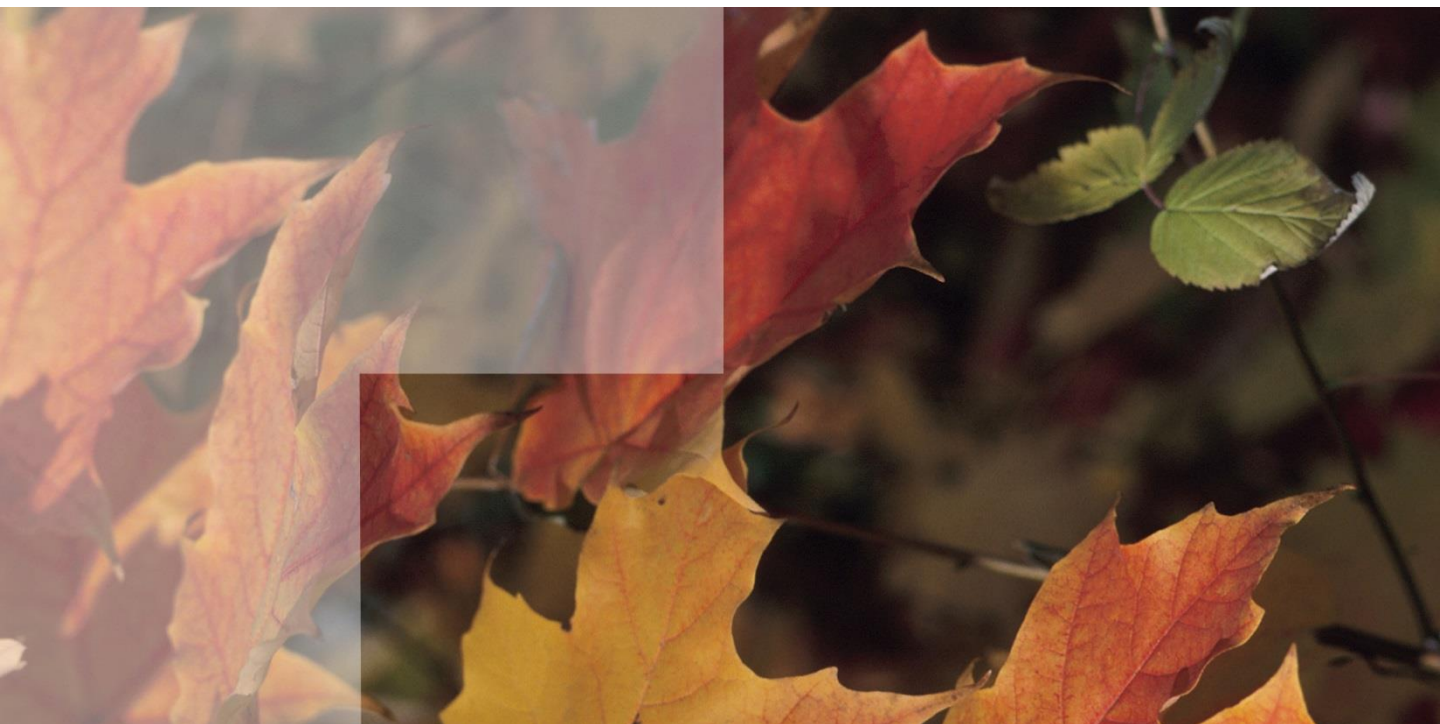


# QUARTERLY REPORT 2016



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## Another Quarter of Double-digit Revenue and EBITDA Growth .....and a Transformative Divesture of the BPO Division

### HIGHLIGHTS, THIRD QUARTER 2016

- Revenue of NOK 2,310 million, an increase of 15.7%
- EBITDA of NOK 615 million, an increase of 22.4%
- Continued Revenue and EBITDA growth of 10%+ in SMB and GLA Software Divisions
- Revenue from SaaS Software solutions grew by 21%, y-on-y, exceeding NOK 500 million for the first time
- Continued strong after-tax cashflow with over 50% growth year to date
- Agreement reached in September to divest the entire BPO division, strengthening focus on software business

Visma had another strong quarter with top-line revenue and profit growth. Total revenue growth was 15.7% while EBITDA improved with 22.4% over Q3 2015 to reach NOK 615 million, yielding an EBITDA margin of 26.6%.

Visma continues its strongest growth in the two Software divisions. Revenues in Software GLA grew by 25.9% and Revenues in Software SMB grew by 11.2%, compared to the third quarter a year ago. SaaS and SaaS transactions continue to be the strongest driver of organic growth in Visma and Software SaaS Solutions revenue exceeded NOK 500 million for the time reaching 505 million.

Visma also signed an agreement with HgCapital regarding the divestment of the BPO division. This is a win-win transaction where BPO will be able to continue under new ownership to increase its role as a Nordic BPO consolidator, and Visma will become more of a "pure-play" Software and Cloud/SaaS solutions provider.

### KEY FIGURES

| (NOK in millions)                 | 3rd quarter   |               |         | First three quarters |               |        | Year          |
|-----------------------------------|---------------|---------------|---------|----------------------|---------------|--------|---------------|
|                                   | 2016          | 2015          |         | 2016                 | 2015          |        | 2015          |
|                                   | Actual        | Actual        | Growth  | Actual               | Actual        | Growth | Actual        |
| Revenue                           | 2 310         | 1 998         | 15,7 %  | 7 240                | 5 959         | 21,5 % | 8 338         |
| EBITDA                            | 615           | 502           | 22,4 %  | 1 617                | 1 259         | 28,4 % | 1 744         |
| <i>EBITDA margin</i>              | <i>26,6 %</i> | <i>25,1 %</i> |         | <i>22,3 %</i>        | <i>21,1 %</i> |        | <i>20,9 %</i> |
| EBITA                             | 584           | 476           | 22,7 %  | 1 526                | 1 187         | 28,5 % | 1 638         |
| EBIT                              | 416           | 342           | 21,5 %  | 1 059                | 870           | 21,8 % | 1 160         |
| Net profit                        | 268           | 154           | 73,3 %  | 652                  | 445           | 46,5 % | 624           |
| Operational cash flow (after tax) | 328           | 159           | 106,6 % | 1 501                | 974           | 54,1 % | 1 448         |

### FINANCIAL REVIEW – GROUP (THIRD QUARTER 2015 IN BRACKETS)

Revenue amounted to NOK 2 310 million (1 998) and EBITDA to NOK 615 million (502) in the third quarter of 2016. Revenue increased 15.7% over Q3 2015.

Group EBITA amounted to NOK 584 million in the third quarter (476), whereas net gain from associated companies amounted to NOK -0.5 million (-.04). Net financial items were NOK -65 million (-133). Consequently, profit before taxes was NOK 352 million (209). Taxes amounted to NOK 84 million (55), and net income resulted in NOK 268 million (154) in the third quarter.

Cash flow from operations after tax amounted to NOK 328 million (159) in the third quarter 2016. Cash outflow from investments was NOK 218 million (750) in the quarter, which is fixed assets and software R&D and investments in acquired businesses. At the end of the third quarter, the cash position of Visma was NOK 3 107 million (2 137).

Equity amounted to NOK 4 663 million at the end of the quarter (3 939), corresponding to an equity ratio of 32.1% (29.9%). Interest bearing debt amounted to NOK 5 297 million (5 120). The debt-facilities have maturity dates in the 4th quarter 2019.

### OUTLOOK

The Nordic markets, where Visma has 97% of 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 (75% of Visma revenue) have healthy public finances. Norway has stabilized and recovered from the oil sector volatility and Sweden continues with growth. Denmark and Finland are also feeling general upswing in the economy. Regardless of the macroeconomic environment there are plenty of opportunities that will allow Visma to continue to achieve good organic growth.

The demand for SaaS services is steadily increasing. The growth in SaaS software and SaaS solutions revenue was 21% for the third quarter 2016 compared to Q3 2015 driven by strong organic growth and strategic SaaS acquisitions. Visma continues to invest considerably in SaaS and to lead the transition to SaaS in Visma's core SMB Software products and services. 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 accelerate the acquisition pace the coming quarters.

