



Q2

QUARTERLY
REPORT
2020

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

HIGHLIGHTS, second quarter 2020

- Revenue of NOK 4 657 million, an increase of 26,6%
- EBITDA of NOK 1 276 million, an increase of 40,4%
- SaaS customer contracts to grow 26,5% y-o-y
- Cloud Annualized Revenue of NOK 14,2 billion, a year-on-year growth of 35,5%
- The monthly level of e-invoice transactions to surpass 10m, growing 17,6% y-o-y
- Visma continue to acquire high quality SaaS companies with 8 acquisitions completed during the quarter, including fast growing Visionplanner and Nmbrs in the Netherlands.

Visma has another strong quarter with good top line growth and impressive margin expansion. Total revenue growth was 26,6% while EBITDA grew by a sound 40,4% resulting in an EBITDA margin of 27,4% compared to 24,7% in the second quarter of 2019. All of Visma's four core divisions delivered revenue growth and margins in excess of 20%, with the Commerce Solutions division growing top line by an outstanding 48,7%.

During the Covid-19 pandemic where offices have been closed and employees working from home, Visma's modern, mission critical cloud solutions have enabled customers to manage their business remotely. Visma see increasing demand for SaaS software at the expense of old on-premises systems, a development in line with Visma's strategy.

Visma continues its high acquisition pace, completing 8 acquisitions during the second quarter. Among the acquired companies were the fast growing SaaS companies Visionplanner and Nmbrs in the Netherlands as well as Framsikt, a popular cloud reporting software for Norwegian municipalities. Through the acquisition of Zetech, the presence in Latin America was further expanded. There are strong synergies between Zetech and Visma's existing Latam business, both headquartered in Buenos Aires offering complementary products that are often used together.

KEY FIGURES

Continuing operations (NOK in millions)	2nd quarter			1st half year			Year
	2020 Actual	2019 Actual	Growth	2020 Actual	2019 Actual	Growth	2019 Actual
Revenue	4 657	3 678	26,6 %	9 057	7 146	26,7 %	15 028
EBITDA	1 276	908	40,4 %	2 422	1 784	35,8 %	4 061
<i>EBITDA margin</i>	<i>27,4 %</i>	<i>24,7 %</i>		<i>26,7 %</i>	<i>25,0 %</i>		<i>27,0 %</i>
EBITA	1 079	731	47,7 %	2 045	1 458	40,2 %	3 386
EBIT	479	314	52,4 %	925	650	42,3 %	1 647
Net profit	298	147	103,7 %	536	309	73,8 %	977
Operational cash flow (after tax)	637	230	177,3 %	2 721	1 935	40,6 %	3 611

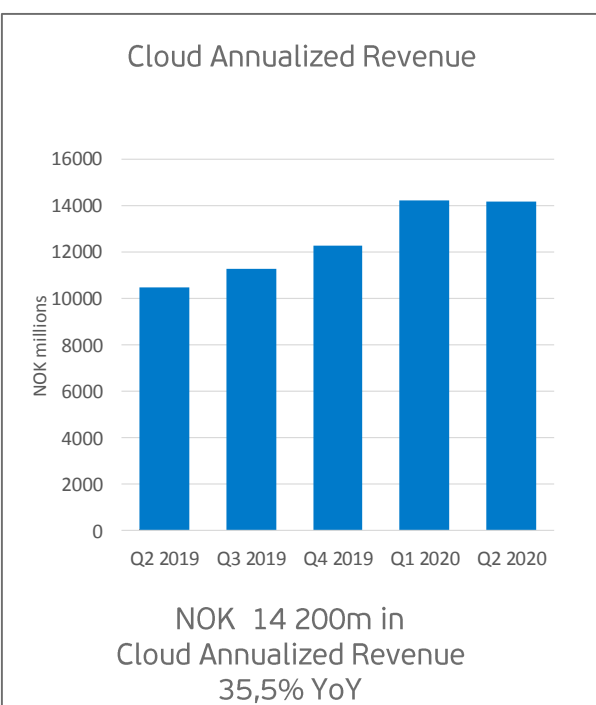
FINANCIAL REVIEW – GROUP (SECOND QUARTER 2019 IN BRACKETS)

Revenue amounted to NOK 4 657 million (3 678) and EBITDA to NOK 1 276 million (932) in the second quarter of 2020. Revenue increased 26,6% while EBITDA increased by 40,4% over Q2 2019.

Group EBIT amounted to NOK 479 million in the second quarter (314). Net financial items were -76 million (-127). Consequently, profit before taxes was NOK 389 million (189). Taxes amounted to NOK 91 million (42), and net income from continuing operations resulted in NOK 298 million (147) in the second quarter.

Cash flow from continuing operations after tax amounted to NOK 637 million (230). Cash flow from investments, which are fixed assets, software R&D and investments in acquired businesses, was NOK -1 600 million (-1 453). At the end of the second quarter, the cash position of Visma was NOK 7 928 million (5 403).

