solutions AS, norway, July 2020
- Presis Utleie AS, Norway, July 2020
- Codegarden AS, Norway, July 2020
- The Yuki company BV, the Netherlands, July 2020
- Cash Software BV, the Netherlands, August 2020
- PaybyWay Oy, Finland, October 2020
- JumisPro SIA, Latvia, October 2020
- Admisol NV, Belgium, October 2020

- Invian Oy, Finland, October 2020
- Advitrae Groep BV, the Netherlands, October 2020
- Ditmer A/S, Denmark, November 2020
- Flytteportalen AS, Norway, November 2020
- Make Life Easier BV, the Netherlands, November 2020
- PDE Practicom BV, the Netherlands, November 2020
- Årsredovisning Online AB, Sweden, December 2020
- InFakt sp z.o.o., Poland, December 2020
- Compello AS, Norway, December 2020
- Keller AS, Norway, December 2020
- KhonRaad Software Engineering BV, the Netherlands, December 2020

Assessment of financial statements

The financial statements for the year have been presented on the assumption that the company is a going concern, and based on the financial statements and earnings forecasts for 2020. The Board of Directors confirms that this assumption is applicable.

Visma reports in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU. The financial statements for the parent company have been prepared in accordance with the Norwegian Accounting Act 1998 and generally accepted accounting principles (NGAAP). The paragraph below describes the full year 2020 figures. 2019 figures are in parentheses.

Income statement

The Visma Group achieved revenue growth of 25,7 per cent to NOK 18 675 million in 2020 (14 852), a solid revenue development across the business.

Software Nordic & International is the largest revenue contributor and accounted for 51,1 per cent of revenue, followed by Custom Solutions at 19,9 per cent,

Software Benelux at 15,2 per cent, Commerce Solutions at 8,5 per cent while CIS, IT & Group HQ constitute 5,3 per cent of Group Revenue.

Earnings before interest, tax, depreciation and amortization (EBITDA) increased by 35,0 per cent to NOK 5 366,9 million (3 974,5).

Software Nordic & International accounted for 59,8 per cent of total EBITDA, followed by Custom Solutions at 16,7 per cent, Software Benelux at 11,1 per cent, Commerce Solutions at 8,2 per cent while CIS, IT & Group HQ constitute 4,2 per cent of Group EBITDA.

Depreciation and amortization amounted to NOK 3 124,0 million in 2020 (2 400,5), with the increase primarily explained by acquisitions adding to the asset base.

EBIT increased by 42,5 per cent to NOK 2 242,8 million (1 573,9) while profit before tax from continuing operations increased by 45,8 per cent to NOK 1 736,0 million (1 190,4).

Taxes amounted to NOK 353,9 million (275,0), generating a net income from continuing operations of 1 382,1 million (915,3). Profit for the year from discontinued operations was 1 999,0 million (75,4), with the sale of Opic and Tendsign being the main item in 2020. This business was sold as part of a strategic plan to increase the focus on the core software offering in Visma. Consequently, the net profit after tax and minority interests was 3 385,8 million (993,7).

In the Board of Directors opinion, the financial statements for the year present fairly the Group's financial position and results for 2020.

In 2020, the parent company Visma AS had a profit of NOK 4 001,4 million (867,1).

Proposed allocation of the profit for the year (NOK 1,000)

Transferred to retained earnings	4 001 354
Total allocated	4 001 354

Cash flow and balance sheet

Visma generated a strong cash flow from operations of NOK 5 074,9 million in 2020 (3 610,5). The Board of Directors deems the cash flow from operations to be satisfactory, supported by sound financial management and improvements in working capital.

Cash flow from investing activities was NOK -2 822,3 million (-4 847,7). In 2020 NOK -4 776,7 million was related to acquisitions (-4 719,1) while net proceeds from divestiture of discontinued operations was NOK 1 935,5 million (13,3). Cash flow from financing activities amounted to NOK 1 028,2 million (2 722,4).

Cash and cash equivalents increased to NOK 10 257,4 million (6 571,9), which the Board of Directors considers to be sufficient given the current and expected activity level.

Total assets increased to NOK 49 450,9 million at the end of 2020 (37 634,4), mostly related to businesses acquired during the year.

The majority share of the equity increased to NOK 17 615,7 million at the end of 2020 (13 774,0), reflecting capital increases, the profit for the year and payment of group contribution. The equity ratio was 35,7 per cent (36,7).



Accounts receivables totaled NOK 2 041,3 million at 31 December 2020 (1 902,5). Customers' average credit period was 28 days towards the end of 2020.

Visma has made provisions of 4,2 percent of accounts receivable (excluding VAT), to cover potential losses on doubtful receivable. The allocation is close to trade receivables older than 180 days. The company closely monitors accounts receivable, and the provision is considered adequate given that the company's average credit period is below the IT-industry average.

Review of the business areas

Software Nordic & International delivers ERP, CRM, HR/payroll, and e-commerce software to businesses and local governments in Norway, Sweden, Finland, Denmark, the Baltics, Latin America, Poland, Ireland and Romania. In 2020, Visma Software Nordic & International further strengthened its position as leading SaaS supplier with strong growth in both revenue and number of new subscriptions. Visma's entry level ERP solutions including Tripletex, Netvisor, Poweroffice, e-economic, Dinero and eAccounting experienced strong organic growth in 2020 and ended the year with close to 450 000 customer contracts. The number of customers on Visma.net Financials, the international cloud based ERP targeting medium to large customers also continue with strong momentum in the market. In addition, the macro environment pushed growth amongst Visma's cloud stars within e-commerce, real estate and reporting software.

Revenue in Software Nordic & International increased 21,4 per cent to NOK 9 533,5 million in 2020 (7 849,8). EBITDA amounted to NOK 3 206,8 million (2 392,5), corresponding to an EBITDA-margin of 33,6 percent (30,5). At the end of the year, the business area had about 5 900 employees, servicing close to 800,000 Customers.

Software Benelux continued with strong growth across core strategic areas and the region remained a focus point for M&A growth within Visma. During 2020,

Visma built up a strong product line up of SaaS solutions for accounting offices in the region including products such as Yuki, Nmbrs, Visionplanner, Cash Software, eAccounting, Pinkweb and Admisol.

Revenue in Software Benelux increased 27,7 per cent to NOK 2 833,6 million in 2020 (2 218,3). EBITDA amounted to NOK 597,6 million (446,7), corresponding to an EBITDA-margin of 21,1 per cent (20,1). At the end of the year, Software Benelux had approximately 2 000 employees.

Custom Solutions continued to provide customers, ranging from government institutions to private enterprises, with software solutions with a high degree of customization as well as bespoke solutions. The business area saw strong demand for eGovernment solutions in 2020. A strong focus was also expanding the product offering within software for local government.

Revenue in Custom Solutions increased 34,0 per cent to NOK 3 708,8 million in 2020 (2 766,8). EBITDA amounted to NOK 896,5 million (655,7), corresponding to an EBITDA-margin of 24,2 per cent (23,7). At the end of the year, Custom Solutions had approximately 2 400 employees.

Commerce Solutions helps businesses managing the Invoice Lifecycle. Services within this area range from innovative SMB financing available directly in the ERP system, Accounts Receivables Management services, e-Invoicing solutions as well as corporate governance and virtual data room solutions.

Revenue in Commerce Solutions increased 34,2 per cent to NOK 1 598,0 million in 2020 (1 190,9). EBITDA amounted to NOK 438,9 million (323,4), corresponding to an EBITDA-margin of 27,5 percent (27,2). At the end of the year, Commerce Solutions had approximately 900 employees.



Organization, work environment and equality of opportunities

Visma is headquartered in Oslo, but has further 145 locations distributed in Norway (32), Sweden (34), Finland (15), Denmark (9), the Netherlands (23), Belgium (1), United Kingdom (1), Ireland (2), Estonia (4), Romania (3), Lithuania (2), Latvia (2), Spain (2), Poland (5), Slovakia (1), Hungary (1), Portugal (1), Argentina (3), Chile (1), Peru (1), Colombia (1), India (1).

The business operations of the Visma Group are carried out through 200 wholly and partly owned subsidiaries, whereas the Group for reporting purposes is organized in five divisions; Software Nordic & International, Software Benelux, Custom Solutions, Commerce Solutions and Other. The divisions have responsibility for their business areas, regardless of geography and other factors.

At the end of 2020 Visma had 12 502 employees, which is an increase from 11 175 at the end of 2019. The increase is fueled by high acquisition activity as well as organic growth.

Learning & Development

In Visma, we aspire to be the most inspiring and engaging place to work for our people. The competencies of our employees are also critical in creating value for customers and shareholders, and ensure future progress of the company. Therefore we do what we can to inspire our people to grow and make the most of their potential. A large part of the Learning and Development initiatives take place locally within each company. In addition, we offer several courses on group level, including leadership development, learning communities and tech academies for all employees. Most of these courses were transformed into online modules during the Spring of 2020, to still promote development and networking with peers during the Covid-19 pandemic.

In addition to developing our employees, Visma also puts a lot of effort into attracting and recruiting talented young professionals from top universities and schools. We have several trainee programs and internships. To our group-wide Management Trainee program, we recruited the 14th class of Management Trainees in 2020 (10 in total). When it comes to succession planning, all leaders in the Group are responsible for designating and training their own successors, with the support from HR.

Employee Engagement

From December 2020 Visma has moved from biannual Employee Engagement Surveys (EES) to monthly pulse surveys aiming to empower our business and leaders with real-time data on work climate and employee engagement in the organization on a continuous basis. Each month employees are asked from six to ten questions about different aspects of engagement, and monthly trends are presented to leaders and HR including proposed action for improvement. The eNPS score is the leading indicator of employee engagement and is an aggregated score from 4 questions regarding engagement, loyalty and belief. Visma has displayed a healthy score of employee engagement throughout 2020 and will keep it high in the agenda in the time to come as well.

The feedback and transparency obtained from such surveys is necessary to facilitate further development of the work environment and organisational culture, and creates committing actions owned by employees, as well as HR and leadership.

Diversity and Inclusion

In Visma we strongly believe that a diverse workforce, in combination with an inclusive culture, will provide a more engaging place to work as well as produce better business results and more innovative solutions. We have an overall target of gender balance in all management groups and talent programs. However, we still see that men are slightly over-represented in the company, as with the rest of the



IT sector, with a 36% share of women. In the holding company, Visma AS, 55% of the employees are women. The proportion of women in top management is 25% and 32% in middle management. Visma aims to improve the balance in the executive group, although the primary criteria remain to secure the right competence in all types of positions. As of 31 December 2020, the group's Board of Directors comprises eight men and one woman.



To promote the principle of equal opportunities for all genders, Visma has implemented several measures to strengthen and secure the gender balance, including:

- Diversity & Inclusion awareness training in leadership training and onboarding
- Opportunities for training and promotion are independent of gender
- Partnership with Equality Check, Women in Tech and other similar organisations promoting gender diversity in the workforce
- Women's networks and events promoting gender balance and more women in leading positions
- Visma's D&I work takes place both on Group level as well as within each company.

Visma's compensation policy is based on equal pay for equal work, meaning that women and men in the same positions should receive the same salaries if all other conditions are the same. However, average salary levels are also influenced by age, length of service, specialization, and the proportion of managers. All of these factors contribute to an average salary which in 2020 was 12 per cent (11 per cent in 2019) higher for men than for women. Visma also strives to create a working environment that enables employees of both genders to combine work and family life. At the end of 2020, 101 employees were on leave of absence, of which 83 per cent were women.

In recruitment processes, Visma seeks candidates with diverse backgrounds and capabilities to apply, and uses several objective criteria to determine the best fit for each position. For example the use of ability tests promotes equal opportunities regardless of gender, nationality or background. Find out more about how we respect our people and embrace differences in the [Sustainability section](#) of this report.

Visma emphasizes activities within HSE (health, safety and the environment) and has designated HSE groups and a head safety delegate. HSE procedures form part



of Visma's ISO 9000 approved quality system. Total sick leave for the Group averaged 3,2 per cent in 2020 (3,3 in 2019). In 2020 we had 6 reported work-related accidents. Read more about how our employees' health and well-being are followed up on in the [Sustainability section](#) of this annual report.

The environment

It is the opinion of the Board of Directors that the company's activities do not significantly affect the environment.

In the broader context, Visma's financial and logistics products contribute to greater productivity for the company's customers, and thereby to reduced wastage of economic and material resources. Visma's solutions help businesses improve their efficiency, reduce paper and electricity usage, reduce travelling time and costs, and generally reduce their carbon footprint through electronic business operation.

Visma's environmental strategy is a key area in the company's overall sustainability program, with a special focus on areas where Visma can have the most impact on the environment: Green IT, energy saving, and consolidated server solutions. Further details are described in the sustainability section of this annual report.

Assessment of risk factors and uncertainties

Market and technology risks

As all companies, Visma is exposed to general economic fluctuations and GDP developments in the different countries where Visma is selling its products and services.

As a technology company, Visma is also exposed to risks associated with shifts in technology, and resulting changes in the competitive landscape.

The competition can mainly be divided into two groups; large international companies, and smaller, local competitors. Visma's main international competitor is

Microsoft, with Oracle and SAP also having a significant presence in the Nordic markets. In addition to the large international competitors, Visma also faces local competitors, often specializing in a given geography or market segment. Visma has competed with each of these businesses in the Nordics over a number of years and has maintained a strong position with high brand recognition and good customer satisfaction.

Visma has tried to limit its exposure to the market and technology risks in the following manner:

- The products and services provided to a large degree cater to requirements that are mandatory and necessary regardless of the economic cycle.
- Visma has more than 1 000 000 customers in different countries, and in many different verticals. This lowers the exposure to events affecting a single country or vertical market. Visma has many small customers, which simplifies the projects and lowers implementation risks.
- Visma has a wider range of products than its competitors, which provides more opportunities for cross-selling, more product sales to each customer, and less churn.
- Visma utilizes both Microsoft based technology and Open Source/Java technology.
- Visma systematically collects information about customer satisfaction through "net-promoter-score" research. Based on feedback from the customers, Visma both addresses individual customer problems and need for process-changes.

Interest rate risk

Visma is exposed to interest rate risk, as its interest bearing debt carries floating interest rates. However, the company has entered into interest contracts covering around 50 per cent of the loan amounts. Hedges through interest rate swaps are expected to offset the changes in expected cash flows due to fluctuations in interest rates over the life of the debt.



Exchange rate risks

Visma is exposed to changes in the value of NOK, relative to other currencies, in particular SEK, DKK and EUR. This reflects both production and sales in other countries, and effects on the translation of earnings and cash flows into NOK. The Group has loans in several currencies to match underlying cash flows in the operations.

In 2020, a 5,0 percent change in exchange rates versus NOK would have had an estimated effect of NOK 36,6 million on the profit before tax.

Credit risks

Visma sells almost all of its products and services to other businesses at a credit and is hence exposed to credit risks.

In 2020, the company expensed bad debts corresponding to approximately 0,4 percent of revenue and has made provisions for 4,2 percent of total accounts receivable.

Credit risk is limited through:

- Credit checks before establishment of new customer relations
- Low average invoice due to the large number of small customers
- Expedient follow up of unpaid due invoices
- A high-quality product offering and customer satisfaction among the highest in the markets where Visma operates

Furthermore, Visma's in-house debt collection operation in Visma Collectors has the highest resolution rate among Nordic debt collection companies.

Cash-flow risks

As a leveraged company Visma has debt service obligations and depends on continuous cash conversion of its revenue. Visma has very limited cost of goods sold and carries hardly any inventory.

Net cash flow from continuing operating activities was 93,6 percent in 2020 (89,5). Any cash-flow risk is hence closely related with EBITDA-performance.

Liquidity risks

Visma seeks to manage liquidity to ensure that it has sufficient liquidity to meet its financial obligations under any circumstances without incurring unacceptable losses or risking damage to the reputation. Excess liquidity is primarily invested in bank deposits. The Board of Directors considers the cash level at the end of 2020 to be sufficient given the current and expected activity level.

Please also refer to note 20 – Financial instruments for further description of risk factors and measures to manage risk.

Legal risks

Several parts of Visma perform professional services, especially within the Enterprise and Visma Software SMB divisions. Visma is also involved in complex implementation projects.

With 12 500 employees and more than 1 000 000 customers, Visma's international master insurance program for general responsibilities is constructed to cover the liability and exposure. Visma also has extensive insurance cover against cyber risk exposure. The Board of Directors considers Visma's coverage sufficient for the projects where Visma is involved.



IT and Cyber risks

As a technology company Visma is heavily dependent on IT-operations and infrastructure. The SaaS product offering of Visma utilizes software and IT-automation for its production, and even a few hours of downtime at the Visma IT-center may have a short-term impact on the financial results of Visma and potential long-term consequences for customer-relationships.

Software development and customer support are also using Visma IT extensively and, like in most modern companies, almost all activities stop without IT. As an industry-leading high-tech company Visma is probably also a likely target for industrial espionage and hacking.

To limit and control the risks associated with the dependence on IT, Visma has organized its IT operations in a separate legal entity: Visma IT & Communication (VITC). VITC operates a central data-center on two independent locations with fail-over functions.

VITC operations are run according to best practices within information security management and are certified according to ISO 27001 as well as ISO 20000 and ISO 9001.

The top management of Visma recognizes the need to limit IT-related risks, and has supported Visma's extensive investments in hardware, premises, certifications, competence and software to prevent intrusion and ensure the continuity of its IT operations.

Extraordinary risk factor — impact of Covid-19

In 2020, the global economy, including Visma's core markets were hit by the Covid-19 pandemic. Heavy restrictions were implemented across Visma's core markets to limit the spread of the virus, including mandatory home office, closure of schools, travel restrictions and closure of certain businesses such as restaurants or gyms.



The coronavirus pandemic had an extraordinary, negative impact on the overall economy and increased risk of bankruptcies among Visma's customer base. Visma provides need-to-have products for businesses, has a well diversified customer portfolio with more than 1 million customers and a significant portion of Visma's revenues are contracted, recurring and repeatable revenues. Visma also operates in markets with strong public finances and the governments of the Nordic countries and the Netherlands have implemented several economic support measures to keep businesses afloat during the pandemic. All of these factors provide Visma with downside protection in the event of a recession. Nonetheless, the company took measures to manage cost and liquidity risk during the pandemic and economic downturn that followed in 2020.

At the time of this report, vaccinations are in progress, but heavy restrictions are still in place. It is expected that the economy and society as a whole will continue to be impacted by the Covid-19 pandemic for the majority of 2021. Visma is continuously monitoring the development to respond accordingly.

Outlook for 2021

At the beginning of 2021, the global economy is still very much impacted by the Covid-19 pandemic. The company saw during 2020 that the pandemic further accelerated the transition to cloud based solutions that can be accessed anywhere including from at home. An increased focus on cost control may require businesses and the public sector to invest in productivity enhancing tools. As a leading provider of modern cloud solutions, Visma is well positioned to capitalize on this development.

It will be important for Visma to increase its own organizational productivity going forward. Therefore, Visma will continue to invest in its nearshoring centers and concentrate organic personnel growth within the group to these nearshore locations. Visma will increase its recruiting presence and invest in employer branding to attract the talents needed for driving organic growth.

Visma will continue to focus on areas that are mission critical for its customers and have logical links with other Visma systems within the three core ecosystems of ERP, HRM and eGovernment Software. The strong M&A momentum seen in the previous year is expected to continue into 2021 with a key focus on the Nordics and Benelux. The acquisitions will also complement the substantial internal R&D investments focused on developing solutions for all primary product areas.