Visma Software SMB is the largest business area, contributing 43% of the Revenue and 61% of the EBITDA in the third quarter of 2016. Visma Software GLA accounted for 37% of Revenue and 29% of EBITDA. Visma BPO accounted for 20% of Revenue and 10% of EBITDA. Revenue growth in the third quarter was 15.7% for the overall Visma Group. Software SMB grew by 11.2%, Software GLA grew by 25.9%, and BPO by 8.0%.

During Q3 2016, EBITDA in Visma grew 22.4% with an EBITDA-margin of 20.9% for the Group. Software SMB, the largest and most profitable division, grew EBITDA by 14.9% and achieved a margin of 36.9% even with significant SaaS R&D expenses included. Software GLA's EBITDA grew by 37.7% and achieved a margin of 20.8%.

**MARKETS**

Visma is steadily launching new SaaS products, and heavy investment in SaaS continues. 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.

The economic outlook in the Nordic markets is positive and stable in comparison to the EU uncertainties around Brexit and banking sector challenges. Norway maintains positive, but low growth. Oil prices have stabilized and the NOK is appreciating. Sweden continues to be the best performer with one of the highest growth rates in Europe. The economic situation in Denmark is steadily improving and Finland is showing more strength in the economy. Visma's core businesses in these markets generally continue to take market shares and show solid growth.

**OWNERSHIP**

Visma is currently jointly owned by three leading international private equity groups. HgCapital 36.5%, KKR 28.6%, and Cinven 28.6%. A broad management group holds approximately 6% of the shareholder equity in Visma. In addition to the stability of the main owners, the main owners have co-investors comprised of some larger Nordic and international pension funds. This constellation contributes to a stable ownership situation for the rest of the decade.

**RISKS**

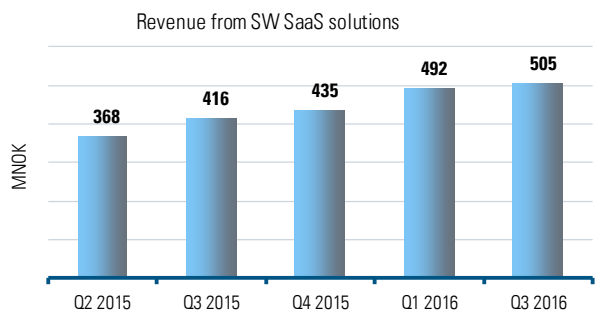
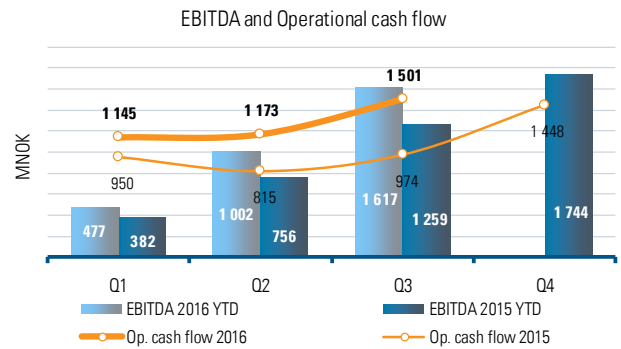
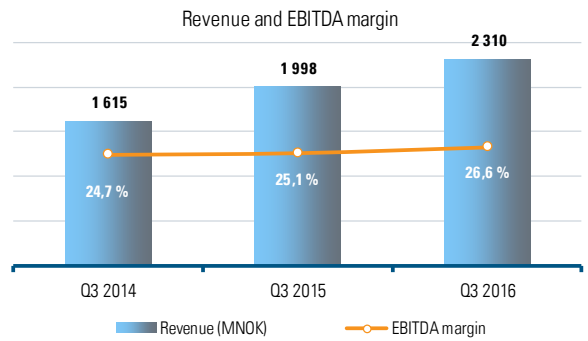
Visma is exposed to the general economic climate in the countries where the company operates. However, the business risk is limited by the company's diversified customer base and a reasonably priced, high-quality portfolio of products and services. Although Visma is also involved in some very large IT projects, Visma believes associated risk is well counter-balanced as over 60% of total Visma revenue is generated in the well-diversified SMB segment.

**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, October 26, 2016

The Board of Directors of VISMA AS



# VISMA SOFTWARE GLA

| (NOK in millions)                       | 3rd quarter |            |              | First three quarters |              |              | Year         |
|---|-------------|------------|--------------|----------------------|--------------|--------------|--------------|
|   | 2016        | 2015       | Δ            | 2016                 | 2015         | Δ            | 2015         |
| <b>Segment revenue</b>                  |             |            |              |                      |              |              |              |
| Software                                | 445         | 357        | 24,7%        | 1 305                | 1 022        | 27,6%        | 1 451        |
| Transaction Services                    | 12          | 9          | 27,3%        | 43                   | 26           | 62,1%        | 48           |
| Consulting Services                     | 285         | 242        | 17,9%        | 983                  | 782          | 25,8%        | 1 109        |
| Hosting and Infrastructure as a Service | 20          | 15         | -            | 61                   | 44           |              | 62           |
| Other                                   | 93          | 56         | 67,1%        | 245                  | 176          | 39,5%        | 276          |
| <b>Total operating revenue</b>          | <b>856</b>  | <b>680</b> | <b>25,9%</b> | <b>2 637</b>         | <b>2 050</b> | <b>28,6%</b> | <b>2 945</b> |
| Growth                                  | 25,9%       |            |              | 28,6%                |              |              |              |
| <b>EBITDA</b>                           |             |            |              |                      |              |              |              |
| EBITDA                                  | 178         | 129        | 37,7%        | 428                  | 314          | 36,5%        | 445          |
| EBITDA margin                           | 20,8%       | 19,0%      |              | 16,2%                | 15,3%        |              |              |
| EBITDA growth                           | 37,7%       |            |              | 36,5%                |              |              |              |

## SHARE OF GROUP



Operating revenue



EBITDA

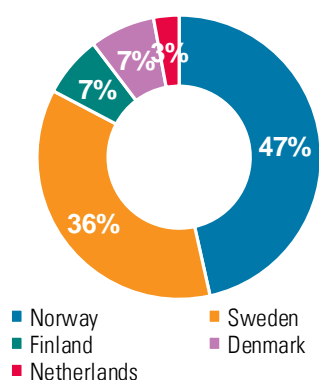
## KEY FIGURES

Revenue 856 MNOK  
Growth, QoQ 25,9 %

EBITDA 178 MNOK  
EBITDA margin 20,8 %

FTE 2 662  
Headcount 2 715

## SALES BY GEOGRAPHY



### Enterprise Solutions

Revenue in Enterprise Solutions grew by 3,4 % in Q3 compared to last year, with more than 8% growth in recurring and SaaS revenue and 22 % growth in EBITDA.

Transition to cloud through hybrid services and investments in pure cloud services are prioritized areas for Enterprise Solutions. Currently, 36% of the CMRR is on true cloud services, and 56% of the R&D resources are working on cloud services.

Visma is delivering 5.3 million payslips on multiple Visma payroll solutions per September 2016. Visma's true international payroll cloud solution, Visma.net Payroll, is in production with customers in the Netherlands, Norway and Sweden. The product has had positive feedback from the market and good growth in all three markets.

The international cloud service for recruitment - EasyCruit - that was acquired in Q2 is well integrated into the Visma organization. So far the different BUs have signed customer contracts with an annual value of MNOK 3,4.

The international cloud service for travel and expenses is now well positioned in the market in all segments in Norway, in SMB/Micro in Finland, and in SMB and LA in Sweden. The Expense service is integrated with existing on-premises Payroll, and is an important part of the hybrid strategy to gain necessary growth on existing customer base.

The technology and domain competence from the Irish school company School Thing acquired during Q2 is now an integrated part of the Vigo project for all upper secondary schools in Norway.

Visma Unique has won 29 municipalities on the Enterprise BI solution. The product received substantial positive feedback at Unique's annual customer event, so we anticipate further growth in this area going forward.

