



Q1

QUARTERLY
REPORT

2020

CONTENTS

The quarter in brief	3
Highlights	
Key figures	
Financial review	
Outlook	
Business areas	
Software Nordic & International	7
Software Benelux	8
Custom Solutions	9
Commerce Solutions	10
Condensed interim financial information	
Consolidated statement of income	11
Consolidated statement of comprehensive income	12
Consolidated statement of financial position	13
Consolidated statement of cash flows	14
Consolidated statement of changes in equity	15
Notes to the consolidated interim financial statements	16

Continued high acquisition pace and strong SaaS traction. Cloud software keep businesses running - also from home.

HIGHLIGHTS, first quarter 2020

- Revenue of NOK 4 400 million, an increase of 26,9%
- EBITDA of NOK 1 147 million, an increase of 31,0%%
- Total number of customer contracts to reach 1 million.
- Cloud Annualized Revenue reached NOK 14,2 billion, a year-on-year growth of 41%
- The monthly level of e-invoice transactions reached 9,9 million
- The growth momentum in the Netherlands continues through the acquisitions of OnGuard and Circle Software. Visma also entered the Romanian market through the acquisition of Smartbill.

Visma started 2020 with strong revenue growth and M&A momentum. A total of 8 acquisitions were completed during the quarter. Total revenue growth was 26,9% and total revenue during the quarter was 4 400m. EBITDA grew even stronger at 31,0% to reach 1 147m thus providing expanding the EBITDA margin to 26,2%.

From the beginning of the new year, Visma has reorganized its division structure by combining the former SMB and Enterprise divisions in two strong, geographically based Software divisions; Visma Software Nordic & International and Visma Software Benelux.

2020 also saw the high M&A momentum from 2019 continue. A total of 8 acquisitions were completed in the first quarter. The Commerce Solutions division entered the Dutch market through the acquisition of the order to cash solution provider Onguard. The Visma presence in the Netherlands was further expanded by the acquisition of Circle Software. In Romania, where Visma has been active through its competence center for many years, the acquisition of SaaS invoicing provider Smartbill introduced a presence also on the local market.

KEY FIGURES

Continuing operations (NOK in millions)	First quarter			Year
	2020 Actual	2019 Actual	Growth	2019 Actual
Revenue	4 400	3 468	26,9 %	15 028
EBITDA	1 147	876	31,0 %	4 061
<i>EBITDA margin</i>	<i>26,1 %</i>	<i>25,2 %</i>		<i>27,0 %</i>
EBITA	966	728	32,7 %	3 386
EBIT	447	336	32,9 %	1 647
Net profit	238	162	46,8 %	977
Operational cash flow (after tax)	2 084	1 705	22,2 %	3 611

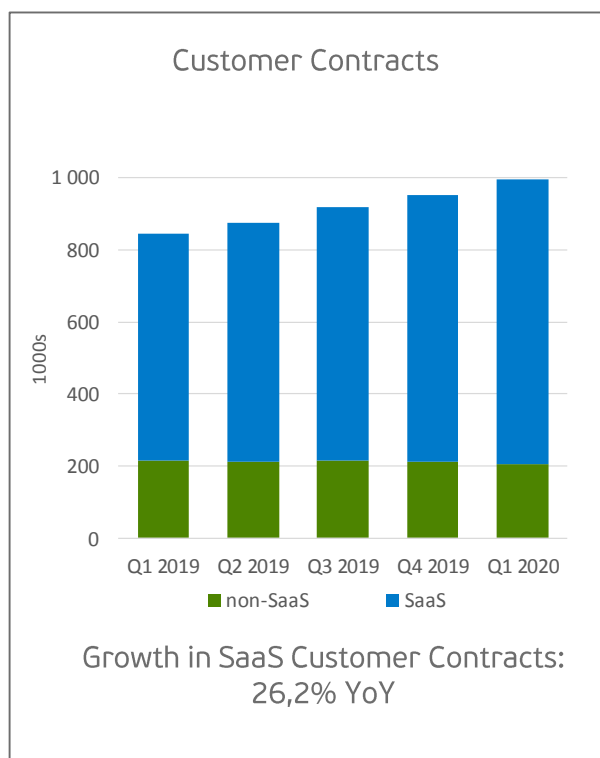
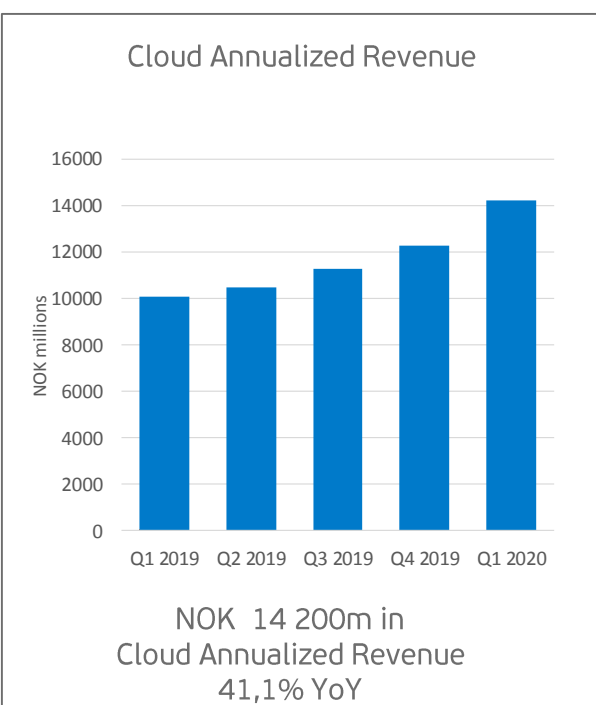
FINANCIAL REVIEW – GROUP (FIRST QUARTER 2019 IN BRACKETS)