Oslo, 18 March 2021



Øystein Moan
Executive Chairman



Nicholas James Humphries
Director



Jean Baptiste Vincent Roger Robert Brian
Director



Mads Hansen
Director



Søren Holt
Director



Henry Ormond
Director



Timo Larjomaa
Director



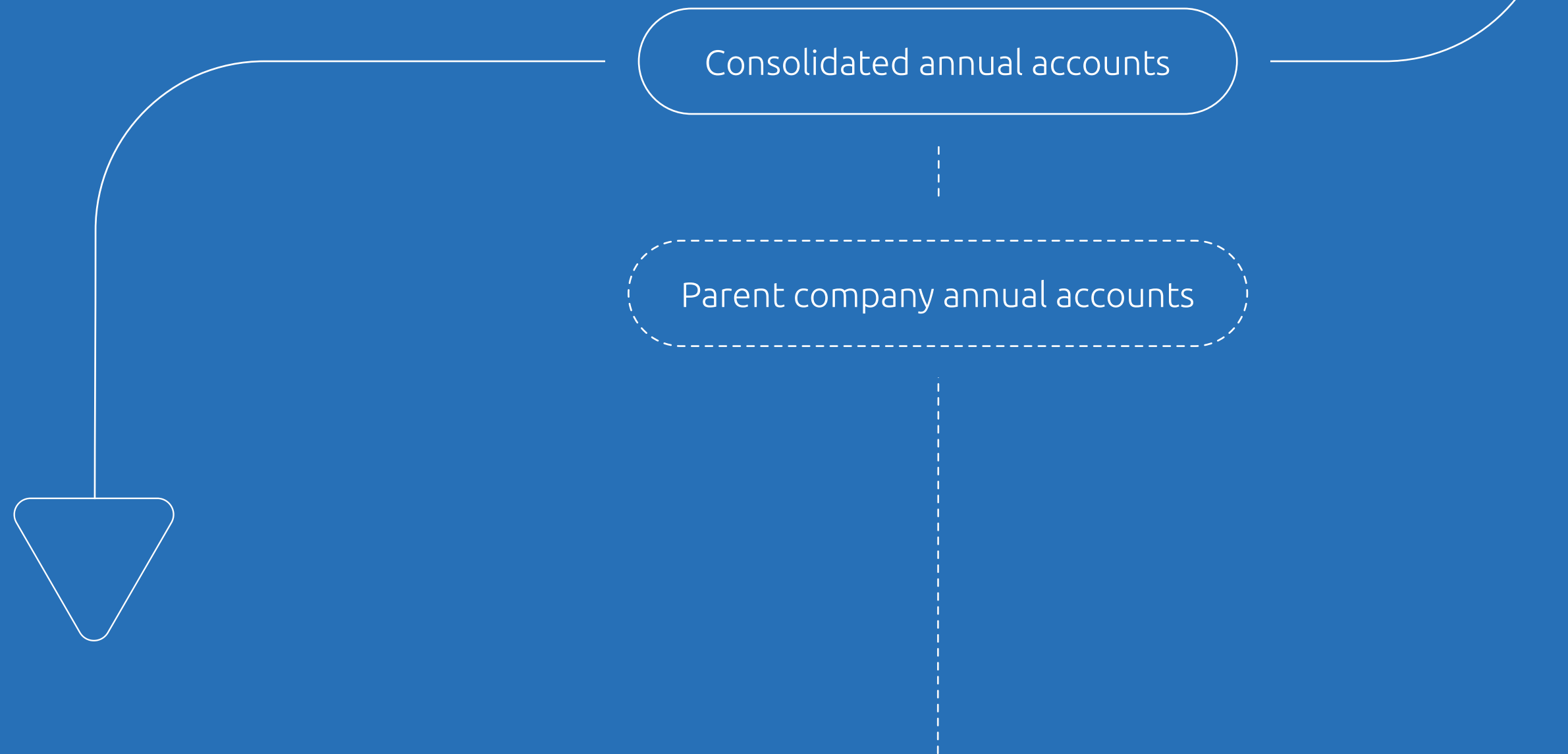
Hafiz Lalani
Director



Merete Hverven
CEO and Director

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Financial statements



Income statement – 1 Jan.–31 Dec.

VISMA AS - CONSOLIDATED

(NOK 1,000)	Note	2020	2019*
CONTINUING OPERATIONS			
OPERATING REVENUE			
Sales Revenue	2	18 674 922	14 851 792
Total operating revenue		18 674 922	14 851 792
OPERATING EXPENSES			
Sales and distribution cost		3 077 558	2 353 969
Payroll and personnel expenses	3, 16	8 624 846	6 973 241
Depreciation and amortisation expenses	4, 5, 18	3 124 004	2 400 513
Other operating expenses	8, 16	1 605 667	1 550 130
Total operating expenses		16 432 074	13 277 853
Operating profit		2 242 848	1 573 939
Result from associated companies		(10 475)	(551)
FINANCIAL ITEMS			
Financial income	9	200 665	282 339
Financial expenses	9, 18	(697 035)	(665 350)
Net financial items		(496 369)	(383 012)
Profit before taxes and discontinued operations		1 736 003	1 190 377
Taxes	10	353 866	275 034
Net income from continuing operations		1 382 137	915 343
DISCONTINUED OPERATIONS			
Net income from discontinued operations (excl. Gain on sale)	21	75 599	62 134
Net gain on sale of discontinued operations	21	1 923 423	13 268
Net income from discontinued operations	21	1 999 022	75 402
Profit for the year from continuing and discontinued operations		3 381 159	990 745

(NOK 1,000)	Note	2020	2019*
Attributable to:			
Equity holders of Visma AS		3 385 804	993 715
Non-controlling interests		(4 645)	(2 970)
Earnings per share in TNOK:			
Basic earnings per share	19	3 385 804	993 715
Diluted earnings per share	19	3 385 804	993 715
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
Profit for the year		3 381 159	990 745
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net gain (loss) on financial hedging instruments	20	(111 977)	11 667
Income tax		24 635	(2 800)
Exchange differences on translation of foreign operations	2	348 024	(23 706)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Other comprehensive income (loss) for the period, net of tax		260 682	(14 839)
Total comprehensive income for the period		3 641 842	975 907
Total comprehensive income attributable to:			
Equity holders of Visma AS		3 646 487	978 876
Non-controlling interests		(4 645)	(2 970)

*2019 has been restated to reflect the sale of the Public e-procurement operations

Statement of financial position 31 Dec.

VISMA AS - CONSOLIDATED

(NOK 1,000)	Note	2020	2019
ASSETS			
NON-CURRENT ASSETS			
Deferred tax assets	10	94 924	57 016
Goodwill	4, 34	20 739 618	15 755 615
Other intangible assets	4	12 531 336	10 381 414
Property, machinery and equipment	5	339 064	246 503
Investment in associated companies		0	72 475
Other long-term receivables	7	582 601	539 492
Right of use assets	18	1 954 430	1 567 127
Total non-current assets		36 241 973	28 619 642
CURRENT ASSETS			
Inventory		92 070	42 561
Accounts receivables	6	2 041 335	1 902 465
Contract assets	6	218 604	159 492
Other current receivables	7	599 462	338 369
Cash and cash equivalents	12	10 257 409	6 571 889
Total current assets		13 208 880	9 014 776
TOTAL ASSETS		49 450 853	37 634 418

Oslo, 18 March 2021



Søren Holt
Director



Jean Baptiste Vincent
Roger Robert Brian
Director




Timo Larjomaa
Director



Merete Hverven
CEO and Director



Henry Ormond
Director



Nicholas James Humphries
Director



Hafiz Lalani
Director



Mads Hansen
Director



Øystein Moan
Chairman of the Board

(NOK 1,000)	Note	2020	2019
EQUITY AND LIABILITIES			
EQUITY			
Paid-in share capital	14, 15	188 000	187 000
Share premium reserve		5 072 289	4 541 914
Other paid-in capital		882 113	882 113
Total paid-in capital		6 142 402	5 611 027
Other reserves	13	764 269	503 587
Retained earnings		10 708 979	7 659 411
Equity attributable to equity holders of the parent		17 615 650	13 774 025
Non-controlling interests		28 580	31 189
Total equity		17 644 230	13 805 214
NON-CURRENT LIABILITIES			
Deferred tax liability	10	3 147 571	2 568 462
Financial hedging Instruments	12, 20	185 069	72 370
Long-term interest bearing loans and borrowings	12	16 631 436	13 047 486
Long-term lease liabilities	18	1 565 685	1 298 216
Other long-term liabilities	12, 22	2 483 093	1 899 181
Total non-current liabilities		24 012 854	18 885 715
CURRENT LIABILITIES			
Short-term interest bearing bank loans	12, 20	104 350	94 420
Trade creditors		702 779	590 812
Public duties payable		933 422	690 052
Tax payable		267 003	148 476
Contract liabilities	6, 22	1 714 097	1 445 520
Short-term lease liabilities	18	540 621	394 505
Other current liabilities	22	3 531 497	1 579 704
Total current liabilities		7 793 769	4 943 488
Total liabilities		31 806 623	23 829 204
TOTAL EQUITY AND LIABILITIES		49 450 853	37 634 418

Secured liabilities and guarantees 17

Statement of cash flows 1 Jan.–31 Dec.

VISMA AS - CONSOLIDATED

(NOK 1,000)	Note	2020	2019*
Profit before tax from continuing operations		1 736 003	1 190 377
Profit before tax from discontinued operations		1 999 022	75 402
Ordinary profit before taxes from continuing and discontinued operations		3 735 025	1 265 779
Depreciation and amortisation expenses		3 124 004	2 414 443
Gain on disposal of discontinued operations	21	(1 923 423)	(13 268)
Taxes paid		(405 298)	(330 460)
Changes in debtors		(138 870)	(34 483)
Changes in inventory and trade creditors		62 459	(37 087)
Changes in public duties payable		243 370	68 420
Changes in deferred revenue		268 577	(43 782)
Change in other accruals		109 026	320 977
Net cash flow from operations		5 074 871	3 610 538
Investment in tangible fixed assets related to business combinations		(58 992)	(59 194)
Investment in R&D software related to business combinations	4	(88 827)	(93 929)
Investment in businesses	5	(4 614 955)	(4 803 787)
Sale of shares		(13 877)	237 818
Net cash flow from investments related to business combinations		(4 776 651)	(4 719 092)
Proceeds from divestiture of discontinued operations		1 935 500	13 268
Cash inflow from dividends		204 000	6 000
Cash inflow from interest		24 088	30 708
Sale of (investment in) tangible fixed assets		(108 531)	(99 115)
Sale of (investment in) R&D own software		(100 728)	(79 447)
Net cash flow from investments		(2 822 321)	(4 847 678)

(NOK 1,000)	Note	2020	2019*
Repayments of interest bearing loans		(100 061)	(347 001)
Proceeds from interest bearing loans		2 749 581	4 141 996
Changes in bank overdraft		0	(1 508 009)
Payment of leases	18	(557 257)	(515 473)
Changes in long term receivables		(2 594)	(4 872)
Payment of group contribution		(563 354)	(507 767)
Net cash from share issues		0	1 900 049
Cash outflow from interest and fees		(498 071)	(436 552)
Net cash flow from financing activities		1 028 244	2 722 371
Net cash flow for the year		3 280 794	1 485 231
Cash and cash equivalents 1.1		6 571 888	5 148 003
Net foreign exchange difference		404 728	(61 346)
Cash and cash equivalents 31.12	12	10 257 409	6 571 888

*2019 has been restated to reflect the sale of the Public e-procurement operations



Statement of changes in equity

VISMA AS - CONSOLIDATED

(NOK 1,000)	Note	Paid-in share capital Note 14	Share premium reserve	Other paid-in capital	Other reserves Note 13	Retained earnings	Majority's share of equity	Non-controlling interests	Total equity
Equity as at 01.01.2019		186 701	1 230 560	413 113	518 426	7 511 679	9 860 477	1 058	9 861 535
Profit for the period						993 715	993 715	-2 970	990 745
Issue of share capital	14	300	3 311 354				3 311 654		3 311 654
Net gain (loss) on financial hedging instruments, net of tax					8 867		8 867		8 867
Exchange differences on translation of foreign operations, net of tax					(23 706)		(23 706)		(23 706)
Total comprehensive income for the period		300	3 311 354		(14 839)	993 715	4 290 530	(2 970)	4 287 560
Group contribution from/(to) parent company				469 000		(845 982)	(376 982)		(376 982)
Changes to non-controlling interest; acquisition and arising on business combination (Note 1)								33 101	33 101
Equity as at 31.12.2019		187 000	4 541 914	882 113	503 587	7 659 411	13 774 025	31 189	13 805 214
Equity as at 01.01.2020		187 000	4 541 914	882 113	503 587	7 659 411	13 774 025	31 189	13 805 214
Profit for the period						3 385 804	3 385 804	(4 645)	3 381 159
Issue of share capital	14	1 000	530 375				531 375		531 375
Net gain (loss) on financial hedging instruments, net of tax					(87 342)		(87 342)		(87 342)
Exchange differences on translation of foreign operations, net of tax					348 024		348 024		348 024
Total comprehensive income for the period		1 000	530 375		260 682	3 385 804	4 177 862	(4 645)	4 173 217
Group contribution from/(to) parent company						(336 236)	(336 236)		(336 236)
Changes to non-controlling interest; acquisition and arising on business combination (Note 1)								2 035	2 035
Equity as at 31.12.2020		188 000	5 072 289	882 113	764 269	10 708 979	17 615 650	28 580	17 644 230



IFRS accounting policies 2020

Corporate information

The consolidated financial statements of Visma AS, for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the Board of Directors on 18 March 2021. Visma AS (hereafter the 'Company' or 'Visma' or the 'Group') is a limited liability company incorporated and domiciled in Oslo, Norway. The registered office of Visma Group Holding AS is Karenslyst allé 56, 0277 Oslo, Norway. The Company is 100 % owned by Visma Group Holding AS.

The Groups activities are described in note 2. Information on the Group's structure and other related party relationships is provided in note 11.

Basis of preparation

The consolidated financial statements of Visma AS including all its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the EU.

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments subsequently measured at fair value through profit or loss. The consolidated financial statements have been prepared on the basis of uniform accounting principles for similar transactions and events under otherwise similar circumstances.

The consolidated financial statements are presented in NOK and all values are rounded to the nearest thousand (NOK 1.000) except when otherwise indicated. The consolidated financial statements provide comparative information in respect of the previous period.

Basis for consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December each year. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances

in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Summary of significant accounting policies

Segment reporting

For management purposes, the Group is organised into business units based on its products and services and has five reportable segments: Software Nordics & International, Software Benelux, Custom Solutions, Commerce Solutions and Cloud Infrastructures Services.

In line with realignment of the strategic focus of the Group, the financial reporting structure of the Group was changed in 2020 to mirror a more geographically focused setup.

Operating segment is a component of the Group that:

- engages in business activities from which it may earn revenues and incur expenses
- whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance
- for which discrete financial information is available

The financial information relating to segments and geographical distribution is presented in note 2. The internal gain on sales between the various segments is eliminated in the segment reporting.

Functional currency and presentation currency

The consolidated financial statements are presented in Norwegian kroner (NOK), which is Visma AS's functional currency.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. All exchange differences are recognised in the income statement. Non-monetary items that are measured at historical cost in foreign currency are translated using the exchange rates at the dates of the initial transactions.



The Group has foreign entities with functional currency other than NOK. At the reporting date, the assets and liabilities of foreign entities with functional currencies other than NOK are translated into NOK at the rate of exchange at the reporting date and their income statements are translated at the average exchange rates for the year. The translation differences arising from the translation are recognised in other comprehensive income until the disposal of the net investment, at which time they are recognised in the income statement.

Exchange differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity, or monetary items that are regarded as a part of the net investments are in the consolidated financial statements recognised as a separate component of other comprehensive income until the disposal of the net investment, at which time they are recognised in the income statement. Tax charges and credits attributable to exchange differences on those borrowings are also recorded in other comprehensive income.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified

as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and if non-controlling interests are recognised at the proportionate share of the acquiree's identifiable net assets the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit and loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative

values of the operation disposed of and the portion of the cash-generating unit retained.

Impairment

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities are assigned to those units or groups of units. A cash-generating unit to which goodwill has been allocated will be tested for impairment annually, and whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the unit, including the goodwill, with the recoverable amount of the unit.

Where recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. The recoverable amount of a cash-generating unit is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the cash-generating unit.

Cash-generating units

A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. In identifying whether cash inflows from an asset (or group of assets) are largely independent of the cash inflows from other assets (or groups of assets), the management considers various factors including how management monitors the entity's operations (such as by product or service lines, businesses, geographical areas).

Intangible assets

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Group can demonstrate all of the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete and its ability to use it or sell the asset
- Its ability to use or sell the intangible asset
- How the asset will generate future economic benefits
- The availability of adequate, technical, financial and other resources to complete the development and to use or sell the intangible asset
- The ability to measure reliably the expenditure during development.

Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure carried forward is amortised over the period of the expected future sales from the related project. Amortisation starts when the development process is completed.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use or more frequently when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable.

Gains and losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised but are expensed as occurred.



Identifiable intangible assets acquired in business combinations

The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition.

Values related to contracts and customer relationships are identified and recorded as identifiable intangible assets. The fair value of contracts and customer relationships are calculated considering the estimated future recurring revenues from the customers in the acquired operations at the date of the acquisition. The value related to contracts and customer relationships are calculated on a 100% basis, including the share of any non-controlling interest. The fair value of tax amortizations is considered in the recorded value of contracts and customer relationships. Any deferred tax liabilities related to the recorded contracts and customer relationships are calculated at nominal values and the difference between the fair value of the tax amortizations and the corresponding deferred tax liabilities are recorded as a part of goodwill.

Purchased rights and contracts and customer relationships acquired are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to this class of intangible assets. Purchased rights and contract and customer relationships have 4 – 10 years of useful life and are amortized on a straight-line basis over their useful life. The depreciable amount is determined after deducting its residual value (only where there is an active market for the asset). Useful life and residual value are reviewed at least annually and reflect the pattern in which the benefits associated with the asset are consumed. A change in the useful life or depreciation method is accounted for prospectively as a change in accounting estimate.

Trademark with indefinite lives are not amortised but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The carrying values of intangible assets with finite useful life are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of intangible assets is the greater of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognised in the income statement.

An item of intangible assets is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses on the sale or disposal of intangible assets are recorded as other operating revenues and other operating costs respectively in the year the item is derecognised.

Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Fair value measurement

The Group subsequently measures financial instruments at fair value through profit or loss at each balance sheet date as describe in Note 20. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to transfer the liability takes place either:

- In the principal market for the asset or liability

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising

the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For cash-flow hedges, the Group Management, in conjunction with the Group's external valuers, also compares the change in the fair value of the liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Revenue from contracts with customers

Under IFRS 15, the revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.



The Group is in the business of providing on-premises software and cloud computing. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangement, because it typically controls the goods or services before transferring them to the customer.

The Group does not have any material bundled contract without separately identifiable market priced services and only have immaterial variable considerations, discounts and service-type warranties.

Software Nordics & International, Software Benelux and Custom Solutions

The most common types of revenue streams in Software Nordics & International, Software Benelux and Custom Solutions are:

On-premises Software

- Licenses
- Revenue from recurring agreements
- Software Consulting and Implementation

Cloud Computing

- Software as a Service (SaaS) subscription
- SaaS Transactions and start up fees
- SW consulting & implementation on SaaS

Visma applies a high degree of decomposition to each contract, ensuring that separate contract components are accounted for separately and recognized according to when the performance obligation for each separate component is fulfilled.

Licenses

Licence fees related to software are recognized as revenue when the software is delivered. A delivery has taken place when the risk and control related to the software in all significant aspects have been transferred to the customer. Risk in this relation means the profit and loss potential related to the

software. Control is related to the delivery of the software. At what time a delivery has taken place will therefore depend on the conditions included in the specific sales arrangement.

Initial licence fees are recognised when:

- A non-cancellable licence agreement has been signed;
- The software and related documentation have been shipped;
- No material uncertainties regarding customer acceptance exists;
- Collection of the resulting receivable is deemed probable.

Visma has two separate relationships related to their software licences and related maintenance contracts; one software licence contract and one maintenance contract, which may also include customer support. In addition, Visma and/or the distributor may enter into separate contracts with the end-user regarding installation, implementation, support and other consultancy services related to the software. Most of this work is performed by a distributor and contracted separately.

Visma account for licence fee and maintenance fee separately. License fee is recognised when the customer obtain control over the software license. This is based on the evaluation that the software is functional at the time that the license transfers to the customer, and the customer can direct the of, and obtain substantially all of the remaining benefits from, the software when the license transfers to the customer. Maintenance fees are charged annually and recognised on a straight-line basis over the contract period. Customers normally have the right to cancel their utilization rights prior to the next renewal period. Failing cancellation in due time, customers are obliged to pay for the next period. Such revenue from maintenance is recognised over the lifetime of the contract.

When the software is delivered electronically, the delivery criterion for revenue recognition is met when the customer has the reasonable ability to access the licensed software. This condition is generally met when:

- Visma provides the necessary access codes to the customer to allow the customer to commence download of the licensed software and
- Visma's server is functioning.

When Visma provides right to access the software, the revenue is recognised over time. When Visma provides right to use the software, the revenue is recognised at a point in time.

In some cases, Visma is selling customized software implying development of new functionality. When delivering customised software, the Group determined that the input method is the best method in measuring progress of the services because there is a direct relationship between the Group's effort (i.e., costs incurred) and the transfer of service to the customer. The Group recognises revenue on the basis of the incurred costs relative to the total expected costs to complete the service.

Licences are usually invoiced up front as the system is made available for the customer.

Revenue from recurring agreements

Revenue from support agreements is recognised when the support is performed. Fixed price support contracts are recognized on a straight-line basis over the support period. Maintenance agreements are invoiced in advance, primarily on 12 months invoicing cycles, although also 6-month cycles are used in some instances.

Software as a Service (SaaS)

Revenue from SaaS solutions may, in some cases, have two components – an up-front payment to cover the set-up fee, and an ongoing service fee equivalent to the maintenance contract, but including the hosting service. Visma recognize the portion of

the fee related to the set-up on delivery separately as the SaaS implementation service provides add-value to the customers and so is a separate performance obligation. The portion of the fee related to the maintenance and hosting element is recognized on a straight-line basis over the contract period as the service is provided over time. If the SaaS implementation service is not a separate performance obligation, the total license fee is recognized over the contract period (normally on a straight-line basis). SaaS contracts are invoiced in advanced, a mix of 12, 6, 3, 2- or 1-month invoicing cycles are utilized across the product portfolio.

Fintech services

Visma is offering financial services available in the ERP system and invoicing platforms. Revenue from third party financial services are defined with a kick-back bonus according to sales volume to customers. These bonuses are recognised as revenue when earned and invoiced customers a work is performed.

SaaS Transactions and start up fees

Agreements regarding services to such as for instance invoicing are usually based on a transaction fee. Revenue is normally recognized as they are performed based upon transactions handled and hours used. The usage-based fees are not be recognized as revenue until the later of when the usage occurs, or the performance obligation is satisfied.