Equity amounted to NOK 14 646 million (11 055), corresponding to an equity ratio of 32% (33%). Long term interest bearing debt amounted to NOK 14 418 million (11 159). 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 35,5% year-on-year in Q2. Strong organic development is boosted by Visma’s focus on acquiring leading SaaS companies. At the end of Q2, revenue from cloud computing saw an annualized run rate reaching NOK 14 200m. Furthermore, SaaS customer contracts continue to grow at a high pace high-growth development. Visma has over 1 000 000 customer contracts, of which more than to 800 000 are for SaaS products. This is 26,5% higher than the number of SaaS contracts last year. Additionally, Visma has a large number of freemium and trial customers not yet paying for the use of the services.

The average monthly volume of e-invoices transported through Visma e-invoicing hubs passed 10 million in Q2 (17,6% y-on-y growth). One key objective for Visma’s software products and solutions is to make the traditional paper invoice redundant.

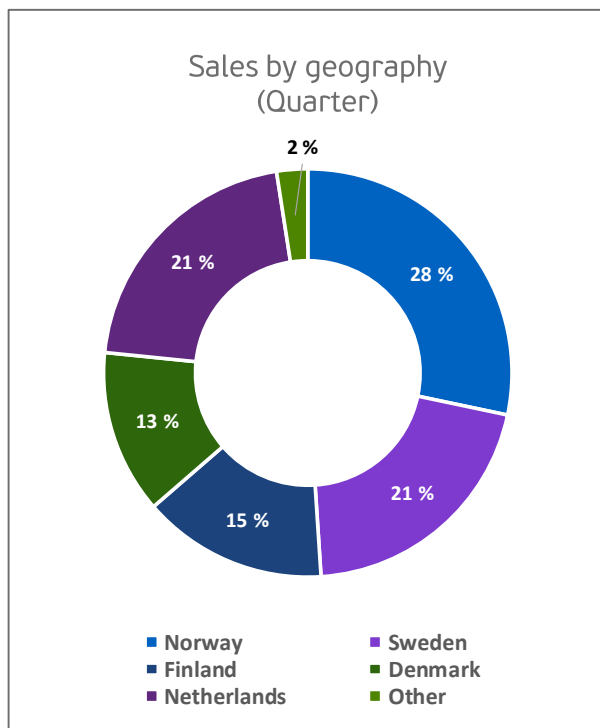
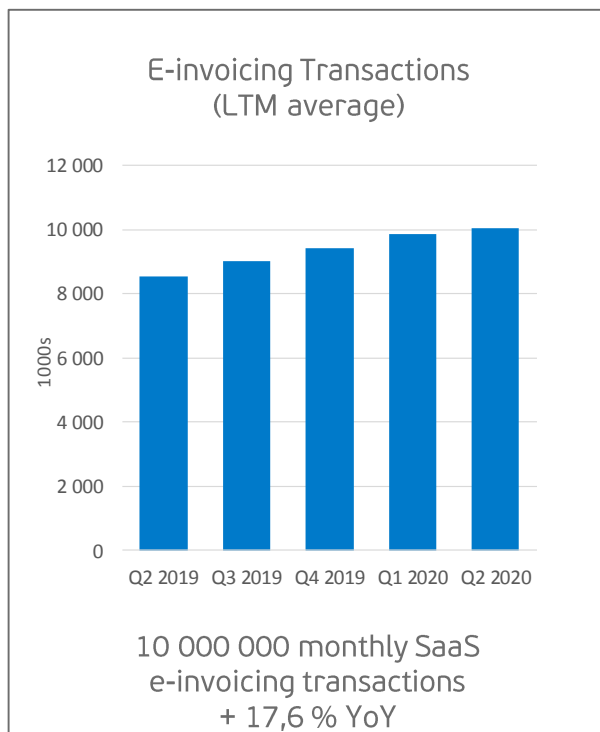
MARKET OUTLOOK

The Covid-19 pandemic have had a strong impact on Visma’s core markets in the second quarter. During May and June, most markets have started a gradual reopening of society and business, but the economic impact is still felt across several industries.

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. So far, Visma has experienced only limited impact from the ongoing recession on the top line. Nevertheless, the group is closely monitoring the development in the economies we operate and take proactive measures to mitigate any impact on the business.

Modern cloud solutions that can be accessed from anywhere have played a key role in enabling Visma’s customers to remain operational during the shut down. As a consequence, Visma sees the demand for SaaS solutions increasing as people are working remotely. It is clear that the pandemic will further accelerate the transition to cloud. 75% of the Visma’s business is already based on cloud software and related services. The group continue to invest considerably in SaaS and steadily launching new SaaS products. Our customers increasingly prefer subscription payment models over large up-front investments, and revenue from licenses is now less than one percent of total revenues.

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



OWNERSHIP

Six international private investors own Visma. HgCapital and co-investors 62,7 %, GIC 14,3 %, Intermediate Capital Group 6,6 %, CPPIB 4,6%, Montagu 3,5% and General Atlantic 1,8%. A broad management group holds approximately 6,5 % 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

In the first half of 2020, Visma continued strengthening the security processes adding further specialized resources to the security organization and rolling out high-end security tools and services across the group.