Revenue amounted to NOK 4 400 million (3 468) and EBITDA to NOK 1 147 million (876) in the first quarter of 2020. Revenue increased 26,9% while EBITDA increased by 31,0% over Q1 2019.

Group EBIT amounted to NOK 447 million in the first quarter (336). Net financial items were NOK -143 million (-126). Consequently, profit before taxes was NOK 306 million (209). Taxes amounted to NOK 66 million (47), and net income from continuing operations resulted in NOK 238 million (162) in the first quarter.

Cash flow from continuing operations after tax amounted to NOK 2 084 million (1 705). Cash flow from investments, which are fixed assets, software R&D and investments in acquired businesses, was NOK -1 031 million (-860). At the end of the first quarter, the cash position of Visma was NOK 9 866 million (5 801).

Equity amounted to NOK 14 800 million (9 521), corresponding to an equity ratio of 32% (29%). Long term interest bearing debt amounted to NOK 15 047 million (11 146). The debt-facilities have maturity dates in the 4th quarter 2025.



COMMENTS ON SELECTED KPIS

Visma is experiencing good traction on the SaaS product portfolio.

Cloud Annualized Revenue has grown by an impressive 41,1% year-on-year in Q1. Strong organic development is boosted by Visma's focus on acquiring leading SaaS companies. At the end of Q1, revenue from cloud computing saw an annualized run rate reaching NOK 14 200m. Furthermore, SaaS customer contracts have seen a strong, high-growth development. Visma has almost 1 000 000 customer contracts, of which close to 800 000 are for SaaS products. This is 26,2% higher than the number of SaaS contracts last year. Additionally, Visma has a large number of freemium and trial customers not yet paying for the use of the services.

The average monthly volume of e-invoices transported through Visma e-invoicing hubs passed 9,9 million by the end of Q1 (22,9% y-on-y growth). One key objective for Visma's software products and solutions is to make the traditional paper invoice redundant.

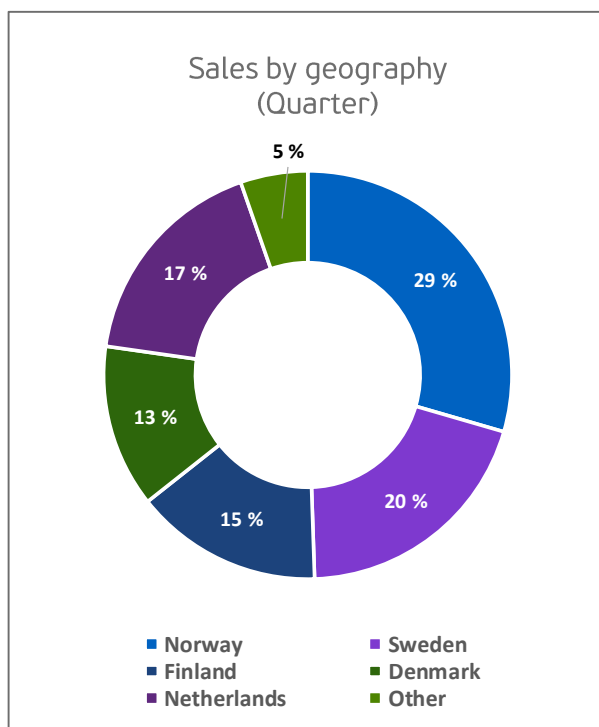
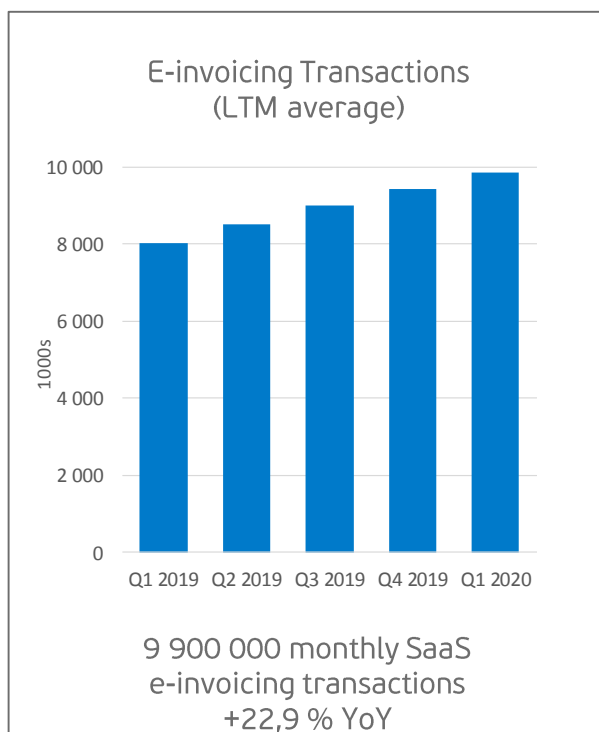
MARKET OUTLOOK