Start-up fees (SaaS implementation service) provides add-value to the customers and so is a separate performance obligation in most cases and recognised on delivery. If the SaaS implementation service is not a separate performance obligation, the total license fee is recognized over the contract period (normally on a straight-line basis). SaaS transactions are mainly invoiced in arrears on a monthly basis.

Software consulting and implementation in SaaS

Agreements on software consulting are usually based on hours incurred. The hourly based consulting is recognised when services have been provided. It is based on delivered hours and net hourly rates. At



the balance sheet date work performed, but not yet invoiced, is recognised and capitalised as accrued income. Work invoiced, but not yet performed, is capitalised as deferred revenue. The Group concluded that there is no significant financing component for these contracts since these projects are typically short-time and agreed invoicing reflect the progression on the work performed.

Commerce Solution

The most common types of revenue streams in Commerce Solution are:

Cloud Computing

- Software as a Service (SaaS)
- SW consulting & implementation on SaaS
- Fintech services
- Revenue from services in administration and collection of accounts receivables

Refer to description of revenue recognition above under Software Nordics & International, Software Benelux and Customs Solutions.

Cloud Infrastructure Services

The most common types of revenue streams in Cloud Infrastructure Services are:

- Cloud infrastructure implementation
- Cloud Infrastructure maintenance
- Sale of hardware

Cloud infrastructure implementation and services

Revenue from services related to the implementation of cloud infrastructure. Cloud infrastructure is defined as the mission critical infrastructure utilized by the customer to operate and/or access public and private cloud systems. Implementation services are defined as own performance obligation and recognised when delivered. Invoicing reflect the progression in work performed.

Cloud Infrastructure recurring agreements and hosting

Revenue from services related to the maintenance of cloud infrastructure, and field-service, consultancy,

and hosting of servers. Hosting services are recognised on a straight-line basis over the contract period, usually 12 months. Advance payments are recognised as liability (deferred revenue) in the balance sheet.

Sale of hardware

Revenue related to hardware acquired in from third parties is earned when the hardware is delivered, and the control has been transferred to the customer at which point the revenue is also invoiced.

Other income within the Group

Interest income

Revenue is recognised as interest accrues (using the effective interest method). Interest income is included in finance revenue in the income statement.

Dividends

Dividend is recognised in the income statement when the shareholders' right to receive dividend has been determined by the general meeting.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section Financial instruments below.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of considera-

tion is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Cost to obtain a contract

The Group usually does not pay sales commission to its partners on sales to customers. In the few occasions when the Group paid sales commission, the Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commissions (included as part of cost of sales) because the amortisation period of the asset that the Group otherwise would have used is one year or less. If the expected amortisation period of the assets is more than one year and Group expects to recover, the Group recognise the incremental costs of obtaining a contract as an asset in its financial statements.

Leases

Identifying a lease

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

Separating components in the lease contract

For contracts that constitute, or contain a lease, the Group separates lease components if it benefits from the use of each underlying asset either on its own or together with other resources that are readily available, and the underlying asset is neither highly dependent on, nor highly interrelated with, the other underlying assets in the contract. The Group then accounts for each lease component within the contract as a lease separately from non-lease components of the contract.

Recognition of leases and exemptions

At the lease commencement date, the Group applies a single recognition and measurement approach for all leases, except for short-term leases (defined as 12 months or less) and leases of low-value assets. For leases covered by the exemptions, the Group recognizes the lease payments as other operating expenses in the income statement when they incur.

Lease liabilities

The lease liability is recognised at the commencement date of the lease. The Group measures the lease liability at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the Group is reasonably certain to exercise this option.

The lease payments included in the measurement of the lease liability comprise of (i) fixed lease payments (including in-substance fixed payments), less any lease incentives receivable, (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date, (iii) the exercise price of a purchase option, if the Group is reasonably certain to exercise that option, and (iv) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. The Group determines its incremental borrowing rate by obtaining interest rates from the external bank financing. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate.



The Group does not include variable lease payments in the lease liability. Instead, the Group recognises these variable lease expenses in profit or loss.

The Group presents its lease liabilities as separate line items in the statement of financial position.

Right-of-use assets

The Group measures the right-of-use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities. The cost of the right-of-use asset comprise (i) the amount of the initial measurement of the lease liability recognized, (ii) any lease payments made at or before the commencement date, less any incentives received, and (iii) any initial direct costs incurred by the Group.

The Group applies the depreciation requirements in IAS 16 Property, Plant and Equipment in depreciating the right-of-use asset, except that the right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset.

The Group applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

The Group presents its right-of-use assets as separate line items in the statement of financial position.

The Group as a lessor and subleases

The Group does not engage in leases as the primary lessor, however, for some transactions the Group released the underlying asset and acts as an intermediate lessor.

Recognition of leases and income

For contracts where the Group acts as an intermediate lessor, it classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating

lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Operating leases

For operating leases, the Group recognises lease payments as other income, mainly on a straight-line basis, unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The Group recognises costs incurred in earning the lease income in other operating expenses.

Significant accounting judgements, estimates and assumptions.

Determining the lease term of contracts with renewal and termination options — Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Visma has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Pensions

The Group has pension schemes where the company's commitment is to contribute to the individual employee's pension scheme (contribution plans). Contributions paid to the pension plans are expensed.

In addition to the defined contribution schemes, the Group has one defined benefit plan in Sweden covering 11 employees.

Income tax

The tax expense consists of the tax payable and changes to deferred tax.

Tax payable

Taxes payable assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date. Taxes payable are recognised directly in equity to the extent that they relate to equity transactions.

Deferred taxes

Deferred income tax is provided using the liability method on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent

that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred taxes are recognised directly in equity to the extent that they relate to equity transactions. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



Property and equipment

Property and equipment acquired by Group companies are stated at historical cost. Depreciation is charged on a straight-line basis over the estimated useful life of the assets. The amount to be depreciated is the carrying amount less the asset's residual value.

Useful life and residual value are reviewed at least annually and reflect the pattern in which the benefits associated with the asset are consumed. A change in the useful life or depreciation method is accounted for prospectively as a change in accounting estimate.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Ordinary repair and maintenance (day-to-day servicing) of tangible assets is recorded as an operating cost, whereas improvements are capitalised and depreciated over its useful life. An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses on the sale or disposal of fixed assets are recorded as other operating revenues or other operating costs respectively in the year the item is derecognised.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of property and equipment is the greater of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the

recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognised in the income statement.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as interest cost.

Inventories

Inventories are valued at the lower of cost and net realisable value. The original cost of purchased goods is the purchase price and is based on the FIFO principle. The original cost of work in progress and own manufactured goods are the direct cost of production plus a share of the indirect cost of production based on normal operating capacity but excluding borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Inventories are reduced for estimated obsolescence.

Cash and cash equivalents

Cash and cash equivalents comprise bank deposits, other short-term highly liquid investments with original maturities of three months or less and bank

overdrafts. Restricted cash is included as cash and cash equivalents.

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

Earnings per share

Earnings per share is calculated by dividing the majority shareholders share of the profit/loss for the period by the weighted average number of ordinary shares outstanding over the course of the period. When calculating diluted earnings per share, the average number of shares outstanding is adjusted for all share options that have a potential dilutive effect. Options that have a dilutive effect are treated as shares from the date they are issued.

Cash flow

The cash flow statement has been drawn up in accordance with the indirect method and report cash flows during the period classified by operating, investing and financing activities. Cash and cash equivalents consist of cash and cash equivalents as defined under cash and cash equivalents, net outstanding bank overdraft.

Investment in an associate

The Group's investment in its associate is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment. The income statement reflects the share of the results of operations of the associate. Any change

in OCI of those investees is presented as part of the Group's OCI. Where there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The share of profit of associates is shown on the face of the income statement outside operating profit. This is the profit attributable to equity holders of the associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the associates.

The financial statements of the associate are prepared for the same reporting period as the parent company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an additional impairment loss on the Group's investment in its associates. The Group determines at each balance sheet date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate' and its carrying value and recognizes the amount in the income statement.

Upon loss of significant influence over the associate, the Group measures and recognizes any retaining investments at its fair value. Any differences between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

– Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section Revenue from contracts with customers above.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets – Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes trade receivables, and the vendor loan note included under other non-current long-term receivables.

The Group does not have any financial assets at fair value through OCI.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Financial assets – Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired

Or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are

measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group is setting provisions based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment).

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely



to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

– Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Financial liabilities – Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. The Group does not have any financial liabilities at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to note 20.

Financial liabilities – Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments such as interest rate swaps to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either

- attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

The Group had only cash flow hedges.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

Before 1 January 2018, the documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Beginning 1 January 2018, the documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.

- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash-flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized directly as other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the income statement in other operating expenses. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise,

the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

Equity

Equity and liabilities

Financial instruments are classified as liabilities or equity in accordance with the underlying economic realities.

Interest, dividend, gains and losses relating to a financial instrument classified as a liability will be presented as an expense or income. Amounts distributed to holders of financial instruments that are classified as equity will be recorded directly in equity.

Costs of equity transactions

Transaction costs directly related to an equity transaction are recognized directly in equity after deducting tax expenses.

Other equity

(a) Reserve

This reserve contains the total net increase in the fair value of non-current assets that have been revalued at an amount which exceeds their cost. The reserve also contains total net changes in the fair value of financial instruments classified as available for sale until the investment has been sold or it has been determined that the investment is of no value.

(b) Translation differences

Translation differences arise in connection with exchange-rate differences of consolidated foreign entities.

Exchange-rate differences in monetary amounts (liabilities or receivables) which are in reality a part of a company's net investment in a foreign entity are also included as translation differences.

If a foreign entity is sold, the accumulated translation difference linked to the entity is reversed and

recognized in the income statement in the same period as the gain or loss on the sale is recognized.

Discontinued operations

The Group classifies non-current assets and disposal groups as held for distribution to equity holders of the parent if their carrying amounts will be recovered principally through a distribution rather than through continuing use. Such non-current assets and disposal groups classified as held for distribution are measured at the lower of their carrying amount and fair value less costs to distribute. Costs to distribute are the incremental costs directly attributable to the distribution, excluding finance costs and income tax expense.

The criteria for held for distribution classification is regarded as met only when the distribution is highly probable and the asset or disposal group is available for immediate distribution in its present condition. Actions required to complete the distribution should indicate that it is unlikely that significant changes to the distribution will be made or that the decision to distribute will be withdrawn. Management must be committed to the distribution expected within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for distribution.

Assets and liabilities classified as held for distribution are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations

Or

- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

The Group has one discontinued operation in 2020 as they have sold the Public e-procurement operations. There was no discontinued operations during 2019.

Adoption of new and amended standards and interpretations

Amendments to IFRS 3 Definition of a Business

The amended definition emphasises that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. In addition to amending the wording of the definition, the Board has provided supplementary guidance.

The amendments must be applied to transactions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020.

These amendments had no impact on the consolidated financial statements of the Group.

Amendments to IAS 1 and IAS 8 - Definition of Material

The amendments make it easier for companies to make materiality judgements. The definition of material, an important accounting concept in IFRS Standards, helps companies decide whether information should be included in their financial statements. The

updated definition amends IAS 1 and IAS 8. The amendments are a response to findings that some companies experienced difficulties using the old definition when judging whether information was material for inclusion in the financial statements.

The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS Standards. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS Standards.

The changes are effective for annual periods beginning on or after 1 January 2020

The Group has implemented the amendments, but it has no material impact on the Group.

Amendments to IFRS 9, IAS 39 and IFRS 7 due to the IBOR reform

The amendments provide companies with temporary reliefs to certain requirements related to hedge accounting in the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate (an RFR).

For the hedging relationships where the reliefs are applied, companies are required to disclose additional qualitative and quantitative information. However, the amendments also provide an exemption from the disclosure requirements in IAS 8.28 f related to the adjustment amounts in the current and prior period.

The amendments must be applied retrospectively and are effective for annual periods beginning on or after 1 January 2020.

The Group has implemented the amendments, but it has no material impact on the Group.



Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases.

The amendments exempt lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions as a direct result of the Covid-19 pandemic. The practical expedient allows lessees to account for such rent concessions as if these were not lease modifications. The amendment does not affect lessors.

The amendment applies to annual periods beginning on or after 1 June 2020 with earlier application permitted. The amendment had no impact on the consolidated financial statements of the Group.

New and amended IFRSs and IFRICs with future effective dates

Standards and interpretations that are issued up to the date of issuance of the consolidated financial statements, but not yet effective are disclosed below. The Group's intention is to adopt the relevant new and amended standards and interpretations when they become effective, subject to EU approval before the consolidated financial statements are issued. The Group has considered to list and address only those standards, amendments and interpretations which are relevant and expected to have an impact on the Group's financial position, performance and/or disclosures.

The Group anticipates that all of the below standards, amendments and interpretations will be adopted in the Group's financial statements for the period commencing 1 January 2021 or after.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The International Accounting Standards Board (IASB) has issued amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current. The amendments clarify the definition of defer settlement and help companies determine

whether debt and liabilities with an uncertain settlement date should be classified as current or non-current. The amendments also clarify the classification requirements for debt a company may settle by converting it to equity.

The amendments are effective for annual periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the potential impact the changes will have on its current practice. However, the amendments are not expected to significantly impact the consolidated financial statements of the Group.

Amendments to IFRS 3 - Reference to the Conceptual Framework

The amendments replace a reference to the version of the Conceptual Framework that existed when IFRS 3 was developed with a reference to a version issued in May 2018. This does not significantly change the requirements. They also added to IFRS 3 an exception to its requirement for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37 Provisions, Contingent liabilities and Contingent Assets. The exception was added to avoid unintended consequence of updating the reference.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

The amendments are not expected to have a significant effect on the Group.

Amendments to IAS 37 - Onerous Contracts – Costs of Fulfilling a Contract

The amendments were issued by the IASB in May 2020 to specify which costs to include in estimating the costs of fulfilling a contract for the purpose of assessing whether that contract is onerous or loss-making. Incremental costs and costs directly related

to contract activities shall be included as these are directly related to providing goods or services. General and administrative costs are not included unless explicitly chargeable to the counterparty.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

These amendments are not expected to have a significant impact on the Group.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment to IFRS 9 is a part of the 2018-2020 annual improvements to IFRS standards process. The amendment is a response to a request to clarify which fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from those of the original financial liability. A borrower includes only fees paid or received between the borrower or the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group do not plan to early adopt the amendment.

The amendment is not expected to have a significant impact on the Group.

Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements:

Provision for expected credit losses of trade receivables and contract assets

The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision rates are initially based on the Group's historical observed default rates. The Group will calibrate the provisions to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 6.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the



expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Taxes

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Total tax payable is also depending on whether Visma would be allowed to change the Group contributions from previous years as a response to the present judgment. Refer to note 10 for further descriptions.

Fair value measurements of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 20 for further disclosures.

Contingent consideration (earn-out), resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each

performance target and the discount factor (refer Note 1 for details).

Events after the balance sheet date

New information on the company's financial position on the statement of financial position which becomes known after the balance sheet date and which provides evidence of conditions that existed at the balance sheet date is recorded in the annual accounts. Events after the balance sheet date that are indicative of conditions that arose after the balance sheet date and that do not affect the company's financial position on the statement of financial position but which will affect the Company's financial position in the future are disclosed if significant. Refer to Note 25 for events after balance sheet date which are relevant for the current year.



Note 1 – Acquisitions of business, assets and non-controlling interest

(NOK 1,000)

Name	Description	Acquisition date	Percentage of voting equity instruments acquired ¹⁾	Cost price	Cost associated with the acquisition ²⁾	Consideration total
Onestop Reporting AS	BI software	07.01.2020	100,00 %	105 000	-	105 000
Conceptos AS	Consulting	14.01.2020	69,00 %	131 709	-	131 709
Circle Software BV	eGovernment Software	15.01.2020	100,00 %	155 971	878	156 849
ASG Group	Cost associated with acquisition	31.12.2019		1 973	-	1 973
Onguard BV	Order2Cash software	19.02.2020	100,00 %	365 699	2 787	368 486
Fenistra AS	Real estate software	03.02.2020	100,00 %	100 000	324	100 324
FirstAgenda A/S	Municipality board portals	26.02.2020	100,00 %	248 194	1 048	249 242
1st Web A/S	eCommerce	28.02.2020	100,00 %	21 620	321	21 941
Intelligent IT Srl	SaaS accounting Software	12.02.2020	100,00 %	237 207	-	237 207
Framsikt AS	Cloud reporting for municipalities	01.04.2020	50,10 %	286 907	535	287 442
CO3 A/S	Last year earn-out, paid this year	02.04.2020		9 218	60	9 278
IMS A/S	Last year earn-out, paid this year	02.04.2020		8 525	-	8 525
Kapacity A/S	Last year earn-out, paid this year	02.04.2020		22 291	-	22 291
Mystore.no AS	Last year earn-out, paid this year	02.04.2020		26 968	-	26 968
PinkWeb BV	Last year earn-out, paid this year	17.04.2020		11 049	38	11 087
Smartskill AS	Last year earn-out, paid this year	02.04.2020		25 270	-	25 270
Smartdok AS	Last year earn-out, paid this year	16.04.2020		27 772	-	27 772
Avento AS	Last year earn-out, paid this year	07.04.2020		22 140	-	22 140
Websystemer	Last year earn-out, paid this year	27.04.2020		2 346	-	2 346
Visma Digital Commerce AS	Last year earn-out, paid this year	02.04.2020		2 000	-	2 000
Svensk e-identitet AB	Last year earn-out, paid this year	23.04.2020		51 601	-	51 601
Meglerfront AS	Last year earn-out, paid this year	02.04.2020		15 754	-	15 754
Scancloud AB	Last year earn-out, paid this year	02.04.2020		-3 998	-	-3 998
Visma Connect BV	Last year earn-out, paid this year	01.04.2020		67 322	-	67 322
WRG AB	Last year earn-out, paid this year	07.04.2020		31 877	-	31 877
MeritTarkvara AS	Last year earn-out, paid this year	02.04.2020		13 585	-	13 585
Octo3/Visma Consulting Oy	Last year earn-out, paid this year	06.04.2020		28 380	-	28 380
Specter AB	SaaS ERP for e-commerce	01.04.2020	70,00 %	82 933	710	83 643
Admincontrol Finland Oy	SaaS Board Portals	14.04.2020	100,00 %	8 840	-	8 840
VisionPlanner BV	SaaS accounting Software	01.04.2020	100,00 %	671 750	1 310	673 060
Intradata BV	eArchive & eSign solutions	01.04.2020	100,00 %	70 518	674	71 192
VerzuimSignaal BV	BS adjustment	01.04.2020		-1 963	-	-1 963
Drafitit AB	HRM/GDPR content portal	01.04.2020	80,00 %	334 761	909	335 670
Zetech SA	e-Signature/HRM software	05.05.2020	100,00 %	189 876	1 272	191 149



Note 1 – Continued

(NOK 1,000)

Name	Description	Acquisition date	Percentage of voting equity instruments acquired ¹⁾	Cost price	Cost associated with the acquisition ²⁾	Consideration total
Nmbrs BV	SaaS HRM&Payroll software	08.05.2020	80,00 %	794 183	3 465	797 648
ProActive BV	Last year earn-out, paid this year	20.05.2020		15 096	-	15 096
Giant Leap Technologies AS	Mobile application	03.07.2020	65,10 %	340 638	651	341 289
Biit Oy	Consulting	02.07.2020	51,00 %	55 471	286	55 757
Nordic Peak AB	SaaS eGovernment	02.07.2020	50,40 %	140 139	306	140 445
Create-Solutions AS	SaaS Real Estate Swoftware	03.07.2020	50,10 %	47 071	205	47 276
Presis Utleie AS	SaaS Real Estate Swoftware	03.07.2020	100,00 %	3 000	-	3 000
Codegarden AS	SaaS Real Estate Swoftware	03.07.2020	100,00 %	31 500	154	31 654
The Yuki Company BV	SaaS accounting Software	17.07.2020	100,00 %	1 252 948	4 255	1 257 203
Cash Software BV	SaaS accounting Software	03.08.2020	100,00 %	254 641	799	255 440
PayByWay Oy	Payment Gateway	02.10.2020	100,00 %	55 392	508	55 900
JumisPro SIA	SaaS accounting Software	23.10.2020	100,00 %	34 937	160	35 097
Admisol NV	SaaS accounting Software	14.10.2020	100,00 %	92 738	452	93 190
Inviaan Oy	SaaS ERP for Welfare	02.10.2020	50,10 %	130 383	581	130 964
Advitrae Group BV	Education Software	01.10.2020	80,00 %	428 608	1 242	429 850
Ditmer A/S	eGovernment Software	20.11.2020	100,00 %	81 012	930	81 942
Flytteportalen AS	Real estate software	20.11.2020	100,00 %	47 200	6	47 206
Make Life Easier BV	SaaS accounting Software	03.11.2020	100,00 %	106 128	404	106 532
PDE Practicom BV	SaaS accounting Software	20.11.2020	100,00 %	50 620	232	50 852
Årsredovisning Online AB	Cloud year-end software	03.12.2020	100,00 %	78 675	204	78 880
InFakt sp z.o.o	SaaS accounting Software	11.12.2020	75,35 %	159 181	-	159 181
Compello AS	eInvoicing	21.12.2020	100,00 %	295 000	541	295 541
Keller AS	Cloud infrastructure services	08.12.2020	100,00 %	4 525	-	4 525
Khonraad Software Engineering BV	Social Care Software	09.12.2020	100,00 %	609 048	1 100	610 148
Inyett AB	Last year earn-out, paid this year	31.12.2020		-19 883	-	-19 883
Visma AI Works Oy	Last year earn-out, paid this year	31.12.2020		-21 302	-	-21 302
WeOptit Oy	Last year earn-out, paid this year	31.12.2020		7 002	-	7 002
Dotweb BV	Last year earn-out, paid this year	31.12.2020		-25 458	-	-25 458
Plusport BV	Last year earn-out, paid this year	31.12.2020		-2 909	-	-2 909
Brainshare IT sp z.o.o	Last year earn-out, paid this year	31.12.2020		1 878	-	1 878
KBOSS.hu Kft	Last year earn-out, paid this year	31.12.2020		34 416	-	34 416
PowerOffice AS	Last year earn-out, paid this year	31.12.2020		-66 108	-	-66 108
Total				8 388 863	27 348	8 416 210

*The amount of the non-controlling interest in the acquiree recognised at the acquisition date and the measurement basis for that amount

¹⁾Percentage of voting shares acquired, including voting shares committed to be acquired through deferred mechanisms



Note 1 – Continued

The cash outflow on acquisition are as follows:

Cost price (excluded costs associated with the acq.)	7 973 659
Last year earn-out, paid this year	415 204
Change in estimated earn-out	128 401
Deferred payment	(3 227 347)
Cash paid	(5 289 917)
Net cash acquired with the acquisitions	527 143
Net cash (outflow)/inflow	(4 762 774)
Other intangible assets acquired	88 827
Machinery and equipment acquired	58 992
Net investment in businesses	(4 614 955)

²⁾ Costs associated with the acquisition are expensed as "Other operating expenses".

