

QUARTERLY REPORT  
2014

Report for the 1<sup>st</sup> quarter of 2014





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## Double-Digit Growth and Some New Strategic Milestones

### HIGHLIGHTS, FIRST QUARTER 2014

- Revenue of NOK 1 834 million, an increase of 16.1%
- EBITDA of NOK 361 million, an increase of 23.9%
- Currency adjusted organic growth continued its upward trend and reached 5.3%
- SaaS revenue reached 10% of Group Revenues for the first time (34% growth over Q1 2013)
- Finland exceeded 10% of Group Revenues for the first time, and reached 1 000 employees
- Acquisition of four SaaS companies

Visma had a strong quarter and continued with very good top-line revenue and profit growth. Total revenue growth was 16.1% and currency adjusted organic revenue growth was 5.3%. EBITDA improved 23.9% over Q1 2013 to reach NOK 361 million, yielding a solid margin of 19.7%.

Visma continues to grow organically with the strongest growth coming in Software GLA for the first quarter where organic growth, currency adjusted, exceeded 10%. SaaS and SaaS transactions continue to be the strongest driver of growth in Visma and revenue reached NOK 184 million for the quarter.

Acquisition activity was high during the first quarter with the completion of four material acquisitions. In January, Visma acquired Priorite in Finland giving Visma Consulting a pan-Nordic operation. Also in January, SaaS software companies Finnvali (leading ERP) and Logium (leader in Travel Expense and Workforce Management) were acquired in Finland. In February, Visma also took another step in moving the Visma Retail Software business closer to the cloud with the acquisition of the Danish company Wallmob, an innovation leader in SaaS Point-of-Sales (PoS) software.

KEY FIGURES (NOK in millions)	1st quarter			Year
	2014 Actual	2013 Actual	Growth	2013 Actual
Revenue	1 834	1 580	16,1 %	6 452
EBITDA	361	291	23,9 %	1 325
<i>EBITDA margin</i>	<i>19,7 %</i>	<i>18,4 %</i>		<i>20,5 %</i>
EBITA	337	269	25,3 %	1 216
EBIT	257	206	24,6 %	952
Net profit	153	121	26,6 %	567
Operational cash flow	914	727	25,7 %	1 224

#### FINANCIAL REVIEW – GROUP (FIRST QUARTER 2013 IN BRACKETS)

Revenue amounted to NOK 1 834 million (1 580) and EBITDA to NOK 361 million (291) in the first quarter of 2014. Revenue increased 16.1% over Q1 2013. The currency adjusted organic revenue growth of 5.3% shows a steadily increasing rate supported by very strong SaaS revenues.

Group EBITA amounted to NOK 337 million in the first quarter (269), whereas net gain from associated companies amounted to NOK 1.3 million (1.8). Net financial items were NOK -51.8 million (-45.2). Consequently, profit before taxes was NOK 206 million (162). Taxes amounted to NOK 53 million (42), and net income resulted in NOK 153 million in the first quarter (121).

Cash conversion remains strong. Cash flow from operations before tax amounted to NOK 914 million (727) in the first quarter 2014. Cash outflow from investments was NOK 273 million (65) in the first quarter, which was mainly investment in acquired businesses. At the end of the first quarter, the cash position of Visma was NOK 2 578 million (1 898).

Equity amounted to NOK 1 987 million at the end of the first quarter (1 490), corresponding to an equity ratio of 20.5% (17.7). Interest bearing debt amounted to NOK 3 959 million (4 126).

#### OUTLOOK

The Nordic markets where Visma has 96% 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 relatively good shape. Norway and Sweden (78% of Visma revenue) currently operate with budget surpluses, and the public debt levels, as a percentage of GDP, are amongst the lowest in the OECD. 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 revenue was 34% for the first quarter 2014 compared to Q1 2013. 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 continued a high level of acquisition activity during Q1 2014, completing four transactions. Visma has several interesting acquisition dialogues in process, some of which may be signed during Q2 2014.

Visma Software SMB is the largest business area, contributing 39% of the Revenue and 56% of the EBITDA in the first quarter 2014. Visma Software GLA accounted for 34% of Revenue and 25% of EBITDA. Visma BPO accounted for 28% of Revenue and 19% of EBITDA. Revenue growth in the first quarter was 16.1% for the overall Visma Group. Software SMB grew by 14.0%, BPO grew by 6.8% and Software GLA grew by an impressive 27.8%.

