

Q1

QUARTERLY
REPORT

2019



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Annualized Cloud Revenue Reaches NOK 10 Billion and Expansion into the Netherlands Continues

HIGHLIGHTS, FIRST QUARTER 2019

- Revenue of NOK 3 468 million, an increase of 38,5%
- EBITDA of NOK 876 million, an increase of 28,1%
- SaaS customer contracts growth of 64% year-on-year
- Cloud Annualized Revenue reached NOK 10.1 billion, a year-on-year growth of 57%
- The monthly level of e-invoice transactions reached 7.8million
- Three companies were acquired during the quarter (Netherlands, Denmark and a “rising star” in Poland)

Visma had another strong quarter with excellent top-line revenue and continued profit growth. Total revenue growth was 38.5% while EBITDA grew strongly as well by 28,1% over Q1 2018 to reach NOK 876 million.

Revenues in each of Visma’s three largest divisions continued high, double-digit growth year-on-year. The SMB Division grew revenues by 17%, Enterprise grew by an impressive 78%, Custom Solutions achieved 48% growth compared to the first quarter a year ago. SaaS and SaaS transactions continue to be the strongest driver of organic growth in Visma and cloud annualized revenue grew by 57% to reach NOK 10 100m.

Visma continues its proactive and high tempo acquisitions activity completing three acquisitions for the quarter. This included a fast growing pure SaaS company (“rising star”), Saldeo, in Poland. The company provides SaaS invoicing management software SMB and accounting office customers. Visma continued its strategic advancement into the Dutch market with the acquisition of EBPI (renamed Visma Connect). The company is a provider of a mission critical messaging platform to the Dutch government. The system facilitates electronic citizen and business reporting to the government. The Netherlands market is Visma’s largest addressable market and will continue to offer significant organic and acquisition growth opportunities.

KEY FIGURES

Continuing operations (NOK in millions)	1st quarter			First quarter			Year
	2019 Actual	2018 * Actual	Growth	2019 Actual	2018 * Actual	Growth	2018 * Actual
Revenue	3 468	2 503	38,5 %	3 468	2 503	38,5 %	11389
EBITDA	876	683	28,1 %	876	683	28,1 %	3 207
<i>EBITDA margin</i>	<i>25,2 %</i>	<i>27,3 %</i>		<i>25,2 %</i>	<i>27,3 %</i>		<i>28,2 %</i>
EBITA	728	584	24,7 %	728	584	24,7 %	2 648
EBIT	336	336	0,0 %	336	336	0,0 %	1 481
Net profit	162	170	-4,8 %	162	170	-4,8 %	920
Operational cash flow (after tax)	1 705	1 375	24,0 %	1 705	1 375	24,0 %	3 047

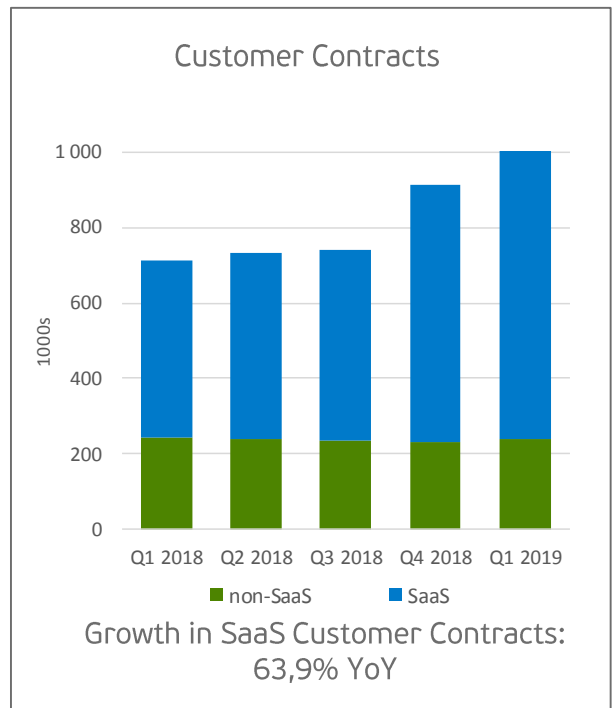
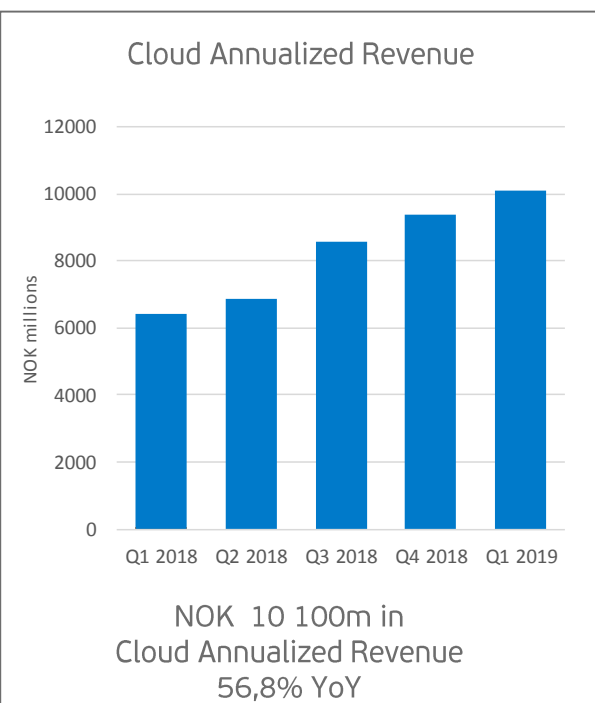
* 2018 has been restated for the effects of IFRS16.

