



Q3

QUARTERLY
REPORT

2018

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Transformative Acquisition in the Netherlands

Annualized Cloud Revenue Reaching NOK 8.6 Billion

HIGHLIGHTS, THIRD QUARTER 2018

- Revenue of NOK 2 882 million, an increase of 42%
- EBITDA of NOK 825 million, an increase of 45%
- SaaS customer contracts continued to 15% year-on-year rate
- Cloud Annualized Revenue reached NOK 8,600m, a year-on-year growth of 62%
- The monthly level of e-invoice transactions reached 7 million
- Six companies were acquired during the quarter, of which two were high-growth SMB cloud software
- Transformative acquisition (largest in Visma's history), of Raet, the leading public sector and large-accounts, payroll software company in the Netherlands

Visma had another strong quarter with excellent top-line revenue and continued profit growth. Total revenue growth was 42.2% while EBITDA grew strongly as well by 45.4% over Q3 2017 to reach NOK 825 million.

Revenues in each of Visma's four divisions grew well in excess of 25% year-on-year. The SMB Division grew revenues by 25%, Enterprise grew by an impressive 76%, Custom Solutions achieved 53% growth, and Commerce Solutions grew 27% compared to the third quarter a year ago. SaaS and SaaS transactions continue to be the strongest driver of organic growth in Visma and cloud annualized revenue grew by 62% to reach NOK 8 600m.

Visma continues its proactive and high tempo acquisitions activity completing seven acquisitions for the quarter. This included two fast growing pure SaaS companies Merit (a leading SMB accounting and payroll software in Estonia), PinkWeb (leading Dutch collaboration portal software to the accounting office sector). In addition, the Enterprise division acquired the leading Finnish public sector Payroll/FRM software provider and also the leading Dutch public sector, and large accounts private sector Payroll/HRM provider (Raet). Raet is a transformative transaction as it brings an additional NOK 1 500m+ revenue and over 1 000 new employees to Visma Netherlands. This cements the Netherlands as a Visma core geographic market and will provide a platform for substantial organic and acquisition growth during the coming years.

KEY FIGURES

Continuing operations (NOK in millions)	3rd quarter			First three quarters			Year
	2018 Actual	2017 * Actual	Growth	2018 Actual	2017 * Actual	Growth	2017 * Actual
Revenue	2 882	2 027	42,2 %	7 946	5 939	33,8 %	8 537
EBITDA	825	567	45,4 %	2 004	1 484	35,0 %	2 101
<i>EBITDA margin</i>	<i>28,6 %</i>	<i>28,0 %</i>		<i>25,2 %</i>	<i>25,0 %</i>		<i>24,6 %</i>
EBITA	761	544	39,9 %	1 875	1 429	31,2 %	2 003
EBIT	443	349	26,8 %	1 058	903	17,2 %	1 226
Net profit	274	216	27,0 %	639	567	12,7 %	814
Operational cash flow (after tax)	433	255	69,9 %	1 777	1 424	24,7 %	1 975

* 2017 has been restated to reflect the sale of Visma Hosting and Visma Retail

FINANCIAL REVIEW – GROUP (THIRD QUARTER 2017 IN BRACKETS)

Revenue amounted to NOK 2 882 million (2 027) and EBITDA to NOK 825 million (567) in the third quarter of 2018. Revenue increased 42.2% while EBITDA increased by 45.4% over Q2 2017.

Group EBIT amounted to NOK 443 million in the third quarter (349), whereas net gain from associated companies amounted to NOK 0.6 million (0.4). Net financial items were NOK -88 million (-85). Consequently, profit before taxes was NOK 357 million (274). Taxes amounted to NOK 83 million (59), and net income from continuing operations resulted in NOK 274 million (216) in the third quarter. Cash flow from continuing operations after tax amounted to NOK 433 million (255) in the third quarter 2018. Cash flow from investments was NOK -3 121 million (-2 009) 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 4 616 million (3 589).

Equity amounted to NOK 9 426 million at the end of the quarter (7 534), corresponding to an equity ratio of 34.6% (40,3%). Long term interest bearing debt amounted to NOK 8 870 million (5 650). The debt-facilities have maturity dates in the 4th quarter 2021.

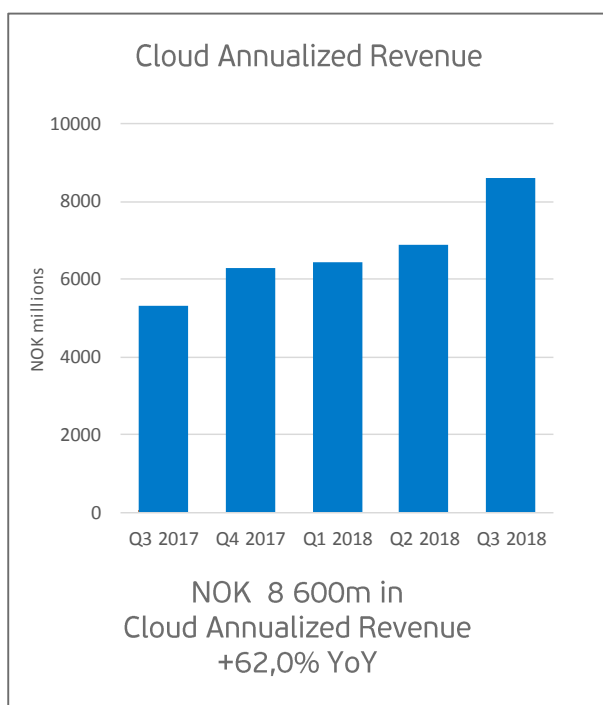


COMMENTS ON SELECTED KPIS

Visma is experiencing good traction on the SaaS product portfolio.