### IT & Communications

In Q3 2016 we continued our transition to cloud initiatives as well as further increasing the enterprise focus on cyber security. Alongside this we now have 24/7 operations as an offering in our service catalogue and an increasing number of customers being on-boarded onto that service.

Our dedicated process automation team (artificial intelligence and machine learning) completed their proof-of-concept on automating the handling of incoming tickets to our service desk. The trained algorithm will be put into production shortly and will then automatically categorize and even answer a substantial share of the incoming tickets - with no human intervention.

# VISMA SOFTWARE GLA - continued

## Software GLA at a glance

### Management:

- Øystein Moan, Director GLA Division
- Jan Ivar Borgersen, Managing Director Enterprise Solutions
- Carsten Boje Møller, Managing Director Consulting
- Peter Fischer, Managing Director Retail
- Espen Håkonsen, Managing Director IT&C

### Target market:

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

### Products and services:

- HRM and payroll cloud solutions
- ERP and financial management
- Procurement administration and notification
- Cloud solutions for schools, childcare and welfare
- Business intelligence and dashboards for municipalities and large accounts
- System development and integration
- Application management
- E-government solutions
- Case and document management
- E-commerce solution
- Information management & business intelligence
- Fishery control solutions
- Retail HQ and back office software
- Retail POS and self-service solutions (self-checkout, self-scanning, self-service-stations)
- Retail mobile solutions (mobile POS, mobile backoffice, apps)
- Retail hardware and IT infrastructure services
- Customer insights solutions and loyalty systems

### Consulting

Results for Consulting in Q3 were solid and in line with expectations. Compared with last year Consulting had strong growth and improvements of results. YTD Revenue grew 26,5 % and EBITDA 72,3 % (organically 10,5 % and 19,2 %).

All countries were performing quite well - especially Norway has had an exceptional come-back since last year, but also Sweden has had great improvements of results in Q3. Results from Norway, Denmark and Finland the first three quarters of 2016 have been quite strong. Our Nearshore Development Center in Lithuania is performing very well with a very high customer satisfaction and they are now opening up for business with external customer through MIND4IT in Denmark. Strategic business development of Business Intelligence is continuing in the division and acquisitions are in the pipeline for both Finland and Sweden.

The Division had many important wins of new customer contracts in Q3 in all countries. This was highlighted by the startup and approval of the takeover test of the two new contract with STAR (The Agency for Labour and Recruitment) in Denmark, a Development and an Application Management contract over 4 – 8 years with an estimated value of 400 - 800 MDKK. In Finland, we closed our first large strategic contract within Business Intelligent with Metso for 500 KEUR – a customer with a great potential in the future. Likewise, in Norway, we signed contracts with important customers: Police, Department of Healthcare, Immigration and in Sweden: The Swedish Research Council, Swedish Prison and Probation Service and Apotek Hjärtat.

We still experience great interest from the market for our new Cloud offering Visma Addo for digital signatures. Our Cloud solution PensionBroker has had success with new customers and new projects with existing customers within large financial institutions.

### Retail

Following our win of Coop in Hungary earlier this year, we continued our international expansion with a signed agreement with yet another grocery chain in Q3. Our first win in the UK-market, and our second customer outside the Nordics. Announcement of the win and the name of the company will be official in Q4.

Our work with thought leadership and building Visma Retail Division as a trusted advisor and experts in Retail is progressing well. In Q3 we finalized our two research studies. One on the topic of Millennials and their shopping behavior, and the other on the topic of customer insight and customer loyalty / disloyalty. We have already launched some of the results from the studies. In Norway we presented highlights from our study on Millennials at Norway's largest retail-event Handelskonferensen, hosted by the Norwegian Trade Federation Virke. This also led to an interview with a journalist from E24 who later published an article about this topic and Visma. In Sweden we held a sneak preview of highlights from our study on Customer loyalty at a customer VIP event. We also released a selection of the results in a press release, that gave PR in several media, including articles in five different retail industry media and web TV in Sweden.

# VISMA SOFTWARE SMB

| (NOK in millions)                       | 3rd quarter |            |              | First three quarters |              |              | Year         |
|---|-------------|------------|--------------|----------------------|--------------|--------------|--------------|
|   | 2016        | 2015       | Δ            | 2016                 | 2015         | Δ            | 2015         |
| <b>Segment revenue</b>                  |             |            |              |                      |              |              |              |
| Software                                | 741         | 649        | 14,2%        | 2 214                | 1 735        | 27,6%        | 2 438        |
| Transaction Services                    | 140         | 136        | 3,1%         | 440                  | 417          | 5,4%         | 589          |
| Consulting Services                     | 30          | 23         | 30,5%        | 120                  | 77           | 56,1%        | 111          |
| Hosting and Infrastructure as a Service | 49          | 51         | -3,8%        | 153                  | 148          | 3,7%         | 201          |
| Other                                   | 24          | 26         | -7,9%        | 73                   | 74           | -2,2%        | 100          |
| <b>Total operating revenue</b>          | <b>985</b>  | <b>885</b> | <b>11,2%</b> | <b>3 000</b>         | <b>2 452</b> | <b>22,4%</b> | <b>3 439</b> |
| Growth                                  | 11,2%       |            |              | 22,4%                |              |              |              |
| <b>EBITDA</b>                           | <b>375</b>  | <b>326</b> | <b>14,9%</b> | <b>970</b>           | <b>765</b>   | <b>26,9%</b> | <b>1 062</b> |
| EBITDA margin                           | 38,1%       | 36,9%      |              | 32,3%                | 31,2%        |              |              |
| EBITDA growth                           | 14,9%       |            |              | 26,9%                |              |              |              |

## SHARE OF GROUP



Operating revenue

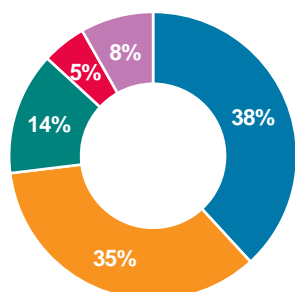


EBITDA

## KEY FIGURES

|               |          |
|---------------|----------|
| Revenue       | 985 MNOK |
| Growth, QoQ   | 11,2 %   |
| EBITDA        | 375 MNOK |
| EBITDA margin | 38,1 %   |
| FTE           | 2 602    |
| Headcount     | 2 709    |

## SALES BY GEOGRAPHY



■ Norway ■ Sweden ■ Finland  
■ Netherlands ■ Denmark

### Comments on the third quarter

The SMB division grew revenue by 14% for the third quarter in 2016. The growth is driven by strong organic SaaS growth in all present countries and a resilient recurring business model in all non-SaaS and hybrid areas. Currency adjusted pro forma organic growth is above 7% for the quarter, and SaaS revenue is growing organically at a healthy 24%. SaaS comprises 45% of the Software revenue.

Revenue from transaction services is coming mostly from Debt Collecting Services in Norway, Sweden and Finland. Hosting Services is showing a slight decline due to the closing of the brand Active 24 in Norway and transfer of the customers to Loopia, Visma's Swedish market leader. EBITDA growth of close to 15% is higher than revenue growth, and shows how we are able to reap synergies from acquisitions, while continuing to invest heavily in R&D simultaneously.

### Software Entry-level & Mid-range

Visma SMB continues the solid growth in the mid and entry-level cloud segment reaching BNOK 1 in SaaS CMRR12, with 345 000 cloud customer contracts. Focus in the quarter has been on delivering high-quality SaaS solutions in new and existing segments and providing upgrades for the large existing on-premises customer bases, giving them cloud and automation benefits as part of their transition to SaaS.

The Visma eAccounting entry-level cloud business solution grew to include near 65 000 businesses across Sweden, Norway, Denmark and the Netherlands in Q3. Several new features and a new Nordic Cool 3 UI were implemented in the quarter and will further strengthen Visma eAccounting as the preferred cloud solution for accounting offices and in the entry-level segment.

The Visma.net range of cloud mid-range offerings and hybrid services continued the customer and user growth, with a solid pipeline of Visma.net Financials and Logistics implementations ongoing. A rich feature line-up for these products will be added during the coming quarters, driving further growth.