FINANCIAL REVIEW – GROUP (FIRST QUARTER 2018 IN BRACKETS)

Revenue amounted to NOK 3 468 million (2 503) and EBITDA to NOK 876 million (683) in the first quarter of 2019. Revenue increased 38.5% while EBITDA increased by 28.1% over Q1 2018.

Group EBIT amounted to NOK 336 million in the first quarter (336), whereas net gain from associated companies amounted to NOK -0.7 million (-1.0). Net financial items were NOK -126 million (-114). Consequently, profit before taxes was NOK 209 million (221). Taxes amounted to NOK 47.2 million (50.4), and net income from continuing operations resulted in NOK 162.1 million (170.3) in the first quarter. Cash flow from continuing operations after tax amounted to NOK 781 million (61) in the first quarter 2019. Cash flow from investments was NOK -860 million (-375) in the quarter, which is fixed assets and software R&D and investments in acquired businesses. At the end of the first quarter, the cash position of Visma was NOK 5 801 million (3 646).

Equity amounted to NOK 9 521 million at the end of the quarter (7 179), corresponding to an equity ratio of 29,5% (34.7%). Long term interest bearing debt amounted to NOK 11 146 million (6 181). The debt-facilities have maturity dates in the 4th quarter 2021.



COMMENTS ON SELECTED KPIS

Visma is experiencing good traction on the SaaS product portfolio.

It is impressive that Cloud Annualized Revenue has grown by 56,8% year-on-year in Q1, boosted by the acquisitions of Saldeo and EBPI. At the end of Q1, revenue from cloud computing saw an annualized run rate reaching NOK 10 100m. Furthermore, SaaS customer contracts have seen a strong, high-growth development. Visma has above 1 000 000 customer contracts, of which ca. 773 000 are for SaaS products. This is 63,9% higher than SaaS contracts last year, and is a result of both strategic focus in the business units and targeted acquisitions.

At the end of Q1, Visma reached 7.8 million monthly e-invoices transported through Visma's e-invoicing hubs (27% y-on-y growth). One key objective for Visma's software products and solutions is to make the traditional paper invoice redundant. All Nordic countries are eager to do more SaaS invoicing and we have launched an e-invoicing service for our e-economic customers in Denmark.

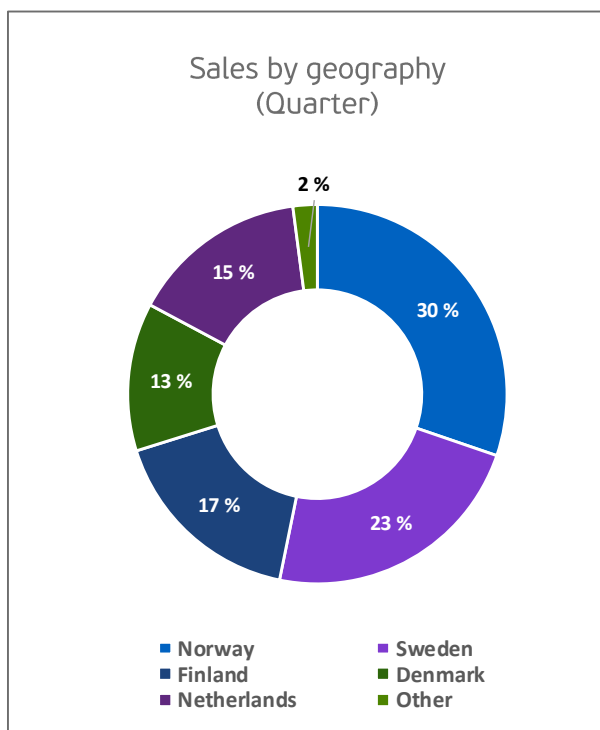
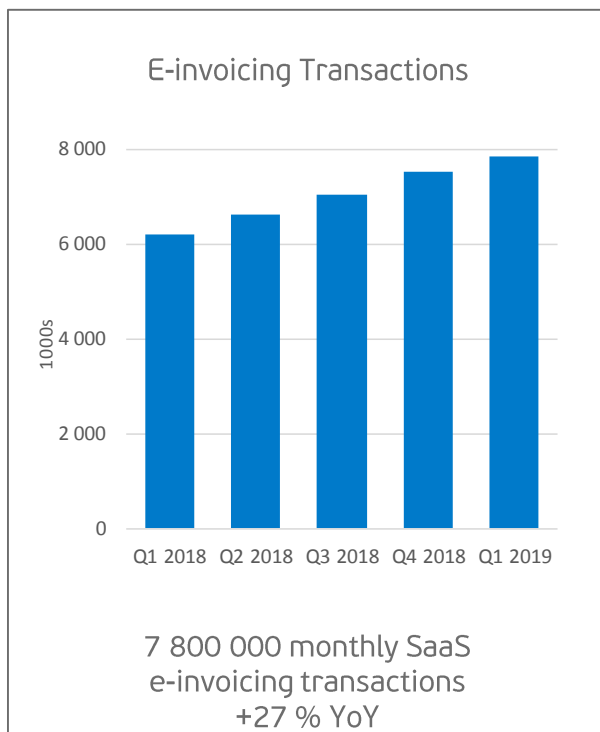
MARKET OUTLOOK

The Nordic markets, where Visma has the vast majority of its revenues, continue to be stable and have above average growth rates compared to Europe overall. The public finances in the markets where Visma operates are in good shape. Norway and Sweden (the two largest Visma markets) have very strong public finances. Oil prices have recovered strongly during the first quarter of 2019. The Nordic countries are small and open economies, and they are likely be affected by a potential hard Brexit. The macroeconomic climate is generally good in all core Visma markets. Regardless of the macroeconomic environment there are plenty of opportunities that will allow Visma to continue to achieve good organic growth. Visma’s core businesses in these markets generally continue to take market shares and show solid growth.