It is impressive that Cloud Annualized Revenue has grown by 62% year-on-year in Q3, boosted by the acquisition Raet. At the end of Q3, revenue from cloud computing saw an annualized run rate reaching NOK 8 600m. Also SaaS customer contracts have seen a strong, high-growth development. Visma has approximately 800 000 customer contracts, of which ca. 575 000 are for SaaS products. The group's fastest growth is also on the SaaS contracts, which grew once again by double-digits, 15% year-on-year.

At the end of Q3, Visma reached the milestone of seven (7) million monthly e-invoices that were transported through Visma's e-invoicing hubs (32% y-on-y growth). The ultimate objective for Visma's software products and solutions is to make the traditional paper invoice redundant. All Nordic countries are eager to do more SaaS invoicing and we have launched an e-invoicing service for our e-conomic customers in Denmark.



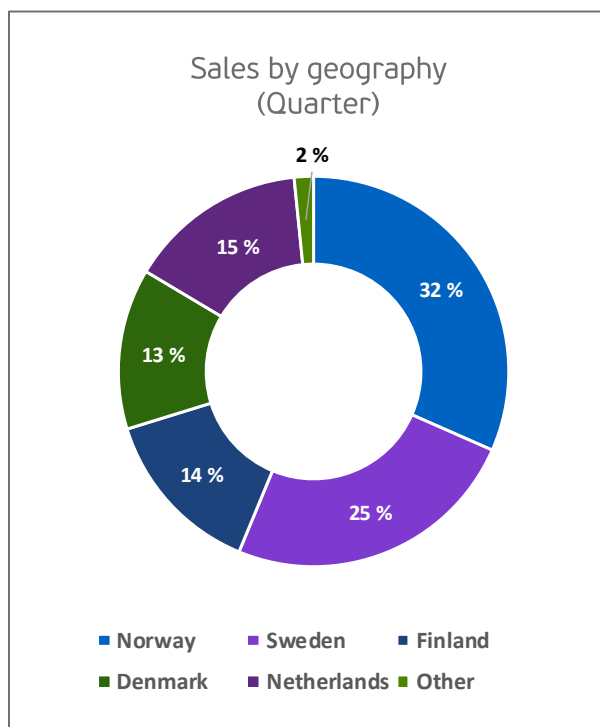
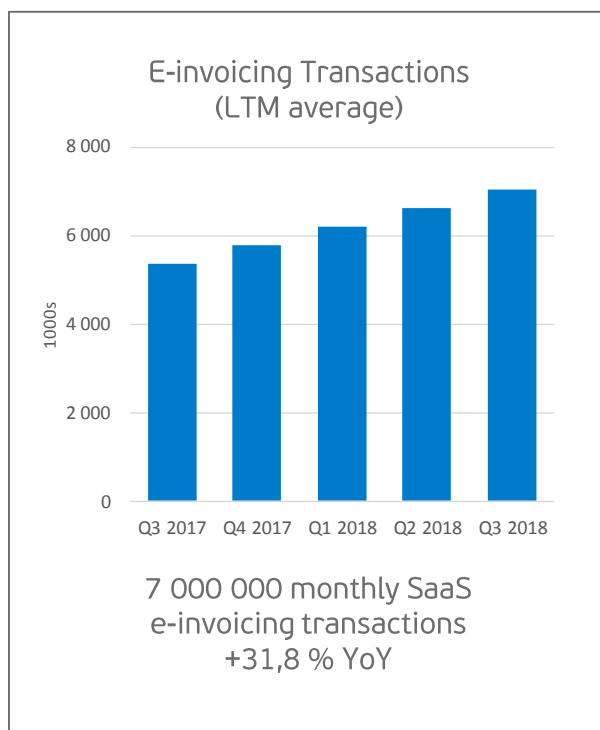
MARKET OUTLOOK

The Nordic markets, where Visma has the vast majority of its revenues, continue to be stable and have above average growth rates compared to Europe overall. The public finances in the markets where Visma operates are in good shape. Norway and Sweden (the two largest Visma markets) have very strong public finances. Norway is benefitting from increasing oil prices and a strengthening economy and Sweden continues its strong growth. Danish, Finnish and Dutch economies are also solid and growing. As with most of Europe, all Visma markets are experiencing positive macroeconomic climates. Regardless of the macroeconomic environment there are plenty of opportunities that will allow Visma to continue to achieve good organic growth. Visma's core businesses in these markets generally continue to take market shares and show solid growth.

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

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

Visma Software SMB is the largest and most diversified business area, contributing 38% of the Revenue and 51% of the EBITDA in the third quarter of 2018.



OWNERSHIP

Five international private investors own Visma. HgCapital and co-investors 48,9 %, Cinven 17,1 %, GIC 13,6 %, Intermediate Capital Group 7,6 % and Montagu 6,2 %. A broad management group holds approximately 6,6 % of the shareholder equity in Visma. In addition to the stability of the principal owners, key shareholders have co-investors comprised of some larger Nordic and international pension funds. Together this contributes to a very stable ownership situation.

RISKS

Visma is exposed to the general economic climate in the countries where the company operates. However, the business risk is limited by the company's diversified customer base and a reasonably priced, high-quality portfolio of products and services. Although Visma is also involved in some very large IT projects, Visma believes associated risk is well counter-balanced as around 50% of total Visma revenue is generated in the well-diversified SMB segment.