At the end of the first quarter, most societies are heavily impacted by the outbreak of Covid-19 and the extraordinary measures implemented in most countries to combat the pandemic. At the time of writing, it is clear that the world is heading towards a global recession.

Visma's core product offering is one of mission critical software towards a well diversified portfolio with around 1 000 000 customer contracts, ranging from SMBs to government institutions. A significant portion of Visma's revenue is also of recurring or repeatable nature. These factors provide Visma with downside protection in a recession. Nevertheless, the group is closely monitoring the development in the economies we operate and take proactive measures to mitigate any impact on the business.

Overall, the new work reality with home offices is increasing the demand for SaaS services, automation and efficiency in business processes. Visma continues to invest considerably in SaaS. To lead the transition Visma is steadily launching new SaaS products and have come a long way in moving all our existing activities to a SaaS model. Our customers increasingly prefer subscription payment models over large upfront investments, and revenue from licenses is now less than one percent of total revenues.

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



OWNERSHIP

Five international private investors own Visma. HgCapital and co-investors 60,5 %, GIC 15,5 %, Intermediate Capital Group 7,2 %, Montagu 5,8 % and CPPIB 5,0%. A broad management group holds approximately 6 % of the shareholder equity in Visma. In addition to the stability of the principal owners, key shareholders have co-investors comprised of some larger Nordic and international pension funds. Together this contributes to a stable ownership situation.

RISKS

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

CYBER SECURITY

No security incidents with customer impact in this quarter.

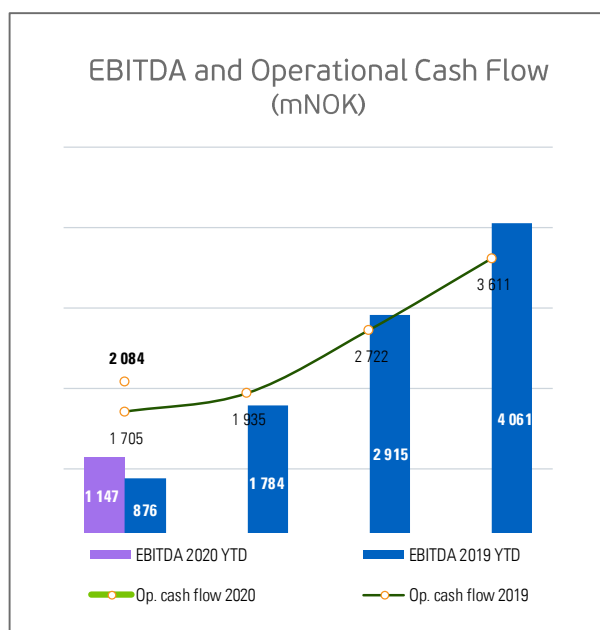
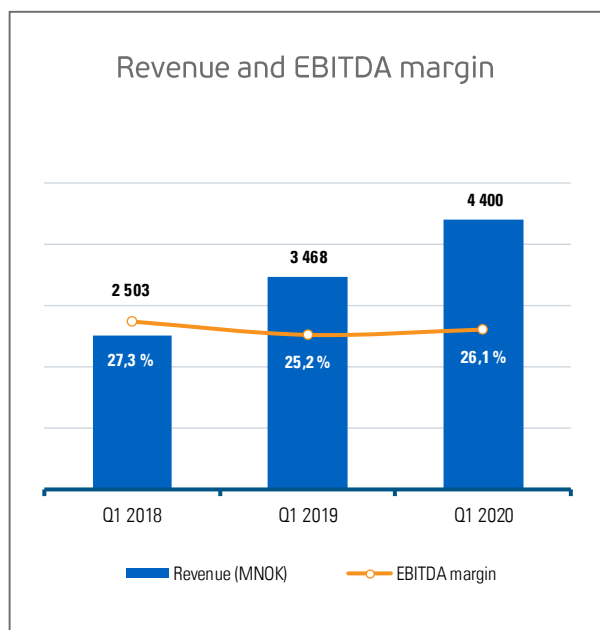
We have been restructuring the way our employees work in March - due to the coronavirus outbreak - from mainly sitting in the office premises to working from home. Our employees are now connecting to and working in Visma from cloud services and VPN connections to our data centers. Overall this introduces some security challenges which we have mitigated through AD policies and focus and training on how to work safely from home.