Onguard BV

On 19 February Visma acquired 100% of the voting shares in Onguard BV. Onguard BV is a Dutch provider of order to cash software. The primary reason for the business combination is to strengthen Visma product offering in order to cash solutions.

Framsikt AS

On 1 April Visma acquired 70% of the voting shares in Framsikt AS. Framsikt AS is a norwegian supplier of cloud reporting for municipalities. The primary reason for the business combination is to strengthen Visma product offering in software solutions to municipalities.

VisionPlanner BV

On 1 April Visma acquired 100% of the voting shares in VisionPlanner BV. VisionPlanner BV is a dutch supplier of SaaS platform for accounting offices. Through this acquisition Visma improved its SaaS product offering to accounting offices in the dutch market.

Draftit AB

On 1 April Visma acquired 80 % of the voting shares in Draftit AB. Draftit AB is a Swedish supplier of SaaS HRM/GDPR content portal. The primary reason for the business combination is to strengthen Visma offering in the field of HRM and GDPR software within relevant markets of its business.

Nmbrs BV

On 8 May Visma acquired 100 % of the voting shares in Nmbrs BV. Nmbrs BV is a dutch provider of SaaS HRM and payroll Software. Through this acquisition Visma improved its SaaS product offering in the dutch market.

Giant Leap Technologies AS

On 3 July Visma acquired 100% of the voting shares in Giant Leap Technologies AS. Giant Leap Technologies AS is a Norwegian developer of mobile services. The primary reason for the business combination is to enter within the field of mobile service development.

The Yuki Company BV

On 17 July Visma acquired 100% of the voting shares in The Yuki Company BV. Yuki BV is a dutch supplier SaaS accounting. The primary reason for the business combination is to strengthen Visma product offering within SaaS accounting in the dutch market, as well as entering the Belgian market.

Advitrae Group BV

On 1 October Visma acquired 80% of the voting shares in Advitrae Group BV. Advitrae Group BV is a dutch provider of education software.

Khonraad Software Engineering BV

On 9 December Visma acquired 100% of the voting shares in Khonraad Software Engineering BV. Khonraad Software Engineering BV is an Dutch provider of social care software. Through this acquisition Visma has expanded its product offering in social care software in the dutch market.

Compello AS

On 21 December Visma acquired 100% of the voting shares in Compello AS. Through this acquisition Visma improved its SaaS product offering of invoicing software.

Consideration for the acquisition includes the acquisition-date fair value of contingent consideration.

*Estimated earn out in the balance sheet for most entities, are considered at the best estimate. Adjustments to earn-outs are related to earn-out payments made during 2020 due to revised earn-out conditions and acquisition of the remaining equity stake in certain subsidiaries as specified in the table above. The aggregated effect on investment in purchased rights, goodwill, contracts and customer relationships is shown in note 4.

Note 1 – Continued

THE AGGREGATED FAIR VALUE OF IDENTIFIABLE ASSETS AND LIABILITIES AND THE GOODWILL ARISING AT THE DATE OF ACQUISITION FOR MATERIAL TRANSACTIONS ARE:

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(NOK 1,000)

	The Yuki Company BV	Nmbrs BV	VisionPlanner BV	Khonraad Software Engineering BV	Advitrae Group BV	Onguard BV	Giant Leap Technologies AS	Draftit AB	Compello AS	Framsikt AS	Other
Deferred tax assets			135				544	4 480	1 036	48	3 969
Shares											58
Machinery and equipment	9 986	7 087	13 278	445	5 896	2 236	697	378	362	730	18 172
Property											2 163
Right of Use Assets	25 673	62 693	20 915	457	127	9 278	1 347	3 075	4 608	581	-6 896
Other long-term receivables	34									238	7 393
Inventories											525
Trade receivables	30 741	15 144	3 132	4 433	7 440	14 085	11 752	12 706	7 046	5 058	96 461
Other short term receivables	2 480	6 667	3 715	6 266	6 380	(15 411)	3 332	4 309	4 580	618	57 356
Cash and cash equivalents	3 460	5 456	16 848	37 238	27 049	26 404	24 489	40 632	1 407	35 971	286 136
Other intangible assets	26 304	4 410	2 498		3 463	12 536	151		18 474	13 002	29 411
Assets	98 678	101 458	60 520	48 840	50 355	49 128	42 312	65 580	37 512	56 247	494 748
Other long-term liabilities	1 590	340	5 634				1 582				2 403
Deferred tax liability								1 065		1	6 813
Lease liabilities	25 673	62 693	20 915	457	127	9 278	1 347	3 075	4 608	581	(6 896)
Bank overdraft											763
Trade creditors	14 795	4 955	4 604	588	1 459	4 953	5 141	3 863	6 316	1 352	34 730
Public duties payable	7 409	5 408	4 998	7 388	6 032	1 847	4 228	7 993	12 857	11 118	56 461
Tax payable	1 258	40	178		(1 486)		6 102	(1 143)		128	9 778
Other current liabilities	17 496	10 257	33 895	(16 517)	21 305	57 571	4 503	52 640	1 095	25 983	184 993
Liabilities	68 221	83 692	70 224	(8 083)	27 437	73 648	22 903	67 492	24 876	40 126	289 044



Note 1 – Continued

(NOK 1,000)	The Yuki Company BV	Nmbros BV	VisionPlanner BV	Khonraad Software Engineering BV	Advitrae Group BV	Onguard BV	Giant Leap Technologies AS	Draftit AB	Compello AS	Framsikt AS	Other
Fair value of net assets	30 457	17 766	(9 704)	56 923	22 918	(24 520)	19 410	(1 912)	12 636	16 121	205 704
Non-controlling interests											
Minority interests											
Goodwill arising on acquisition	912 771	585 362	427 197	275 495	243 462	224 119	188 380	178 799	120 763	162 364	1 360 650
Other intangible assets	209 870	123 978	167 937	152 262	107 152	91 425	85 159	83 690	62 688	71 727	692 669
Contracts and customer relationship arising on acquisition	199 271	128 406	167 937	213 167	107 152	127 995	85 159	117 166	87 763	67 275	842 974
Deferred tax liability	(99 421)	(61 329)	(81 618)	(88 799)	(52 076)	(53 319)	(37 470)	(42 983)	(33 099)	(30 580)	-335 577
Total acquisition cost	1 252 948	794 183	671 750	609 048	428 608	365 699	340 638	334 761	250 750	286 907	2 766 769
Net cash acquired with the subsidiary	(3 460)	(5 456)	(16 848)	(37 238)	(27 049)	(26 404)	(24 489)	(40 632)	(1 407)	(35 971)	-308 189
Cash paid	351 990	338 145	339 415	371 111	318 281	358 668	205 570	293 119	250 750	108 490	1 939 172
Net cash outflow	348 530	332 689	322 568	333 873	291 232	332 264	181 081	252 487	249 343	72 519	1 630 983
Deferred/contingent payment	900 958	456 037	332 334	237 937	110 327	7 031	135 068	41 642		178 417	804 516
Revenue for the year	181 425	123 864	118 512	86 423	92 932	164 075	117 251	96 623	110 394	51 823	828 522
Revenue for the period before acquisition	87 366	40 948	29 913	79 502	68 726	26 726	53 503	25 047	110 394	10 367	351 872
Revenue contribution to the Visma Group	94 059	82 916	88 599	6 921	24 207	137 348	63 748	71 576		41 456	476 650
Profit for the year	(27 580)	(12 728)	(13 098)	57 635	28 754	(16 591)	19 918	(490)	(23 934)	(2 029)	40 347
Profit for the period before acquisition	(4 680)	124	(1 032)	57 579	31 860	(6 818)	15 907	4 885	(29 546)	(672)	74 514
Profit contribution to the Visma Group	(22 900)	(12 852)	(12 066)	56	(3 107)	(9 773)	4 011	(5 375)	5 611	(1 357)	(34 168)

The goodwill arising on these acquisitions are attributable to the anticipated profitability of the operations and to the anticipated synergies. Goodwill arising on the acquisitions is usually not tax deductible.

For further comments on goodwill arising from acquisitions, please see Note 4.

Deferred / contingent payment dependent on future financial results and estimated based on current trading, budgets and forecasts, typically paid over a 1 - 4 year period post acquisition.

ACQUISITIONS AFTER THE BALANCE SHEET DATE.

(NOK 1,000)

Name	Description	Acquisition date	Percentage of voting equity instruments acquired	Cost price	Cost associated with the acquisition	Consideration total
Oustanding24 Group	Order to cash software	13.01.2021	100,0 %	10 493	377	10 870
Sticos AS	Content software	11.02.2021	100,0 %	716 501		716 501
Brincr BV	Logistics software	16.02.2021	100,0 %	161 188		161 188

The initial accounting for the business combination is incomplete at the time these financial statements are authorised for issue. Hence disclosures related to purchase price allocation is not provided.



Note 2 – Segment and disaggregated revenue information

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The Group's primary reporting format is business areas and its secondary format is geographical distribution.

For management purposes, the Group is organised into business units based on the market their customer operates in with different risk and rates of return. The Group and has five reportable segments as follows:

- a) Software Nordics & International
- b) Software Benelux
- c) Custom Solutions
- d) Commerce Solutions
- e) Group HQ, Visma IT & Communication, Cloud Infrastructure Services

In 2020, Visma restructured the former divisions SMB and Enterprise. The old divisions were combined, and split based on regions; Software Nodics & International and Software Benelux. Both divisions offers a

complete range of business admin solutions; including web based ERP and invoicing, CRM solutions, purchasing management and e-commerce solutions. It also provides private enterprises with full-scale ERP and procurement systems along with public sector production systems for areas such as school administration and child protective services.

Custom Solutions offer custom development to Government and Large accounts.

Commerce Solutions provide debt collectiong, accounts receivable and other financial services. Cloud Infrastructure Service (CIS) offer cloud enabling solutions for the nordic retail segment industry. Visma AS, national holding companies and internal IT are disclosed under Group HQ + IT + CIS.

Transfer prices between business segments are set at an arm's length basis in a manner similar to transactions with third parties.

Summarised financial information concerning each of the Company's reportable business segments is as follows:

OPERATING SEGMENTS

(NOK 1,000)

	2020					
	Software Nordics & Int	Software Benelux	Custom Solutions	Commerce Solutions	Group HQ + IT + CIS	TOTAL
REVENUES						
Total segment revenues	11 671 170	3 550 028	4 003 349	1 675 856	1 958 691	22 859 094
Internal revenues	2 137 700	716 445	294 871	77 895	957 261	4 184 172
External revenue on each group of similar products and services						
On-premises Software	2 874 894	322 665	721 183	76 990	0	3 995 732
Cloud Computing	6 404 229	2 500 772	2 936 982	1 511 368	646 020	13 999 370
Other	254 347	10 146	50 313	9 603	355 411	679 820
External revenues	9 533 470	2 833 582	3 708 478	1 597 961	1 001 431	18 674 922
Growth (external) %	21,4 %	27,7 %	34,0 %	34,2 %	21,3 %	25,7 %
External revenue by timing of revenue recognition						
Goods transferred at a point in time	982 679	565 066	1 572 632	13 913	346 022	3 480 313
Services provided over time	8 550 790	2 268 516	2 135 846	1 584 048	655 409	15 194 609
External revenues	9 533 470	2 833 582	3 708 478	1 597 961	1 001 431	18 674 922
EBITDA	3 206 815	597 561	896 471	441 416	224 588	5 366 851
EBITDA margin	33,6 %	21,1 %	24,2 %	27,6 %	22,4 %	28,7 %
Profit before tax	1 741 530	-153 221	163 196	267 411	-272 438	1 746 478
Assets	19 600 255	13 627 505	8 434 415	3 573 107	4 172 324	49 407 606

Note 2 – Continued

(NOK 1,000)	2019*					TOTAL
	Software Nordics & Int	Software Benelux	Custom Solutions	Commerce Solutions	Group HQ + IT + CIS	
REVENUES						
Total segment revenues	9 883 822	2 384 974	2 999 946	1 232 670	1 616 598	18 118 010
Internal revenues	2 033 987	166 638	233 136	41 724	790 733	3 266 218
External revenue on each group of similar products and services						
On-premises Software	2 848 381	279 415	574 592	0	0	3 702 388
Cloud Computing	4 775 658	1 931 902	2 158 492	1 186 410	625 739	10 678 201
Other	225 796	7 019	33 726	4 536	200 126	471 203
External revenues	7 849 835	2 218 336	2 766 810	1 190 946	825 865	14 851 792
External revenue by timing of revenue recognition						
Goods transferred at a point in time	422 068	1 179 613	426 984	4 020	212 380	2 245 065
Services provided over time	7 427 767	1 038 724	2 339 826	1 186 926	613 485	12 606 727
External revenues	7 849 835	2 218 336	2 766 810	1 190 946	825 865	14 851 792
EBITDA	2 392 531	446 668	655 736	323 377	156 141	3 974 453
EBITDA margin	30,5 %	20,1 %	23,7 %	27,2 %	18,9 %	26,8 %
Profit before tax	1 125 935	-7 102	209 955	130 412	-268 823	1 190 377
Assets	11 721 321	14 418 907	5 923 321	2 819 710	2 751 159	37 634 418
Reconciliation			2020		2019*	
Profit before taxes and discontinued operations			1 736 003		1 190 377	
Net financial items			496 369		383 012	
Result from associated companies			10 475		551	
Depreciations and amortisations			3 124 004		2 400 513	
EBITDA from operating segments			5 366 851		3 974 453	
EBITDA			5 366 851		3 974 453	

*2019 has been restated to reflect the sale of the Public e-procurement operations

Note 2 – Continued

GEOGRAPHICAL AREAS	2020			2019*		
	Net sales	% of net sales	** Long lived assets	Net sales	% of net sales	** Long lived assets
Norway	6 036 004	32,3 %	8 363 852	4 488 376	30,2 %	6 046 249
Sweden	3 508 989	18,8 %	2 978 806	3 062 641	20,6 %	2 576 966
Denmark	2 397 698	12,8 %	4 085 431	1 905 610	12,8 %	3 812 564
Finland	2 724 603	14,6 %	2 292 699	2 226 694	15,0 %	2 195 868
Netherlands	3 908 112	20,9 %	15 422 554	2 831 190	19,1 %	10 423 280
International	99 516	0,5 %	127 613	337 280	2,3 %	1 082 103
Total	18 674 922	100,0 %	33 270 954	14 851 792	100,0 %	26 137 029

*2019 has been restated to reflect the sale of the Public e-procurement operations

**Long lived assets is defined as intangible assets, less deferred tax assets.

Assets and liabilities in foreign operations, including goodwill and fair value adjustments, are translated into NOK using the exchange rate applicable at the end of the reporting period. Income and expenses relating to foreign operations are translated into NOK using the average exchange rate. Exchange-rate differences are recognised in other comprehensive income.

Note 3 – Payroll and personnel expenses

CONSOLIDATED (NOK 1,000)	2020	2019*
Salaries	6 085 779	4 808 251
Employer's national insurance contributions	965 451	829 845
Pension expenses	517 085	395 547
Other personnel expenses	1 056 532	939 598
Total	8 624 846	6 973 241
Average number of man-year	11 480	10 360

*2019 has been restated to reflect the sale of the Public e-procurement operations

Pensions

Visma has defined contribution schemes in Denmark, Finland, Sweden, Netherlands and Norway. The company is for the Norwegian employees required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension (Lov om obligatorisk tjenestepensjon). The company's pension scheme meets the requirements of that law. The annual contribution to the scheme is expensed as the year's pension expenses. Visma has no obligation beyond the annual contribution. Expenses related to the contribution plan were TNOK 517 085 in 2020 and TNOK 395 547 in 2019. In addition to the defined contribution-based schemes, Visma has one defined benefit plan in Sweden covering 11 employees.

Note 4 – Goodwill and other intangible assets

CONSOLIDATED

(NOK 1,000)	Trademark	Technology	Software rights	Capitalized development expenses	Contracts & Customer relationships	Goodwill
Cost as at 1 January 2020, net of accumulated amortisation	0	0	4 054 564	634 945	5 691 906	15 755 615
Acquisitions	0	0	1 819 800	88 827	2 140 310	4 590 865
Additions	0	0	0	100 728	0	0
Disposal	0	0	0	0	0	0
Amortisation	0	(0)	(1 123 133)	(187 389)	(917 302)	0
Exchange adjustments	0	0	277 622	16 493	(66 034)	393 138
Balance at 31 December 2020	0	0	5 028 853	653 603	6 848 880	20 739 618
Carrying amount at 1 January 2020						
Cost	5 004	129 543	6 823 596	1 321 380	9 325 328	15 886 818
Accumulated amortisation and impairment	(5 004)	(129 543)	(2 769 032)	(686 435)	(3 633 422)	(131 203)
Carrying amount at 1 January 2020	0	0	4 054 564	634 945	5 691 906	15 755 615
Carrying amount at 31 December 2020						
Cost	5 004	129 543	8 921 018	1 527 428	11 399 605	20 870 821
Accumulated amortisation and impairment	(5 004)	(129 543)	(3 892 165)	(873 825)	(4 550 724)	(131 203)
Carrying amount at 31 December 2020	0	0	5 028 853	653 603	6 848 880	20 739 618

Contracts and Customer relationships represent intangible assets purchased through the effect of business combinations. The useful lives of these intangible assets were estimated as having a finite life and is amortised under the straight-line method over a period of 4-7 years. These assets are tested for impairment where an indicator on impairment arises.

Purchased rights represent intangible assets purchased through the effect of business combinations. The useful lives of these intangible assets were estimated as having a finite life and is amortised under the straight-line method over a period of 4-15 years. These assets are tested for impairment where an indicator on impairment arises.

Technology represents intangible assets purchased through the effect of business combinations. The useful lives of these intangible assets were estimated as having a finite life and is amortised by using the declining balance method.

Trademark represents intangible assets purchased through the effect of business combinations and is amortised with 12% by using the declining balance method.

Development costs are internally generated and amortised under the straight-line method over a period of 4 years.

Goodwill represents intangible assets purchased through the effect of business combinations. These assets are not amortised, but are annually tested for impairment or if an indicator on impairment arises. Reference is made to Note 23.