The demand for SaaS services is steadily increasing. Visma continues to invest considerably in SaaS and to lead the transition to SaaS in Visma’s core SMB Software products and services. Visma is steadily launching new SaaS products. Services like procurement, accounting, payroll, debt collection and software consultancy are increasingly based on SaaS, and Visma is in the middle of a process of moving all our activities to a SaaS model. Our customers increasingly prefer subscription type of cost-models vs. large up-front investments.

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

Visma Software SMB is the largest and most diversified business area, contributing 35% of the Revenue and 47% of the EBITDA in the first quarter of 2019.



OWNERSHIP

Six international private investors own Visma. HgCapital and co-investors 47,6 %, Cinven 16,6 %, GIC 13,2 %, Intermediate Capital Group 7,4 %, Montagu 6,0 % and CPPIB 2,7%. A broad management group holds approximately 6,4 % of the shareholder equity in Visma. In addition to the stability of the principal owners, key shareholders have co-investors comprised of some larger Nordic and international pension funds. Together this contributes to a very stable ownership situation.

RISKS

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

CYBER SECURITY

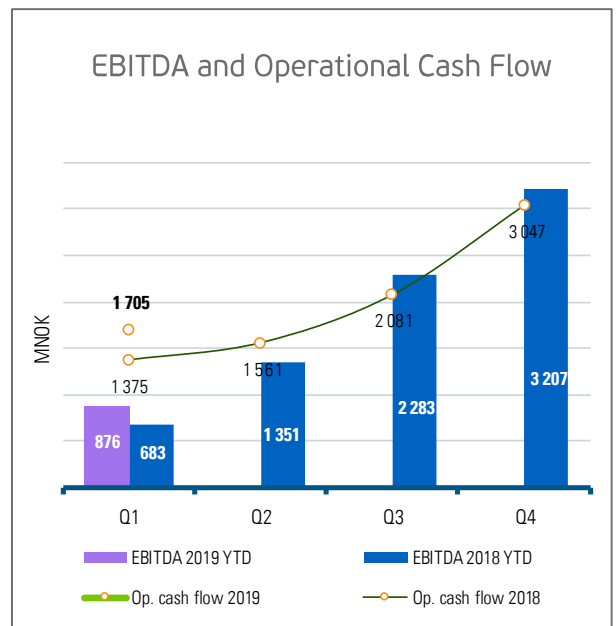
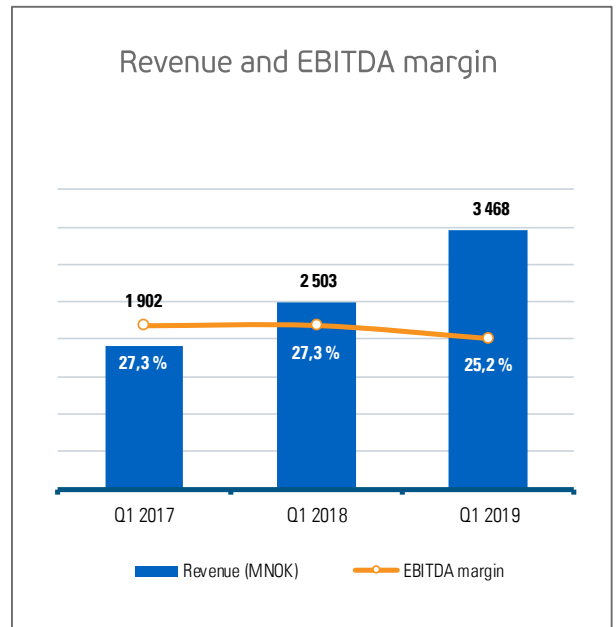
We experienced no security incidents with customer impact in Q1 2019, and continued building an even stronger cyber defense through more resources and new security systems for detecting anomalies not yet identified as known threats. This is a major and important contributing factor in both preventing cyber crime in the first place as well as detecting threats and potential breaches as soon as possible - should they occur.

DISCLAIMER

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

Oslo, April 25, 2019

The Board of Directors of VISMA AS



SMB

Comments on the first quarter

The cloud entry-level solutions that include Dinero, Visma eAccounting, SpeedLedger, Tripletex, and e-economic acquired over 6 000 net new customers in the quarter and passed 332 000 contracts in total. Visma eAccounting also passed a combined 10 000 customers in Finland and The Netherlands, the two most recent launch markets for the product.

The cloud mid-range and hybrid automation services in the Visma.net product line experienced solid growth in both customers and users. Entry of the product into Denmark with pilots and partner certification is proceeding according to plan. Combining and expanding recently acquired vertical solutions for real estate brokers, staffing solutions, construction industry, and e-commerce with our general cloud ERPs will further solidify Visma's Nordic leadership in the SaaS SMB segment.

Q1 product development has focused on delivering new versions of cloud solutions for our core customer segments and upgrades for the remaining on-premises customer bases. This provides these customers with churn reducing cloud benefits and automation features. Investments in cloud solidly outpaces investments in on-premise. Delivery capability and margins are being improved through the build up of product development and support functions in Central Europe and the Baltics.

Operational focus in Q1 has been on onboarding the latest acquisitions of Merit Tarkvara in Estonia and Saldeo SMART in Poland, both expanding Visma's geographic product and services footprint to assure further growth in 2019.

Significant growth trends in our segment are financing, insurance and collecting automation services integrated in real-time with cloud ERP-systems.