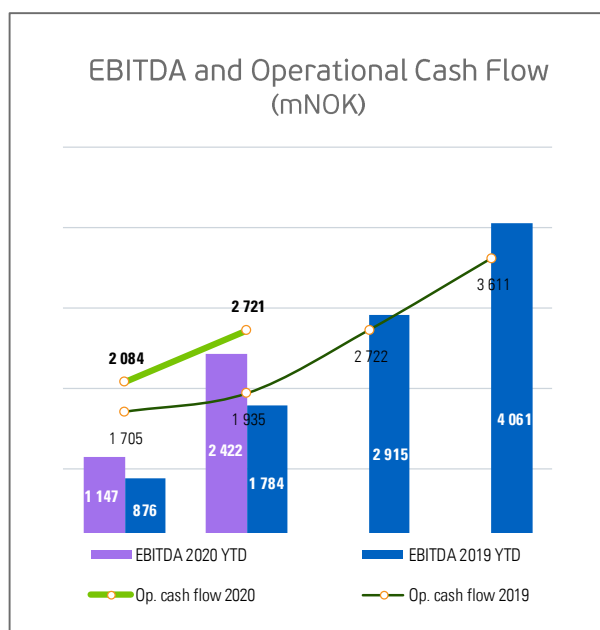
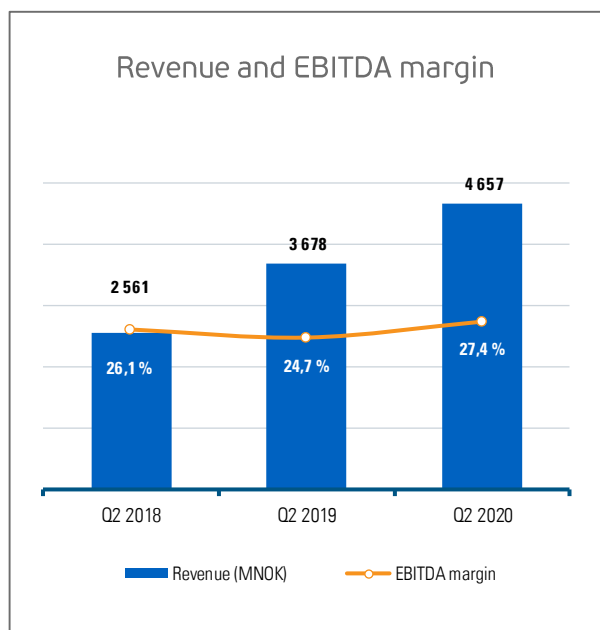
The coronavirus pandemic introduced high dependence on the IT operations to ensure access to all systems for Visma employees as well as our customers as people were sent from office to home office environments. As Visma have been transitioning to cloud services during the last years - this transition was very quick and smooth - both when it comes to efficiency and security. No incidents caused by employees working from home were identified in this period.

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, 8 July 2020

The Board of Directors of VISMA AS



Software Nordic & International

Comments on the second quarter

During periods of high market uncertainty, there is a clear and consistent trend that customers within accounting and payroll move towards modern cloud based software. Despite the ongoing economic downturn, Visma has seen new sales remaining at levels comparable to previous periods for the SaaS product offering also in the second quarter.

Cloud solutions for small businesses, including include PowerOffice, Tripletex, eAccounting/eEkonomi, e-economic and Dinero continued to grow during the quarter and combined these systems reached around 415 000 customer contracts in Q2. The medium segment saw growth relevant to the current economic situation, with Visma.net Payroll seeing all time high uptake of the product in Norway. Visma.net ERP has successful secured several larger and more complex ERP customers in Sweden – a segment this feature rich, modern cloud system is well positioned to serve. In the large segment, Visma's business units are adapting to the changing environment with improved business models, planning for streamlined organizations. Here, product development and customer facing functions will be fused together. In order to help customers upgrading their software to be more digital, several product offerings in this segment are also being converted to a subscription based model where upgrades are included in the monthly fee.

Across all segments there is an increased usage of digital tools to work remotely and digitise processes. Artificial intelligence, electronic signatures and e-learning see accelerating demand.

During the quarter Visma Software Nordic & International welcomed four new companies. In Norway, Visma joined forces with Framsikt, a fast growing reporting solution for municipalities was acquired. The Swedish product portfolio was expanded to ERP for e-commerce through the acquisition of Specter as well as HRM and GDPR portals from DraftIt. Lastly, Visma significantly increased the footprint in Latam by acquiring Zetech, a leading provider of payslips, contracts and internal documents for automating the employee journey.

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



60 %

EBITDA

Quarterly Key Figures

Revenue	2 421 MNOK
Growth, YoY	25,1 %
EBITDA	770 MNOK
EBITDA margin	31,8 %
FTE	5 711
Headcount	5 954

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 second quarter

Software Benelux continued to increase its footprint in the Netherlands, growing revenues 23,5% in the second quarter. In light of the Corona-virus pandemic, Visma see an accelerating increase in demand for SaaS software that can be accessed remotely and offered at a subscription model eliminating the need for large upfront investments in software licenses. Despite the global economic downturn, Visma Software Benelux continue to invest heavily in R&D and have steadily increased its R&D spend over the past year to bring new, sought after features and functionality to the market.