Note 4 – Continued

INVESTMENT IN PURCHASED RIGHTS, GOODWILL, CONTRACTS AND CUSTOMER RELATIONSHIPS

(NOK 1,000)	Acquired (year)	Software rights	Capitalized development expenses	Contracts & Customer relationships	Goodwill
Onestop Reporting AS	2020	26 250	-	36 750	55 831
Conceptos AS	2020	32 927	-	46 098	42 751
Circle Software BV	2020	38 993	-	54 590	69 836
Onguard BV	2020	91 425	4 585	127 995	227 869
Fenistra AS	2020	25 000	-	35 000	38 725
FirstAgenda A/S	2020	62 049	-	86 868	117 954
1st Web A/S	2020	5 405	125	7 567	7 622
Intelligent IT Srl	2020	59 302	-	47 441	148 039
Framsikt AS	2020	71 727	13 051	67 275	162 364
Specter AB	2020	20 733	-	29 026	41 915
Admincontrol Finland Oy	2020	-	-	3 094	5 268
VisionPlanner BV	2020	167 937	2 498	167 937	427 197
Intradata BV	2020	17 630	88	24 681	36 575
Draftit AB	2020	83 690	-	117 166	178 799
Zetech SA	2020	47 469	-	66 457	101 012
Nmbrs BV	2020	123 978	4 410	128 406	585 362
Giant Leap Technologies AS	2020	85 159	2 081	85 159	188 380
Biit Oy	2020	-	-	19 415	33 557
Nordic Peak AB	2020	35 035	-	49 049	58 655
Create-Solutions AS	2020	11 768	9 025	7 061	24 975
Presis Utleie AS	2020	750	-	1 050	1 672
Codegarden AS	2020	7 875	480	11 025	17 444
The Yuki Company BV	2020	209 870	27 006	199 271	912 903
Cash Software BV	2020	63 660	50	50 928	161 263
PayByWay Oy	2020	13 848	2 110	19 387	25 165
JumisPro SIA	2020	8 734	-	12 228	15 833
Admisol NV	2020	23 184	-	32 458	20 754
Invian Oy	2020	32 596	19	26 077	74 647
Advitrac Group BV	2020	107 152	4 772	107 152	243 462
Ditmer A/S	2020	20 253	-	28 354	38 899

(NOK 1,000)	Acquired (year)	Software rights	Capitalized development expenses	Contracts & Customer relationships	Goodwill
Ditmer A/S	2020	20 253	-	28 354	38 899
Flytteportalen AS	2020	11 800	-	16 520	20 232
Make Life Easier BV	2020	26 532	-	37 145	46 377
PDE Practicom BV	2020	12 655	-	17 717	22 494
Årsredovisning Online AB	2020	19 669	53	15 735	46 530
InFakt sp z.o.o	2020	39 795	-	55 713	77 909
Compello AS	2020	62 688	18 474	87 763	165 013
Keller AS	2020	-	-	1 584	2 836
Khonraad Software Engineering BV	2020	152 262	-	213 167	275 495
Adjustments*	2020				-130 747
Total	2020	1 819 800	88 827	2 140 310	4 590 865

*Adjustments are primarily related to earn-out payments and changes to deferred considerations.
For further details and comments on acquisitions, please see Note 1.



Note 4 – Continued

(NOK 1,000)	Trademark	Technology	Software rights	Capitalized development expenses	Contracts & Customer relationships	Goodwill
Cost as at 1 January 2019, net of accumulated amortisation	0	0	3 175 755	677 784	5 357 476	12 043 842
Acquisitions	0	0	1 611 388	93 929	1 326 507	3 798 465
Additions	0	0	0	79 447	0	0
Disposal	0	0	0	0	0	0
Amortisation	0	0	(821 460)	(187 389)	(917 302)	0
Exchange adjustments	0	0	88 880	(28 826)	(74 774)	(86 692)
Balance at 31 December 2019	0	0	4 054 564	634 945	5 691 906	15 755 615
Carrying amount at 1 January 2019						
Costw	5 004	129 543	5 123 327	1 176 830	8 073 596	12 175 045
Accumulated amortisation and impairment	(5 004)	(129 543)	(1 947 572)	(499 046)	(2 716 120)	(131 203)
Carrying amount at 1 January 2019	0	0	3 175 755	677 784	5 357 476	12 043 842
Carrying amount at 31 December 2019						
Cost	5 004	129 543	6 823 596	1 321 380	9 325 328	15 886 818
Accumulated amortisation and impairment	(5 004)	(129 543)	(2 769 032)	(686 435)	(3 633 422)	(131 203)
Carrying amount at 31 December 2019	0	0	4 054 564	634 945	5 691 906	15 755 615

	2020	2019
The Group has incurred the following software research and development expenses:	2 724 346	2 299 190

Research and development expenses include salaries for employees in the Group's development department and an estimate of the development department's proportional share of the operating expenses. Development expenses have been assessed by the Group in accordance with IAS 38.

Note 5 – Tangible fixed assets

(NOK 1,000)	Machinery and equipment	Property*	Total
At 1 January 2020	222 488	24 014	246 503
Investment	108 531	0	108 531
Investment from acquisition of subsidiary	58 992	0	58 992
Disposal and scrap	0	0	0
Impairment	0	0	0
Depreciation for the year	(134 237)	0	(134 237)
Exchange adjustments	58 005	1 271	59 275
At 31 December 2020	313 779	25 285	339 064
At 1 January 2020			
Cost	1 172 844	34 193	1 207 037
Accum. depreciation	(950 355)	(10 178)	(960 534)
At 1 January 2020	222 488	24 015	246 503
At 31 December 2020			
Cost	1 398 371	35 464	1 433 835
Accum. depreciation	(1 084 592)	(10 178)	(1 094 771)
At 31 December 2020	313 779	25 285	339 064
Depreciation rates (straight line method)	10-33.33%	0 - 4%	

(NOK 1,000)	Machinery and equipment	Property*	Total
At 1 January 2019	169 327	24 063	193 390
Investment	99 115	0	99 115
Investment from acquisition of subsidiary	59 194	0	59 194
Disposal and scrap	0	0	0
Impairment	0	0	0
Depreciation for the year	(110 333)	0	(110 333)
Exchange adjustments	5 186	(49)	5 137
At 31 December 2019	222 488	24 014	246 503
At 1 January 2019			
Cost	1 009 349	34 242	1 043 591
Accum. depreciation	(840 022)	(10 178)	(850 201)
At 1 January 2019	169 327	24 064	193 390
At 31 December 2019			
Cost	1 172 844	34 193	1 207 037
Accum. depreciation	(950 355)	(10 178)	(960 534)
At 31 December 2019	222 488	24 015	246 503
Depreciation rates (straight line method)	10-33.33%	0 - 4%	

*Properties that are not depreciated are tested for impairment where an indicator of impairment arise.



Note 6 – Trade receivables, contract assets and contract liabilities

(NOK 1,000)	2020	2019
Accounts receivables	2 131 125	1 942 589
Contract assets	218 604	159 492
Total trade receivables and contract assets	2 349 730	2 102 081
Provision for expected credit loss	(89 790)	(40 123)
Total trade receivables and contract assets net of provisions	2 259 939	2 061 957
Net accounts receivables	2 041 335	1 902 465
Contract liabilities	1 714 097	1 445 520

On a consolidated basis the provision for expected credit loss at 31.12.2020 is TNOK 89 790 while at 31.12.2019 it was TNOK 40 123

Movements in provisions for expected credit loss

	2020	2019
Provisions for expected credit loss debt 1 January	40 123	31 366
Effect from (disposals) and acquisitions of business	8 559	(1 552)
Expected credit loss recognised as expense (expense reduction)	41 094	13 793
Recovered amounts previously written off	13	(3 484)
Provisions for expected credit loss 31 December	89 790	40 123

Movements in contract asset balance

	2020	2019
Opening balance 1 January	159 492	164 563
Additions to Balance	207 307	81 893
Amount from opening Balance recognized in P&L	(205 685)	(150 524)
Additions through M&A	58 265	63 687
Disposals	-775	-127
Closing Balance 31 December	218 604	159 492

Movements in contract liability balance

	2020	2019
Opening balance 1 January	1 445 520	1 489 302
Additions to Balance	1 697 238	1 387 434
Amount from opening Balance recognized in P&L	(1 505 624)	(1 310 107)
Additions through M&A	249 608	39 835
Disposals	-172 644	-160 944
Closing Balance 31 December	1 714 097	1 445 520



Note 6 – Continued

AGE DISTRIBUTION OF TRADE RECEIVABLES FROM INVOICED DATE

(NOK 1,000)

	Trade receivables						Total
	Days past invoicing						
31 December 2020	Contract asstes	Invoices not overdue	31-60 days	61-90 days	91-180 days	181+ days	
Expected credit loss rate	0,45%	0,45%	3,04%	23,22%	46,28%	46,40%	4,21%
Estimated total gross							
Carrying amount at default	218 604	1 594 515	354 849	58 007	38 800	84 955	2 131 125
Expected credit loss	985	7 183	10 775	13 469	17 958	39 421	89 790

(NOK 1,000)

	Trade receivables						Total
	Days past invoicing						
31 December 2019	Contract asstes	Invoices not overdue	31-60 days	61-90 days	91-180 days	181+ days	
Expected credit loss rate	0,24%	0,24%	1,25%	6,04%	13,24%	36,56%	1,91%
Estimated total gross							
Carrying amount at default	159 492	1 348 002	385 948	99 670	60 618	48 351	2 102 081
Expected credit loss	380	3 210	4 815	6 018	8 025	17 676	40 123

The expected credit loss provisions is estimated based on historically incurred losses or events. The Group's accounts receivable which have been due for more than 180 days, excluding VAT, amount to TNOK 84 955 (TNOK 48 351 in 2019). Credit days varies between 15 and 30 days. There were no material individual items. The company considers the provision for expected credit loss to be adequate.

Unsatisfied performance obligations

(NOK 1,000)

	2020	2019
Within one year	1 064 562	1 133 802
More than one year	395 545	428 902
	1 460 107	1 562 704



Note 7 – Other current and long-term receivables

CONSOLIDATED

OTHER CURRENT RECEIVABLES

(NOK 1,000)	Note	2020	2019
Prepaid expenses		172 379	170 035
Other current receivables		395 003	148 034
Prepaid taxes		13 249	15 346
Financial assets/shares		18 831	4 954
Total other current receivables		599 462	338 369

OTHER LONG TERM RECEIVABLES

(NOK 1,000)	Note	2020	2019
Vendor loan note*		527 883	493 306
Net investment in subleases	18	19 587	13 649
Other long term receivables		35 131	32 537
Total other long term receivables		582 601	539 492

*in 2016, Visma sold its BPO division. Part of the purchase price was paid in kind through the issuance of a NOK 400m Vendor Loan Note accruing 7 % interest and recognized in the balance sheet under long term receivables.

Note 8 – Other operating expenses

CONSOLIDATED

(NOK 1,000)	2020	2019*
Telecom, postage and IT	301 139	277 994
Travel expenses	347 604	299 156
Car expenses incl leasing	48 481	149 720
Sales and marketing	33 140	32 259
Audit, lawyers' fees and other consulting services	354 446	291 371
Bad debts	449 872	468 589
Total other operating expenses	70 985	31 041
Total other current receivables	1 605 667	1 550 130

*2019 has been restated to reflect the sale of the Public e-procurement operations

Note 9 – Financial income and expenses

(NOK 1,000)

	2020	2019*
Financial income include:		
Dividend/transfer from investments****	142 000	6 000
Other interest income	24 088	30 708
Other financial revenues (PIK)	34 577	245 631
Total financial income	200 665	282 339
Financial expenses include:		
Interest expense	519 153	415 951
Interest expense on the lease liability	147 069	127 171
Amortisation funding fees	18 747	0
Foreign exchange losses**	11 405	13 346
Other financial expenses***	662	108 883
Total financial expenses	697 035	665 351

* 2019 has been restated to reflect the sale of the Public e-procurement operations

** Foreign exchange losses are in all material respects associated with inter-company items that represent foreign exchange risk for the Group that is not considered part of a net investment.

*** Other financial expenses consists mainly of amend and extend fees amortized in connection with the long term interest bearing loans.

**** Net gains from sale of shares in Superinvest AS



Note 10 – Income tax

The major components of income tax expense for the years ended 31 December 2020 and 2019 are:

(NOK 1,000)	2020	2019
Consolidated statement of profit and loss		
Current income tax charge	523 825	343 088
Changes in deferred taxes	-169 959	-68 055
Income tax expense reported in the statement of profit or loss	353 866	275 034
Consolidated statement of other comprehensive income (loss)		
Net gain (loss) on financial hedging instruments	-22 848	2 501
Net /(loss) on actuarial gains and losses	0	0
Deferred tax charged to OCI	(22 848)	2 501
Below is an explanation of why the tax expense for the year does not make up 22% of the pre-tax profit, 22% is the tax rate of the parent company Visma AS.		
	2020	2019
Ordinary profit before tax from continuing operations	1 736 003	1 262 408
Profit/(loss) before tax from a discontinued operation	1 999 022	13 268
Ordinary profit before tax	3 735 025	1 275 675
22 % tax on ordinary profit before tax	821 706	280 649
Adjustments in respect of current income tax of previous years		
Permanent differences	(412 190)	24 308
Different tax rate in group companies	(24 502)	(14 086)
Change in tax rates*	0	0
Loss (profit) from associated company	(2 304)	(121)
Non taxable dividend received	(30 303)	(5 820)
Recognised previous unrecognised tax loss	0	0
Tax expense	352 406	284 930
Income tax expense reported in the statement of profit or loss	353 866	275 034
Income tax attributable to a discontinued operation	-1 459	9 897
Effective tax rate from continuing operations	20,4 %	22,6 %

*No change in next year's tax rates

DEFERRED TAX AND DEFERRED TAX ASSETS	Consolidated statement of financial position		Consolidated statement of profit or loss	
	2020	2019	2020	2019
Current assets/liabilities	178 508	199 510	21 002	97 658
Fixed assets/long term liabilities	2 866 624	2 311 964	(218 422)	(170 570)
Tax losses carried forward	(4 642)	(28)	4 614	7 358
Net deferred tax liability / (asset)*	3 040 490	2 511 446	(192 807)	(65 554)
Reflected in the statement of financial position as follows:				
Deferred tax asset	94 760	57 016		
Deferred tax liability	3 135 250	2 568 462		
Net deferred tax liability / (asset)	3 040 490	2 511 446		
	2020	2019		
Deferred tax opening balance	2 511 446	2 088 871		
Group contribution related parties	(239 166)	(227 118)		
Currency effects	60 471	45 623		
Changes due to acquisitions	907 466	671 928		
Changes due to disposals*	(6 920)	0		
Taken to other comprehensive income including currency effects	(22 848)	2 501		
Taken to profit and loss	(169 959)	(70 359)		
Deferred tax closing balance	3 040 490	2 511 446		

The tax losses carried forward relate in all material respect to acquisitions made. The losses are available indefinitely to offset against future taxable profits in the companies in which the losses arose and through realistic tax planning strategies within different tax regimes.



Note 11 – Related party disclosures

Visma AS	Registered office	Holding %**	Book value***
Visma Danmark Holding A/S*	Copenhagen	100,00%	794 960 997
Visma Romania Holding SRL*	Sibiu	100,00%	99 832 600
Visma Finland Holding OY*	Helsinki	100,00%	244 789 512
Visma Nederland Holding BV*	Amsterdam	100,00%	3 602 712 081
Visma Norge Holding AS*	Oslo	100,00%	5 904 767 246
Visma Sverige Holding AB*	Växjö	100,00%	6 080 187
Visma International Holding AS*	Oslo	100,00%	722 253 182
Visma Latvia Holding SIA*	Riga	100,00%	53 416 300
Visma Treasury AS	Oslo	100,00%	5 000 000
Visma Belgium Holding BV*	Antwerp	100,00%	60 929 354
Total (NOK)			11 494 741 459

Visma Norge Holding AS*

Visma Software International AS	Oslo	100,00%	499 718 353
Visma Software AS	Oslo	100,00%	667 783 454
Tripletex AS	Oslo	100,00%	183 215 250
Visma Enterprise AS	Oslo	100,00%	59 018 636
Websystemer AS	Bergen	100,00%	222 112 726
Visma IT & Communications AS	Oslo	100,00%	66 326 991
Visma Financial Solutions AS*	Trondheim	100,00%	184 585 963
Visma Smartskill AS	Sarpsborg	100,00%	108 310 707
Visma Advantage AS	Oslo	100,00%	34 997 738
Visma Labs s.r.o	Bratislava	100,00%	13 222
Visma Avento AS	Ålesund	100,00%	86 144 968
Visma Exso AS	Barkåker	100,00%	266 234 526
Visma Consulting AS	Oslo	100,00%	214 663 481
Visma bWise AS	Oslo	100,00%	118 987 999
Visma Meglerfront AS	Oslo	60,00%	320 125 836
Visma Software Labs AS	Oslo	100,00%	677 472 926
Visma eAccounting AS	Oslo	100,00%	38 509 839

Visma AS	Registered office	Holding %**	Book value***
Mystore.no AS	Tromsø	100,00%	86 090 036
Conceptos AS	Oslo	69,00%	132 057 727
Visma Digital Commerce AS	Sandnes	100,00%	89 250 242
Power Office AS	Bodø	75,00%	1 976 621 190
Framsikt AS	Bø i vesterålen	50,10%	287 442 166
Admincontrol AS	Oslo	100,00%	396 226 573
Smartdok AS	Alta	70,00%	184 361 234
Raet Belgium NV	Brussels	0,00%	1
Visma Enterprise SA	Buenos Aires	0,00%	329 711
Visma Enterprise SAC	Lima	0,10%	7 447
Visma Enterprise Mexico	Mexico City	0,03%	1
Fenistra Holding AS	Oslo	100,00%	100 324 156
Giant Leap Technologies AS	Oslo	65,10%	341 288 574
Create-Solutions AS	Stavanger	50,10%	47 275 931
Presis-Utleie AS	Høvik	100,00%	3 000 000
Codegarden AS	Høvik	100,00%	31 653 750
Visma Finance AS	Oslo	100,00%	7 005 570
Visma Autopay AS	Oslo	100,00%	100 000
Flytteportralen AS	Oslo	100,00%	47 200 000
Compello AS	Fornebu	100,00%	275 540 688
Keller AS	Oslo	100,00%	4 525 000
Total (NOK)			7 758 522 612

Note 11 – Continued

Visma Sverige Holding AB*	Registered office	Holding %**	Book value***
Visma Software AB	Malmö	100,00%	166 488 771
InExchange Factorum AB	Skövde	100,00%	210 637 668
Visma Spcs AB	Växjö	100,00%	920 299 345
Visma Esscom AB	Bromman	100,00%	141 817 328
Visma Financial Solutions AB	Helsingborg	100,00%	250 386 195
Visma Advantage AB	Stockholm	100,00%	77 115 381
VSH dormant	Stockholm	100,00%	240 000
Visma Finance AB	Växjö	100,00%	54 997 792
Visma Enterprise AB	Stockholm	100,00%	590 804 120
Visma Labs AB	Stockholm	100,00%	312 895 924
Visma IT & Communications AB	Växjö	100,00%	2 220 000
Visma bWise AB	Gothenburg	100,00%	57 857 357
Visma Lindhagen AB	Stockholm	100,00%	4 000 000
Visma Consulting AB	Kista	100,00%	377 205 979
Specter AB	Skärhamn	70,00%	81 182 863
Trimma AB	Umeå	100,00%	164 083 286
Speedledger AB	Gothenburg	100,00%	238 405 562
Visma Proceedo AB	Lindköping	100,00%	38 198 180
Visma Digital Commerce AB	Norrköping	100,00%	25 252 525
WGR Data AB	Stockholm	85,00%	97 253 144
Visma Comenius AB*	Kalmar	100,00%	162 090 852
Svensk e-identitet AB	Uppsala	83,30%	112 901 200
Admincontrol Sweden AB	Stockholm	100,00%	24 264 483
Scancloud AB	Östersund	100,00%	190 112 412
Inyett AB*	Helsingborg	70,00%	197 692 456
Årsredovisning Online Sverige AB	Stockholm	100,00%	75 846 802
Utdelning Online Sverige AB	Stockholm	100,00%	50 000
Sustainable Planet 2 AB*	Arvika	80,00%	325 798 358
Nordic Peak Holding AB*	Sundsvall	50,40%	137 502 712
Total (SEK)			5 037 600 695

Visma Danmark Holding A/S*	Registered office	Holding %**	Book value***
LogBuy Danmark ApS	Copenhagen	100,00%	32 805 826
Visma Software A/S	Copenhagen	100,00%	58 946 298
IMS A/S	Aarhus	100,00%	62 899 853
FirstAgenda A/S	Åbyhøj	100,00%	182 354 533
Visma Consulting A/S	Copenhagen	100,00%	264 252 041
Co3 A/S	Ikast	80,00%	74 928 272
Kapacity A/S	Copenhagen	73,30%	120 243 880
ProLøn A/S	Randers	100,00%	358 843 832
Dinero Regnskab ApS	Copenhagen	100,00%	156 391 784
Visma e-economic A/S	Copenhagen	100,00%	1 095 355 010
Visma Digital Commerce ApS	Copenhagen	100,00%	720 863
Visma Enterprise A/S	Copenhagen	100,00%	1 127 283 031
Admincontrol Aps	Copenhagen	100,00%	3 174 078
Visma Enterprise A/S	Copenhagen	100,00%	25 132 615
Visma Rating ApS	Copenhagen	100,00%	1 500 000
Ditmer A/S	Åbyhøj	100,00%	57 055 000
Total (DKK)			3 621 886 915

Visma Finland Holding OY*

Visma Financial Solutions Oy	Turku	100,00%	26 517 595
Visma Software Oy	Espoo	100,00%	48 146 844
Visma Enterprise Oy	Helsinki	100,00%	49 603 083
Visma Megaflex Oy	Helsinki	100,00%	13 366 676
Visma Consulting Oy	Helsinki	100,00%	26 255 333
Visma AI Works Oy	Espoo	100,00%	4 830 817
Digital Illustrated Finland Oy	Helsinki	100,00%	5 286 682
Weoptit Oy	Helsinki	51,00%	4 501 826
Visma Solutions Oy	Lappeenranta	100,00%	55 841 182
Visma Passeli Oy	Pori	100,00%	20 334 663
Visma Public Oy	Espoo	100,00%	41 468 388

Note 11 – Continued

Visma Finland Holding OY*	Registered office	Holding %**	Book value***
Visma Tampuuri Oy	Helsinki	100,00%	22 532 548
Admincontrol Finland Oy	Helsinki	100,00%	781 510
Biit Oy	Espoo	51,00%	5 217 103
Paybyway Oy	Lappeenranta	100,00%	5 126 591
Inviaan Oy	Oulu	50,10%	11 999 147
Total (EUR)			341 809 989