CYBER SECURITY

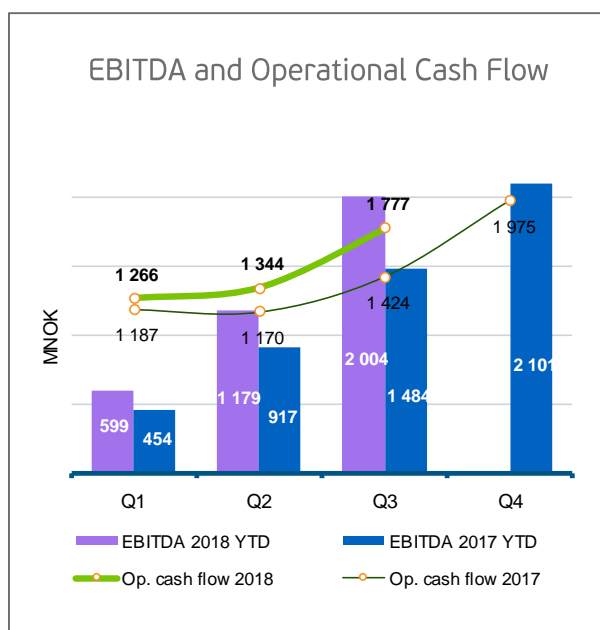
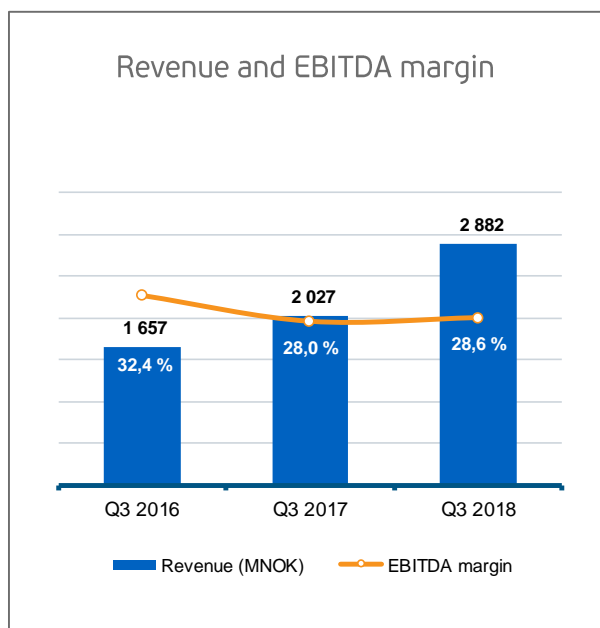
Visma is increasing its investment in cyber security during 2018 by building a broader security organization as well as designing new security features and systems in our IT environments. This goes for both on-premises and cloud environments hosted on our IT infrastructure.

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 25, 2018

The Board of Directors of VISMA AS



SMB

Comments on the third quarter

The entry-level cloud segment that includes Visma eAccounting, Tripletex, e-economic, SpeedLedger and Dinero, reached over 310 000 customer contracts, continuing the positive trend and solidifying Visma's leadership in the cloud in the Nordics.

The pure cloud mid-range ERP and hybrid automation services in the Visma.net product line continues the growth in users and customers, with a solid flow of Visma.net Financials and Logistics implementations in the pipeline. Expansion of the line into Denmark is currently piloting with a full launch pending. A solid feature line-up for the product range will be added during the coming quarters, driving further cloud growth.

Product development investment in cloud products outpaces on-premises solutions, and delivery capability and margins are improving through the expansion of Visma's development, sales and support centers in central Europe and the Baltics.

Important strategic trends in our segment include automated financial services such as financing, insurance and collecting integrated with cloud ERP-systems. Also, AI and Machine Learning features are automating manual tasks, integrating B2C electronic invoicing with ERP, and enabling our customers employees mobile mass consumption of payslips and other services.

Operational focus in Q3 has been on onboarding the latest acquisitions including Tampuuri software, PinkWeb, Wikinggruppen and Merit Tarkvara, that has expanded the SMB geographic footprint to Estonia.

Segment at a glance

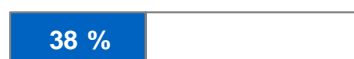
Target market:

- Small & medium sized businesses
- Accounting Offices

Management:

- Steffen Torp, Director SMB Division

Share of Group



Operating revenue



EBITDA

Quarterly Key Figures

Revenue	1 106	MNOK
Growth, YoY	25, 2	%
EBITDA	424	MNOK
EBITDA margin	38, 3	%
FTE	2 672	
Headcount	2 859	

Products and services:

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

Enterprise

Comments on the third quarter

During the third quarter, the Enterprise Product Development department continued its initiatives to reach commercial success in our cloud transformation journey.

Our Visma.net HRM teams have been focused on making the journey for our customers as smooth as possible, and we see indications of results coming in. The growth in the number of active users of our important Visma.net HRM offering for the Norwegian SMB market was at an all-time high for the year during the quarter.

In Norway, the first customer went live on the brand-new Flyt Health Care product. Flyt Health Care is a fully cloud-based product enabling Norwegian health care services to efficiently and securely deliver health care services. By replacing legacy on-premises products which are difficult to use, Flyt Health Care improves the efficiency of the services customers deliver to their patients.

In Sweden and Finland, we launched new mobile applications that complement our solutions Medvind and Tiima, respectively. These apps make our market-leading workforce management products even easier to use and is sought after by our customers. Further refinement of the apps based on post-launch feedback will continue in the coming quarters.

In the Netherlands, the first customer in the Education segment was migrated on to our public stack. In doing so, the teams rapidly and successfully delivered several features, including GDPR requirements, calculation improvements and APIs.