Strong organic cloud growth in the acquired product lines of e-economic, SpeedLedger and Tripletex solidifies Visma's Nordic market leadership in the cloud SMB segments. Investments in cloud development continues to outpace investments in on-premises solutions, combined with improved delivery capability and margins through the expansion of Visma's development centers in central Europe and the Baltics.

Operational focus has been on onboarding recent 2016 acquisitions including Sproom, Smartscan and Tripletex. Important cloud growth trends in our segments are electronic invoicing solutions tightly integrated with ERP, accounting office's transition to cloud solutions, online HRM, and enabling our customer's employee consumption of services such as payslips through mobile services.

# Software SMB - continued

## Software SMB at a glance

### Management:

- Eivind Gundersen, Director SMB Division
- Eilert G. Hanoa, Managing Director Entry level and mid-range

### Target market:

- Small & medium sized businesses

### Products and services:

- Cloud-based financial solutions
  - ERP and financial systems
  - CRM
  - Cloud-based expense management
  - Cloud-based invoicing and payment solutions
  - Invoicing, dunning and debt collection services
  - HRM and payroll administration systems
  - Solutions for artisans and other industries
  - Cloud-based project management
  - Non-strategic and administrative purchases
  - Training
  - Web hosting, communication and collaboration solutions
  - Customer collaboration for accounting practices
  - Practice management for accounting practices
  - Business automation for accounting practices
- 

### Business Transactions

Business Transactions include Visma's activities within Accounts Receivables Management (ARM), e-Invoicing and Pooled procurement. Q3 is normally a calm period for transactions due to the holiday season and lower activity, but the YoY growth was reasonably strong. Number of debt collection cases and number of electronic invoices and other transactions grew rather fast. The increased focus on utilizing the potential within the vast customer base of Visma is gaining momentum in all markets throughout all products and services.

### Accounts receivables management

Sweden still represents the best development with a strong growth in number of new debt collection cases. The largest customer in the history of the company is now in full effect and is contributing to strong topline growth. Revenues from the existing Visma customers base is a huge potential which has not been as developed in Sweden as in other regions. This will be key focus going forward. In Norway, Visma Collectors had a weaker financial quarter than expected. We believe this is temporary as we are starting up new customers and have more than 50% growth in the attractive AutoCollect segment, an area we expect major growth in future quarters.

### E-invoicing

Visma's e-Invoicing services accelerated further during Q3 in all countries. In Norway, Visma is now the largest contributor in the PEPPOL statistics both in terms of number of customers and in number of transactions. All the transactions in Norway are derived from Visma's own ERP systems. In Finland, the strong growth continues primarily from Visma's own customer base. In Sweden, the growth slowed somewhat in Q3, but we already see that the growth is picking up and we expect higher growth rates already in Q4. After the acquisition of the Danish e-invoice provider Sproom in Q2, Visma has also seen growing e-Invoicing volumes in Denmark throughout Q3.

### Hosting

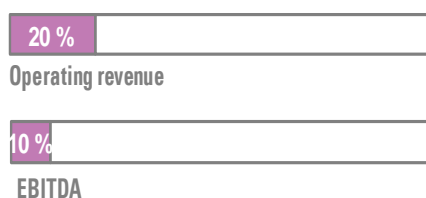
After a successful, but demanding restructuring of the whole Hosting division, Q3 was the first quarter representing the new run-rate for the business. Both August and September had all-time high EBITDA. We also expect strong profits going forward and 2017 looks promising. The key focus going forward is to regain revenue growth in key markets.



## VISMA BPO

| (NOK in millions)                       | 3rd quarter |            |             | First three quarters |              |              | Year 2015    |
|---|-------------|------------|-------------|----------------------|--------------|--------------|--------------|
|   | 2016        | 2015       | Δ           | 2016                 | 2015         | Δ            |              |
| <b>Segment revenue</b>                  |             |            |             |                      |              |              |              |
| Software                                | 26          | 15         | 75,6%       | 79                   | 42           | 90,1%        | 59           |
| Transaction Services                    | 257         | 248        | 3,5%        | 843                  | 775          | 8,8%         | 1 056        |
| Consulting Services                     | 182         | 169        | 7,8%        | 665                  | 628          | 5,8%         | 823          |
| Hosting and Infrastructure as a Service | 1           | 0          |             | 3                    | 0            |              | 0            |
| Other                                   | 5           | 4          | 33,1%       | 14                   | 12           | 15,6%        | 16           |
| <b>Total operating revenue</b>          | <b>470</b>  | <b>435</b> | <b>8,0%</b> | <b>1 604</b>         | <b>1 457</b> | <b>10,1%</b> | <b>1 954</b> |
| Growth                                  | 8,0%        |            |             | 10,1%                |              |              |              |
| <b>EBITDA</b>                           |             |            |             |                      |              |              |              |
| EBITDA                                  | 59          | 49         | 20,2%       | 216                  | 181          | 19,2%        | 244          |
| EBITDA margin                           | 12,5%       | 11,2%      |             | 13,5%                | 12,4%        |              |              |
| EBITDA growth                           | 20,2%       |            |             | 19,2%                |              |              |              |

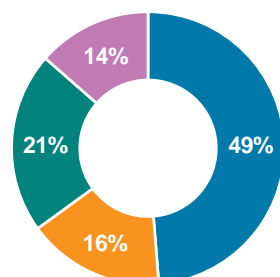
### SHARE OF GROUP



### KEY FIGURES

|               |          |
|---------------|----------|
| Revenue       | 470 MNOK |
| Growth, QoQ   | 8,0 %    |
| EBITDA        | 59 MNOK  |
| EBITDA margin | 12,5 %   |
| FTE           | 2 421    |
| Headcount     | 2 539    |

### SALES BY GEOGRAPHY



■ Norway ■ Sweden ■ Finland ■ Denmark

### Comments on the third quarter

In Q3 revenues in Visma BPO ended at NOK 470 million, an increase of NOK 35 million (8.0%) compared to Q3 2015. For the first three quarters revenues increased by NOK 147 million (10.1%) compared to the same period last year ("LY").

Q3 EBITDA ended at NOK 59 million, an increase of NOK 10 million (20.2%) compared to Q3 LY. For the first three quarters EBITDA increased by NOK 35 million (19.2%) compared to the same period LY. The EBITDA margin for the division is progressing in accordance with plan and the Q3 EBITDA margin has increased by 1.3 percentage points compared to Q3 LY and 1.1 percentage point for the first three quarters compared to the same period LY.

Adjusting for currency and M&A the organic EBITDA growth for the first three quarters is 12.0% compared to the same period LY.

The strategic initiative in the division of expanding nearshore capabilities and shifting parts of the Nordic onshore production nearshore is going according to plan. In Q3 the nearshore headcount in the division was more than 450 employees. These resources are now a key part of production on processes for a range of customers across the Nordics who choose the BPO division for outsourcing services. This cost advantage will ensure further growth in BPO as demand for outsourcing services is expected to increase.

### BPO Norway

For the first three quarters of 2016 BPO Norway has reported revenues and EBITDA above budget showing an EBITDA increase 12.3% compared to the same period last year. BPO Norway has started to harvest from strategic initiatives, which is evident from the reported financials. BPO Norway is well positioned for the future changes in the BPO sector.

# BPO- continued

## BPO at a glance

### Management:

- Roar Wiik Andreassen, Director BPO Division
- Rune Norbakk, Managing Director BPO Norway
- John Roitto, Managing Director BPO Finland
- June Mejlgård Jensen, Managing Director BPO Denmark
- Anders Fryxell, Managing Director BPO Sweden
- Rita Irgens, Managing Director, Visma Personnel Norway (Temp and Recruitment services)
- Rune Skåren, Managing Director, Visma Kollektor (Scanning & Workflow solutions)

### Target market:

- Enterprises of all sizes looking to outsource parts of – or their – administrative processes

### Products and services:

- Accounting services
  - Payroll services
  - Accounting, Payroll and HR advisory
  - Online accounting services
  - Legal services
  - Staffing, recruitment and temp services
- 

### BPO Sweden

The Swedish payroll segment is reporting a positive growth, while BPO Sweden is experiencing softer growth in the accounting segment. Meaningful sales in 2016 will influence the results positively from 2017. The ongoing top priority for the near-term is to align the cost levels with the revenue streams, especially in the PEX area.