Visma Nederland BV*

Visma Software BV*	Schiphol-Rijk	100,00%	99 425 022
Visma Teleboekhouden BV	Schiphol-Rijk	100,00%	5 223 626
Davilex Software BV	Houten	100,00%	5 357 973
Visma Circle BV	Eindhoven	100,00%	15 872 153
Visma Connect Holding BV	Gravenhage	100,00%	96 457 419
Visma Labs BV	Amersfoort	100,00%	1
ProActive International BV*	Haarlem	100,00%	29 114 885
Account Software BV	Amersfoort	100,00%	4 726 678
HR2DAY BV	Amstelveen	100,00%	5 368 659
Visma Raet BV	Amersfoort	100,00%	520 956 585
Raet Care BV	Amersfoort	100,00%	10 512
Raet International BV	Amersfoort	100,00%	3 364 291
Visionplanner BV	Veenendaal	100,00%	59 729 309
Dotweb BV	Schiphol-Rijk	100,00%	6 134 220
Intradata BV	Schiphol-Rijk	100,00%	6 317 829
Pinkweb BV	Amersfoort	100,00%	8 925 850
Verzuimsignaal BV	Utrecht	100,00%	15 125 030
Idella BV	Almere	100,00%	93 192 464
Nnbrs International BV	Amsterdam	100,00%	72 058 176
Piramide Automatisering BV	Emersfoort	100,00%	4 230 288
Cloudnnext BV	Almere	100,00%	3 224 441

Visma Nederland BV*	Registered office	Holding %**	Book value***
Roxit BV	Zwolle	100,00%	126 091 752
Onguard International Holding BV	Amsterdam	100,00%	36 783 146
Plusport BV	Gravenhage	100,00%	31 372 517
The Yuki Company BV	Rotterdam	100,00%	118 429 189
Cash Software BV	Den Haag	100,00%	23 831 069
Advitrae Group BV	Eindhoven	80,00%	39 409 363
Make Life Easier BV	Woerden	100,00%	9 675 666
PDE Practicom BV	Gravenhage	100,00%	4 769 733
Khonraad Software Engineering BV	Soest	100,00%	57 690 108
Total (EUR)			1 502 867 952

Visma Latvia Holding SIA*

Visma Enterprise SIA	Riga	100,00%	6 131 369
Visma Software Labs SIA	Riga	100,00%	350 000
Visma Consulting SIA	Riga	100,00%	250 000
JumisPro SIA	Riga	100,00%	3 200 000
Total (EUR)			9 931 369

Visma Latvia Holding SIA*

Visma Software SRL	Sibiu	100,00%	18 500 000
Intelligent SRL	Sibiu	100,00%	112 558 998
Total (RON)			131 058 998

Visma Belgium Holding NV*

Admisol NV	Ghent	100,00%	8 569 534
Total (EUR)			8 569 534



Note 11 – Continued

Visma International Holding AS*	Registered office	Holding %**	Book value***
BrainSHARE IT sp.z o.o.	Krakow	100,00%	53 439 115
KBOSS.hu KFT	Budapest	100,00%	218 137 667
Visma Labs s.r.o	Bratislava	100,00%	10 381 014
School Thing Limited	Dublin	100,00%	81 772 601
Visma Software Spa	Karkow	100,00%	15 713 108
Visma Lietuva UAB	Vilnius	100,00%	69 952 295
Visma Labs Ltd	Cork	100,00%	6 007 724
Visma Financial Solutions Spa z.o.o	Warszawa	100,00%	5 858 281
Mamut Software Ltd	London	100,00%	16 478 858
Merit Tarkvara AS	Pärna	100,00%	86 515 325
Visma Talent Solutions Ltd	Luton	100,00%	17 887 561
Raet Iberia SL	Madrid	100,00%	22 510 302
Visma Enterprise SpA	Santiago	100,00%	5 094 228
Visma Enterprise SA	Buenos Aires	100,00%	48 275 640
Visma Enterprise SAS	Bogota	100,00%	2 983 842
Visma Enterprise SAC	Lima	99,90%	9 288 919
Addonomy Bulgaria EOOD	Sofia	100,00%	2 130 343
Zetech SA	Buenos Aires	97,00%	137 169 660
Wolftech SRL	Montevideo	97,00%	53 607 199
InFakt sp.z.o.o	Krakow	100,00%	152 956 242
Total (NOK)			1 016 159 925

* Parent company in subgroup

** For all Group companies, the holding is equal to the proportion of voting capital. The holding includes voting instruments committed to be acquired through deferred mechanisms

*** Book value in the company accounts of the individual company in the Group. In the company accounts shares in subsidiaries are recognized according to the cost method.

Key management personnel of the group:

Reference is made to Note 16 for information about compensation of key management personnel of the group

Reference is made to the "Statement of changes in equity" note for information about group contribution to Visma Group Holding AS.

The ultimate parent

Vanahall AS is the ultimate parent entity of the group.

Other than administrative services, there were no transactions between the Visma group and Vanahall AS during the financial year.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made at terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash

There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2020, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note 12 – Bank deposits and loans

The consolidated accounts include cash and bank deposits of TNOK 10 257 409 (TNOK 6 571 888 in 2019). Of this, restricted cash amounts to TNOK 163 653 (TNOK 95 498 in 2019), whereof TNOK 66 031 relates to guarantee liabilities.

Group account facilities

Visma Treasury AS has a group facility with Danske Bank, in which all units in the Nordics and Netherlands participate. The group account facility has been established to promote optimal cash flow management. In the agreement with Danske Bank, a cash-pool agreement is included where all affiliated entities accounts are zero-balanced. A tool for cash management and interest simplifies the financial control of the groups

capital. The agreement gives an opportunity to enter limit appertaining to an entities account, which gives detailed control on unit level.

Interest bearing loans

Senior facility loans are nominated in NOK, SEK, EUR and DKK.

No form of compliance certificates is established on the Visma Group level. Form of compliance were established 05.09.2013 on the Visma Group Holding Group level. There were no breach of these covenants in 2020. The group is expected to pass all covenant-hurdles in the future.

(NOK 1,000)	Interest*	Interest margin	Interest	Interest accrued	Nominal value 31 December 2020	Due in				
						2021	2022	2023	2024	2025
Senior Visma AS	0,88%	1,02%	1,90%	NOK	4 145	0	0	0	0	0
Senior Visma Sverige Holding AB	-0,10%	2,90%	2,80%	SEK	5 241	2 806 562	100 000	100 000	100 000	2 406 562
Senior Visma Finland Holding OY	-0,46%	2,90%	2,45%	EUR	1 082	138 479	0	0	0	138 479
Senior Visma Danmark Holding AS	-0,11%	2,90%	2,79%	DKK	17 821	2 050 000	0	0	0	2 050 000
Senior Visma Nederland BV	-0,46%	2,90%	2,45%	EUR	808	103 505	0	0	0	103 505
Senior Visma Nederland BV TLB3	-0,46%	3,25%	2,80%	EUR	4 955	555 000	0	0	0	555 000
Senior Visma Nederland BV TLB4	-0,52%	3,75%	3,23%	EUR	1 257	250 000	0	0	0	250 000
Total Visma group translated to NOK				NOK	119 521	16 775 434	104 350	104 350	104 350	16 358 034
Expected interests to be paid				NOK			539 286	536 363		533 562
Interest swap Visma Sverige Holding AB				SEK	360	500 000				
Interest swap Visma Sverige Holding AB				SEK	269	650 000				
Interest swap Visma Finland Holding OY				EUR	176	75 000				
Interest swap Visma Danmark Holding A/S				DKK	710	460 000				
Interest swap Visma Danmark Holding A/S				DKK	331	300 000				
Interest swap Visma Danmark Holding A/S				DKK	121	250 000				
Interest swap Visma Nederland BV				EUR	78	26 000				
Interest swap Visma Nederland BV				EUR	59	55 000				
Interest swap Visma Nederland BV				EUR	155	100 000				
Interest swap Visma Nederland BV				EUR	105	60 000				
Interest swap Visma Nederland BV				EUR	68	50 000				
Interest swap Visma Nederland BV				EUR	49	35 000				
Total Visma group translated to NOK				NOK	9 524	6 819 786				

*Interest; For loans in NOK NIBOR - SEK STIBOR - EUR EURIBOR - DKK CIBOR | Reference is made to Note 20 for information about termination date and interest rate on interest swap agreements.

Note 12 – Continued

Average effective interest rate on financial instruments

	2020	2019
Interest bearing deposits	0,29%	0,52%
Revolving credit facility	2,84%	2,83%
Acquisition facility	2,84%	2,83%
Loan secured by mortgage	3,21%	3,66%

Acquisition financing Visma AS

	2020	2019
Acquisition financing national holding companies	16 671 084	13 065 812
Capitalised borrowing cost	(39 649)	(18 326)
Other non interest bearing long term borrowings	2 483 093	1 899 181
Long-term lease liabilities	1 565 685	1 298 216
Total	20 680 214	16 244 883

Reference is made to note 20 for information about interest risk and interest hedging instruments. Trade payables are non-interest bearing and are normally settled on terms between 15 and 60 days.

Changes in Liabilities arising from financing activities	1 January 2020	Cash Flows	Foreign exchange movement	Changes in fair values	Other	31 December 2020
Short-term interest bearing bank loans	94 420	-94 420	0	0	104 350	104 350
Revolving credit facility	0	0	0	0	0	0
Long term interest bearing loans and borrowings	13 047 486	2 743 940	944 360	0	-104 350	16 631 436
Financial Hedging instruments	72 370	0	0	112 699	0	185 069
Lease liabilities	1 692 721	-557 257	64 450	87 206	819 186	2 106 306
Total liabilities from financing activities	14 906 997	2 092 263	1 008 810	199 904	819 186	19 027 160

The 'Other' column includes the effect of reclassification of non-current portion of interest-bearing loans and borrowings, as well as new lease contracts.

Changes in Liabilities arising from financing activities	1 January 2019	Cash Flows	Foreign exchange movement	Changes in fair values	Other	31 December 2019
Short-term interest bearing bank loans	97 010	-97 010	0	0	94 420	94 420
Revolving credit facility	1 442 504	-1 508 009	65 505	0	0	0
Long term interest bearing loans and borrowings	9 320 973	3 977 415	-156 482	0	-94 420	13 047 486
Financial Hedging instruments	83 812	0	0	-11 442	0	72 370
Lease liabilities	1 491 424	-515 473	-14 698	155 298	576 170	1 692 721
Total liabilities from financing activities	12 435 723	1 856 923	-105 675	143 856	576 170	14 906 997



Note 13 – Other reserves

CONSOLIDATED

(NOK 1,000)	Financial hedging instruments (net of tax)	Exchange differences on translation of foreign operations (net of tax)	Other changes	Total other reserves
As at 1.1.2019	(95 438)	562 152	51 712	518 426
Changes in 2019	8 867	(23 706)	-	(14 839)
At 31.12.2019	(86 571)	538 446	51 712	503 587
Changes in 2020	(87 342)	348 024	-	260 682
At 31.12.2020	(173 913)	886 470	51 712	764 270

The following describes the nature of the equity component of other reserves:

Financial hedging instruments

This includes fair value changes of interest swap contracts (net of tax, ref. note 20).

Exchange differences on translation of foreign operations

Foreign currency translation includes exchange differences arising from the translation of the financial statements of foreign subsidiaries (net of tax).

Note 14 – Share capital and shareholder issues

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At 31.12.2020, the company's share capital consists of 1 share with a nominal value of NOK 188,000,000 fully paid. One share entitles the holder to one vote. No changes to the number of shares has taken place in 2020.

Shareholders at 31.12.2020	Holding (%)
Visma Group Holding AS	100%
Total	100%

Note 15 – Shares owned by the board & executive employees

CONSOLIDATED

At the end of the financial year, members of the Board and executive employees owned the following shares in the ultimate parent company, Vanahall AS.

	Holding
Board of Directors:	2,24%
Executive employees:	
Øystein Moan (CEO)	2,20%
Merete Hverven (CEO)	0,04%
Total	2,24%

VANAHALL AS

Shareholder/Nominee	Ordinary A-shares	Preference B-shares	Total Shares	%
CPPIB Vivaldi II Europe S.a.r.l - CPPIB funds	39 984 407	3 958 456 374	3 998 440 781	6,0%
General Atlantic VM, LLC	11 572 212	1 145 648 980	1 157 221 192	1,7%
Hornbeam Investment Pte Ltd - GIC funds	113 778 049	11 264 026 881	11 377 804 930	17,2%
TPG Lux 2020 SC V S.a.r.l - TPG Funds	20 498 184	2 029 320 206	2 049 818 390	3,1%
Trio Co-Invest 2 S.a.r.l - ICG Funds	43 425 938	4 299 167 872	4 342 593 810	6,6%
Vanahall PIKCo S.a.r.l - HG Funds	357 285 223	35 371 237 436	35 728 522 659	53,9%
VMIN 4 AS	56 209 804	2 685 107 672	2 741 317 476	4,1%
WP Vardos Holding Ltd - Warburg Pincus Funds	31 033 064	3 072 273 348	3 103 306 412	4,7%
Other management	61 604 430	1 685 486 386	1 747 090 816	2,6 %
Total	735 391 311	65 510 725 155	66 246 116 466	100,0%

Only ordinary A-shares have voting rights.

During 2020 there was a ownership transaction. HG, majority shareholder, agreed to further invest in the company. Existing investor CPPIB also acquired additional stakes. Furthermore, global investment firms TPG, General Atlantic and Warburg Pincus became investors in Visma for the first time.



Note 16 – Compensation of key management personnel of the group

(NOK 1,000)	2020	2019
CEO salary and other remuneration		
Salaries and benefits in kind	4 913	7 117
Bonus	3 000	9 000
Other	24	136
Total remuneration	7 937	16 253

The CEO's contract of employment provides for a termination payment equivalent to 18 months' salary. The CEO has a bonus agreement that is subject to achieved revenue and EBTIDA. Payment to the pension contribution plan amounted to NOK 30 302 in 2020.

(NOK 1,000)	2020	2019
Remuneration to the management		
(does not include CEO)		
Salaries and benefits in kind	30 710	26 407
Bonus	29 097	12 606
Other	1 500	1 389
Total remuneration	61 307	40 401

The executive management contract of employment provides for a termination payment between 6 and 12 months' salary. The executive management has a bonus agreement that is subject to achieved EBITDA. No loans have been granted to or security pledged for members of the management group.

Loans to employees

In some countries, employees are entitled to loans from the Group. The interest on loans to employees is not lower than the market interest rate. The other borrowing terms and conditions are generally the same as normal market terms and conditions. Loans to employees comprised in 2020 to TNOK 2 411,6 compared to TNOK 98,6 in 2019.

Remuneration to the board of directors

The Board will propose to the general meeting that the Board's remuneration for 2020 is set at TNOK 0 (TNOK 750) to the chairman of the Board. This is paid by Visma AS.

REMUNERATION TO THE AUDITORS	2020				2019				
	(NOK 1,000)	Visma AS	Other Group companies	Other Auditors	Total	Visma AS	Other Group companies	Other Auditors	Total
Audit services		2 117	18 957	1 486	22 560	1 641	17 082	1 429	20 152
Other attestation services		615	175	-	790	-	1 460	-	1 460
Tax services		616	2 432	-	3 048	242	2 657	-	2 899
Other services		1 332	18 153	-	19 485	1 141	7 270	-	8 411
Total		4 679	39 717	1 486	45 882	3 024	28 469	1 429	32 922

All fees are exclusive of VAT



Note 17 – Secured debt and guarantee liabilities

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Debtor	Actual guarantee debtor	Creditor	Type of guarantee	Guarantee limit
Visma AS*	Visma Software BV, NL	Van Lanschot Bankiers N.V, NL	liability	TEUR no limit
Visma AS	DSB Business Solution International	Dell Products, Dublin, IR	liability	TEUR no limit
Visma AS	Visma Lindhagen AB, SE	Remulus Svealand 2AB, Stockholm, SE	lease of premises	TSEK 326 880
Visma AS	Visma Malmö AB, SE	AB Remulus Bassängkajen Malmö, Malmö, SE	lease of premises	TSEK 90 216
Visma AS*	Exso AS	Dell AS, NO	liability	TNOK 100
Visma AS	Visma Finland Holding Oy	Sponda Oyj	lease of premises	TEUR 73
Visma Danmark Holding AS	Visma Consulting A/S, DK	PFA Eiendomme A/S	lease of premises	TDKK 5
Visma Finland Holding Oy	Visma Consulting Oy	Tamro Oyj	liability	TEUR no limit
Visma Norge Holding AS	Visma Exso AS, NO	Narviga 10 AS	lease of premises	TNOK 0
Visma Norge Holding AS	Visma Exso AS, NO	Nils Hansensvei 3 AS	lease of premises	TNOK 1
Visma Norge Holding AS	Visma IT&C AS, NO	Digiplex Rosenholm AS, Oslo	lease of premises	TNOK 1
Visma Norge Holding AS	Visma Software International AS, NO	Fram Eiendom AS, Oslo	lease of premises	TNOK 36 304
Visma Norge Holding AS	Visma Software International AS, NO	Dikeveien 54 Eiendom AS	lease of premises	TNOK 6
Visma Romania Holding Srl	Visma Software Srl	S.C Timisoara Office Building Srl	lease of premises	TEUR 185
Visma Romania Holding Srl	Visma Software Srl	S.C. Hattrick Office SRL	lease of premises	TEUR 179
Visma Sverige Holding AS	Visma EssCom AB	Gårdsfogdevägen 5-7, Bromma, SE	lease of premises	TSEK 2
Visma Nederland BV	ProActive Software Nederland B.V	Richard Holade 9, 2033 PX Harleem	lease of premises	TEUR 7 600
Visma Nederland BV	ProActive Software Nederland B.V	Behoud van Natuurmonumenten in Nederland	liability	TEUR 1 500
Visma Software International AS	Visma Software Sp.zoo	Pawia 23, Krakow	lease of premises	TEUR 5 000
Visma Danmark Holding A/S	Kapacity A/S	Trindholmsgade A/S	lease of premises	TDKK 361
Visma Norge Holding AS	Compello AS	Kontor	lease of premises	TNOK 1 283
Visma AS	Visma Connect BV	KPMG Staffing & Facility Services BV	lease of premises	TEUR 204
Visma AS	Visma Nederland BV	CNBB Venture Partners II BV, Xantippe NV, Stichting NO.2, Stichting Administratiekantoor TYC, Stichting Administratiekantoor Bejette, Mr L.T.H Brentjens, Mr. S.E Roet, Mr R.J Hoevens, Mr M.A.J.J Coppens	deferred liability	TEUR 35 000
Visma AS	Visma Nederland BV	Quetty Investment BV	deferred liability	TEUR 29 492
Visma AS	Visma Nederland BV	JHB Participaties BV, R.H Mijnsbergen Holding BV	deferred liability	TEUR 10 000
Visma AS	Visma Belgium Holding BV	Joost Nachtergaele	deferred liability	TEUR 3 500
Visma AS	Visma Nederland BV	The BV, Michiel Wijma Holding BV, P.A. Renee, J.M.P. van Dooren	deferred liability	TEUR 4 500
Visma AS	Visma Nederland BV	Verdasdonck Beheer B.V., B.M.A. Engelen Beheer	deferred liability	TEUR 7 127
Visma AS	Visma Nederland BV	Verdasdonck Beheer B.V., B.M.A. Engelen Beheer	deferred liability	TEUR 13 000
Visma AS	Visma Nederland BV	Cntrl Beheer BV, Wydee BV	deferred liability	TEUR 41 428
Total guarantees			TNOK	2 139 279

Note 17 – Continued

Security is granted for loans as described in note 12 as follows:

Shares

Visma AS has pledged shares in the respective national holding companies. The national holding companies have pledged its share holdings in subsidiaries. Refer to note 11 which describe the group structure.

Account receivables

Pledges on account receivables are established in most countries. In Finland and Sweden floating charge is established on some subsidiaries.

Operating assets

Pledges on operating assets are established in certain companies.

All securities granted will always be subject to local law.

Note 18 – Leases

CONSOLIDATED

Leases

The Group has entered into commercial leases on certain motor vehicles and IT machinery. These leases have an average duration of between 1 and 5 years with no renewal options included in the contracts.

There are no restrictions placed upon the lessee by entering these leases.

In addition the Group has entered into commercial property leases related to the Group's office buildings. These leases have remaining terms of between 1 and 10 years. In certain cases, Visma may sublease part of the office space to a third party.