Segment at a glance

Target market:

- Small & medium sized businesses
- Accounting Offices

Management:

- Steffen Torp, Director SMB Division

Share of Group



35 %

Operating revenue



47 %

EBITDA

Quarterly Key Figures

Revenue	1 231	MNOK
Growth, YoY	17,4	%
EBITDA	407	MNOK
EBITDA margin	33,1	%
FTE	2 909	
Headcount	3 103	

Products and services:

- Cloud-based financial solutions
- ERP and financial systems
- CRM
- Cloud-based expense management
- Cloud-based invoicing and payment solutions
- HRM and payroll administration systems
- Solutions for artisans and other industries
- Cloud-based project management
- Non-strategic and administrative purchases
- Training
- Customer collaboration for accounting practices
- Practice management for accounting practices
- Business automation for accounting practices

Enterprise

Comments on the first quarter

In Norway, our new Visma Flyt Kindergarten product has taken the market by storm. On the first day of use, January 2nd, approximately 500 kindergartens were already using the solution. This cloud-based solution makes running and managing kindergartens significantly more effective. Our next-generation cloud-based school administration solution is now in use by several schools in Norway and feedback from teachers has been highly positive. In the SMB market we launched new features in our cloud-based Visma.net HRM offering improving the customer experience for our users and allowing fully digital and automated onboarding.

Interacting with our systems should be easy. This has become increasingly important as our customers go through their own digitalization journeys. In Sweden and Netherlands, we introduced well documented, easy-to-use APIs to connect to our HRM systems. As more APIs emerge and usage increases in all domains, we are also changing our systems to take advantage of these new opportunities. One good example comes from Finland, where we added APIs to our school apps to automatically communicate to the school bus transportation systems alerting bus drivers which children will be absent from school on a particular day.

We have aligned our roadmaps with the digital transformation that society is going through. Our product pipeline is as a consequence the most exciting it has ever been, and we look forward to continued progress and innovations through the rest of the year.

Segment at a glance

Target market:

- Central and local government, institutions and organizations providing education, welfare services and healthcare services. Non-profit and non-government organizations.
- Large enterprises

Management:

- Nils Vold, Division Director Enterprise

Share of Group



35 %

Operating revenue



30 %

EBITDA

Quarterly Key Figures

Revenue	1 222	MNOK
Growth, YoY	77,8	%
EBITDA	260	MNOK
EBITDA margin	21,3	%
FTE	3 671	
Headcount	3 977	

Products and services:

- HRM - Human Resource Management
- FMS - Financial Management Systems
- Procurement administration and notification
- Cloud Solutions for schools, childcare and welfare
- Business intelligence and dashboards for municipalities and large accounts
- Internet of Things for access control systems

Custom Solutions

Comments on the first quarter

Visma Custom Solutions once again delivered a quarter with exceptional performance. External revenue was 580 MNOK and EBITDA 134 MNOK with a profit margin of 23.1%. During the quarter, the division made a sizeable acquisition of EBPI BV (rebranded Visma Connect) in The Netherlands. EBPI offers e-government solutions with strong profit margins.

Recent acquisitions are all delivering strong results and according to plan. In Denmark, Kapacity and Co3 are delivering strong results and getting market recognition for their expertise and their customer approach. Svensk e-Identitet is consistently performing well and growing fast. A number of acquisitions in Norway, Finland, Denmark and The Netherlands have been signed lately. Roxit Group in the Netherlands was signed in April and is yet another exciting sizable e-government addition to Visma Custom Solutions. We expect beneficial commercial synergies to materialize during 2019.

Visma Custom Solutions was awarded several new contracts during Q1. Visma Consulting Norway won a position in several key framework agreements with The Norwegian Social Welfare Board and NAV. Visma Consulting Norway has continued to strengthen the relationship with NAV with additional important projects. Visma Consulting Denmark increased the running implementation of the vessel-registration system eCert for the British Maritime Authorities. Visma Consulting Denmark was also awarded sizable contracts with the Tax authorities and an application management contract for the environmental agency. Visma Consulting Sweden closed a large contract for the city of Stockholm as well as the Teachers Directorate and Grant Thornton. Visma Consulting Finland won an exciting project for the Finnish Police Forces, delivering AI and robotics services. Visma Consulting Finland also won an important project for the Custom Authorities building a solution for controlling international financial transactions. Visma Connect won several new projects for the Dutch Chamber of Commerce. The outlook for Q2 2019 is positive on both the operational and acquisition level. The market in all areas is positive and the push for digitalization in the society is expected to increase.

Segment at a glance

Target market:

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

Management:

- Carsten B. Møller, Division Director Custom Solutions

Share of Group



Operating revenue



EBITDA

Quarterly Key Figures

Revenue	580	MNOK
Growth, YoY	47,7	%
EBITDA	134	MNOK
EBITDA margin	23,1	%
FTE	1 657	
Headcount	1 690	

Products and services:

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

Commerce Solutions

Comments on the first quarter

Financially, Visma Commerce Solutions performed well in the first quarter with double digit revenue growth. EBITDA growth was affected by heavy investments in building Visma's position within Financial Services, through Visma Finance AB in Sweden.

All business areas performed well. Within Credit Management, revenue and transaction volumes are growing at strong levels in all markets. The e-invoicing platforms on-boarded a high number of new customers, lead by Hungarian Szamlazz which added more than 15 000 net new customers in Q1. All three units within the collection services (Visma PPG Oy, Visma Collectors AS and Visma Collectors AB) are in the process of changing company names. The new name, Visma Financial Solutions, reflects the transition to become a full-scale Invoice Cycle Management supplier. In Q1, new Managing Directors have been appointed both in Visma PPG Oy and in Visma Collectors AB.