During the second quarter, Visma has taken a firm position as a leading supplier of modern cloud software to the Dutch Accounting Office industry through the acquisitions of Visionplanner and Nmbrs. These two fast growing SaaS companies substantially broaden and deepen the richness of Visma's product offering tailored towards Accounting Offices and their customers.

By acquiring Intradata - provider of document lifecycle services – Visma has further positioned the Software Benelux division to capitalize on opportunities of accelerated automation of business critical services. Moreover, we have architected the undeniable market leader in medical leave management services by combining VerzuimSignaal and Dotweb into Visma Verzuim.

The Netherlands remain a key growth focus for Visma with several interesting M&A targets in the pipeline for the second half of 2020

Segment at a glance

Target market:

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

Management:

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

Share of Group



Operating revenue



EBITDA

Quarterly Key Figures

Revenue	683 MNOK
Growth, YoY	23,5 %
EBITDA	137 MNOK
EBITDA margin	20,1 %
FTE	1 694
Headcount	1 853

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 second quarter

Visma Custom Solutions delivered a strong second quarter. External revenue was 911 MNOK with a solid Year on Year growth of 29,0% growth. EBITDA increased by 32,4% to reach 209 MNOK and a margin of 22,9%. Markets in Denmark, Finland and The Netherlands all performed particularly well and delivered strong growth rates.

The division has successfully onboarded the four acquisitions completed in Q1. Custom Solutions are further working with an attractive acquisition pipeline within eGovernment solutions and services in the Nordics and Benelux and signed another three acquisitions within this area at the end of the second quarter.

In the Nordic countries, the division secured numerous important deals during Q2. Further, there is strong market demand for eSignature services as people are working remotely and the e-signature software Visma ADDO is enjoying high growth rates as a result. There is also an increased demand for secure authentication services which can be seen in the light of COVID 19 moving companies onto SaaS platforms to continue their day-to-day operations.

In the Netherlands, Visma Connect continues the strong performance in Q2, by signing a major framework agreement for the next three years. Visma Roxit and the new acquisition Visma Circle are successful in winning several tenders on the Dutch municipality market for ECM and Urban Development. Both are delivering high-end SaaS/Cloud products, catering to both complex and simple organisations and setups.

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	911 MNOK
Growth, YoY	29,0 %
EBITDA	209 MNOK
EBITDA margin	22,9 %
FTE	2 122
Headcount	2 240

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 second quarter

Despite the Covid-19 situation, Visma Commerce Solutions continued the trend of high performance and delivered a stellar second quarter. Revenues grew an impressive 48,7% over last year. Including heavy investments in strategic areas such as Visma Finance, the division also achieved a healthy EBITDA improvement at 64,4%.

Several units in the division delivered strong numbers. Examples are board portal and virtual data room supplier, Admincontrol with more than 35 % revenue growth and a corresponding Cash EBITDA growth of close to 150 %. The invoicing provider Szamlazz (Hungary) showed very strong growth in the number of new customers in Q2, winning more than 100 000 new customers. This impressive growth is driven by new governmental regulations combined with offensive investments in online marketing. We expect to see strong growth in the number of customers also into Q3.

The sub-division Credit Management (Invoicing, debt collection, financing) has been doing well in Q2. Despite decreasing numbers of invoices in the general economy, both numbers of new customers and debt collection cases has increased. Tight focus on accounts receivables has become increasingly important for our customers in the aftermath of the Covid-19 outbreak. Visma continues to invest to provide SMBs in the Nordics with better and easier access to financing. During the quarter we have seen increased uptake both within the different financial services in the ERPs, as well as in Visma's own finance initiative.

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	415 MNOK
Growth, YoY	48,7 %
EBITDA	112 MNOK
EBITDA margin	27,0 %
FTE	899
Headcount	931