Right of use assets recognized in the Balance sheet	2020	2019
Right of use assets	1 954 430	1 567 127
Net Investment in subleases	19 587	13 649

(NOK 1,000)	Buildings	Machinery, equipment and vehicles	Total
At 1 January 2020	1 383 294	183 832	1 567 126
Additions	617 372	79 956	697 328
Additions through business combinations	133 779	-11 921	121 858
Disposals and scrap	-12 679	-1 428	-14 107
Discontinued Operations	-17 100	-900	-18 000
Depreciation of the year	-417 236	-46 989	-464 225
Exchange adjustments	69 170	-4 719	64 450
At 31 December 2020	1 756 600	197 830	1 954 430
Depreciation rates (straight line method)	1-10 years	1-5 years	
At 1 January 2019	1 222 252	162 430	1 384 682
Additions	415 574	18 252	433 826
Additions through business combinations	94 995	47 347	142 342
Disposals and scrap	-942	-125	-1 067
Depreciation of the year	-333 622	-44 337	-377 959
Exchange adjustments	-14 963	265	-14 698
At 31 December 2019	1 383 294	183 832	1 567 126
Depreciation rates (straight line method)	1-10 years	1-5 years	



Note 18 – Continued

	2020	2019
Lease liabilities recognized in the Balance sheet		
Long-term lease liabilities	1 565 685	1 298 216
Short-term lease liabilities	540 621	394 505
At 1 January 2019	1 692 721	1 491 424
Additions	697 328	433 828
Additions through business combinations	121 858	142 342
Lease payments	-557 257	-515 473
Interest expense for the lease liability	147 069	128 712
Transfer and reclassifications	-59 863	26 586
Currency exchange differences	64 450	-14 698
Total lease liabilities at 31 December	2 106 306	1 692 721
Maturity analysis - undiscounted contractual cashflows		
	2020	2019
Within one year	540 621	394 505
After one year but no more than four years	1 378 510	996 640
More than five years	576 331	1 655 965
Expenses related to the right of use assets and lease liabilities recognized in the P&L		
	2020	2019
Total lease expenses included in other operating expenses**	76 740	64 831
Depreciation	464 225	377 959
Interest on lease liabilities	147 069	128 712
Total expenses from leases recognized in the P&L	688 034	571 502
Cash flow from leases		
	2020	2019
Lease payments	557 257	515 473
Total lease expenses included in other operating expenses**	76 740	64 831
Total lease expenses	633 997	580 304

** Variable lease payments as well as lease payments for leases of low value of short term leases are recognized in other operating expenses.

Note 19 – Information on calculation of earnings per share CONSOLIDATED

The calculation is based on the following information:

(NOK 1,000)	2020	2019*
Majority's share of the Group's profit/loss for the year		
Continuing operations	1 386 782	918 313
Discontinued operations	1 999 022	75 402
Majority's share of the Group's profit/loss for the year (NOK 1,000)	3 385 804	993 715
Time-weighted average number of shares 31 December	1,00	1,00
Earnings per share (NOK)	3 385 804 204	993 714 992
Effect of dilution:		
Share options	-	-
Time-weighted average number of shares 31.12 including options	1,00	1,00
Diluted earnings per share (NOK)	3 385 804 204	993 714 992

*2019 has been restated to reflect the sale of the Public e-procurement operations

Earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the year plus the effect of all dilutive potential ordinary shares.

Note 20 – Financial instruments

Extraordinary risk factor: Covid-19

In 2020, the global economy, including Visma’s core markets were hit by the Covid-19 pandemic. Heavy restrictions were implemented across Visma’s core markets to limit the spread of the virus, including mandatory home office, closure of schools, travel restrictions and closure of certain businesses such as restaurants or gyms.

The coronavirus pandemic had an extraordinary, negative impact on the overall economy and increased risk of bankruptcies among Visma’s customer base. Visma provides need-to-have products for businesses, has a well diversified customer portfolio with close to 1 million customer contracts and a significant portion of Visma’s revenues are contracted, recurring and repeatable revenues. Visma also operates in markets with strong public finances and the governments of the Nordic countries and the Netherlands have implemented several economic support measures to keep businesses afloat during the pandemic. All of these factors provide Visma with downside protection in the event of a recession. Nonetheless, the company took measures to manage cost and liquidity risk during the pandemic and economic downturn that followed in 2020.

Market and technology risks

As all companies, Visma is exposed to general economical fluctuations and GDP developments in the different countries where Visma is selling its products and services. As a technology company, Visma is also exposed to risks associated with dramatic shifts in technology, and resulting changes in the competitive landscape. Competition have been present in our markets for many years and although Visma is used the competition it remains a constant challenge to preserve and gain market shares.

The market and technology risk exposure is however limited by the following factors:

- The products and services provided cater to a large degree to requirements that are mandatory and necessary regardless of the economical cycle.
- Visma has a significant customer base spread across several countries and verticals. This lowers the exposure to events affecting a single country or vertical market. Visma’s portfolio of small and medium size customers simplifies project execution and lower implementation risks.
- Visma has a wider range of products and services than its competitors, which provides more opportunities for cross-selling, more product sales to each customer, and less churn.

Financial risk

The Group’s principal financial liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to raise finance for the Group’s operations. The Group has loan and other long-term receivables, trade and other receivables, and cash and short-term deposits that arrive directly from its operations. The Group has also entered into derivative instruments for hedging purposes, these derivatives have the same principal terms as the bank loans - December 3rd 2025. The Group does not use financial instruments, including financial derivatives, for trading purposes. The Group’s senior management oversees the management of these risks.

Guidelines for risk-management have been approved by the board.

The most significant financial risks for the Group are interest rate risk, liquidity risk, credit risk and exchange rate risk. The board and Management continuously evaluate these risks and determine policies related to how these risks are to be handled within the Group.

Credit risk

The Group are exposed to credit risk primarily related to accounts receivable, contract assets and other long-term receivables. The Group has no significant credit risk linked to an individual customer or several customers that can be regarded as a group due to similarities in the credit risk. The risk is limited due to the large number of customers and small amounts being invoiced to each customer.

The Group has guidelines for ensuring that sales are only made to customers that have not experienced any significant payment problems, and that outstanding amounts do not exceed certain credit limits. The Group has not provided any guarantees for third parties liabilities.

The maximum risk exposure is represented by the carrying amount of the financial assets in the balance sheet. The Group regards its maximum credit risk exposure to the carrying amount of trade receivables (see Note 6) and other current assets (see Note 7).

Interest-rate risk

The Group is exposed to interest-rate risk through its funding activities (see Note 12). All of the interest bearing debt has floating interest rate conditions which make the Group influenced by changes in the market rate

The objective for the interest rate management is to minimize interest costs and at the same time keep the volatility of future interest payments within acceptable limits. The Group has loans in NOK, DKK, SEK and EUR giving a natural hedge for the interest rate risk to the underlying cash flow in the companies.

	Adjustment in interes rates	Effect on profit before tax, TNOK
2020	± 50bps	± 49 778
2019	± 50bps	± 36 811

Derivative instruments designated as cash flow hedging instruments

Parts of the groups cash flow are related to interest rate risk. Parts of the groups cash flow are related to interest rate risk. The group has entered into interest rate contracts covering approximately 50% of the loan amounts. Interest rate contracts were amended in 2019 to reflect the the fourteenth amendment to the loan facilities. Interest rate for loans with floating rate has been hedged using interest rate swaps, where the group receives floating rate and pays fixed rate. The hedge is expected to exactly offset changes in expected cash flows due to fluctuations in the interest rate over the term of the debt. The effectiveness of the hedge relationship will be periodically assessed during the life of the hedge by comparing the current terms of the swap and the debt to assure they continue to coincide.



Note 20 – Continued

The table below shows the fair value of the interest swap contracts.

Debtor	Fixed interest		Nominal value	Fair value*
Visma Sverige Holding AB from 14.03.16 to 03.12.25	0,52%	SEK	650 000	(14 004)
Visma Sverige Holding AB from 05.09.13 to 03.12.25	0,98%	SEK	500 000	(22 344)
Visma Finland Holding OY from 07.09.15 to 03.12.25	0,27%	EUR	75 000	(28 473)
Visma Danmark Holding A/S from 07.09.15 to 03.12.25	0,37%	DKK	460 000	(17 590)
Visma Nederland BV from 07.09.15 to 03.12.25	0,47%	EUR	26 000	(12 626)
Visma Nederland BV from 05.09.18 to 03.12.25	0,07%	EUR	55 000	(12 140)
Visma Nederland BV from 05.09.18 to 03.12.25	0,03%	EUR	100 000	(25 131)
Visma Nederland BV from 05.09.18 to 03.12.25	0,10%	EUR	60 000	(17 535)
Visma Nederland BV from 05.09.18 to 03.12.25	-0,03%	EUR	50 000	(11 416)
Visma Nederland BV from 05.03.20 to 03.12.25	-0,02%	EUR	35 000	(8 075)
Visma Nederland BV from 05.03.21 to 03.12.25	-0,42%	EUR	50 000	(770)
Visma Danmark Holding A/S from 27.09.18 to 03.12.25	0,24%	DKK	300 000	(11 204)
Visma Danmark Holding A/S from 05.03.20 to 05.12.25	0,05%	DKK	250 000	(3 761)
Total in NOK				(185 069)

* Fair value adjustment as market to market value at year end 2020, for the remaining life of the contracts.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due (reference is made to Note 12 for the loan repayment schedule). The Groups approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Groups reputation.

Surplus liquidity is primarily invested in bank deposits

Exchange rate risk

The Group is exposed to changes in the value of NOK relative to other currencies (mainly SEK, DKK and EUR), due to production and sales operations in foreign entities with different functional currencies. The net income of the Group is also affected by changes in exchange rates, as the profit and loss from foreign operations are translated into NOK using the weighted average exchange rate for the period. The Group has loans denominated in SEK, DKK and EUR to reduce the cash flow risk in foreign currency.

The following table sets the Group's sensitivity for potential adjustments in NOK exchange rate, with all the other variables kept constant. The calculation is based on equal adjustments towards all relevant currency. The effect in the profit is a result of adjustments in monetary items.

	Adjustment in interes rates	Effect on profit before tax, TNOK
2020	± 5 %	± 36 581
2019	± 5 %	± 24 452

Capital structure and equity

The primary focus of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholders value. The group manages its capital structure and makes adjustment to it, in lighth of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives policies or processes during the financial year. The Group monitors capital according to covenants described in note 12, and a measure of the ratio of net debt divided by total capital plus net debt as shown below.

	2020	2019
Interest-bearing debt	16 775 434	13 160 232
Less cash and cash equivalents	10 257 409	6 571 889
Net debt	6 518 025	6 588 343
Majority's equity	17 615 650	13 774 025
Total equity and net debt	24 133 676	20 362 368
Debt ratio	27%	32%

Determination of fair value

The fair value of financial assets classified as "available for sale" is determined by reference to published price quotations in an active market. For unquoted financial assets the fair value has been estimated using a valuation technique based on assumptions that are not supported by observable market prices. The following of the Group's financial instruments are not measured at fair value: cash and cash equivalents, trade receivables, other current receivables, overdraft facilities and long-term debts.

The carrying amount of cash and cash equivalents and overdraft facilities is approximately equal to fair value since these instruments have a short term to maturity. Similarly, the carrying amount of trade receivables and trade payables is approximately equal to fair value since they are entered into on "normal" terms and conditions.

The fair value of loan notes have been calculated using market interest rates.



Note 20 – Continued

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments.

	2020		2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	10 257 409	10 257 409	6 571 888	6 571 888
Trade receivables	2 041 335	2 041 335	1 902 465	1 902 465
Shares measured at fair value through profit and loss	18 831	18 831	4 954	4 954
Other non-current assets	582 601	582 601	539 492	539 492
Financial liabilities				
Revolving credit facility	0	0	0	0
Short-term interest bearing bank loans	104 350	104 350	94 420	94 420
Trade and other payables	702 779	702 779	590 812	590 812
Financial hedging instruments	185 069	185 069	72 370	72 370
Interest-bearing loans and borrowings:				
Bank loans	16 671 084	16 671 084	13 065 812	13 065 812

Fair value and carrying amounts of bank loans are not materially different because of variable interest rates and low credit spreads.

Fair value hierarchy

As at 31 December 2020, the Group held the following financial instruments measured at fair value:

	31 Dec. 2020	Level 1	Level 2	Level 3
Assets measured at fair value				
Shares measured at fair value through profit and loss	18 831			18 831
Liabilities measured at fair value				
Financial hedging instruments	185 069		185 069	
Shares measured at fair value through profit and loss				

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Note 21 – Discontinued operations

On December 10th 2020, Visma sold its public e-procurement operations to Merzell, a Norwegian company listed on Euronext Growth. With Opic and TendSign, Merzell significantly strengthens their position in the Swedish market for digital public procurement solutions. The net consideration for the sale was NOK 2 221 million, of which 157m is a seller credit.

Preliminary fair value and net gain on sale is presented below.

In Visma AS' consolidated financial statement, the gain from the sale is NOK 1 897 million. The public e-procurement operation is presented in the consolidated financial statement under discontinued operations.

Note 21 – Continued

Condensed Statement of Income from discontinued operations

(NOK 1,000)	2020	2019
Revenue	184 680	175 987
Total operating expenses	87 505	89 025
Depreciation tangible assets, capitalised R&D and RoU assets	3 952	3 919
Amortisation intangible assets	18 950	10 011
Operating profit EBIT	74 273	73 032
Net financial items	-133	-1 001
Profit before taxes from discontinued operations	74 140	72 031
Taxes	-1 459	9 897
Profit for the year from discontinued operations	75 599	62 134
Net gain on sale of discontinued operations	1 923 423	13 268
Net income from discontinued operations	1 999 022	75 402
Condensed Statement of Cash Flows from discontinued operations		
Operating	53 524	52 578
Investing	0	0
Financing	(823)	(1 540)
Net Cash (outflow)/inflow	52 701	51 038
Earnings per share		
Basic, profit/(loss) for the year from discontinued operations	1 999 022	75 402
Diluted, profit/(loss) for the year from discontinued operations	1 999 022	75 402

Recorded value of assets and liabilities as at the date of disposal were:

(NOK 1,000)	10/12/2020
ASSETS	
Patents and other intangible assets	-
Contracts and customer relationships	33 743
Goodwill	238 113
Right of use assets	18 035
Accounts receivables	48 871
Other current receivables	1 409
Cash and cash equivalents	154 917
Assets	495 087
LIABILITIES	
Deferred tax liability	7 688
Long-term lease liabilities	2 410
Trade creditors	1 754
Public duties payable	13 649
Tax payable	-3 358
Deferred revenue	105 334
Short-term lease liabilities	3 225
Other current liabilities	40 866
Liabilities	171 569
Value of net assets	323 519
Attributable to equity holders of Visma AS	323 519
Non controlling interests	-
Net sales proceeds Public e-procurement solutions	2 220 542
Net assets Public e-procurement solutions	323 519
Net gain on sale of Public e-procurement solutions	1 897 023
Additional purchase price received on sale of Visma Retail*	26 400
Net gain on sale discontinued operations	1 923 423
Profit for the year from discontinued operations	75 599
Net income discontinued operations	1 999 022

*In 2018, Visma disposed of its retail software business. During 2020, Visma received a milestone-related additional purchase price from the sale

Note 22 – Current liabilities

CONSOLIDATED

OTHER CURRENT LIABILITIES

(NOK 1,000)	2020	2019
Accrued interests	129 045	136 957
Deferred payment	2 086 955	374 127
Other short-term liabilities*	1 315 497	1 068 621
Total other current liabilities	3 531 497	1 579 704

Ref. note 17 for security to guarantee short term debt

OTHER NON-CURRENT LIABILITIES

(NOK 1,000)	2020	2019
Deferred payment	2 089 452	1 748 765
Other non-current liabilities	393 641	150 416
Total other non-current liabilities	2 483 093	1 899 181

*Other short-term liabilities consists of fixed deferred payment and earn.out related to acquisitions

Note 23 – Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to 5 cash generating units (CGU) for impairment testing. The five CGUs are operating segments and are as follows:

- 1 Software Nordics & International
- 2 Software Benelux
- 3 Visma Custom Solutions
- 4 Visma Commerce Solutions
- 5 Visma CIS, IT & HQ

Key assumptions used in value-in-use calculations

The recoverable amount of the segments units has been determined based on a value in use calculation. Cash flow projections are based on budget for 2021 approved by management. For the period 2021-2024, management assumes an annual nominal increase in revenues of 3% and an annual EBITDA improvement of 0,5 %. In a limited number of instances, where company characteristics deviate materially, different assumptions have been applied. Management expects the Group's share of the market to be stable over the budget period. The discount rate applied to cash flow is 6,0 % (2019: 6,0 %) and cash flows beyond year 2024 are extrapolated using a 1 % growth rate (2019: 1 %). Based upon the similarity of market conditions within the Nordic and Dutch markets, the same method for determining recoverable amounts has been applied across the different CGUs.

Carrying amount of goodwill

(NOK 1,000)	2020	2019
Software Nordics & International	8 655 654	5 791 546
Software Benelux	6 516 706	5 731 432
Visma Custom Solutions	3 638 262	2 632 109
Visma Commerce Solutions	1 597 258	1 284 013
Visma CIS, IT & HQ	331 738	316 514
Total	20 739 618	15 755 615

The recoverable amounts for the different cash generating units are higher than the carrying amounts and no impairment loss is recognised in 2020. With regard to the assessment of value-in-use of the different cash generating units above, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the units to materially exceed its recoverable amounts. Estimated cash flows and growth rates used in determining the value in use exclude any estimated future cash inflows or outflows expected to arise from future restructuring or from improving or enhancing the asset's performance.



Note 24 – Events after the balance sheet date

CONSOLIDATED

Significant events after the balance sheet date that occur before the Board of Directors has approved the financial statements may make it necessary to change the annual financial statements or to disclose the matter in the notes to the financial statements. If new information emerges regarding a matter that existed on the balance sheet date, and the matter is significant, the financial statements must be changed. If events concern matters that arose after the balance sheet date, the matters may have to be disclosed in a note.

Visma has in 2021 acquired the following companies: Outstanding24 Group, Sticos AS, Brincr BV. Please refer to note 1 for more information.

Extraordinary risk factor – impact of Covid-19

The global economy, including Visma's core markets are still heavily impacted from the novel Coronavirus, Covid-19. Covid-19 was characterized as a global Pandemic by the World Health Organization on 11 March 2020.

Although vaccinations have begun, it will be several months before the general population has been vaccinated. As a result of the dim Covid-19 outlook, economists are lowering GDP expectations for 2021 across our core markets.

The coronavirus pandemic will have an extraordinary, negative impact on the overall economy which may in turn have a negative effect on the demand for Visma's products and increased risk of bankruptcies among Visma's customer base. Visma provides need-to-have products for businesses, has a well diversified customer portfolio with close to 1 million customer contracts and a significant portion of Visma's revenues are contracted, recurring and repeatable revenues. All of these factors provide Visma with downside protection in the event of a recession. Nonetheless, the company is taking measures to manage cost and liquidity risk during the pandemic and economic downturn that is predicted to follow.

No other events have taken place after the reporting period that would have affected the financial statements or any assessments carried out.



Parent company annual accounts

Profit and loss statement – 1 Jan. - 31 Dec.

VISMA AS

(NOK 1,000)	Note	NGAAP 2020	NGAAP 2019
OPERATING REVENUE			
Other revenue	1	284 267	238 985
Total operating revenue		284 267	238 985
OPERATING EXPENSES			
Cost of goods sold	1	119 000	95 000
Payroll and personnel expenses	2	92 778	72 331
Depreciation and amortisation expenses		1 400	1 452
Other operating expenses	3	25 645	29 874
Total operating expenses		238 823	198 657
Operating profit		45 444	40 328
FINANCIAL ITEMS			
Financial income	4	4 231 001	1 110 440
Financial expenses	4	(21 604)	(39 899)
Net financial items		4 209 397	1 070 541
Profit before taxes		4 254 842	1 110 869
Taxes	5	253 487	243 792
Profit for the year		4 001 354	867 077
Transfers and allocations			
Transferred to / (from) retained earnings		4 001 354	867 077
Total transfers and allocations	6	4 001 354	867 077
Group contribution paid (net after tax)		(336 236)	(376 982)

Balance sheet 31 Dec.

VISMA AS

(NOK 1,000)	Note	NGAAP 2020	NGAAP 2019
ASSETS			
Non-current assets			
Intangible assets			
Deferred tax assets	5	317	234
Total intangible assets		317	234
Tangible fixed assets			
Property		23 807	23 807
Machinery and equipment		1 575	3 700
Total tangible fixed assets		25 382	27 507
Financial assets			
Shares in subsidiaries	8	11 494 741	8 255 970
Investment in associated companies	8	200	62 000
Total financial fixed assets		11 494 941	8 317 970
Total non-current assets		11 520 640	8 345 711
Current assets			
Inter-company receivables	8	1 144 115	1 380 326
Other current receivables	8	255	1 226
Total receivables		1 144 370	1 381 552
Cash and cash equivalents			
Cash pool	7	1 888 769	163 251
Cash and cash equivalents	7	77 319	84 577
Total cash and cash equivalents		1 966 088	247 828
Total current assets		3 110 458	1 629 380
TOTAL ASSETS		14 631 098	9 975 091

(NOK 1,000)	Note	NGAAP 2020	NGAAP 2019
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Paid-in capital			
Share capital		188 000	187 000
Share premium reserve		5 072 289	4 541 914
Other paid-in capital		882 113	413 113
Total paid-in capital	6	6 142 402	5 142 027
Retained earnings			
Retained earnings		(2 481 974)	3 220 128
Total equity	6	3 660 428	8 362 155
Non-current liabilities			
Other long-term interest bearing loans and borrowings		0	0
Total non-current liabilities		0	0
Current liabilities			
Short term liabilities to group companies		10 918 929	1 570 138
Trade creditors		622	0
Public duties payable		2 403	1 796
Taxes payable		0	4 337
Other current liabilities	8	48 716	36 665
Total current liabilities		10 970 670	1 612 936
Total liabilities		10 970 670	1 612 936
TOTAL EQUITY AND LIABILITIES		14 631 098	9 975 091
Secured liabilities and guarantees	8		

Oslo, 18 March 2021


Søren Holt
Director


Jean Baptiste Vincent
Roger Robert Brian
Director


Timo Larjomaa
Director


Merete Hverven
CEO and Director


Henry Ormond
Director


Nicholas James Humphries
Director


Hafiz Lalani
Director


Mads Hansen
Director


Øystein Moan
Chairman of the Board

Cash flow statement – 1 Jan. - 31 Dec.