In Q3 the acquisition of Idur Information AB was completed and the company was included in the BPO division. The service offerings and expertise Idur provides within pension services fits well in with the existing HR and payroll services provided in the BPO division. We see significant potential for growth and synergies from the BPO customer base.

### BPO Finland

Q3 was a solid quarter for Finland. Revenues and EBITDA for the first three quarters are on budget showing a strong revenue and EBITDA increase from the same period LY.

In Q3, the acquisition of Virvo Oy has been completed and the company is included in the BPO division in Finland. The acquisition further strengthens the BPO division's service line within payroll and HR in Finland and offers good synergy potential while strengthening BPO Finland's competence and service offering.

### BPO Denmark

Q3 was a good quarter for Denmark and for the first three quarters revenues and EBITDA are slightly ahead of budget. The projections for Denmark indicate that the full year budget is on-track to be reached both in terms of revenues and EBITDA.

## CONDENSED INTERIM FINANCIAL INFORMATION

### CONSOLIDATED STATEMENT OF INCOME

| (NOK in thousands)                               | 3rd quarter      |                  | First three quarters |                  | Year             |
|--|------------------|------------------|----------------------|------------------|------------------|
|  | 2016             | 2015             | 2016                 | 2015             | 2015             |
| <b>OPERATING REVENUE</b>                         |                  |                  |                      |                  |                  |
| Sales revenue                                    | 2 310 482        | 1 997 551        | 7 240 405            | 5 958 717        | 8 338 138        |
| <b>Total operating revenue</b>                   | <b>2 310 482</b> | <b>1 997 551</b> | <b>7 240 405</b>     | <b>5 958 717</b> | <b>8 338 138</b> |
| <b>OPERATING EXPENSES</b>                        |                  |                  |                      |                  |                  |
| Sales and distribution costs (COGS)              | 355 275          | 287 452          | 1 084 577            | 866 767          | 1 243 513        |
| <b>Gross profit</b>                              | <b>1 955 206</b> | <b>1 710 098</b> | <b>6 155 828</b>     | <b>5 091 950</b> | <b>7 094 625</b> |
| Payroll and personnel expenses                   | 1 041 399        | 923 202          | 3 597 189            | 3 000 442        | 4 209 707        |
| Bad debts  | 6 745            | 7 330            | 17 542               | 15 649           | 19 035           |
| Other operating expenses                         | 290 789          | 273 890          | 913 748              | 812 140          | 1 114 834        |
| <b>Total operating expenses</b>                  | <b>1 338 933</b> | <b>1 204 422</b> | <b>4 528 480</b>     | <b>3 828 230</b> | <b>5 343 575</b> |
| <b>EBITDA before M&amp;A expenses</b>            | <b>616 273</b>   | <b>505 677</b>   | <b>1 627 348</b>     | <b>1 263 720</b> | <b>1 751 049</b> |
| M&A expenses                                     | 1 256            | 3 313            | 10 552               | 4 996            | 6 718            |
| <b>EBITDA</b>                                    | <b>615 017</b>   | <b>502 364</b>   | <b>1 616 796</b>     | <b>1 258 724</b> | <b>1 744 331</b> |
| Depreciation tangible assets and capitalised R&D | 30 651           | 26 263           | 91 224               | 71 362           | 106 531          |
| <b>EBITA</b>                                     | <b>584 366</b>   | <b>476 101</b>   | <b>1 525 572</b>     | <b>1 187 361</b> | <b>1 637 801</b> |
| Amortisation intangible assets                   | 168 390          | 133 792          | 466 206              | 317 657          | 478 295          |
| <b>Operating profit EBIT</b>                     | <b>415 977</b>   | <b>342 309</b>   | <b>1 059 366</b>     | <b>869 704</b>   | <b>1 159 506</b> |
| Result from associated companies                 | 621              | (664)            | (848)                | (4 117)          | (2 468)          |
| <b>FINANCIAL ITEMS</b>                           |                  |                  |                      |                  |                  |
| Financial income                                 | 3 413            | 2 975            | 18 288               | 18 008           | 21 516           |
| Financial expenses                               | (68 011)         | (135 621)        | (218 428)            | (280 524)        | (352 565)        |
| <b>Net financial items</b>                       | <b>(64 598)</b>  | <b>(132 646)</b> | <b>(200 139)</b>     | <b>(262 517)</b> | <b>(331 049)</b> |
| <b>Profit before taxes</b>                       | <b>352 000</b>   | <b>208 999</b>   | <b>858 379</b>       | <b>603 070</b>   | <b>825 989</b>   |
| Taxes  | 84 331           | 54 512           | 206 214              | 157 869          | 202 183          |
| <b>Net income</b>                                | <b>267 669</b>   | <b>154 487</b>   | <b>652 164</b>       | <b>445 202</b>   | <b>623 805</b>   |
| <b>ATTRIBUTABLE TO:</b>                          |                  |                  |                      |                  |                  |
| Equity holders of Visma AS                       | 268 148          | 154 530          | 653 690              | 444 754          | 623 198          |
| Non-controlling interests                        | (480)            | (43)             | (1 526)              | 447              | 607              |
| <b>EARNINGS PR SHARE</b>                         |                  |                  |                      |                  |                  |
| Basic earnings per share (NOK in thousands)      | 268 148          | 154 530          | 653 690              | 444 754          | 623 198          |
| Diluted earnings per share (NOK in thousands)    | 268 148          | 154 530          | 653 690              | 444 754          | 623 198          |
| EBITDA margin                                    | 0                | 0                | 22,3 %               | 21,1 %           | 20,9 %           |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| (NOK in thousands)  | 3rd quarter     |                | First three quarters |                | Year           |
|---|-----------------|----------------|----------------------|----------------|----------------|
|   | 2016            | 2015           | 2016                 | 2015           | 2015           |
| <b>Net income</b>   | <b>267 669</b>  | <b>154 487</b> | <b>652 164</b>       | <b>445 202</b> | <b>623 805</b> |
| Net gain (loss) on financial hedging instruments, net of tax          | 13 206          | (16 460)       | 41 502               | 8 847          | 11 239         |
| Exchange differences on translation of foreign operations, net of tax | (59 775)        | 179 875        | (136 520)            | 163 430        | 203 318        |
| Net gain (loss) on defined benefit plan, net of tax                   | 296             | (662)          | 2 864                | 2 946          | 6 309          |
| <b>Other comprehensive income (loss) for the period, net of tax</b>   | <b>(46 272)</b> | <b>162 753</b> | <b>(92 154)</b>      | <b>175 223</b> | <b>220 866</b> |
| <b>Total comprehensive income for the period</b>                      | <b>221 396</b>  | <b>317 240</b> | <b>560 010</b>       | <b>620 425</b> | <b>844 671</b> |
| <b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>                    |                 |                |                      |                |                |
| Equity holders of Visma AS  | 221 876         | 317 283        | 561 536              | 619 977        | 844 064        |
| Non-controlling interests   | (480)           | (43)           | (1 526)              | 447            | 607            |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| (NOK in thousands)                                       | 30 September<br>2016 | 30 September<br>2015 | 30 June<br>2016   | 31 December<br>2015 |
|--|----------------------|----------------------|-------------------|---------------------|
| <b>ASSETS</b>  |                      |                      |                   |                     |
| Deferred tax assets                                      | 82 551               | 116 211              | 91 706            | 96 095              |
| Patents and other intangible assets                      | 1 419 501            | 1 287 392            | 1 524 351         | 1 014 713           |
| Capitalised R&D cost own software                        | 261 682              | 234 065              | 263 322           | 243 094             |
| Contracts and customer relationships                     | 1 334 498            | 1 437 150            | 1 419 300         | 1 314 929           |
| Goodwill   | 6 589 795            | 6 085 436            | 6 703 821         | 6 379 886           |
| Property, land and buildings                             | 23 046               | 21 029               | 21 168            | 21 303              |
| Machinery and equipment                                  | 122 064              | 137 954              | 133 220           | 134 009             |
| Financial assets/Shares                                  | 42 091               | 44 115               | 43 824            | 44 011              |
| Investment in associated companies                       | 83 380               | 82 579               | 82 759            | 84 228              |
| Other long-term receivables                              | 15 474               | 17 831               | 16 261            | 17 252              |
| Long term receivables from group companies               | 0                    | 0                    | 0                 | 0                   |
| <b>Total non-current assets</b>                          | <b>9 974 081</b>     | <b>9 463 762</b>     | <b>10 299 733</b> | <b>9 349 519</b>    |
| Inventory  | 40 712               | 46 843               | 45 134            | 39 057              |
| Accounts receivables                                     | 1 061 574            | 904 056              | 1 064 355         | 1 108 007           |
| Other current receivables                                | 321 997              | 301 805              | 356 530           | 244 920             |
| Cash and cash equivalents                                | 3 106 692            | 2 436 734            | 3 271 184         | 2 915 318           |
| <b>Total current assets</b>                              | <b>4 530 975</b>     | <b>3 689 437</b>     | <b>4 737 203</b>  | <b>4 307 302</b>    |
| <b>TOTAL ASSETS</b>                                      | <b>14 505 056</b>    | <b>13 153 199</b>    | <b>15 036 936</b> | <b>13 656 820</b>   |
| <b>EQUITY AND LIABILITIES</b>                            |                      |                      |                   |                     |
| Paid-in capital  | 1 991 726            | 1 707 029            | 1 991 726         | 1 776 029           |
| Other reserves   | 119 362              | 165 873              | 165 634           | 211 516             |
| Retained earnings  | 2 548 399            | 2 060 843            | 2 280 250         | 2 170 287           |
| <b>Equity attributable to equity holders of Visma AS</b> | <b>4 659 487</b>     | <b>3 933 745</b>     | <b>4 437 611</b>  | <b>4 157 832</b>    |
| Non-controlling interests                                | 3 885                | 5 729                | 4 507             | 6 049               |
| <b>Total equity</b>                                      | <b>4 663 372</b>     | <b>3 939 474</b>     | <b>4 442 118</b>  | <b>4 163 880</b>    |
| Pension liabilities                                      | (7 392)              | 571                  | (8 045)           | (3 589)             |
| Deferred tax liability                                   | 1 009 836            | 1 012 316            | 956 390           | 882 386             |
| Financial hedging Instruments                            | 137 187              | 200 212              | 154 563           | 191 795             |
| Long-term interest bearing bank loans                    | 4 925 651            | 4 727 972            | 5 187 617         | 4 792 652           |
| Accrued funding fees                                     | (19 527)             | (17 105)             | (21 029)          | (12 204)            |
| Other long-term non interest bearing liabilities         | 270 490              | 292 126              | 229 276           | 282 409             |
| Long-term liabilities to group companies                 | 0                    | 0                    | 0                 | 0                   |
| <b>Total non-current liabilities</b>                     | <b>6 316 245</b>     | <b>6 216 091</b>     | <b>6 498 773</b>  | <b>6 133 450</b>    |
| Bank overdraft   | 729 264              | 512 442              | 746 187           | 529 352             |
| Short-term interest bearing bank loans                   | 100 000              | 100 000              | 100 000           | 100 000             |
| Trade creditors  | 311 426              | 265 525              | 338 579           | 317 495             |
| Public duties payable                                    | 439 097              | 396 833              | 414 596           | 438 372             |
| Tax payable  | (40 460)             | (50 677)             | (19 197)          | 37 828              |
| Deferred revenue   | 1 162 228            | 1 108 581            | 1 374 689         | 1 095 766           |
| Other current liabilities                                | 823 884              | 664 929              | 1 141 190         | 840 676             |
| <b>Total current liabilities</b>                         | <b>3 525 438</b>     | <b>2 997 633</b>     | <b>4 096 044</b>  | <b>3 359 489</b>    |
| <b>Total liabilities</b>                                 | <b>9 841 683</b>     | <b>9 213 724</b>     | <b>10 594 817</b> | <b>9 492 940</b>    |
| <b>TOTAL EQUITY AND LIABILITIES</b>                      | <b>14 505 055</b>    | <b>13 153 198</b>    | <b>15 036 935</b> | <b>13 656 820</b>   |