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)	2nd quarter 2020		1st half year 2020		Year 2019
	2020	2019	2020	2019	2019
CONTINUING OPERATIONS					
OPERATING REVENUE					
Sales revenue	4 656 946	3 678 096	9 056 776	7 146 131	15 027 780
Total operating revenue	4 656 946	3 678 096	9 056 776	7 146 131	15 027 780
OPERATING EXPENSES					
Sales and distribution costs (COGS)	756 885	580 442	1 470 525	1 101 856	2 380 331
Gross profit	3 900 061	3 097 655	7 586 250	6 044 275	12 647 449
Payroll and personnel expenses	2 248 962	1 805 752	4 360 868	3 499 838	7 025 231
Bad debts	17 139	9 048	27 382	16 530	31 255
Other operating expenses	346 694	351 336	753 609	713 547	1 480 986
Total operating expenses	2 612 795	2 166 136	5 141 860	4 229 915	8 537 472
EBITDA before M&A expenses	1 287 266	931 518	2 444 391	1 814 360	4 109 977
M&A expenses	11 747	23 249	22 285	30 515	48 562
EBITDA	1 275 519	908 269	2 422 106	1 783 845	4 061 415
Depreciation tangible assets and capitalised R&D	77 871	78 249	149 709	138 787	297 723
Depreciation right of use assets	118 418	99 424	227 204	186 797	377 959
EBITA	1 079 230	730 596	2 045 193	1 458 261	3 385 734
Amortisation intangible assets	600 533	416 498	1 119 964	808 171	1 738 762
Operating profit EBIT	478 697	314 099	925 229	650 090	1 646 972
Result from associated companies	(13 426)	1 347	(10 475)	686	(551)
FINANCIAL ITEMS					
Financial income	70 955	17 474	83 722	30 570	282 937
Financial expenses	(147 259)	(144 272)	(303 335)	(283 373)	(666 950)
Net financial items	(76 303)	(126 798)	(219 612)	(252 804)	(384 013)
Profit before taxes from continuing operations	388 967	188 648	695 141	397 973	1 262 408
Taxes	90 539	42 143	158 764	89 389	284 930
Net income from continuing operations	298 429	146 505	536 378	308 583	977 477
DISCONTINUED OPERATIONS					
Net income from discontinued operations	0	0	0	13 268	13 268
Net income from continuing and discontinued operations	298 429	146 505	536 378	321 851	990 745
ATTRIBUTABLE TO:					
Equity holders of Visma AS	299 237	146 580	538 200	322 165	993 715
Non-controlling interests	(808)	(75)	(1 822)	(314)	(2 970)
EARNINGS PR SHARE					
Basic earnings per share (NOK in thousands)	299 237	146 580	538 200	322 165	993 715
Diluted earnings per share (NOK in thousands)	299 237	146 580	538 200	322 165	993 715
EBITDA margin	27,4 %	24,7 %	26,7 %	25,0 %	27,0 %

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(NOK in thousands)	2nd quarter		1st half year		Year
	2020	2019	2020	2019	2019
Net income from continuing and discontinued operations	298 429	146 505	536 378	321 851	990 745
Net gain (loss) on financial hedging instruments, net of tax	(39 006)	(43 661)	(88 096)	(14 749)	8 867
Exchange differences on translation of foreign operations, net of tax	(411 531)	18 712	725 040	(147 887)	(23 706)
Other comprehensive income (loss) for the period, net of tax	(450 536)	(24 949)	636 944	(162 636)	(14 839)
Total comprehensive income for the period	(152 107)	121 556	1 173 322	159 215	975 907
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Equity holders of Visma AS	(151 299)	121 631	1 175 144	159 529	978 876
Non-controlling interests	(808)	(75)	(1 822)	(314)	(2 970)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(NOK in thousands)	30 June 2020	30 June 2019	31 March 2 020	31 December 2019
ASSETS				
Deferred tax assets	90 092	56 606	74 731	57 016
Patents and other intangible assets	4 904 575	3 363 621	4 748 487	4 054 564
Capitalised R&D cost own software	646 960	635 646	673 104	634 945
Contracts and customer relationships	6 929 978	5 615 353	6 652 655	5 691 906
Goodwill	19 030 263	12 997 911	18 365 937	15 755 615
Property, land and buildings	24 014	24 014	24 014	24 014
Machinery and equipment	199 395	231 136	199 605	222 488
Financial assets/Shares	26 274	46 482	7 513	4 954
Investment in associated companies	0	73 712	75 426	72 475
Other long-term receivables	544 317	502 123	528 304	525 843
Right of use assets	2 233 708	1 647 443	2 094 171	1 567 127
Net Investment in subleases	32 749	19 481	22 173	13 649
Total non-current assets	34 662 325	25 213 529	33 466 120	28 624 596
Inventory	128 373	42 728	57 418	42 561
Accounts receivables	1 894 618	1 694 465	2 333 224	1 902 465
Other current receivables	963 802	717 762	992 004	492 907
Cash and cash equivalents	7 927 946	5 402 512	9 866 404	6 571 888
Total current assets	10 914 739	7 857 467	13 249 050	9 009 821
TOTAL ASSETS	45 577 064	33 070 996	46 715 170	37 634 417
EQUITY AND LIABILITIES				
Paid-in capital	5 611 027	3 241 978	5 611 027	5 142 027
Other reserves	1 140 531	355 789	1 591 067	503 587
Retained earnings	7 861 374	7 456 861	7 562 137	8 128 411
Equity attributable to equity holders of Visma AS	14 612 932	11 054 628	14 764 231	13 774 025
Non-controlling interests	32 660	0	35 295	31 189
Total equity	14 645 592	11 054 628	14 799 527	13 805 214
Deferred tax liability	3 177 953	2 337 265	2 873 351	2 568 462
Financial hedging Instruments	186 042	102 843	135 712	72 370
Long-term interest bearing bank loans	14 417 608	11 159 419	15 046 949	13 065 812
Accrued funding fees	(15 265)	(14 740)	(16 796)	(18 326)
Long-term lease liabilities	1 706 316	1 385 279	1 606 724	1 298 216
Other long-term non interest bearing liabilities	2 616 938	1 077 474	2 402 750	1 899 181
Total non-current liabilities	22 089 591	16 047 540	22 048 690	18 885 715
Bank overdraft	1 855 040	969 380	2 570 910	(0)
Short-term interest bearing bank loans	103 980	91 770	104 060	94 420
Trade creditors	691 499	603 742	693 383	590 812
Public duties payable	880 738	554 509	1 073 294	690 052
Tax payable	20 796	26 944	82 322	148 476
Deferred revenue	2 453 688	1 934 184	3 059 566	1 445 520
Short-term lease liabilities	570 664	388 855	534 123	394 505
Other current liabilities	2 265 476	1 399 442	1 749 296	1 579 704
Total current liabilities	8 841 882	5 968 827	9 866 953	4 943 488
Total liabilities	30 931 473	22 016 368	31 915 643	23 829 204
TOTAL EQUITY AND LIABILITIES	45 577 064	33 070 996	46 715 170	37 634 417