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, 23 April 2020

The Board of Directors of VISMA AS



Software Nordic & International

Comments on the first quarter

Visma's new division structure was implemented in Q1, with the responsibility for product and development resources transitioned to the business units and hence closer to the customers and their needs.

The entry and lower level cloud solutions that include PowerOffice, Tripletex, eAccounting/eEkonomi, e-economic and Dinero passed the milestone of 400 000 combined customer contracts in Q1. Visma.net ERP, continued the strong growth in revenue, customers and users. The strong growth is visible in particularly in Sweden, where the industry is suited for the complexity that Visma.net automates. In the large segment, our units are implementing the transition from one-off revenues to subscription by improved business models, repackaging of service offerings and launching new product lines. In Q1 particular contribution came from the Norwegian municipality segment, within welfare and ERP.

The positive pipeline across all markets and segments solidifies Visma's leadership in the cloud segment, and our solutions increasingly trend towards becoming cloud ecosystem hubs for HRM and fintech services, accounting offices, HRM and ISVs.

Product development focus in Q1 has been on delivering features and continuous value-add for cloud customers in all segments, and enabling AI/machine learning automation and hybrid benefits and for the on-premises base in their cloud transition. Expanding competence centers for development, sales and support in Central Europe and the Baltics further improved delivery capability.

The division has performed well during the Corona crisis with employees working seamlessly from home, and many units are capturing the opportunity of moving on-premises customers to SaaS solutions due to the needs arising from remote workplaces. Certain products such as digital signing and communication on our school platforms experience strong growth during these times.

Segment at a glance

Target market:

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

Management:

- Steffen Torp, Division Director Software Nordic & International

Share of Group



52 %

Operating revenue



62 %

EBITDA

Quarterly Key Figures

Revenue	2 294 MNOK
Growth, YoY	20,7 %
EBITDA	712 MNOK
EBITDA margin	31,0 %
FTE	5 760
Headcount	5 907

Products and services:

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

Software Benelux

Comments on the first quarter

Visma Software Benelux is a relatively young division. The business units comprising this new division have on average joined Visma during last 2.5 years. As such, focus in this first quarter have been on investing in innovation, flexibility and scalability in addition to M&A in order to yield long term sustainable growth.

Cloud computing revenues constitutes 88% of division revenues, and this strategic focus area continues to grow at a higher pace than total revenues. Visma see good traction in the Dutch market with close to 3000 new customer contracts during the first quarter.

Growth is strong in the area of Financial Management Systems where Visma Software Benelux maintain a strong market position with the Accounting Offices. Functionality within the product portfolio is being continuously enriched and expanded. An example of release in the last quarter include launch of tax advisory portal SDU Taxvice powered by technology from PinkWeb and Visma Connect.

Within HR & Payroll Visma has a strong and stable market offering provides customers with the choice of specialist products and solutions that complement each other. Several modern cloud products such as the Dotweb Medical Leave Management software are seeing strong growth. During the quarter, Visma also released the new Manager's app. An innovation that has been well received by the market.

The first quarter has been active on M&A and the outlook for 2020 is promising with several attractive M&A targets in the pipeline.

Segment at a glance

Target market:

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

Management:

- Ellen Furr, Division Director Software Benelux
- John Reynders, Country Director, Netherlands

Share of Group



Operating revenue



EBITDA

Quarterly Key Figures

Revenue	616 MNOK
Growth, YoY	11,8 %

EBITDA	106 MNOK
EBITDA margin	17,3 %

FTE	1 699
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Headcount	1 753
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Products and services:

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

Custom Solutions

Comments on the first quarter

Visma Custom Solutions delivered a strong first quarter. External revenue was 908 MNOK and YoY revenue growth a staggering 56,4%. EBITDA was 206,4 MNOK which implies a margin of 22,7%. Markets in Denmark, Finland, Lithuania and The Netherlands all performed very well and delivered strong growth rates.

In Q1 2020 Visma Custom Solutions closed 4 acquisitions. Two in Denmark, with FirstAgenda and 1rst Web, one in Norway with Conceptos and the last one in The Netherlands with Circle Software. All companies are performing well and all support the Custom Solutions strategy of becoming market leader in eGovernment solutions on a SaaS platform in the Nordics and Benelux..

In the Nordic countries, the division secured numerous important deals during Q1 and the e-signature software Visma ADDO is experiencing high growth rates as COVID-19 is moving companies onto SaaS platforms to continue their day-to-day operations.

The development in Visma Connect in the Netherlands over Q1 has been tremendous with numerous tenders being sent and also won. This quarter saw the first payroll payment contract won, together with Visma Raet. This cross divisional cooperation has been met with great excitement and will bridge the way onto the Nordic market for payroll payments. A truly commercially exciting market.

Visma Roxit is very successful in selling their new Rx.Mission cloud solution to the Dutch municipalities and regional authorities increasing the recurring revenue proportion in Visma Custom Solutions.