## CONSOLIDATED STATEMENT OF CASH FLOWS

| (NOK in thousands)   | 3rd quarter      |                  | First three quarters |                   | Year              |
|--|------------------|------------------|----------------------|-------------------|-------------------|
|  | 2016             | 2015             | 2016                 | 2015              | 2015              |
| Ordinary profit before tax   | 352 000          | 208 999          | 858 379              | 603 070           | 825 989           |
| Depreciation tangible assets   | 15 957           | 16 953           | 50 680               | 48 737            | 69 979            |
| Depreciation capitalised R&D cost                                      | 14 694           | 9 310            | 40 544               | 22 625            | 36 552            |
| Amortisation patents and other intangible assets                       | 77 285           | 60 860           | 210 198              | 136 730           | 214 374           |
| Amortisation contracts and customer relationships                      | 91 104           | 72 932           | 256 008              | 180 927           | 263 920           |
| Tax paid   | (39 697)         | (193 665)        | (133 116)            | (276 802)         | (286 661)         |
| Changes in debtors   | 2 781            | (6 608)          | 46 433               | 12 826            | (191 124)         |
| Changes in inventory and trade creditors                               | (22 730)         | 15 550           | (7 724)              | 18 166            | 77 922            |
| Changes in public duties payable                                       | 24 501           | 33 821           | 725                  | 2 411             | 43 951            |
| Changes in deferred revenue  | (212 461)        | (52 146)         | 66 462               | 190 650           | 177 835           |
| Changes in other accruals  | 24 217           | (7 408)          | 112 100              | 34 505            | 215 299           |
| <b>Net cash flow from operations</b>                                   | <b>327 651</b>   | <b>158 598</b>   | <b>1 500 690</b>     | <b>973 847</b>    | <b>1 448 035</b>  |
| Sale of (investment in) tangible fixed assets                          | (6 182)          | (14 045)         | (33 324)             | (33 545)          | (51 093)          |
| Sale of (investment in) R&D own software                               | (13 054)         | (19 913)         | (51 691)             | (50 123)          | (73 079)          |
| <b>Net cash flow from investments</b>                                  | <b>(19 236)</b>  | <b>(33 957)</b>  | <b>(85 015)</b>      | <b>(83 667)</b>   | <b>(124 172)</b>  |
| Investment in tangible fixed assets related to business combinations   | (496)            | (2 483)          | (7 154)              | (3 622)           | (3 644)           |
| Investment in R&D software related to business combinations            | 0                | (73 273)         | (7 441)              | (74 856)          | (74 856)          |
| Sale of (investment in) businesses                                     | (199 620)        | (630 925)        | (1 364 218)          | (1391 822)        | (1402 741)        |
| Sale of (investment in) shares   | 1 733            | (479)            | 1 919                | (6 620)           | (6 516)           |
| <b>Net cash flow from investments related to business combinations</b> | <b>(198 383)</b> | <b>(707 161)</b> | <b>(1 376 893)</b>   | <b>(1476 921)</b> | <b>(1487 758)</b> |
| Repayments of interest bearing loans                                   | (50 000)         | (49 974)         | (224 010)            | (259 386)         | (259 386)         |
| Changes in bank overdraft  | 0                | 400 501          | 235 558              | 318 756           | 318 756           |
| Changes in long term receivables/payables                              | 787              | (5 249)          | 1 778                | (5 277)           | (4 697)           |
| Payment of Group contribution  | 0                | 0                | (403 027)            | (355 300)         | (355 300)         |
| Cash inflow from dividends   | 0                | 0                | 4 000                | 4 000             | 4 000             |
| Net cash flow from share issues  | 0                | 0                | 215 697              | 50 671            | 50 671            |
| Cash inflow from interest  | 3 413            | 2 975            | 14 288               | 14 008            | 17 516            |
| Cash outflow from interest and fees                                    | (125 054)        | (193 915)        | (280 456)            | (324 154)         | (325 410)         |
| <b>Net cash flow from financing activities</b>                         | <b>(170 854)</b> | <b>154 338</b>   | <b>302 492</b>       | <b>153 427</b>    | <b>156 259</b>    |
| <b>Net cash flow</b>   | <b>(60 822)</b>  | <b>(428 182)</b> | <b>341 273</b>       | <b>(433 315)</b>  | <b>(7 636)</b>    |
| Cash and cash equivalents, beginning of period                         | 3 271 184        | 2 758 779        | 2 915 318            | 2 788 970         | 2 788 970         |
| Net foreign exchange differences                                       | (103 669)        | 106 136          | (149 899)            | 81 078            | 133 984           |
| <b>Cash and cash equivalents, end of period</b>                        | <b>3 106 692</b> | <b>2 436 734</b> | <b>3 106 692</b>     | <b>2 436 734</b>  | <b>2 915 318</b>  |
| EBITDA to net cash flow from operations                                | 1                | 0                | 92,8 %               | 77,4 %            | 83,0 %            |