Finally, work progressed in our groundbreaking AI projects. Several initiatives are in place, some of which we expect to commercialize in 2019.

Segment at a glance

Target market:

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

Management:

- Nils Vold, Division Director Enterprise

Share of Group



34 %

Operating revenue



30 %

EBITDA

Quarterly Key Figures

Revenue	973	MNOK
Growth, YoY	76,1	%
EBITDA	246	MNOK
EBITDA margin	25,2	%
FTE	3 148	
Headcount	3 350	

Products and services:

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

Custom Solutions

Comments on the third quarter

Custom Solutions delivered once again a strong quarter. External revenue was 411 MNOK and EBITDA 67 MNOK with a profit margin of 16,4% a bit lower as it was impacted by summer vacations. The division has performed well, and especially Norway had a very strong quarter resulting in a significant over-performance compared to plan.

All recent acquisitions are performing well and according to plan. Svensk e-Identitet is succeeding in keeping significant growth rates and is expected to continue. Optiway is picking up speed in transactions and has also in Q3 won a significant contract with NaturVårdsVerket worth SEKm +5. In September, Kapacity in Denmark was listed as #2 BI company in Denmark by a leading Danish IT media. In August, Weoptit won a prominent contract with Finnair related to optimizing downtime and maintenance of their fleet.

Custom Solutions signed several important deals during Q3, highlighted by a big win for Visma Consulting Norway. Consulting Norway have been chosen to lead a large systems development project for Landbruksdirektoratet worth NOKm 30. In Q3, Visma Consulting DK signed additional contracts with the Ministry of Taxation increasing the count of consultants to +50. Visma ADDO, the electronic signature software, is picking up more business and increasing subscriptions, facilitated by newly established strategic partnerships. Visma ADDO passed DKKm 0,5 in monthly revenue during September. Consulting in Sweden closed a Ciceron case management deal with Östersund municipality (SEKm 2) and a contract with the Norwegian Road Directorate worth SEKm 2. The SAMBI network (Swedish Healthcare Network) continues to be a large potential for Svensk e-identitet. In September, Visma Consulting Finland won a framework contract for Finnish police forces for software development services and artificial intelligence consulting. The total value of the framework contract is 10 million euros in 4 years. Building on a solid work on hand and several large contracts in pipeline in all countries, the sales outlook for Q4 is positive.

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	411	MNOK
Growth, YoY	52,9	%
EBITDA	67	MNOK
EBITDA margin	16,4	%
FTE	1 355	
Headcount	1 408	

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 third quarter

Commerce Solutions has experienced strong growth since the division was established in Q2 2018.

All business areas are experiencing good growth and customer acquisition in favorable market conditions. We have strengthened the Procurement Pool area significantly by acquiring Lessmore, (the largest competitor in Sweden) and a small Norwegian competitor (Tradinghouse). We have entered into Central Europe by acquiring (in October) a fast growing, market leading FinTech/Invoicing company in Hungary (Szamlazz) with more than 100 000 active customers. AdminControl is experiencing excellent success in all markets with a growing market awareness about secure and digital collaboration and document sharing for the board and management, and for other business critical projects.

Throughout Q3, Visma Commerce Solutions has been strongly focused on developing financial services. One of Commerce Solutions' core strategies is to help small businesses with their financing needs. This is being done through offering embedded financial services in Vismas cloud ERPs, invoicing platforms, and eCommerce solutions with the Software SMB Division as the main distributor. In order to shorten time to market and build a solid knowledge base we are working with partners. Visma is offering - or planning to offer - factoring, short-term loans and invoice discounting embedded in the cloud based ERPs. The first experiments of fully embedded solutions and live launch has occurred in Tripletex (Norwegian cloud ERP) so far. The volume growth has vastly exceeding expectations since the launch in July. Alongside working with partners, we have founded Visma Finance AB. The long term goal is to become a leading financing partner for SMBs in the Nordics.

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	241	MNOK
Growth, YoY	26,5	%
EBITDA	73	MNOK
EBITDA margin	30,4	%
FTE	536	
Headcount	571	

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)	3rd quarter		First three quarters		Year
	2018	2017 *	2018	2017 *	2017 *
CONTINUING OPERATIONS					
OPERATING REVENUE					
Sales revenue	2 881 811	2 027 200	7 946 405	5 939 279	8 537 056
Total operating revenue	2 881 811	2 027 200	7 946 405	5 939 279	8 537 056
OPERATING EXPENSES					
Sales and distribution costs (COGS)	419 079	284 379	1 161 714	841 335	1 204 354
Gross profit	2 462 732	1 742 821	6 784 690	5 097 943	7 332 702
Payroll and personnel expenses	1 265 806	893 184	3 731 173	2 810 174	4 040 271
Bad debts	6 345	5 851	15 273	12 897	17 290
Other operating expenses	358 175	256 853	1 024 701	767 265	1 143 998
Total operating expenses	1 630 326	1 155 888	4 771 147	3 590 337	5 201 558
EBITDA before M&A expenses	832 405	586 934	2 013 543	1 507 606	2 131 144
M&A expenses	7 614	19 499	10 029	23 394	29 919
EBITDA	824 791	567 435	2 003 514	1 484 211	2 101 225
Depreciation tangible assets and capitalised R&D	63 654	23 347	128 479	55 238	97 750
EBITA	761 138	544 087	1 875 035	1 428 974	2 003 475
Amortisation intangible assets	318 161	194 806	817 317	526 176	777 293
Operating profit EBIT	442 977	349 281	1 057 718	902 798	1 226 182
Result from associated companies	1 789	10 179	(4 301)	(9 284)	(7 840)
FINANCIAL ITEMS					
Financial income	36 776	3 821	62 513	53 590	70 513
Financial expenses	(124 809)	(88 881)	(290 239)	(219 063)	(296 150)
Net financial items	(88 033)	(85 060)	(227 726)	(165 473)	(225 637)
Profit before taxes from continuing operations	356 732	274 400	825 691	728 040	992 704
Taxes	82 691	58 545	186 748	160 963	178 880
Net income from continuing operations	274 042	215 855	638 943	567 077	813 825
DISCONTINUED OPERATIONS					
Net income from discontinued operations	120 954	(10 255)	660 030	(27 698)	(60 436)
Net income from continuing and discontinued operations	394 996	205 600	1 298 973	539 379	753 389
ATTRIBUTABLE TO:					
Equity holders of Visma AS	394 418	205 245	1 297 802	538 587	751 933
Non-controlling interests	579	356	1 171	793	1 457
EARNINGS PR SHARE					
Basic earnings per share (NOK in thousands)	394 418	205 245	1 297 802	538 587	751 933
Diluted earnings per share (NOK in thousands)	394 418	205 245	1 297 802	538 587	751 933
EBITDA margin	28,6 %	28,0 %	25,2 %	25,0 %	24,6 %