Segment at a glance

Target market:

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

Management:

- Carsten B. Møller, Division Director Custom Solutions

Share of Group



Operating revenue



EBITDA

Quarterly Key Figures

Revenue	908 MNOK
Growth, YoY	56,4 %

EBITDA	206 MNOK
EBITDA margin	22,7 %

FTE	2 246
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Headcount	2 310
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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

Commerce Solutions reports a strong first quarter of the year with close to 40 % revenue growth and above 24,5 % EBITDA margin. The division's largest business area - Credit Management - delivers good results, with substantial growth in all countries, being the main driver of the division's strong quarter. The growth in Credit Management is mainly driven by an increased number of new issued invoices, reminders and debt collection cases. Outside Credit Management, Admincontrol has a strong quarter with both revenue and profit growth above 30 %.

In Q1, Commerce Solutions entered The Netherlands through its first acquisition in Benelux - Onguard. Based in Amsterdam, Onguard is a European market leader in cloud-based order-to-cash solutions, providing an end-to-end product suite ranging from solutions for risk management and invoicing to credit management and collections. As the order-to-cash value chain is a strategic priority in the division, Commerce Solutions is happy to welcome Onguard to the Visma family.

Any negative financial consequences of COVID-19 has been limited in Q1, as the "shut-down" was in the last two weeks of the quarter. Many of Visma Commerce Solutions' key deliveries are business critical processes such as e-invoicing and credit management. Such services get increased attention from Visma's customers as cash flow and liquidity is moved up on most businesses' agenda.

The division also continues its focus on financial services as an offering to Visma's customers. All initiatives within financial services have seen good uptake through the quarter, and it is expected that these results will continue throughout the year.

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	365 MNOK
Growth, YoY	39,7 %

EBITDA	90 MNOK
EBITDA margin	24,5 %

FTE	883
Headcount	920

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)	First quarter 2020	2019	Year 2019
CONTINUING OPERATIONS			
OPERATING REVENUE			
Sales revenue	4 399 829	3 468 034	15 027 780
Total operating revenue	4 399 829	3 468 034	15 027 780
OPERATING EXPENSES			
Sales and distribution costs (COGS)	713 640	521 414	2 380 331
Gross profit	3 686 189	2 946 620	12 647 449
Payroll and personnel expenses	2 111 906	1 694 086	7 025 231
Bad debts	10 243	7 482	31 255
Other operating expenses	406 915	362 210	1 480 986
Total operating expenses	2 529 065	2 063 779	8 537 472
EBITDA before M&A expenses	1 157 124	882 842	4 109 977
M&A expenses	10 538	7 266	48 562
EBITDA	1 146 587	875 576	4 061 415
Depreciation tangible assets and capitalised R&D	71 838	60 538	297 723
Depreciation right of use assets	108 786	87 373	377 959
EBITA	965 963	727 665	3 385 734
Amortisation intangible assets	519 431	391 673	1 738 762
Operating profit EBIT	446 532	335 991	1 646 972
Result from associated companies	2 951	(661)	(551)
FINANCIAL ITEMS			
Financial income	12 767	13 095	282 937
Financial expenses	(156 076)	(139 101)	(666 950)
Net financial items	(143 309)	(126 006)	(384 013)
Profit before taxes from continuing operations	306 174	209 325	1 262 408
Taxes	68 225	47 247	284 930
Net income from continuing operations	237 949	162 078	977 477
DISCONTINUED OPERATIONS			
Net income from discontinued operations	0	13 268	13 268
Net income from continuing and discontinued operations	237 949	175 346	990 745
ATTRIBUTABLE TO:			
Equity holders of Visma AS	238 963	175 585	993 715
Non-controlling interests	(1 014)	(239)	(2 970)
EARNINGS PR SHARE			
Basic earnings per share (NOK in thousands)	238 963	175 585	993 715
Diluted earnings per share (NOK in thousands)	238 963	175 585	993 715
EBITDA margin	26,1 %	25,2 %	27,0 %