## 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 01.01.2015  | 490 394                                    | (9 350)        | 1 829 856         | 2 310 901                  | 4 985                     | 2 315 886    |
| Issue of share capital   | 1 216 635                                  |                |                   | 1 216 635                  |                           | 1 216 635    |
| Profit for the period  |  |                | 623 198           | 623 198                    | 607                       | 623 805      |
| <i>Net gain (loss) on financial hedging instruments, net of tax</i>                  |  | 11 239         |                   | 11 239                     |                           | 11 239       |
| <i>Exchange differences on translation of foreign operations, net of tax</i>         |  | 203 318        |                   | 203 318                    |                           | 203 318      |
| <i>Net gain (loss) on defined benefit plan, net of tax</i>                           |  | 6 309          |                   | 6 309                      |                           | 6 309        |
| Total comprehensive income for the period  |  | 220 866        | 623 198           | 844 064                    | 607                       | 844 671      |
| Group contribution   | 69 000                                     |                | (281 652)         | (212 652)                  |                           | (212 652)    |
| Changes to non-controlling interest; acquisition and arising on business combination |  |                | (1 115)           | (1 115)                    | 457                       | (659)        |
| Equity at end of period  | 1 776 029                                  | 211 516        | 2 170 287         | 4 157 832                  | 6 049                     | 4 163 880    |
| Equity as at 01.01.2016  | 1 776 029                                  | 211 516        | 2 170 287         | 4 157 832                  | 6 049                     | 4 163 880    |
| Issue of share capital   | 215 697                                    |                | 0                 | 215 697                    |                           | 215 697      |
| Profit for the period  |  |                | 653 690           | 653 690                    | (1 526)                   | 652 164      |
| <i>Net gain (loss) on financial hedging instruments, net of tax</i>                  |  | 41 502         |                   | 41 502                     |                           | 41 502       |
| <i>Exchange differences on translation of foreign operations, net of tax</i>         |  | (136 520)      |                   | (136 520)                  |                           | (136 520)    |
| <i>Net gain (loss) on defined benefit plan, net of tax</i>                           |  | 2 864          |                   | 2 864                      |                           | 2 864        |
| Total comprehensive income for the period  |  | (92 154)       | 653 690           | 561 536                    | (1 526)                   | 560 010      |
| Group contribution   |  |                | (275 578)         | (275 578)                  |                           | (275 578)    |
| Changes to non-controlling interest; acquisition and arising on business combination |  |                | 0                 | 0                          | (638)                     | (638)        |
| Equity at end of period  | 1 991 726                                  | 119 362        | 2 548 399         | 4 659 487                  | 3 885                     | 4 663 372    |

# 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.

The Visma Group's business consist principally of the Small and Medium, the Government and Large Accounts and the Business Process Outsourcing Business.

Visma's condensed interim financial statements for the third quarter of 2016 were authorised for issue by the board of directors on October 26<sup>th</sup> 2016.

### 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 2015 and applies to these condensed interim financial statements, except for the adoption of new standards and interpretations as of January 1, 2016.

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 necessary 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

There have been no significant changes to accounting policies in 2016 compared to the annual financial statements for 2015.

### 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's operations are managed through the following operating segments: Software Entry level, Software Mid-range, Accounts Receivables Management, Hosting, Enterprise Solutions, Consulting, Retail, Visma IT& Communications and Business Process Outsourcing.

Visma reports its business through three reporting segments, Government and Large Accounts (Visma Software GLA), The Small and Medium Business (Software SMB) and Business Process Outsourcing (Visma BPO).

Visma BPO corresponds to the operating segment BPO, whereas Software SMB correspond to the aggregations of Software Entry level, Software Mid-range, Accounts Receivables Management and Hosting into one reporting segment and Software GLA correspond to the aggregations of Enterprise Solutions, Consulting, Retail and Visma IT& Communications into one reporting segment. 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 Other.

## NOTE 2 – SEGMENT INFORMATION continued

Segment data for the third quarter of 2016 and 2015 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

| 3rd quarter<br>(NOK in thousands)                                      | 2016            |                |                 |              |                  | 2015            |                |                 |                |                  |
|--|-----------------|----------------|-----------------|--------------|------------------|-----------------|----------------|-----------------|----------------|------------------|
|  | SOFTWARE<br>SMB | BPO            | SOFTWARE<br>GLA | OTHER        | TOTAL            | SOFTWARE<br>SMB | BPO            | SOFTWARE<br>GLA | OTHER          | TOTAL            |
| <b>Revenue</b>   |                 |                |                 |              |                  |                 |                |                 |                |                  |
| Total segment revenue  | 1 198 470       | 519 250        | 1 149 875       | 38 707       | 2 906 302        | 1 068 393       | 474 176        | 887 908         | 31 350         | 2 461 827        |
| Internal revenue   | 213 846         | 49 595         | 293 673         | 38 707       | 595 821          | 183 320         | 39 339         | 208 038         | 33 579         | 464 276          |
| <b>External revenue on each group of similar products and services</b> |                 |                |                 |              |                  |                 |                |                 |                |                  |
| Software   | 741 010         | 25 574         | 445 395         | 0            | 1 211 978        | 648 664         | 14 566         | 357 285         | 0              | 1 020 515        |
| Transaction Services   | 140 368         | 256 642        | 11 901          | 0            | 408 911          | 136 173         | 248 004        | 9 347           | 0              | 393 524          |
| Consulting Services  | 30 041          | 181 855        | 285 489         | 0            | 497 386          | 23 012          | 168 754        | 242 148         | 0              | 433 914          |
| Hosting and infrastructure as a service                                | 49 126          | 908            | 19 936          | 0            | 69 970           | 51 077          | 0              | 15 162          | 0              | 66 239           |
| Other  | 24 079          | 4 676          | 93 481          | 0            | 122 237          | 26 147          | 3 512          | 55 928          | (2 228)        | 83 359           |
| <b>External revenue</b>  | <b>984 624</b>  | <b>469 656</b> | <b>856 202</b>  | <b>0</b>     | <b>2 310 482</b> | <b>885 073</b>  | <b>434 836</b> | <b>679 869</b>  | <b>(2 228)</b> | <b>1 997 551</b> |
| Actual growth (external) %   | 11,2 %          | 8,0 %          | 25,9 %          |              | 15,7 %           |                 |                |                 |                |                  |
| <b>EBITDA</b>  | <b>375 000</b>  | <b>58 535</b>  | <b>178 146</b>  | <b>3 336</b> | <b>615 017</b>   | <b>326 274</b>  | <b>48 679</b>  | <b>129 387</b>  | <b>(1 975)</b> | <b>502 364</b>   |
| EBITDA margin  | 38,1 %          | 12,5 %         | 20,8 %          |              | 26,6 %           | 36,9 %          | 11,2 %         | 19,0 %          |                | 25,1 %           |