* 2017 has been restated to reflect the sale of Visma Hosting and Visma Retail

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(NOK in thousands)	3rd quarter		First three quarters		Year
	2018	2017	2018	2017	2017
Net income from continuing and discontinued operations	394 996	205 600	1 298 973	539 379	753 389
Net gain (loss) on financial hedging instruments, net of tax	(1 059)	7 957	12 417	22 080	27 927
Exchange differences on translation of foreign operations, net of tax	(21 603)	(66 264)	(180 111)	114 637	273 569
Net gain (loss) on defined benefit plan, net of tax	0	94	0	(132)	5 164
Other comprehensive income (loss) for the period, net of tax	(22 663)	(58 212)	(167 693)	136 585	306 660
Total comprehensive income for the period	372 334	147 388	1 131 280	675 965	1 060 049
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Equity holders of Visma AS	371 755	147 033	1 130 109	675 172	1 058 593
Non-controlling interests	579	356	1 171	793	1 457

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(NOK in thousands)	30 September 2018	30 September 2017	30 June 2018	31 December 2017
ASSETS				
Deferred tax assets	74 252	74 227	73 351	77 563
Patents and other intangible assets	3 354 879	2 012 789	1 922 616	2 031 632
Capitalised R&D cost own software	684 622	428 868	356 861	404 425
Contracts and customer relationships	4 487 376	2 469 070	2 490 869	2 586 780
Goodwill	11 191 219	7 818 365	8 249 537	8 453 324
Property, land and buildings	23 819	21 521	23 827	21 718
Machinery and equipment	135 934	105 766	122 316	122 384
Financial assets/Shares	42 645	43 368	42 648	43 642
Investment in associated companies	71 776	74 633	69 987	76 076
Other long-term receivables	472 625	437 763	473 011	454 886
Total non-current assets	20 539 148	13 486 370	13 825 023	14 272 429
Inventory	29 902	61 028	51 999	60 084
Accounts receivables	1 406 877	1 122 876	1 270 652	1 353 106
Other current receivables	585 073	416 231	550 197	354 947
Cash and cash equivalents	4 646 239	3 588 640	3 963 302	3 665 241
Total current assets	6 668 091	5 188 775	5 836 151	5 433 378
TOTAL ASSETS	27 207 239	18 675 145	19 661 174	19 705 807
EQUITY AND LIABILITIES				
Paid-in capital	1 769 512	627 952	627 952	627 952
Other reserves	284 891	282 510	307 554	452 585
Retained earnings	7 359 526	6 223 937	6 965 108	6 437 283
Equity attributable to equity holders of Visma AS	9 413 929	7 134 399	7 900 614	7 517 819
Non-controlling interests	11 782	16 710	11 245	16 244
Total equity	9 425 710	7 151 108	7 911 858	7 534 063
Pension liabilities	0	(9 639)	0	0
Deferred tax liability	2 235 826	1 336 032	1 250 039	1 260 148
Financial hedging Instruments	66 869	90 484	65 502	82 891
Long-term interest bearing bank loans	8 869 751	5 650 060	6 072 527	5 820 376
Accrued funding fees	(10 037)	(18 089)	(12 044)	(16 059)
Other long-term non interest bearing liabilities	1 769 091	500 537	416 717	354 602
Long-term liabilities to group companies	0	0	0	0
Total non-current liabilities	12 931 500	7 549 385	7 792 741	7 501 958
Bank overdraft	946 650	758 820	237 788	793 080
Short-term interest bearing bank loans	91 830	100 000	100 000	100 000
Trade creditors	458 385	376 407	485 478	468 322
Public duties payable	503 111	396 963	373 636	431 092
Tax payable	(60 693)	(44 792)	18 131	80 696
Deferred revenue	1 436 305	1 331 437	1 598 820	1 343 393
Other current liabilities	1 474 441	1 055 816	1 142 723	1 453 203
Total current liabilities	4 850 030	3 974 651	3 956 575	4 669 786
Total liabilities	17 781 529	11 524 036	11 749 316	12 171 744
TOTAL EQUITY AND LIABILITIES	27 207 239	18 675 145	19 661 174	19 705 807