AdminControl, delivering cloud-based board portals and data-rooms, experiences tremendous success in all markets achieving impressive growth rates. The company is setting up a subsidiary in the UK to capture interesting customer segments in this large and attractive market.

Commerce Solutions continues its work to develop financial services as a part of Visma's offering, mainly as an embedded part of the ERP systems. The uptake in the initiatives in Tripletex (Norway), eAccounting (Sweden) and Netvisor (Finland) proves that small companies have a need for short-term financing/funding in their daily business. Visma's own initiative, Visma Finance AB, continues to build a state-of-the-art digital platform in order to supply SMBs with attractive financing solutions.

Segment at a glance

Target market:

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

Management:

- Eivind Gundersen, Division Director Commerce Solutions

Share of Group



Operating revenue



EBITDA

Quarterly Key Figures

Revenue	261	MNOK
Growth, YoY	10,8	%
EBITDA	54	MNOK
EBITDA margin	20,8	%
FTE	543	
Headcount	577	

Products and services:

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

CONDENSED INTERIM FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF INCOME

(NOK in thousands)	1st quarter		First quarter		Year
	2019	2018 *	2019	2018 *	2018 *
CONTINUING OPERATIONS					
OPERATING REVENUE					
Sales revenue	3 468 034	2 503 479	3 468 034	2 503 479	11 389 313
Total operating revenue	3 468 034	2 503 479	3 468 034	2 503 479	11 389 313
OPERATING EXPENSES					
Sales and distribution costs (COGS)	521 414	365 732	521 414	365 732	1 738 317
Gross profit	2 946 620	2 137 747	2 946 620	2 137 747	9 650 995
Payroll and personnel expenses	1 694 086	1 213 349	1 694 086	1 213 349	5 321 171
Bad debts	7 482	4 346	7 482	4 346	17 214
Other operating expenses	362 210	235 854	362 210	235 854	1 081 100
Total operating expenses	2 063 779	1 453 549	2 063 779	1 453 549	6 419 485
EBITDA before M&A expenses	882 842	684 198	882 842	684 198	3 231 510
M&A expenses	7 266	774	7 266	774	24 015
EBITDA	875 576	683 424	875 576	683 424	3 207 495
Depreciation tangible assets and capitalised R&D	60 538	35 470	60 538	35 470	204 855
Depreciation right of use assets	87 373	64 427	87 373	64 427	354 225
EBITA	727 665	583 526	727 665	583 526	2 648 415
Amortisation intangible assets	391 673	247 597	391 673	247 597	1 167 005
Operating profit EBIT	335 991	335 930	335 991	335 930	1 481 410
Result from associated companies	(661)	(1 048)	(661)	(1 048)	(3 050)
FINANCIAL ITEMS					
Financial income	13 095	2 710	13 095	2 710	82 501
Financial expenses	(139 101)	(116 976)	(139 101)	(116 976)	(444 959)
Net financial items	(126 006)	(114 266)	(126 006)	(114 266)	(362 458)
Profit before taxes from continuing operations	209 325	220 615	209 325	220 615	1 115 902
Taxes	47 247	50 350	47 247	50 350	195 906
Net income from continuing operations	162 078	170 265	162 078	170 265	919 995
DISCONTINUED OPERATIONS					
Net income from discontinued operations	13 268	(7 334)	13 268	(7 334)	660 496
Net income from continuing and discontinued operations	175 346	162 931	175 346	162 931	1 580 491
ATTRIBUTABLE TO:					
Equity holders of Visma AS	175 585	162 616	175 585	162 616	1 578 217
Non-controlling interests	(239)	315	(239)	315	2 274
EARNINGS PR SHARE					
Basic earnings per share (NOK in thousands)	175 585	162 616	175 585	162 616	1 578 217
Diluted earnings per share (NOK in thousands)	175 585	162 616	175 585	162 616	1 578 217
EBITDA margin	25,2 %	27,3 %	25,2 %	27,3 %	28,2 %

* 2018 has been restated for the effects of IFRS16.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(NOK in thousands)	1st quarter		First quarter		Year
	2019	2018	2019	2018	2018
Net income from continuing and discontinued operations	175 346	162 931	175 346	162 931	1 580 491
Net gain (loss) on financial hedging instruments, net of tax	28 912	23 192	28 912	23 192	(713)
Exchange differences on translation of foreign operations, net of tax	(166 599)	(98 597)	(166 599)	(98 597)	66 554
Net gain (loss) on defined benefit plan, net of tax	0	0	0	0	0
Other comprehensive income (loss) for the period, net of tax	(137 687)	(75 405)	(137 687)	(75 405)	65 841
Total comprehensive income for the period	37 659	87 526	37 659	87 526	1 646 332
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Equity holders of Visma AS	37 897	87 211	37 897	87 211	1 644 058
Non-controlling interests	(239)	315	(239)	315	2 274