CONSOLIDATED STATEMENT OF CASH FLOWS

(NOK in thousands)	2nd quarter		1st half year		Year
	2020	2019	2020	2019	2019
Ordinary profit before tax from continuing and discontinued operations	388 967	188 648	695 141	397 973	1 262 408
Depreciation right of use assets	118 418	99 424	227 204	186 797	377 959
Depreciation tangible assets	30 470	32 255	59 058	51 110	110 333
Depreciation capitalised R&D cost	47 401	45 994	90 651	87 676	187 389
Amortisation patents and other intangible assets	279 382	176 620	524 286	349 349	821 460
Amortisation contracts and customer relationships	321 151	239 878	595 679	458 822	917 302
Tax paid	(106 620)	(52 733)	(208 537)	(154 851)	(330 460)
Changes in debtors	438 606	49 485	7 847	173 517	(34 483)
Changes in inventory and trade creditors	(72 840)	46 119	14 875	(24 325)	(37 087)
Changes in public duties payable	(192 555)	(280 110)	190 687	(67 122)	68 420
Changes in deferred revenue	(605 878)	(388 666)	1 008 168	444 882	(43 782)
Changes in other accruals	(9 190)	72 939	(484 041)	30 881	311 080
Net cash flow from continuing and discontinued operations	637 313	229 853	2 721 018	1 934 709	3 610 538
Net cash flow from continuing operations	637 313	229 853	2 721 018	1 934 709	3 610 538
Sale of (investment in) tangible fixed assets	(22 768)	(24 102)	(59 006)	(54 084)	(99 115)
Sale of (investment in) R&D own software	(23 419)	(19 559)	(42 524)	(35 130)	(79 447)
Net cash flow from investments	(46 188)	(43 661)	(101 530)	(89 214)	(178 562)
Investment in tangible fixed assets related to business combinations	(21 871)	(25 351)	(27 451)	(44 363)	(59 194)
Investment in R&D software related to business combinations	(20 047)	(19 264)	(24 757)	(45 974)	(93 929)
Sale of (investment in) businesses	(1 555 610)	(1 364 219)	(2 518 480)	(2 142 716)	(4 803 787)
Sale of (investment in) shares	43 239	(246)	40 680	(3 515)	237 818
Net proceeds from divestiture of discontinued operations	0	0	0	13 268	13 268
Net cash flow from investments related to business combinations	(1 554 289)	(1 409 080)	(2 530 008)	(2 223 301)	(4 705 824)
Repayments of interest bearing loans	0	0	(50 061)	(297 000)	(347 001)
Net proceeds from interest bearing loans	0	0	0	2 428 621	4 227 406
Changes in bank overdraft	(629 610)	965 030	1 832 215	(450 649)	(1 508 009)
Cashflow from leases	(136 900)	(131 722)	(285 577)	(219 634)	(515 473)
Changes in long term receivables/payables	714	(2 142)	(1 748)	353	(4 872)
Payment of Group contribution	0	0	(563 354)	(507 767)	(507 767)
Cash inflow from dividends	52 000	6 000	52 000	6 000	6 000
Net cash flow from share issues	0	0	0	0	1 900 049
Cash inflow from interest	5 014	5 471	14 996	10 793	30 708
Cash outflow from interest and fees	(32 266)	(6 151)	(259 479)	(197 869)	(521 962)
Net cash flow from financing activities	(741 048)	836 488	738 993	772 850	2 759 081
Net cash flow	(1 704 212)	(386 400)	828 472	395 045	1 485 233
Cash and cash equivalents, beginning of period	9 866 404	5 801 320	6 571 888	5 148 003	5 148 003
Net foreign exchange differences	(234 247)	(12 406)	527 586	(140 534)	(61 346)
Cash and cash equivalents, end of period	7 927 946	5 402 514	7 927 946	5 402 514	6 571 890
EBITDA to net cash flow from operations	50,0 %	25,3 %	112,3 %	108,5 %	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			538 200	538 200	(1 822)	536 378
<i>Net gain (loss) on financial hedging instruments, net of tax</i>		(88 096)		(88 096)		(88 096)
<i>Exchange differences on translation of foreign operations, net of tax</i>		725 040		725 040		725 040
Total comprehensive income for the period		636 944	538 200	1 175 144	(1 822)	1 173 322
Group contribution			(336 236)	(336 236)		(336 236)
Changes to non-controlling interest; acquisition and arising on business combination			0	0	3 292	3 292
Equity at end of period	5 611 027	1 140 531	7 861 375	14 612 933	32 660	14 645 592