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(NOK in thousands)	First quarter 2020	2019	Year 2019
Net income from continuing and discontinued operations	237 949	175 346	990 745
Net gain (loss) on financial hedging instruments, net of tax	(49 090)	28 912	8 867
Exchange differences on translation of foreign operations, net of tax	1 136 571	(166 599)	(23 706)
Other comprehensive income (loss) for the period, net of tax	1 087 480	(137 687)	(14 839)
Total comprehensive income for the period	1 325 429	37 659	975 907
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of Visma AS	1 326 443	37 897	978 876
Non-controlling interests	(1 014)	(239)	(2 970)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(NOK in thousands)	31 March 2020	31 March 2019	31 December 2019
ASSETS			
Deferred tax assets	74 731	44 671	57 016
Patents and other intangible assets	4 748 487	3 232 288	4 054 564
Capitalised R&D cost own software	673 104	641 010	634 945
Contracts and customer relationships	6 652 655	5 385 177	5 691 906
Goodwill	18 365 937	12 262 394	15 755 615
Property, land and buildings	24 014	24 014	24 014
Machinery and equipment	199 605	178 868	222 488
Financial assets/Shares	7 513	46 237	4 954
Investment in associated companies	75 426	72 365	72 475
Other long-term receivables	528 304	493 978	525 843
Right of use assets	2 094 171	1 625 990	1 567 127
Net Investment in subleases	22 173	20 915	13 649
Total non-current assets	33 466 120	24 027 908	28 624 596
Inventory	57 418	40 912	42 561
Accounts receivables	2 333 224	1 743 950	1 902 465
Other current receivables	992 004	706 816	492 907
Cash and cash equivalents	9 866 404	5 801 320	6 571 888
Total current assets	13 249 050	8 292 998	9 009 821
TOTAL ASSETS	46 715 170	32 320 907	37 634 417
EQUITY AND LIABILITIES			
Paid-in capital	5 611 027	1 827 977	5 142 027
Other reserves	1 591 067	380 738	503 587
Retained earnings	7 562 137	7 312 125	8 128 411
Equity attributable to equity holders of Visma AS	14 764 231	9 520 841	13 774 025
Non-controlling interests	35 295	499	31 189
Total equity	14 799 527	9 521 339	13 805 214
Deferred tax liability	2 873 351	2 132 643	2 568 462
Financial hedging Instruments	135 712	46 506	72 370
Long-term interest bearing bank loans	15 046 949	11 145 951	13 065 812
Accrued funding fees	(16 796)	(17 857)	(18 326)
Long-term lease liabilities	1 606 724	1 381 213	1 298 216
Other long-term non interest bearing liabilities	2 402 750	2 607 206	1 899 181
Total non-current liabilities	22 048 690	17 295 663	18 885 715
Bank overdraft	2 570 910	0	(0)
Short-term interest bearing bank loans	104 060	92 890	94 420
Trade creditors	693 383	555 807	590 812
Public duties payable	1 073 294	834 619	690 052
Tax payable	82 322	52 885	148 476
Deferred revenue	3 059 566	2 322 850	1 445 520
Short-term lease liabilities	534 123	366 149	394 505
Other current liabilities	1 749 296	1 278 705	1 579 704
Total current liabilities	9 866 953	5 503 905	4 943 488
Total liabilities	31 915 643	22 799 567	23 829 204
TOTAL EQUITY AND LIABILITIES	46 715 170	32 320 907	37 634 417

CONSOLIDATED STATEMENT OF CASH FLOWS

(NOK in thousands)	First quarter		Year
	2020	2019	2019
Ordinary profit before tax from continuing and discontinued operations	306 174	209 325	1 262 408
Depreciation right of use assets	108 786	87 373	377 959
Depreciation tangible assets	28 588	18 855	110 333
Depreciation capitalised R&D cost	43 250	41 683	187 389
Amortisation patents and other intangible assets	244 904	172 729	821 460
Amortisation contracts and customer relationships	274 527	218 944	917 302
Tax paid	(101 917)	(102 118)	(330 460)
Changes in debtors	(430 758)	124 032	(34 483)
Changes in inventory and trade creditors	87 715	(70 444)	(37 087)
Changes in public duties payable	383 242	212 987	68 420
Changes in deferred revenue	1 614 046	833 548	(43 782)
Changes in other accruals	(474 851)	(42 059)	311 080
Net cash flow from continuing and discontinued operations	2 083 704	1 704 856	3 610 538
Net cash flow from continuing operations	2 083 704	1 704 856	3 610 538
Sale of (investment in) tangible fixed assets	(36 238)	(29 982)	(99 115)
Sale of (investment in) R&D own software	(19 104)	(15 571)	(79 447)
Net cash flow from investments	(55 342)	(45 553)	(178 562)
Investment in tangible fixed assets related to business combinations	(5 579)	(19 012)	(59 194)
Investment in R&D software related to business combinations	(4 710)	(26 710)	(93 929)
Sale of (investment in) businesses	(962 870)	(778 497)	(4 803 787)
Sale of (investment in) shares	(2 559)	(3 270)	237 818
Net proceeds from divestiture of discontinued operations	0	13 268	13 268
Net cash flow from investments related to business combinations	(975 719)	(814 221)	(4 705 824)
Repayments of interest bearing loans	(50 061)	(297 000)	(347 001)
Net proceeds from interest bearing loans	0	2 428 621	4 227 406
Changes in bank overdraft	2 461 825	(1 415 679)	(1 508 009)
Cashflow from leases	(148 677)	(87 911)	(515 473)
Changes in long term receivables/payables	(2 461)	2 494	(4 872)
Payment of Group contribution	(563 354)	(507 767)	(507 767)
Cash inflow from dividends	0	0	6 000
Net cash flow from share issues	0	0	1 900 049
Cash inflow from interest	9 982	5 322	30 708
Cash outflow from interest and fees	(227 212)	(191 718)	(521 962)
Net cash flow from financing activities	1 480 041	(63 638)	2 759 081
Net cash flow	2 532 684	781 444	1 485 233
Cash and cash equivalents, beginning of period	6 571 888	5 148 003	5 148 003
Net foreign exchange differences	761 832	(128 127)	(61 346)
Cash and cash equivalents, end of period	9 866 404	5 801 320	6 571 890
EBITDA to net cash flow from operations	181,7 %	194,7 %	88,9 %