| First three quarters<br>(NOK in thousands)                             | 2016             |                  |                  |              |                  | 2015             |                  |                  |              |                  |
|--|------------------|------------------|------------------|--------------|------------------|------------------|------------------|------------------|--------------|------------------|
|  | SOFTWARE<br>SMB  | BPO              | SOFTWARE<br>GLA  | OTHER        | TOTAL            | SOFTWARE<br>SMB  | BPO              | SOFTWARE<br>GLA  | OTHER        | TOTAL            |
| <b>Revenue</b>   |                  |                  |                  |              |                  |                  |                  |                  |              |                  |
| Total segment revenue  | 3 638 878        | 1 758 577        | 3 520 779        | 117 032      | 9 035 267        | 2 930 598        | 1 573 337        | 2 653 057        | 101 342      | 7 258 334        |
| Internal revenue   | 638 805          | 155 060          | 883 964          | 117 032      | 1 794 862        | 478 881          | 116 443          | 602 952          | 101 342      | 1 299 617        |
| <b>External revenue on each group of similar products and services</b> |                  |                  |                  |              |                  |                  |                  |                  |              |                  |
| Software   | 2 214 187        | 79 043           | 1 305 030        | 0            | 3 598 259        | 1 735 340        | 41 571           | 1 022 352        | 0            | 2 799 263        |
| Transaction Services   | 439 798          | 843 037          | 42 726           | 0            | 1 325 560        | 417 441          | 774 740          | 26 357           | 0            | 1 218 538        |
| Consulting Services  | 120 413          | 664 890          | 983 412          | 0            | 1 768 715        | 77 132           | 628 495          | 781 741          | 0            | 1 487 369        |
| Hosting and infrastructure as a service                                | 153 144          | 2 569            | 60 525           | 0            | 216 238          | 147 648          | 0                | 43 895           | 0            | 191 543          |
| Other  | 72 532           | 13 979           | 245 123          | 0            | 331 634          | 74 157           | 12 087           | 175 760          | 0            | 262 005          |
| <b>External revenue</b>  | <b>3 000 073</b> | <b>1 603 517</b> | <b>2 636 815</b> | <b>0</b>     | <b>7 240 405</b> | <b>2 451 718</b> | <b>1 456 894</b> | <b>2 050 105</b> | <b>0</b>     | <b>5 958 717</b> |
| Actual growth (external) %   | 22,4 %           | 10,1 %           | 28,6 %           |              | 21,5 %           |                  |                  |                  |              |                  |
| <b>EBITDA</b>  | <b>970 276</b>   | <b>215 940</b>   | <b>427 970</b>   | <b>2 610</b> | <b>1 616 796</b> | <b>764 805</b>   | <b>181 198</b>   | <b>313 548</b>   | <b>(828)</b> | <b>1 258 724</b> |
| EBITDA margin  | 32,3 %           | 13,5 %           | 16,2 %           |              | 22,3 %           | 31,2 %           | 12,4 %           | 15,3 %           |              | 21,1 %           |

| Reconciliation                   | 3rd quarter    |                | First three quarters |                  |
|----------------------------------|----------------|----------------|----------------------|------------------|
|                                  | 2016           | 2015           | 2016                 | 2015             |
| Profit before taxes              | 352 000        | 208 999        | 858 379              | 603 070          |
| Net financial items              | 64 598         | 132 646        | 200 139              | 262 517          |
| Result from associated companies | (621)          | 664            | 848                  | 4 117            |
| Depreciations and amortisations  | 199 041        | 160 055        | 557 430              | 389 020          |
| <b>EBITDA</b>                    | <b>615 017</b> | <b>502 364</b> | <b>1 616 796</b>     | <b>1 258 724</b> |
| EBITDA in operating segments     | 615 017        | 502 364        | 1 616 796            | 1 258 724        |

### GEOGRAPHICAL AREAS

| (NOK in thousands) | 2016             |                |                   | 2015             |              |                   |
|--------------------|------------------|----------------|-------------------|------------------|--------------|-------------------|
|                    | Net sales        | %              | Long lived assets | Net sales        | %            | Long lived assets |
| Norway             | 3 064 239        | 42,4 %         | 3 362 950         | 2 770 581        | 46,5 %       | 2 862 309         |
| Sweden             | 2 360 811        | 32,6 %         | 2 297 155         | 1 781 849        | 29,9 %       | 2 317 776         |
| Denmark            | 665 934          | 9,2 %          | 1 839 497         | 445 107          | 7,5 %        | 1 963 941         |
| Finland            | 921 591          | 12,7 %         | 1 330 862         | 749 315          | 12,6 %       | 1 249 631         |
| Netherlands        | 222 558          | 3,1 %          | 762 189           | 211 865          | 3,6 %        | 650 386           |
| <b>Total</b>       | <b>7 235 132</b> | <b>100,0 %</b> | <b>9 592 651</b>  | <b>5 958 717</b> | <b>100 %</b> | <b>9 044 043</b>  |



**NOTE 3 – BUSINESS COMBINATION**

A total of NOK 199.6 million in acquisition payments were made during the second quarter.

The payments refer to the acquisitions Idur Information AB, Virvo Oy and VCWS Sweden AB as well as deferred considerations.

**Software BPO Division**

On July 5th, Visma acquired Idur Information AS, a Swedish provider of Pension related services. The Finnish provider of HR related services, Virvo Oy, was acquired on August 5th.

**Software GLA Division**

On July 8th, Visma acquired the Swedish Episerver-consulting company VCWS. The acquisition will strengthen Visma's Episerver offering to the market.

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

|  | <b>Idur Information<br/>AB</b> |
|--|--------------------------------|
| (NOK in thousands)   | 05.07.16                       |
| Deferred tax assets  |                                |
| Shares   |                                |
| Other intangible assets                                    |                                |
| Machinery and equipment                                    | 43                             |
| Property   |                                |
| Other long-term receivables                                |                                |
| Inventories  |                                |
| Trade receivables  | 3 781                          |
| Other short term receivables                               | 537                            |
| Cash and cash equivalents                                  | 9 943                          |
| <b>Assets</b>  | <b>14 304</b>                  |
| Other long-term liabilities                                |                                |
| Deferred tax liability                                     | 455                            |
| Bank overdraft   |                                |
| Trade creditors  | 239                            |
| Public duties payable                                      | 1 722                          |
| Tax payable  | 728                            |
| Other current liabilities                                  | 6 496                          |
| <b>Liabilities</b>   | <b>9 640</b>                   |
| <b>Fair value of net assets</b>                            | <b>4 664</b>                   |
| Non-controlling interests                                  |                                |
| Goodwill arising on acquisition                            | 27 918                         |
| Other intangible assets                                    | 21 435                         |
| Contracts and customer relationship arising on acquisition | 15 311                         |
| Deferred tax liability                                     | (8 084)                        |
| <b>Total acquisition cost</b>                              | <b>61 244</b>                  |
| Net cash acquired with the subsidiary                      | (9 943)                        |
| Cash paid  | 61 244                         |
| <b>Net cash outflow</b>                                    | <b>51 301</b>                  |
| Deferred payment   | 0                              |

## ALTERNATIVE PERFORMANCE MEASURES

### General information

Visma Group'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 defines 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.

### Revenue from SaaS Solutions

Software-as-a-Service ("SaaS") solutions are 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.

### Customer Contracts

The number of customers in a given business segment that have a support, subscription or maintenance agreement (i.e. included in CMRR). A customer may be counted several times between licensing systems, due to acquisitions.

### CMRR / CMRR12

Visma defines Committed Monthly Recurring Revenue ("CMRR") as the full monthly value of all customers on a subscription agreement. It is forward looking indicator of future recurring revenue from the existing customer base. CMRR revenue derived from Annual Subscription, Recurring, Maintenance and quite closely, but always measures the full monthly value of all customers on a subscription agreement. Example of a deviation between financial recurring and CMRR will be in cases where a customer purchases a subscription on 20 Mar, with 10 (or zero) days of usage, which in financial recurring will be measured as 10 (or zero) days of revenue, but in CMRR will always be measured at full monthly value.

To enable intuitive comparison to revenue, committed monthly revenue is often stated as CMRR12, or "annualized CMRR". That is monthly commitments multiplied by twelve. As such, CMRR12 does not necessarily translate into annual contracts.

### Number of monthly payslips

Number of payslips is defined as the total number of payslips produced in Visma's payroll/HRM systems in the course of one month. The number is a key metric for the development in Visma's payroll/HRM software portfolio.



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