CONSOLIDATED STATEMENT OF CASH FLOWS

(NOK in thousands)	3rd quarter		First three quarters		Year
	2018	2017	2018	2017	2017
Ordinary profit before tax from continuing and discontinued operations	356 732	263 973	825 691	691 534	917 909
Depreciation tangible assets	15 133	12 275	40 950	35 907	54 707
Depreciation capitalised R&D cost	45 054	19 781	87 530	45 318	80 224
Amortisation patents and other intangible assets	136 689	96 822	362 510	267 898	402 105
Amortisation contracts and customer relationships	173 023	119 412	454 806	318 579	458 760
Amortisation Goodwill	0	0	0	0	0
Tax paid	(30 341)	(33 800)	(130 883)	(130 810)	(169 194)
Changes in debtors	(136 225)	(183 176)	(53 772)	(20 684)	(250 914)
Changes in inventory and trade creditors	(4 995)	20 768	20 245	(71 289)	21 570
Changes in public duties payable	129 475	88 284	72 019	56 593	90 721
Changes in deferred revenue	(162 515)	(173 200)	92 912	247 101	259 058
Changes in other accruals	(99 374)	45 926	20 842	25 771	138 983
Net cash flow from continuing and discontinued operations	422 655	277 066	1 792 850	1 465 918	2 003 928
Net cash flow from continuing operations	432 594	254 611	1 776 605	1 424 225	1 974 533
Net cash flow from discontinued operations	(9 939)	22 455	16 245	41 694	29 395
Sale of (investment in) tangible fixed assets	(10 804)	(18 310)	(47 997)	(39 218)	(63 093)
Sale of (investment in) R&D own software	(31 018)	(21 222)	(72 109)	(53 439)	(68 532)
Net cash flow from investments	(41 822)	(39 532)	(120 105)	(92 657)	(131 625)
Investment in tangible fixed assets related to business combinations	(17 369)	(4 510)	(24 357)	(8 705)	(10 808)
Investment in R&D software related to business combinations	(371 226)	(129 484)	(371 977)	(138 598)	(144 718)
Sale of (investment in) businesses	(3 161 067)	(1 874 785)	(4 097 072)	(2 791 959)	(3 308 434)
Sale of (investment in) shares	3	73	997	(3 693)	(3 967)
Net proceeds from divestiture of discontinued operations	428 383	0	1 223 638	274 248	274 248
Net cash flow from investments related to business combinations	(3 121 276)	(2 008 706)	(3 268 772)	(2 668 707)	(3 193 679)
Repayments of interest bearing loans	(50 000)	(50 000)	(268 018)	(234 011)	(234 011)
Net proceeds from interest bearing loans	2 829 974	0	3 602 014	744 375	744 375
Changes in bank overdraft	730 820	748 740	192 433	584 296	584 296
Changes in long term receivables/payables	386	(5 988)	(3 290)	(2 768)	(5 203)
Payment of Group contribution	0	(1 040)	(494 252)	(2 043 218)	(2 043 218)
Cash inflow from dividends	0	0	5 000	23 400	23 400
Net cash flow from share issues	0	0	0	94 000	94 000
Cash inflow from interest	3 092	4 800	9 899	19 613	22 859
Cash outflow from interest and fees	(98 212)	(124 803)	(310 129)	(250 221)	(251 007)
Net cash flow from financing activities	3 416 062	571 709	2 733 659	(1 064 536)	(1 064 509)
Net cash flow	675 619	(1 199 464)	1 137 632	(2 359 981)	(2 385 885)
Cash and cash equivalents, beginning of period	3 963 302	4 849 163	3 665 241	5 866 935	5 866 935
Net foreign exchange differences	7 320	(61 058)	(156 635)	81 687	184 192
Cash and cash equivalents, end of period	4 646 241	3 588 640	4 646 239	3 588 640	3 665 241
EBITDA to net cash flow from operations	52,4 %	44,9 %	88,7 %	96,0 %	94,0 %

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 01.01.2017	1 991 726	145 925	6 092 291	8 229 942		21 971	8 251 913
Issue of share capital	94 000		0	94 000			94 000
Profit for the period			751 933	751 933			4 201 120
<i>Net gain (loss) on financial hedging instruments, net of tax</i>		27 927		27 927			27 927
<i>Exchange differences on translation of foreign operations, net of tax</i>		273 569		273 569			273 569
<i>Net gain (loss) on defined benefit plan, net of tax</i>		5 164		5 164			5 164
Total comprehensive income for the period		306 660	751 933	1 058 593		0	4 507 780
Group contribution	(1 457 774)		(406 941)	(1 864 715)			(1 864 715)
Changes to non-controlling interest; acquisition and arising on business combination			0	0		(5 728)	(5 728)
Equity at end of period	627 952	452 585	6 437 283	7 517 820		16 244	7 534 063
Equity as at 01.01.2018	627 952	452 585	6 437 283	7 517 820		16 244	7 534 063
Issue of share capital	1 141 560		0	1 141 560			1 141 560
Profit for the period			1 297 802	1 297 802		1 171	1 298 973
<i>Net gain (loss) on financial hedging instruments, net of tax</i>		12 417		12 417			12 417
<i>Exchange differences on translation of foreign operations, net of tax</i>		(180 111)		(180 111)			(180 111)
<i>Net gain (loss) on defined benefit plan, net of tax</i>		0		0			0
Total comprehensive income for the period		(167 693)	1 297 802	1 130 109		1 171	1 131 280
Group contribution			(375 631)	(375 631)			(375 631)
Changes to non-controlling interest; acquisition and arising on business combination			69	69		(5 633)	(5 564)
Equity at end of period	1 769 512	284 891	7 359 523	9 413 926		11 782	9 425 708

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 third quarter of 2018 were authorised for issue by the board of directors on October 25th 2018.