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(NOK in thousands)	Attributable to equity holders of Visma AS				Non-controlling interests	Total equity
	Paid-in share capital	Other reserves	Retained earnings	Majority's share of equity		
Equity as at 01.01.2018	1 830 373	518 426	7 511 679	9 860 477	1 058	9 861 535
Issue of share capital	3 311 654			3 311 654		3 311 654
Profit for the period			993 715	993 715	(2 970)	990 745
<i>Net gain (loss) on financial hedging instruments, net of tax</i>		8 867		8 867		8 867
<i>Exchange differences on translation of foreign operations, net of tax</i>		(23 706)		(23 706)		(23 706)
Total comprehensive income for the period		(14 839)	993 715	978 876	(2 970)	975 907
Group contribution	469 000		(845 982)	(376 982)		(376 982)
Changes to non-controlling interest; acquisition and arising on business combination				0	33 101	33 101
Equity at end of period	5 611 027	503 587	7 659 411	13 774 025	31 189	13 805 214
Equity as at 01.01.2019	5 611 027	503 587	7 659 411	13 774 025	31 189	13 805 214
Issue of share capital	0			0		0
Profit for the period			238 963	238 963	(1 014)	237 949
<i>Net gain (loss) on financial hedging instruments, net of tax</i>		(49 090)		(49 090)		(49 090)
<i>Exchange differences on translation of foreign operations, net of tax</i>		1 136 571		1 136 571		1 136 571
Total comprehensive income for the period		1 087 480	238 963	1 326 443	(1 014)	1 325 429
Group contribution			(336 236)	(336 236)		(336 236)
Changes to non-controlling interest; acquisition and arising on business combination			0	0	5 120	5 120
Equity at end of period	5 611 027	1 591 067	7 562 138	14 764 232	35 295	14 799 527

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 2020 were authorised for issue by the board of directors on 23 April 2020.

Basis of preparation

These condensed interim financial statements are prepared in accordance with International Reporting Standard IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU). The condensed interim financial statements do not include all the information and disclosures required by Financial Reporting Standards (IFRSs) for a complete set of financial statements, and these condensed interim financial statements should be read in conjunction with the Visma annual financial statements. A description of the significant accounting policies applied is included in the Visma annual financial statements for 2018 and applies to these condensed interim financial statements, except for the adoption of new standards and interpretations as of 1 January 2020.

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

The condensed interim financial statements are unaudited.

Use of estimates

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

NOTE 2 — SEGMENT INFORMATION

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

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

NOTE 2 — SEGMENT INFORMATION continued

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

OPERATING SEGMENTS

First quarter (NOK in thousands)	2020						2019					
	Software Nordic & Int.	Software Benelux	Custom Solutions	Commerce Solutions	Group HQ + IT + CIS	TOTAL	Software Nordic & Int.	Software Benelux	Custom Solutions	Commerce Solutions	Group HQ + IT + CIS	TOTAL
Revenue												
Total segment revenue	2 833 440	793 710	982 828	381 466	451 321	5 442 766	2 414 609	564 604	634 627	271 703	360 850	4 246 393
Internal revenue	538 978	178 148	75 113	16 221	234 475	1 042 936	486 630	39 833	54 329	10 282	187 284	778 359
External revenue on each group of similar products and services												
On-premises software	737 920	70 073	176 922	7 465	0	992 380	711 259	72 655	111 381	0	0	895 295
New software licences	12 758	2 625	11 782	0	0	27 165	20 701	3 660	9 416	0	0	33 777
Annual agreements	587 945	53 649	63 351	6 793	0	711 738	562 351	55 587	20 653	0	0	638 590
Software Consulting and Implementation	137 217	13 800	101 789	671	0	253 477	128 208	13 409	81 312	0	0	222 929
Cloud Computing	1 494 688	542 883	719 972	357 031	155 614	3 270 188	1 162 601	451 339	461 572	261 130	149 462	2 486 105
SaaS Subscriptions	958 157	69 232	146 183	80 721	4 529	1 258 822	763 204	54 998	65 262	58 650	4 005	946 119
SaaS Transactions and sign up fees	420 391	285 578	12 613	67 770	2 676	789 028	289 328	229 102	4 967	31 743	2 260	557 401
Cloud Infrastructure and Hosting Services	1 953	3 308	52 960	0	148 409	206 630	1 069	2 730	35 171	0	143 198	182 167
Software Consulting and Implementation on SaaS	73 082	80 067	508 216	11 321	0	672 686	70 735	52 154	351 720	6 353	0	480 962
Managed HR Services	39 239	104 698	0	0	0	143 937	33 955	112 355	0	0	0	146 310
FinTech Services and debt collection	1 867	0	0	197 219	0	199 085	4 309	0	4 452	164 384	0	173 145
Other	61 854	2 606	10 820	749	61 232	137 261	54 118	777	7 344	291	24 103	86 634
External revenue	2 294 462	615 562	907 715	365 245	216 846	4 399 829	1 927 979	524 771	580 297	261 422	173 566	3 468 034
Actual growth (external) %	19,0 %	17,3 %	56,4 %	39,7 %	24,9 %	26,9 %						
EBITDA	712 133	106 301	206 429	89 534	32 189	1 146 587	546 237	120 840	134 065	54 386	20 047	875 576
EBITDA margin	31,0 %	17,3 %	22,7 %	24,5 %	14,8 %	26,1 %	28,3 %	23,0 %	23,1 %	20,8 %	11,6 %	25,2 %