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 second quarter of 2020 were authorised for issue by the board of directors on 8 July 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 second 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

2nd 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	2 989 211	862 555	996 490	435 506	466 478	5 750 240	2 460 442	576 650	764 613	289 164	389 716	4 480 584
Internal revenue	568 224	179 486	85 007	20 702	239 875	1 093 294	499 882	47 274	58 123	10 238	186 971	802 487
External revenue on each group of similar products and services												
On-premises software	719 065	81 540	184 824	26 929	0	1 012 358	701 495	66 732	151 589	0	0	919 815
New software licences	11 025	1 659	11 387	0	0	24 071	16 662	1 789	14 008	0	0	32 460
Annual agreements	600 109	67 682	66 675	25 590	0	760 056	560 318	52 900	54 191	0	0	667 410
Software Consulting and Implementation	107 930	12 199	106 762	1 338	0	228 230	124 514	12 042	83 390	0	0	219 946
Cloud Computing	1 637 807	599 156	713 919	385 977	157 215	3 494 074	1 205 956	461 273	547 427	277 171	152 346	2 644 173
SaaS Subscriptions	1 084 404	116 110	133 810	89 047	5 011	1 428 382	789 100	56 177	103 581	60 964	4 066	1 013 889
SaaS Transactions and sign up fees	422 843	294 203	44 148	76 992	2 961	841 147	305 612	233 977	15 126	35 604	2 276	592 595
Cloud Infrastructure and Hosting Services	2 577	3 481	55 504	0	149 243	210 805	997	3 985	50 156	0	146 004	201 142
Software Consulting and Implementation on SaaS	85 401	65 923	480 458	14 105	0	645 887	71 577	54 211	384 156	8 055	0	517 999
Managed HR Services	40 910	119 440	0	0	0	160 350	36 044	112 923	0	0	0	149 967
FinTech Services and debt collection	1 670	0	0	205 832	0	207 502	2 626	0	(5 593)	172 548	0	169 581
Other	64 116	2 374	12 739	1 899	69 388	150 515	53 109	1 372	7 474	1 755	50 398	114 108
External revenue	2 420 987	683 069	911 482	414 804	226 603	4 656 946	1 960 560	529 377	706 490	278 925	202 744	3 678 096
Actual growth (external) %	23,5 %	29,0 %	29,0 %	48,7 %	11,8 %	26,6 %						
EBITDA	769 680	136 957	209 131	111 924	47 827	1 275 519	553 070	114 694	157 950	68 097	14 459	908 269
EBITDA margin	31,8 %	20,1 %	22,9 %	27,0 %	21,1 %	27,4 %	28,2 %	21,7 %	22,4 %	24,4 %	7,1 %	24,7 %

1st half year (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	5 822 652	1 656 265	1 979 317	816 972	917 799	11 193 006	4 875 050	1 141 254	1 399 239	560 867	750 566	8 726 977
Internal revenue	1 107 203	357 634	160 120	36 923	474 350	2 136 230	986 511	87 107	112 452	20 520	374 256	1 580 846
External revenue on each group of similar products and services												
On-premises software	1 456 985	151 613	361 746	34 393	0	2 004 738	1 412 754	139 386	262 970	0	0	1 815 111
New software licences	23 783	4 284	23 169	0	0	51 236	37 363	5 449	23 424	0	0	66 236
Annual agreements	1 188 054	121 331	130 026	32 384	0	1 471 794	1 122 669	108 487	74 844	0	0	1 306 000
Software Consulting and Implementation	245 147	25 999	208 551	2 010	0	481 707	252 723	25 451	164 702	0	0	442 875
Cloud Computing	3 132 495	1 142 039	1 433 892	743 007	312 829	6 764 262	2 368 557	912 612	1 008 999	538 301	301 808	5 130 278
SaaS Subscriptions	2 042 561	185 342	279 993	169 768	9 540	2 687 204	1 552 304	111 175	168 843	119 614	8 071	1 960 008
SaaS Transactions and sign up fees	843 234	579 781	56 762	144 762	5 637	1 630 176	594 940	463 079	20 094	67 347	4 536	1 149 996
Cloud Infrastructure and Hosting Services	4 530	6 788	108 463	0	297 652	417 434	2 066	6 715	85 327	0	289 201	383 309
Software Consulting and Implementation on SaaS	158 483	145 990	988 674	25 426	0	1 318 573	142 312	106 364	735 876	14 409	0	998 961
Managed HR Services	80 149	224 138	0	0	0	304 287	70 000	225 278	0	0	0	295 278
FinTech Services and debt collection	3 537	0	0	403 051	0	406 588	6 936	0	(1 141)	336 931	0	342 727
Other	125 970	4 980	23 559	2 648	130 620	287 776	107 227	2 149	14 818	2 046	74 502	200 742
External revenue	4 715 449	1 298 631	1 819 197	780 049	443 449	9 056 776	3 888 539	1 054 148	1 286 787	540 347	376 310	7 146 131
Actual growth (external) %	21,3 %	23,2 %	41,4 %	44,4 %	17,8 %	26,7 %						
EBITDA	1 481 813	243 259	415 560	201 457	80 016	2 422 106	1 099 307	235 534	292 015	122 483	34 506	1 783 845
EBITDA margin	31,4 %	18,7 %	22,8 %	25,8 %	18,0 %	26,7 %	28,3 %	22,3 %	22,7 %	22,7 %	9,2 %	25,0 %