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 2016 and applies to these condensed interim financial statements, except for the adoption of new standards and interpretations as of January 1, 2017.

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

The condensed interim financial statements are unaudited.

Changes to significant accounting policies in the current period

Visma has implemented IFRS 15 with effect from 2018. The group had a high level of decomposition under the existing practice, and the impact on group revenue recognition of IFRS 15 is limited. Additional disclosures on revenue recognition will be provided in the annual report.

Use of estimates

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

NOTE 2 — SEGMENT INFORMATION

Visma reports its business through six reporting segments, Small and Medium Business (SMB), Enterprise, Custom Solutions, Commerce Solutions, Cloud Infrastructure Services, and Group HQ + IT. 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 third quarter of 2018 and 2017 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	2018							2017 *							
	(NOK in thousands)	SMB	Enterprise	Custom Solutions	Commerce Solutions	Cloud Infrastructure Services	Group HQ + IT	TOTAL	SMB	Enterprise	Custom Solutions	Commerce Solutions	Cloud Infrastructure Services	Group HQ + IT	TOTAL
Revenue															
Total segment revenue	1 330 195	1 257 558	474 110	245 501	120 180	81 438	3 508 982	1 096 267	718 796	292 887	63 452	107 366	62 698	2 341 465	
Internal revenue	223 887	284 342	63 452	4 872	(5 540)	56 157	627 171	185 963	166 186	37 410	8 396	2 625	35 400	435 979	
External revenue on each group of similar products and services															
On-premises software	419 374	282 438	107 582	0	(570)	0	808 824	447 073	263 977	166 315	0	464	0	877 828	
Cloud Computing	657 791	664 535	297 460	238 967	122 844	24 510	2 006 106	437 808	250 372	84 132	175 281	98 823	24 036	1 070 452	
Other	29 143	26 243	5 616	1 662	3 447	770	66 881	25 423	38 261	5 030	1 490	5 454	3 262	78 920	
External revenue	1 106 308	973 216	410 658	240 628	125 720	25 280	2 881 811	910 304	552 609	255 477	176 771	104 740	27 298	2 027 200	
Actual growth (external) %	21.5 %	76.1 %	60.7 %	36.1 %	20.0 %	-7.4 %	42.2 %								
EBITDA	423 639	245 695	67 347	73 037	7 433	7 640	824 791	350 006	128 635	35 758	47 327	17 575	(11 867)	567 435	
EBITDA margin	38.3 %	25.2 %	16.4 %	30.4 %	5.9 %	30.2 %	28.6 %	38.4 %	23.3 %	14.0 %	26.8 %	16.8 %	-43.5 %	28.0 %	

First three quarters	2018							2017 *							
	(NOK in thousands)	SMB	Enterprise	Custom Solutions	Commerce Solutions	Cloud Infrastructure Services	Group HQ + IT	TOTAL	SMB	Enterprise	Custom Solutions	Commerce Solutions	Cloud Infrastructure Services	Group HQ + IT	TOTAL
Revenue															
Total segment revenue	3 883 514	3 076 261	1 396 499	891 860	353 293	239 785	9 841 212	3 272 201	1 981 821	925 171	520 245	397 325	198 253	7 295 016	
Internal revenue	655 828	726 019	174 016	174 016	2 060	162 870	1 894 808	572 134	487 130	115 547		73 935	106 992	1 355 738	
External revenue on each group of similar products and services															
On-premises software	1 295 318	884 830	356 252	0	0	0	2 536 400	1 364 647	800 663	525 838	0	1 624	1	2 692 773	
Cloud Computing	1 853 869	1 373 931	853 046	712 757	337 945	74 210	5 205 759	1 262 360	610 037	267 451	516 832	304 057	82 486	3 043 222	
Other	78 500	91 481	13 186	5 087	13 287	2 705	204 246	73 060	83 990	16 335	3 414	17 710	8 775	203 284	
External revenue	3 227 686	2 350 242	1 222 484	717 845	351 232	76 915	7 946 405	2 700 067	1 494 690	809 624	520 245	323 390	91 261	5 939 279	
Actual growth (external) %	19.5 %	57.2 %	51.0 %	38.0 %	8.6 %	-15.7 %	33.8 %								
EBITDA	1 065 047	510 142	210 949	175 175	28 924	13 278	2 003 514	886 928	333 189	119 735	112 162	41 691	(9 493)	1 484 211	
EBITDA margin	33.0 %	21.7 %	17.3 %	24.4 %	8.2 %	17.3 %	25.2 %	32.8 %	22.3 %	14.8 %	21.6 %	12.9 %	-10.4 %	25.0 %	

Reconciliation	3rd quarter		First three quarters	
	2018	2017	2018	2017
Profit before taxes	356 732	274 400	825 691	728 040
Net financial items	88 033	85 060	227 726	165 473
Result from associated companies	(1 789)	(10 179)	4 301	9 284
Depreciations and amortisations	381 815	218 154	945 796	581 414
EBITDA	824 791	567 435	2 003 514	1 484 211
EBITDA in operating segments	824 791	567 435	2 003 514	1 484 211

GEOGRAPHICAL AREAS

(NOK in thousands)	2018			2017 *		
	Net sales	%	Long lived assets	Net sales	%	Long lived assets
Norway	2 726 646	34.3 %	3 817 507	2 099 112	35.3 %	3 430 315
Sweden	2 221 108	28.0 %	2 442 775	2 097 944	35.3 %	3 017 460
Denmark	1 183 301	14.9 %	3 490 613	607 103	10.2 %	3 510 444
Finland	1 190 502	15.0 %	2 348 217	896 834	15.1 %	1 959 903
Netherlands	624 847	7.9 %	7 618 986	238 286	4.0 %	810 971
Total	7 946 405	100.0 %	19 718 097	5 939 279	100.0 %	12 729 092

* 2017 has been restated to reflect the sale of Visma Hosting

NOTE 3 — BUSINESS COMBINATIONS

During the third quarter of 2018, Visma had a net cash outflow from investment in businesses of NOK 3165m.