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(NOK in thousands)	31 March 2019	31 March 2018	31 December 2 018	31 December 2018
ASSETS				
Deferred tax assets	44 671	69 695	52 863	52 863
Patents and other intangible assets	3 232 288	1 904 221	3 175 755	3 175 755
Capitalised R&D cost own software	641 010	392 842	677 784	677 784
Contracts and customer relationships	5 385 177	2 432 642	5 357 476	5 357 476
Goodwill	12 262 394	8 328 788	12 043 842	12 043 842
Property, land and buildings	24 014	23 626	24 063	24 063
Machinery and equipment	178 868	140 267	169 327	169 327
Financial assets/Shares	46 237	39 338	42 967	42 967
Investment in associated companies	72 365	75 028	73 026	73 026
Other long-term receivables	493 978	454 384	488 699	488 699
Right of use assets	1 625 990	1 255 612	1 384 682	1 384 682
Net Investment in subleases	20 915	5 803	9 994	9 994
Total non-current assets	24 027 908	15 122 245	23 500 477	23 500 477
Inventory	40 912	59 852	29 136	29 136
Accounts receivables	1 743 950	1 332 168	1 867 982	1 867 982
Other current receivables	706 816	553 109	493 753	493 753
Cash and cash equivalents	5 801 320	3 646 170	5 148 003	5 148 003
Total current assets	8 292 998	5 591 299	7 538 874	7 538 874
TOTAL ASSETS	32 320 907	20 713 545	31 039 351	31 039 351
EQUITY AND LIABILITIES				
Paid-in capital	1 827 977	627 952	1 769 512	1 769 512
Other reserves	380 738	377 180	518 426	518 426
Retained earnings	7 312 125	6 156 870	7 572 540	7 572 540
Equity attributable to equity holders of Visma AS	9 520 841	7 162 001	9 860 477	9 860 477
Non-controlling interests	499	16 511	1 058	1 058
Total equity	9 521 339	7 178 512	9 861 535	9 861 535
Pension liabilities	0	0	(0)	(0)
Deferred tax liability	2 132 643	1 135 400	2 141 734	2 141 734
Financial hedging Instruments	46 506	52 967	83 812	83 812
Long-term interest bearing bank loans	11 145 951	6 180 966	9 329 003	9 329 003
Accrued funding fees	(17 857)	(14 052)	(8 030)	(8 030)
Long-term lease liabilities	1 381 213	1 101 249	1 162 746	1 162 746
Other long-term non interest bearing liabilities	2 607 206	270 988	2 444 003	2 444 003
Total non-current liabilities	17 295 663	8 727 518	15 153 268	15 153 268
Bank overdraft	0	(0)	1 442 504	1 442 504
Short-term interest bearing bank loans	92 890	100 000	97 010	97 010
Trade creditors	555 807	448 087	614 475	614 475
Public duties payable	834 619	624 604	621 632	621 632
Tax payable	52 885	41 024	123 647	123 647
Deferred revenue	2 322 850	2 088 247	1 489 302	1 489 302
Deferred revenue	366 149	248 300	328 678	328 678
Other current liabilities	1 278 705	1 257 253	1 307 302	1 307 302
Total current liabilities	5 503 905	4 807 515	6 024 549	6 024 549
Total liabilities	22 799 567	13 535 032	21 177 817	21 177 817
TOTAL EQUITY AND LIABILITIES	32 320 907	20 713 544	31 039 351	31 039 351

CONSOLIDATED STATEMENT OF CASH FLOWS

(NOK in thousands)	1st quarter		First quarter		Year
	2019	2018	2019	2018	2018
Ordinary profit before tax from continuing and discontinued operations	209 325	220 615	209 325	220 615	1 115 902
Depreciation right of use assets	87 373	64 427	87 373	64 427	354 225
Depreciation tangible assets	18 855	14 450	18 855	14 450	60 724
Depreciation capitalised R&D cost	41 683	24 498	41 683	24 498	144 131
Amortisation patents and other intangible assets	172 729	114 705	172 729	114 705	508 524
Amortisation contracts and customer relationships	218 944	149 303	218 944	149 303	658 480
Amortisation Goodwill	0	0	0	0	0
Tax paid	(102 118)	(60 248)	(102 118)	(60 248)	(226 501)
Changes in debtors	124 032	20 938	124 032	20 938	(514 876)
Changes in inventory and trade creditors	(70 444)	(20 003)	(70 444)	(20 003)	177 100
Changes in public duties payable	212 987	193 512	212 987	193 512	190 540
Changes in deferred revenue	833 548	744 854	833 548	744 854	145 909
Changes in other accruals	(42 059)	(63 035)	(42 059)	(63 035)	448 752
Net cash flow from continuing and discontinued operations	1 704 856	1 404 016	1 704 856	1 404 016	3 062 910
Net cash flow from continuing operations	1 704 856	1 374 998	1 704 856	1 374 998	3 046 665
Net cash flow from discontinued operations	0	29 018	0	29 018	16 245
Sale of (investment in) tangible fixed assets	(29 982)	(32 048)	(29 982)	(32 048)	(82 124)
Sale of (investment in) R&D own software	(15 571)	(24 015)	(15 571)	(24 015)	(103 441)
Net cash flow from investments	(45 553)	(56 063)	(45 553)	(56 063)	(185 565)
Investment in tangible fixed assets related to business combinations	(19 012)	(1 128)	(19 012)	(1 128)	(36 558)
Investment in R&D software related to business combinations	(26 710)	0	(26 710)	0	(379 351)
Sale of (investment in) businesses	(778 497)	(322 393)	(778 497)	(322 393)	(4 901 418)
Sale of (investment in) shares	(3 270)	4 304	(3 270)	4 304	675
Net proceeds from divestiture of discontinued operations	13 268	0	13 268	0	1 224 101
Net cash flow from investments related to business combinations	(814 221)	(319 217)	(814 221)	(319 217)	(4 092 551)
Repayments of interest bearing loans	(297 000)	(218 018)	(297 000)	(218 018)	(268 018)
Net proceeds from interest bearing loans	2 428 621	772 040	2 428 621	772 040	3 602 014
Changes in bank overdraft	(1 415 679)	(775 920)	(1 415 679)	(775 920)	626 651
Cashflow from leases	(87 911)	(108 683)	(87 911)	(108 683)	(426 780)
Changes in long term receivables/payables	2 494	502	2 494	502	(3 732)
Payment of Group contribution	(507 767)	(485 285)	(507 767)	(485 285)	(494 252)
Cash inflow from dividends	0	0	0	0	5 000
Net cash flow from share issues	0	0	0	0	0
Cash inflow from interest	5 322	3 437	5 322	3 437	14 255
Cash outflow from interest and fees	(191 718)	(155 712)	(191 718)	(155 712)	(313 334)
Net cash flow from financing activities	(63 640)	(967 638)	(63 638)	(967 638)	2 741 807
Net cash flow	781 442	61 097	781 444	61 097	1 526 601
Cash and cash equivalents, beginning of period	5 148 003	3 665 241	5 148 003	3 665 241	3 665 241
Net foreign exchange differences	(128 127)	(80 169)	(128 127)	(80 169)	(43 840)
Cash and cash equivalents, end of period	5 801 318	3 646 170	5 801 320	3 646 170	5 148 003
EBITDA to net cash flow from operations	194,7 %	201,2 %	194,7 %	201,2 %	95,0 %