Reconciliation	2nd quarter		1st half year
	2020	2019	2020
Profit before taxes	388 967	188 648	695 141
Net financial items	76 303	126 798	219 612
Result from associated companies	13 426	(1 347)	10 475
Depreciations and amortisations	796 823	594 170	1 496 877
EBITDA	1 275 519	908 269	2 422 106
EBITDA in operating segments	1 275 519	908 269	2 422 106

GEOGRAPHICAL AREAS

(NOK in thousands)	2020			2019		
	Net sales	%	Long lived assets	Net sales	%	Long lived assets
Norway	2 829 175	31,2 %	7 676 806	2 293 459	32,1 %	4 638 283
Sweden	1 860 617	20,5 %	3 179 079	1 594 037	22,3 %	2 233 381
Denmark	1 171 875	12,9 %	4 352 926	895 948	12,5 %	3 393 757
Finland	1 335 698	14,7 %	2 313 197	1 069 089	15,0 %	2 237 877
Netherlands	1 859 411	20,5 %	13 989 767	1 293 598	18,1 %	10 109 233
Total	9 056 776	100,0 %	31 511 775	7 146 131	100,0 %	22 612 531

NOTE 3 — BUSINESS COMBINATIONS

During the second quarter of 2020, Visma had a net cash outflow from investment related to business combinations of NOK 1 604m.

Software Nordic & International

Visma improved its offering to Norwegian municipalities through the acquisition of the cloud reporting provider Framsikt. The Latin American footprint was significantly expanded through the acquisition of Zetech, a leading supplier of eSignatures headquartered in Buenos Aires. In Sweden, Visma acquired Specter, a leading provider of ERP systems for e-commerce. Further, the group acquired the GDPR and HRM portal DraftIt. Lastly, Visma acquired a minority stake in Fabric.ai a fast growing Finnish provider of accounting automation

Software Benelux

Visma significantly improved its offering towards Dutch Accounting offices through the acquisitions of fast growing SaaS companies VisionPlanner and Nmbrs. Additionally, Visma acquired the document and archive management software Intradata seeing strong synergies with Visma Raet as well as the Danish Visma Enterprise business.

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

	Nmbrs BV	Visionplanner BV	Framsikt AS	Draftit AB	Zetech SA
(NOK in thousands)	08.05.20	01.04.20	01.04.20	01.04.20	05.05.20
Deferred tax assets	0	135	48	4 480	0
Other intangible assets	4 410	2 498	13 002	0	0
Machinery and equipment	7 087	13 278	730	378	44
Other long-term receivables	0	0	238	0	59
Trade receivables	15 144	3 132	5 058	12 706	6 845
Other short term receivables	6 667	3 715	618	4 309	8 352
Cash and cash equivalents	5 456	16 848	35 971	40 632	12 831
Assets	38 765	39 605	55 666	62 506	28 130
Other long-term liabilities	340	5 634	962	0	0
Deferred tax liability	0	0	1	1 065	0
Bank overdraft	0	0	0	0	0
Trade creditors	4 955	4 604	1 352	3 863	135
Public duties payable	5 408	4 998	11 118	7 993	2 311
Tax payable	40	178	128	(1 143)	3 927
Other current liabilities	10 257	33 895	25 983	52 640	6 477
Liabilities	20 999	49 310	39 544	64 418	12 849
Fair value of net assets	17 766	-9 704	16 121	-1 912	15 281
Goodwill arising on acquisition	348 046	376 345	127 247	185 650	102 021
Other intangible assets	167 558	167 937	67 372	86 931	48 075
Contracts and customer relationship arising or	234 581	235 112	94 321	121 704	67 304
Deferred tax liability	(97 720)	(97 941)	(35 573)	(44 648)	(40 383)
Total acquisition cost	670 230	671 750	269 490	347 725	192 298
Net cash acquired with the subsidiary	(5 456)	(16 848)	(35 971)	(40 632)	(12 831)
Cash paid	338 145	339 415	108 490	293 119	114 798
Net cash outflow	332 689	322 568	72 519	252 487	101 967
Deferred payment	332 085	332 334	161 000	54 606	77 500

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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