Commerce Solutions

Visma strengthened its focus on HRM and FRM with the acquisition of Aditro Public AB in the third quarter. The company has a broad portfolio of software products and has been in the market for several years. This acquisition strengthens Visma's position in the market and increases the competitiveness.

Enterprise

Visma broadened its solution offering within the Enterprise segment through the acquisition of Raetm a Dutch provider of world-class HR services and HR cloud software. The acquisition is a part of the strategy set out by Visma, to expand within the Dutch accounting sector.

SMB

Visma strengthened its product offering with the SMB division through the acquisition of Dutch company Pinkweb Applications BV this quarter. Pinkweb Applications BV is the supplier of Client Online – an innovative interaction platform for accounting firms and their clients. The acquisition is a part of the strategy set out by Visma, to expand within the Dutch accounting sector.

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

	Pinkweb Applications BV	Raet group	Aditro Public Oy
(NOK in thousands)	06.07.18	05.07.18	06.09.18
Deferred tax assets	0	1 145	0
Shares	0	0	0
Other intangible assets	914	357 959	31 132
Machinery and equipment	844	17 551	18
Property	65	3 773	0
Other long-term receivables	0	1 241	0
Inventories	0	0	0
Trade receivables	3 610	217 666	9 917
Other short term receivables	1 806	141 779	8 921
Cash and cash equivalents	7 074	173 753	50 815
Assets	14 313	914 867	100 803
Other long-term liabilities	0	9 663	0
Deferred tax liability	0	3 040	0
Bank overdraft	0	0	0
Trade creditors	891	66 087	4 930
Public duties payable	1 605	71 205	8 228
Tax payable	316	157 902	598
Other current liabilities	1 704	389 747	28 818
Liabilities	4 515	697 645	42 574
Fair value of net assets	9 798	217 222	58 229
Non-controlling interests	0	0	0
Goodwill arising on acquisition	33 297	3 008 215	152 319
Other intangible assets	19 588	1 466 108	101 225
Contracts and customer relationship arising on acquisition	27 424	2 052 551	141 714
Deferred tax liability	(11 753)	(879 665)	(48 588)
Total acquisition cost	78 354	5 864 431	404 898
Net cash acquired with the subsidiary	(7 074)	(173 753)	(50 815)
Cash paid	49 951	2 941 752	404 898
Net cash outflow	42 877	2 767 999	354 084
Payment-in-Kind		1 141 560	
Deferred payment	28 403	1 781 119	0

NOTE 4 — Discontinued operations

On September 28th 2018, Visma sold its Retail division to US private equity firm STG. Visma Retail has increasingly been able to sell its software in new European markets, and STG saw the to acquire the Swedish Retail-focused software company Extenda and to combine with the software business of Visma Retail simultaneously. The six entities being divested are Visma Retail AS, Visma Retail Software AS, Visma Retail AB, Abalon, NYCE and Wallmob, while aftermarket units Esscom and Exso and e-commerce provider Trollweb will remain within Visma. The net consideration for the sale was NOK 470,9million, paid in cash upon closing.

In Visma AS' consolidated financial statement, the gain from the sale is 394,7 million. The Retail division is presented in the consolidated financial statement under discontinued operations.

Condensed Statement of Income from discontinued operations

(NOK 1,000)	2018	2017
Revenue	570 992	824 920
Total operating expenses	574 156	830 272
Depreciation tangible assets and capitalised R&D	4 498	30 598
Amortisation intangible assets	11 190	66 325
Operating profit EBIT	(18 852)	(102 275)
Net financial items	-1 702	-1 363
Profit before taxes from discontinued operations	(20 554)	(103 638)
Taxes	-2 260	-12 236
Profit for the year from discontinued operations	(18 294)	(91 402)
Net gain on sale of discontinued operations	116 026	
Net income from discontinued operations	97 732	(91 402)

Condensed Statement of Cash Flows from discontinued operations	2018	2017
Operating	1 367	(37 345)
Investing	(2 670)	15 272
Financing	(1 702)	4 092
Net Cash (outflow)/inflow	(3 005)	(17 980)

Earnings per share	2018	2017
Basic, profit/(loss) for the year from discontinued operations (NOK)	97 731 659	(91 402 342)
Diluted, profit/(loss) for the year from discontinued operations (NOK)	97 731 659	(91 402 342)

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

(NOK 1,000)	28.09.2018
ASSETS	
Deferred tax assets	285
Shares	-
Other intangible assets	321 610
Machinery and equipment	4 055
Property	-
Other long-term receivables	-
Inventories	19 845
Trade receivables	124 370
Other short term receivables	34 569
Cash and cash equivalents	42 563
Assets	547 297
LIABILITIES	
Other long-term liabilities	-
Deferred tax liability	9 620
Bank overdraft	-
Trade creditors	24 074
Public duties payable	31 701
Tax payable	-2 577
Other current liabilities	115 991
Liabilities	178 809
Value of net assets	368 488
Attributable to equity holders of Visma AS	368 416
Non controlling interests	71
Net consideration	470 946
Net income Visma Retail	-18 294
Gain on sale Visma Retail	120 824

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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