Reconciliation	1st quarter		First quarter 2020
	2020	2019	
Profit before taxes	306 174	209 325	306 174
Net financial items	143 309	126 006	143 309
Result from associated companies	(2 951)	661	(2 951)
Depreciations and amortisations	700 055	539 585	700 055
EBITDA	1 146 587	875 576	1 146 587
EBITDA in operating segments	1 146 587	875 576	1 146 587

GEOGRAPHICAL AREAS

(NOK in thousands)	2020			2019		
	Net sales	%	Long lived assets	Net sales	%	Long lived assets
Norway	1 404 694	31,9 %	7 353 180	1 117 420	32,2 %	4 601 223
Sweden	893 259	20,3 %	2 776 734	799 888	23,1 %	2 330 615
Denmark	567 769	12,9 %	4 682 733	438 150	12,6 %	3 457 926
Finland	653 782	14,9 %	2 504 887	587 813	16,9 %	3 248 714
Netherlands	880 325	20,0 %	13 122 650	524 763	15,1 %	7 882 393
Total	4 399 829	100,0 %	30 440 183	3 468 034	100,0 %	21 520 870

NOTE 3 — BUSINESS COMBINATIONS

During the first quarter of 2020, Visma had a net cash outflow from investment related to business combinations of NOK 976m.

Software Nordic & International

During February, Visma entered the Romanian market through the acquisition of IntelligentIT SRL, known for its SaaS invoicing solution Smartbill. Visma also strengthened its BI offering through the acquisition of OneStop Reporting AS. In Norway, Visma acquired Fenistra AS to further strengthen its focus on software for the real estate vertical.

Custom Solutions

In the Netherlands, Visma Custom Solutions acquired Circle Software BV, a leading provider of case management solutions. The consultancy offering in Norway was also improved by acquiring Conceptos AS. In Denmark, the division boosted the offering in electronic document and records management through the acquisition of First Agenda A/S. The e-commerce offering in Denmark was further strengthened through the acquisition of 1st Web A/S

Commerce Solutions

Through the acquisition of Onguard BV, Visma is offering order-to-cash management in the Dutch market.

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

	Onguard BV	Intelligent IT SRL	FirstAgenda A/S	Conceptos AS	Circle Software BV
(NOK in thousands)	19.02.20	12.02.20	26.02.20	14.01.20	15.01.20
Deferred tax assets	0	0	0	3	0
Other intangible assets	12 536	8 614	123	1	8 776
Machinery and equipment	2 236	118	7	74	3 116
Other long-term receivables	0	38	0	0	0
Trade receivables	14 085	144	5 949	11 839	6 395
Other short term receivables	(15 414)	84	244	719	34 112
Cash and cash equivalents	26 408	8 028	50 105	34 980	4 814
Assets	39 850	17 027	56 428	47 674	57 213
Other long-term liabilities	0	0	0	1 041	0
Deferred tax liability	0	0	2 634	0	2 242
Bank overdraft	0	0	0	0	0
Trade creditors	4 953	876	520	5 467	12 607
Public duties payable	1 847	1 884	5 150	9 297	1 297
Tax payable	0	262	0	0	0
Other current liabilities	57 571	14 501	34 039	912	24 064
Liabilities	64 370	17 523	42 342	16 717	40 210
Fair value of net assets	-24 520	-496	14 085	30 957	17 003
Goodwill arising on acquisition	224 119	203 352	117 954	43 358	68 125
Other intangible assets	91 425	81 534	62 049	34 922	38 993
Contracts and customer relationship arising or	127 995	65 227	86 868	48 891	54 590
Deferred tax liability	(53 319)	(23 482)	(32 762)	(18 439)	(22 741)
Total acquisition cost	365 699	326 134	248 194	139 689	155 971
Net cash acquired with the subsidiary	(26 408)	(8 028)	(50 105)	(34 980)	(4 814)
Cash paid	358 668	63 449	248 194	99 689	155 971
Net cash outflow	332 260	55 421	198 089	64 710	151 157
Deferred payment	7 031	262 685	0	40 000	0

ALTERNATIVE PERFORMANCE MEASURES

General information

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

EBITDA / EBITA / EBIT

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

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

Cloud Annualized Revenue

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

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

Customer Contracts

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

Number of e-invoicing transactions

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

On-premises software

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

Cloud Computing

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

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