VISMA AS

(NOK 1,000)	NGAAP 2020	NGAAP 2019
Ordinary profit / loss before tax	4 254 842	1 110 869
Depreciation and amortisation expenses	1 400	1 452
Cash inflow from interest	(4 519)	(5 548)
Cash outflow from interest	19 281	39 774
Group contribution received	(1 117 037)	(898 452)
Dividend received from group companies	(2 967 203)	0
Dividend/transfer from investments	(142 000)	(6 000)
Gain on sales of shares	0	(199 805)
Cash flow from operations	44 764	42 290
Changes in debtors	622	(4 555)
Changes in public duties payable	607	498
Non-cash related financial items	0	0
Change in intercompany receivables/payables	2 961	(45 548)
Change in other accruals	8 417	19 698
Net cash flow from operations	57 370	12 384

(NOK 1,000)	Note	NGAAP 2020	NGAAP 2019
Investment in tangible fixed assets		0	(1 737)
Investment in businesses		(1 303 658)	(2 145 747)
Sale of shares		0	238 527
Net cash flow from investments		(1 303 658)	(1 908 957)
Net cash flow from share issues		0	1 900 048
Received dividend/group contribution		4 551 529	854 097
Payment of dividend/group contribution		(1 570 138)	(771 196)
Cash inflow from interest		4 519	5 548
Cash outflow from interest and fees		(19 281)	(39 774)
Net cash flow from financing activities		2 966 629	1 948 723
Net cash flow for the year		1 720 341	52 149
Cash and cash equivalents 1.1		247 828	195 169
Net foreign exchange difference		(2 081)	510
Cash and cash equivalents 31.12		1 966 088	247 828
Specification of cash and cash equivalents			
Bank accounts		77 319	84 577
Deposits in group cash pool facility		1 888 769	163 251
Cash and cash equivalents 31.12	7	1 966 088	247 828

Note 1 – Revenue

VISMA AS

(NOK 1,000)	2020	2019
Management service fee invoiced to group companies*	161 987	138 859
Invoiced marketing/branding expenses to group companies**	122 280	100 126
	284 267	238 985

*The company has chosen to centralize certain management activities in order to provide them at a lower cost and at higher quality compared to what each of the companies would be able to achieve on a separate basis. Central activities are strategic business development, finance and treasury, organizing of audit, legal activities.

**All companies in the Visma Group are obliged to use the Visma brand and logo. Thus all marketing activities performed by business units are to be done according to the Visma brand code. The companies pay a fee to the marketing department.

Note 2 – Payroll and personnel expenses

VISMA AS

(NOK 1,000)	2020	2019
Salaries	62 114	47 121
Salaries to employees other group units*	9 162	1 520
Employer's national insurance contributions	11 422	6 891
Pension expenses	1 178	996
Other personnel expenses	8 902	15 803
Total	92 778	72 331
Average number of man-years	23	19

For further information regarding compensation of key management, loans to employees and pensions, see note 3 and 16 in the consolidated accounts.

*invoiced salary expenses regarding group management and management trainees hired in other group units.

Note 3 – Other operating expenses

VISMA AS

(NOK 1,000)	2020	2019
Rent	3 401	4 226
Other office expenses	12 940	9 057
Telecom, postage and IT	3 832	243
Travel expenses	598	2 241
Car expenses incl leasing	32	120
Sales and marketing	1 571	6 697
Audit, lawyers' fees and other consulting services *	3 272	7 289
Total other operating expenses	25 645	29 874

* Reference is made to note 16 in the consolidated financial statement

Note 4 – Financial income and expenses

VISMA AS

(NOK 1,000)	2020	2019
Financial income includes the following items:		
Dividend/transfer from investments and associated companies	142 000	6 000
Dividend from group companies	2 967 203	199 805
Other interest income	4 519	5 548
Foreign exchange gains	242	636
Group contribution	1 117 037	898 452
Total financial income	4 231 001	1 110 440

Financial expenses include:

Interest expense	18 834	22 453
Foreign exchange losses	2 322	126
Other financial expenses	447	17 320
Total financial expenses	21 604	39 899



Note 5 – Tax on ordinary profits

VISMA AS

Deferred tax liabilities and assets are calculated on the basis of the temporary differences between book values and tax-related values in the balance sheet. All calculations are based on a nominal tax rate in respective tax-area.

(NOK 1,000)	2020	2019
Tax payable	253 570	243 819
Changes in deferred taxes	(83)	(28)
Adjustments in respect of current income tax of previous years	0	0
Income tax expense	253 487	243 792

Summary of temporary differences making up the basis for the deferred asset/deferred tax liability

(NOK 1,000)	2020	2019
Current assets/liabilities	0	0
Fixed assets/long term liabilities	(1 441)	(1 065)
Net temporary differences	(1 441)	(1 065)

Net deferred tax liability / (asset)	-317	-234
--------------------------------------	------	------

Visma AS's tax payable for the year has been computed as follows:

(NOK 1,000)	2020	2019
Ordinary profit before tax	4 001 354	1 110 869
Permanent differences	2 316	3 097
Change in temporary differences	376	(125)
Non taxable dividend received from subsidiaries	(2 967 203)	0
Non taxable dividend received from Norwegian associated companies	(137 740)	(5 820)
Net taxable group contribution received / (paid)	(899 103)	(1 088 307)
Taxable profit	(0)	19 713
Tax payable	(0)	4 337

Explanation of why the tax expense for the year does not make up 22% of the pre-tax profit

(NOK 1,000)	2020	2019
Ordinary profit before tax	4 254 842	1 110 869
22% tax on ordinary profit before tax	936 065	244 391
Adjustments in respect of current income tax of previous years	0	0
Permanent differences	(29 793)	(599)
Effect change in corporate tax	0	0
Non taxable dividend received from foreign subsidiaries	(652 785)	0
Tax expense	253 487	243 792
Effective tax rate	5,96%	21,95%



Note 6 – Movement in equity

VISMA AS

(NOK 1,000)

	Paid-in share capital	Share premium reserve	Other paid-in capital	Retained earnings	Total equity
Equity as at 01.01.2020	187 000	4 541 914	413 113	3 220 128	8 362 155
Correction for PY misstatement			469 000	(469 000)	
Profit (loss) for the period				4 001 354	4 001 354
Group contribution from/(to) parent company				(9 234 457)	(9 234 457)
Issue of share capital	1 000	530 375			531 375
Equity as at 31.12.2020	188 000	5 072 289	882 113	(2 481 974)	3 660 428

For further information regarding share capital, shareholder issues and shares owned by the board and executive employees, see note 14 and 15 in the consolidated accounts.

For further information regarding notes, see notes 5,7,11,12,17 and 21 to the consolidated accounts.

Note 7 – Deposits

VISMA AS

Visma AS has pr 31.12.2020 bank deposits of TNOK 77 319 (84 577)

Group cash pool facilities

In addition to own cash deposits, Visma AS have deposits in the Group Cash pool facility.

As at 31.12.2020, Visma AS had deposits in the cash pool facility of TNOK 1 888 769 (163 251)

Formally, the deposits in the cash pool facility is regarded as a short term receivable between Visma AS and Visma Treasury AS.

Note 8 – Other matters

VISMA AS

For further information regarding share capital, shareholder issues and shares owned by the board and executive employees, see note 14 and 15 in the consolidated accounts. Decrease in shares in subsidiaries are explained by group contribution and sale of shares

For further information regarding notes, see notes 5,7,11,12,17, 18, 21 and 24 to the consolidated accounts.



Auditor's report



Statsautoriserte revisorer
Ernst & Young AS

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Visma AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Visma AS comprising the financial statements of the parent company and the Group. The financial statements of the parent company comprise the balance sheet as at 31 December 2020, the profit and loss statement and the cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements comprise the statement of financial position as at 31 December 2020, the income statement, statement of comprehensive income, statement of cash flows and the statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion,

- ▶ the financial statements are prepared in accordance with the law and regulations
- ▶ the financial statements present fairly, in all material respects, the financial position of the parent company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway
- ▶ the consolidated financial statements present fairly, in all material respects the financial position of the Group as at 31 December 2020 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway for the financial statements of the parent company and International Financial Reporting Standards as adopted by the EU for the financial statements of the Group, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- ▶ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- ▶ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- ▶ obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption, and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

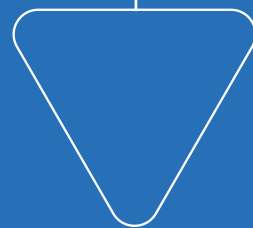
Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Oslo, 19 March 2021
ERNST & YOUNG AS

Thomas Embretsen
State Authorised Public Accountant (Norway)

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Additional information



Management



Merete Hverven

CEO of Visma

As CEO, Merete Hverven dedicates her time to ensuring the continued growth and success of Visma.

Previously Deputy CEO and Chief HR Officer, Merete has focused on strengthening Visma's position through recruiting and retaining the right people, and by working closely with acquisitions and restructurings. She has developed the organisation with a strong customer focus while unifying Visma's culture through go-to-market strategies.

Merete Hverven joined Visma in 2011 as HR Director before joining the executive team as Chief Human Resources Officer in 2013. She is a passionate advocate for diversity and equality in the workplace and has initiated several programs aimed at increasing diversity across the organisation. Merete was

voted one of the top three influential women in technology by ODA Award Woman in 2019.

With her direct leadership style, ability to execute and passion for diversity, Merete is described as a driven, talented and dedicated leader by her colleagues. Her work and dedication have earned her a reputation as an important role model both in and outside Visma.

Before joining Visma, Merete held several leading positions at Ernst & Young (now EY). She has a Master's Degree in Finance and International Leadership from the University of St. Gallen and the Norwegian School of Economics.





Stian Grindheim

Chief Financial Officer

As CFO, Stian ensures that Visma maintains world-class financial control across the organisation. His primary responsibilities include financial control, planning and analysis, as well as overseeing financial reporting to investors and lenders.

Stian joined Visma in 2014 as a Management Trainee before becoming Group Controller. He has since built up the group's finance team while serving as sparring partner for the wider finance function across Visma. He has also contributed to Visma's rapid growth by securing financing for strategic acquisitions and leading the development of an improved group reporting system.

For Stian, it is paramount that decisions be based on relevant and updated data to best help Visma make informed

decisions and create value. He is proud of the important role Visma plays in enabling Northern Europe to stay globally competitive through software that helps people to work more intelligently.

Stian holds a double Masters degree in Finance and International Business from Norwegian School of Economics and Ivey Business School in Canada.





Steffen Torp

Chief Commercial Officer

As Chief Commercial Officer, Steffen is in charge of Visma's growth strategy and implementation. Growth is coming from investing in already successful business areas in the Visma group, and expanding by adding and nurturing new acquisitions into the Visma family. With an international and diverse product portfolio, Visma has a unique history of profitable organic growth year after year, with a rich web of products and companies. This has proven to be a resilient machinery that accelerates every year.

Steffen joined Visma as a Management Trainee in 2006. Since then, he has held various positions in Visma's finance function. In 2018, he entered the role as Division Director of the SMB Division and was subsequently made Director of Visma Software Nordic & International.

His role as Chief Commercial Officer began on January 1, 2021.

Providing customers with user-friendly, flexible solutions that enable them to manage time and resources effectively is a top priority for Steffen Torp and his team. His experience from working with small internet startups prior to Visma, combined with many years in Visma's finance department, gives him a dual perspective of the efficient operation of businesses.

Steffen holds a Master in Business Studies and Economics from Trinity College in Dublin, Ireland.





Ellen Furu

Chief Operations Officer

As Chief Operations Officer, Ellen is responsible for initiatives driving operational excellence in Visma. With her extensive experience from different parts of the Visma Group, Ellen is building a scalable hub structure to support companies across Visma to improve their profitability and ensure continued growth.

Ellen joined Visma in 2000 and worked for over 10 years in sales, support and R&D. She then left Visma for six years for a role in the finance industry that provided her with valuable marketing and executive HR experience. Re-joining Visma in 2017, Ellen was Director of Business Operations in the Enterprise Division, with more than 3 800 employees in 16 countries and an annual revenue of NOK 5 billion. Her responsibilities included business development, mergers and acquisitions, integration

projects and compliance. She has also held various high-level positions, such as interim Managing Director for newly acquired business units, and Chairman of the Board for a number of Visma companies. Over the last year, Ellen's main responsibility has been to establish the Software Benelux division, one of Visma's core markets for the future.

Ellen's broad experience has given her the ability to work strategically to drive Group development, as well as lead more hands-on operational projects for specific parts of the business. She is passionate about building a thriving commercial culture based on Visma's values, with a strong focus on competence building and sharing. She also values a mindset of continuous learning in a world of constant change, believing that engaged employees drive



engaged customers and growth. For Ellen, it is critical to build trust — both internally and externally.

Ellen holds a Master in Business and Economics from Handelshøyskolen BI

in Norway. During her studies, she also completed an Erasmus exchange programme at the University of Limburg in Maastricht, Netherlands.



Ari-Pekka Salovaara

Segment Director, SMB

Ari-Pekka is Segment Director for SMB, where he holds responsibility for Visma's rapidly growing SMB segment in the Nordics, Central and Eastern Europe. The SMB segment is focused on delivering top SaaS accounting and payroll solutions for small and medium businesses.

In his role, Ari-Pekka is committed to developing a strong and profitable SMB software ecosystem to accelerate growth and help Visma companies succeed. This involves leading the segment management team, setting budgets, participating on boards, and holding chair positions in a number of Visma companies.

Ari-Pekka joined the company in 2010 when Visma acquired Severa Oyj, an SaaS company that Ari-Pekka co-founded. He continued as Managing Director of Visma Solutions Oy until 2019, leading the company to a recurring

revenue of over 70 M€ and recognition as a Great Place to Work for the last 9 years in a row.

Ari-Pekka is passionate about helping to build world-class companies, products, and teams. He is also engaged in a number of leadership activities related to IT innovation and entrepreneurship, including investments in tech startups, participation on numerous boards, pro-bono work, and mentoring of students and young entrepreneurs. Furthermore, he is a board member of Nordic Business Forum, a key owner of Oslo Business Forum.

Ari-Pekka holds a Master of Science in IT from LUT University in Finland.





John Reynders

Area Director, Benelux

As Area Director for Benelux, John leads Visma's growth in the strategic and rapidly expanding markets of the Netherlands, Belgium and Luxembourg. His role as Director is to build the most complete portfolio of cloud solutions in FMS, HRM and eGovernment for companies and organisations of all sizes. John joined Visma in 2019 as country director for the Netherlands.

His mission is to make the impossible possible by enabling people, teams, organisations and society to realise their full potential. He is characterised by bringing his passion to work as an energetic entrepreneur, curious geek and passionate people grower.

He previously worked for Microsoft for 14 years, holding several management positions such as COO, CMO and

Director of Enterprise Services for Microsoft Netherlands. During the last years he held international positions leading the Microsoft Business Solutions division across 14 countries in Western Europe.

Born in 1976 in Knokke-Heist, Belgium, John holds a degree in Geophysics from the University of Utrecht.





Carsten Boje Møller

Division Director, Visma Custom Solutions

Carsten is responsible for leading Visma's Custom Solutions Division, providing customers with innovative solutions by automating complex business processes. Handling some of the largest contracts for public organisations and large private enterprises, his division combines the highest professional standards with delivering unwavering customer value.

Carsten joined Visma in 2010, when the company he co-founded, Sirius IT, was acquired by Visma. Since becoming Division Director in 2011, he has developed the division into becoming a leading IT-solution provider in the Nordic and Benelux where both revenue and profit have more than tripled since 2016.

Described as someone who leads by example, Carsten's engagement and

passion, combined with his IT-consultant experience, is valuable for all aspects of his leadership.

Carsten holds a Bachelor of Science in Mechanical Engineering from the Technical University of Denmark and has studied business and computer science at the University of Colorado, Boulder, USA.





Jørn Ludahl

Division Director, Cloud Infrastructure Services

Since October 2018, Jørn has been responsible for leading Visma's Cloud Infrastructure Services (CIS) division, whose companies provide technical IT services to large customers. The division is known for delivering services of superior quality and precision, with customers reporting both high satisfaction and strong business growth. Jørn is well known for his passion and commitment to the customer experience.

Jørn joined Visma in 2007 as Managing Director for Visma Retail AS. In 2011, he joined Group management and was appointed Director of Customer Loyalty for Visma Group. In this role, he was responsible for implementing the Net Promoter System (NPS) in all Visma companies, contributing to continuous quality improvement by listening to customers and acting on their feedback.

In addition, he held the position of Corporate Data Protection Manager from 2014-2018, where he was responsible for all GDPR work in Visma.

With over 30 years' experience from the IT industry in the Nordics, Jørn has previously held several management positions such as Sales Director, CFO, CIO and CEO. He has worked for corporations like IBM as well as being a founder.

Jørn is educated in business, economy and IT at BI Norwegian Business School (1986-1990).





Christian Westlye Larsen

Chief Technology Officer

As Chief Technology Officer, Christian is responsible for setting Visma's overall technology vision and strategy. He ensures that the company has the environment and infrastructure needed to create the products and services of tomorrow. An important part of his job is to ensure that Visma attracts, retains and develops the right talent to drive innovation forward.

Christian started his career in Visma as Director of Product Development in the Enterprise Division in 2017. During his two-year tenure, he and his team have acquired and integrated ten different companies, contributing to Visma's expansion across the European continent.

They have also established and rapidly delivered AI and robotics functionality in many of Visma's products in addition to establishing new technology centres in Argentina and Slovakia.

Focused on supporting and motivating his colleagues to come up with innovative and high-quality solutions, Christian is driven by helping people succeed and ensuring that their work has a maximum impact. He is passionate about technology innovation and the impact it has on the quality of life for end-users.

Christian has a Master of Science in Computer Science from NTNU in Trondheim, Norway and a Master of Business Administration (MBA) with Distinction from INSEAD in Fontainebleau, France. He is the inventor of two US software patents in computer graphics and algorithms. Before joining Visma, Christian held several technical and commercial roles in Schlumberger.





Aase Settevik

Director of Brand & Communication

Aase is responsible for Visma's overall brand platform and communication strategy. Leading the company's marketing and communications resources across all markets and segments, Aase ensures the execution and cultivation of Visma's master brand.

Through her systematic and long-term efforts, Aase has turned Visma into a highly recognised and trusted brand throughout Europe. In her role, she manages all communications and marketing activities that reach Visma's external and internal stakeholders, including customers, employees, partners and investors.

During her tenure of over 20 years, Aase has taken the company from traditional marketing into the digital age with a focus on data-driven marketing. Leading the rebranding process of

numerous acquired companies, she has been vital to Visma's successful growth and market presence.

A firm believer in the value of a strong master brand, Aase is committed to building a thorough brand and marketing strategy that projects the company values through all its activities, impacting profitability and building trust and loyalty among customers.

Before joining Visma, Aase held various positions in marketing and IT training and consultancy. She is a graduate of Hedmark University College in special education and teaching. In addition, she has studied computer science at the University of Oslo and marketing at BI Norwegian Business School and IHM Business School.



Sindre Talleraas Holen

Chief M&A Officer

Sindre is the Head of Mergers and Acquisitions in Visma. He is responsible for coordinating all M&A related processes for the entire Visma group – across all divisions and geographies.

Sindre started in Visma in 2009 as a Management Trainee, and his quick progression is a result of Visma's successful management trainee program. During his time in Visma, Sindre has been involved in more than 150 acquisitions in ten countries. His knowledge and expertise have been important contributors to Visma's successful growth over the past decade.

A crucial part of his daily business is getting to know new companies. Sindre is in his element when meeting with passionate entrepreneurs and hearing their

stories. He has the ability to both see the big picture and dive into the details.

Sindre holds an MSc in Finance from Regents University in the UK and a BSc in Economics and Business Administration from NHH, including an exchange period at the University of Barcelona.





Espen Håkonsen

Chief Information Officer

Espen is responsible for leading the continued development of an innovative, solid and secure information technology environment throughout the Visma Group.

Espen joined Visma as CIO in September 2013 after many years of experience in IT, ranging from technical operations to top management in both the private and public sector. In his role, he is responsible for Visma's information technology and digital strategy, data, cybersecurity and infrastructure, which are a vital part of nearly every aspect of the company's operations.

IT service delivery in the digital age means rapid growth and major changes as emerging technologies introduce paradigm shifts. Espen strongly believes that success in changing environments

requires the ability to innovate, design and deliver while providing steady and secure IT deliveries. He knows first-hand that having the capability to design and implement this value chain in the form of services is critical to the future success of Visma IT and its mission of delivering business value.

Espen has a Master's degree in Information Management from BI Norwegian Business School.



Our presence

We operate across the entire Nordic region along with Benelux, Central and Eastern Europe, and Latin America. We have a wide network of distributors and partners and maintain a virtual development organisation (R&D) across borders.