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(NOK in thousands)	Attributable to equity holders of Visma AS					
	Paid-in share capital	Other reserves	Retained earnings	Majority's share of equity	Non-controlling interests	Total equity
Equity as at 01.01.2018	627 952	452 585	6 369 884	7 517 819	16 244	7 534 063
Issue of share capital	1 141 560		0	1 141 560		1 141 560
Profit for the period			1 578 217	1 578 217		1 578 217
<i>Net gain (loss) on financial hedging instruments, net of tax</i>		(713)		(713)		(713)
<i>Exchange differences on translation of foreign operations, net of tax</i>		66 554		66 554		66 554
<i>Net gain (loss) on defined benefit plan, net of tax</i>		0		0		0
Total comprehensive income for the period		65 841	1 578 217	1 644 058	0	1 644 058
Group contribution			(375 631)	(375 631)		(375 631)
Changes to non-controlling interest; acquisition and arising on business combination			69	69	(15 186)	(15 117)
Equity at end of period	1 769 512	518 426	7 572 539	9 860 477	1 058	9 861 535
Equity as at 01.01.2019	1 769 512	518 426	7 572 539	9 860 477	1 058	9 861 535
Issue of share capital	0		0	0		0
Profit for the period			175 585	175 585	(239)	175 346
<i>Net gain (loss) on financial hedging instruments, net of tax</i>		28 912		28 912		28 912
<i>Exchange differences on translation of foreign operations, net of tax</i>		(166 599)		(166 599)		(166 599)
<i>Net gain (loss) on defined benefit plan, net of tax</i>		0		0		0
Total comprehensive income for the period		(137 687)	175 585	37 897	(239)	37 659
Group contribution	58 465		(435 999)	(377 534)		(377 534)
Changes to non-controlling interest; acquisition and arising on business combination			0	0	(321)	(321)
Equity at end of period	1 827 977	380 738	7 312 125	9 520 841	499	9 521 339

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

NOTE 1 – ORGANISATION AND BASIS OF PREPARATION

General information and organisation

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

Visma's condensed interim financial statements for the first quarter of 2019 were authorised for issue by the board of directors on 25 April 2019.

Basis of preparation

These condensed interim financial statements are prepared in accordance with International Reporting Standard IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU). The condensed interim financial statements do not include all the information and disclosures required by Financial Reporting Standards (IFRSs) for a complete set of financial statements, and these condensed interim financial statements should be read in conjunction with the Visma annual financial statements. A description of the significant accounting policies applied is included in the Visma annual financial statements for 2018 and applies to these condensed interim financial statements, except for the adoption of new standards and interpretations as of 1 January 2019.

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

The condensed interim financial statements are unaudited.

Changes to significant accounting policies in the current period

Visma has implemented IFRS 16 with effect from 1 January 2019. Operating leases previously included as operating expenses in the P&L are now capitalized and put on the balance sheet as Right-of-Use assets and lease liabilities, and will be depreciated over time. This has significant effect on the group EBITDA, and 2018 figures have been restated for comparability.

Use of estimates

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

NOTE 2 — SEGMENT INFORMATION

Visma reports its business through six reporting segments, Small and Medium Business (SMB), Enterprise, Custom Solutions, Commerce Solutions, and Group HQ + IT + CIS. These aggregations has its basis in similar economic characteristics, the nature of products, services and the type and class of customers and the market their customer operates in.

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

NOTE 2 — SEGMENT INFORMATION continued

Segment data for the first quarter of 2019 and 2018 are presented below. The measurement basis of segments profit is Net operating income. Deferred tax assets, pension assets and non-current financial assets are not allocated to the segments.

OPERATING SEGMENTS

(NOK in thousands)	2019						2018					
	SMB	Enterprise	Custom Solutions	Commerce Solutions	Group HQ + IT + CIS	TOTAL	SMB	Enterprise	Custom Solutions	Commerce Solutions	Group HQ + IT + CIS	TOTAL
Revenue												
Total segment revenue	1 451 180	1 528 032	634 627	261 880	370 674	4 246 393	1 257 640	899 837	453 777	245 869	236 516	3 093 639
Internal revenue	220 119	306 344	54 329	458	197 108	778 359	208 701	212 682	61 016	9 914	97 846	590 160
External revenue on each group of similar products and services												
On-premises software	435 900	348 014	111 381	0	0	895 295	439 762	297 542	126 183	0	402	863 889
New software licences	14 111	10 249	9 416	0	0	33 777	14 133	15 100	10 261	0	402	39 896
Annual agreements	387 993	229 944	20 653	0	0	638 590	392 590	200 211	18 443	0	0	611 244
Software Consulting and Implementation	33 796	107 821	81 312	0	0	222 929	33 038	82 232	97 479	0	0	212 749
Cloud Computing	753 086	684 454	340 424	261 130	49 098	2 088 193	584 532	354 212	263 273	233 861	127 026	1 562 904
SaaS Subscriptions	534 710	283 492	65 262	58 650	4 005	946 119	419 901	195 596	25 633	42 605	831	684 566
SaaS Transactions and sign up fees	200 606	317 825	4 967	31 743	2 260	557 401	145 545	89 056	2 674	27 585	0	264 860
Cloud Infrastructure and Hosting Services	0	0	(14 343)	0	42 834	28 491	537	11 256	458	0	115 051	127 302
Software Consulting and Implementation on SaaS	16 133	80 466	280 085	6 353	0	383 037	18 549	54 534	234 508	5 176	9 384	322 150
FinTech Services and debt collection	1 637	2 672	4 452	164 384	0	173 145	0	3 769	0	158 496	1 761	164 026
Other	42 074	189 220	128 492	291	124 467	484 546	24 646	35 401	3 305	2 093	11 241	76 686
External revenue	1 231 061	1 221 688	580 297	261 422	173 566	3 468 034	1 048 939	687 155	392 761	235 954	138 669	2 503 479
Actual growth (external) %	17,4 %	77,8 %	47,7 %	10,8 %	25,2 %	38,5 %						
EBITDA	407 171	259 906	134 065	54 386	20 047	875 576	351 629	170 105	83 333	54 360	23 998	683 424
EBITDA margin	33,1 %	21,3 %	23,1 %	20,8 %	11,6 %	25,2 %	33,5 %	24,8 %	21,2 %	23,0 %	17,3 %	27,3 %

(NOK in thousands)	2019						2018					
	SMB	Enterprise	Custom Solutions	Commerce Solutions	Group HQ + IT + CIS	TOTAL	SMB	Enterprise	Custom Solutions	Commerce Solutions	Group HQ + IT + CIS	TOTAL
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Reconciliation	1st quarter		First quarter
	2019	2018	2019
Profit before taxes	209 325	220 615	209 325
Net financial items	126 006	114 266	126 006
Result from associated companies	661	1 048	661
Depreciations and amortisations	539 585	347 494	539 585
EBITDA	875 576	683 424	875 576
EBITDA in operating segments	875 576	683 424	875 576

* 2018 has been restated the effects of IFRS16.

GEOGRAPHICAL AREAS

(NOK in thousands)	2019			2018		
	Net sales	%	Long lived assets	Net sales	%	Long lived assets
Norway	1 117 420	32,2 %	4 601 223	835 771	33,4 %	4 011 022
Sweden	799 888	23,1 %	2 330 615	822 665	32,9 %	2 933 730
Denmark	438 150	12,6 %	3 457 926	381 444	15,2 %	3 528 449
Finland	587 813	16,9 %	3 248 714	377 206	15,1 %	1 798 147
Netherlands	524 763	15,1 %	7 882 393	86 393	3,5 %	787 146
Total	3 468 034	100,0 %	21 520 870	2 503 479	100,0 %	13 058 492

NOTE 3 — BUSINESS COMBINATIONS

During the first quarter of 2019, Visma had a net cash outflow from investment in businesses of NOK 814m.

SMB

The SMB division acquired Poland based Brainshare IT sp.z o.o in January. Their key product is the cloud accounting solution SaldeoSmart, targeting small and medium businesses.

Custom Solutions

Custom Solutions expanded their offering with two new acquisitions in the first quarter. In the Netherlands, they acquired EBPI BV which is a provider of SaaS based government portals. This marks the division's entrance into the strategically important Dutch market. In Denmark, the division acquired IMS A/S, a provider of case management solutions for schools.

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

	EBPI BV	IMS A/S	Brainshare IT sp.z o.o
(NOK in thousands)	01.02.19	07.03.19	21.01.19
Deferred tax assets	0	0	0
Shares	0	0	0
Other intangible assets	26 592	27	90
Machinery and equipment	18 119	114	780
Property	0	0	0
Other long-term receivables	0	0	0
Inventories	0	0	12
Trade receivables	3 508	1 763	583
Other short term receivables	70 963	4 881	1 301
Cash and cash equivalents	3 959	7 763	5 241
Assets	123 140	14 549	8 007
Other long-term liabilities	0	0	118
Deferred tax liability	0	0	0
Bank overdraft	0	0	0
Trade creditors	8 218	31	2
Public duties payable	9 260	2 501	504
Tax payable	3 395	644	128
Other current liabilities	31 429	7 441	830
Liabilities	52 301	10 616	1 582
Fair value of net assets	70 840	3 932	6 424
Non-controlling interests	0	0	0
Goodwill arising on acquisition	462 057	37 987	18 656
Other intangible assets	244 090	19 699	12 199
Contracts and customer relationship arising on acquisition	341 725	27 579	17 078
Deferred tax liability	(142 353)	(10 401)	(5 563)
Total acquisition cost	976 358	78 797	48 795
Net cash acquired with the subsidiary	(3 959)	(7 763)	(5 241)
Cash paid	758 817	6 558	48 795
Net cash outflow	754 858	-1 205	43 554
Payment-in-Kind	0	0	0
Deferred payment	217 541	72 239	0

ALTERNATIVE PERFORMANCE MEASSURES

General information

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

EBITDA / EBITA / EBIT

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

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

Cloud Annualized Revenue

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

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

Customer Contracts

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

Number of e-invoicing transactions

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

On-premises software

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

Cloud Computing

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

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