During Q1 2014, EBITDA in Visma grew an impressive 23.9% and EBITDA-margins continue the expansion trend and moved from 18.4% to 19.7%. Software SMB EBITDA grew by 21.9% and achieved a strong margin of 28.7%. Software GLA EBITDA grew by 14.2%. Visma BPO showed dramatic improvement growing EBITDA by 30.7% and achieving an improved 13.8% margin.

**MARKETS**

Visma expects even more customer interest in Software as a Service vs traditional On-Premises Windows software. 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 national economies in both Norway and Sweden continued their stable and solid development. The Danish economy is improving. The Finnish and Dutch markets are experiencing more macroeconomic challenges, but Visma's businesses in these markets continue to take market share and show solid growth.

**OWNERSHIP**

In mid April 2014 Visma announced changes in its ownership. KKR has reduced its shareholding from 76% to 31.3%, HgCapital has increased from 16% to 31.3%, and a new shareholder, Cinven, has acquired 31.3%. Management remains at around 6% of the shareholder equity in Visma. As all three funds owning Visma have more than 5 years to maturity, the new constellation will contribute to a stable ownership situation for the rest of the decade.

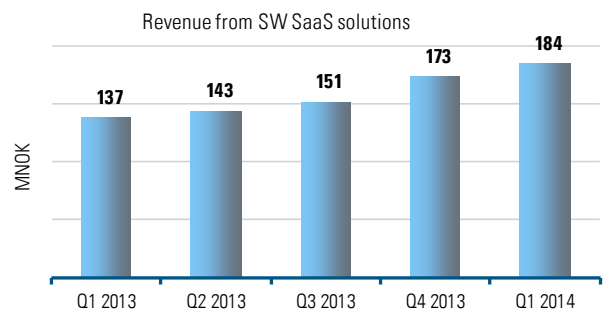
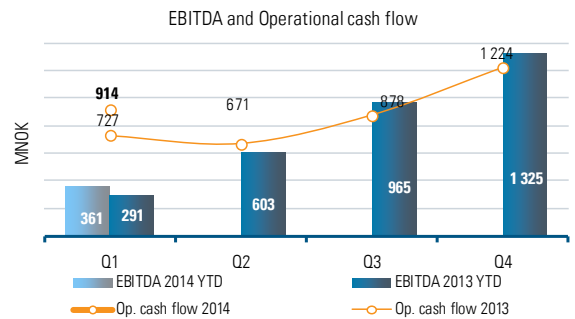
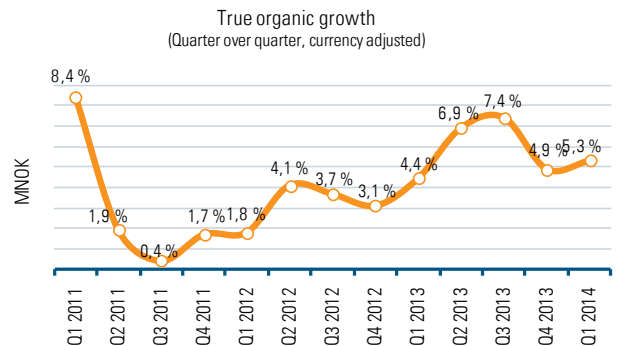
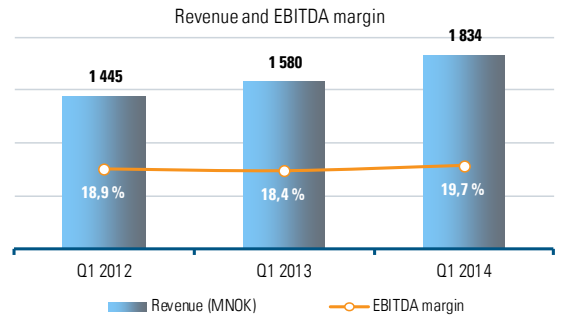
**RISKS**

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 70-80% 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, May 13, 2014  
The Board of Directors of VISMA AS



## VISMA SOFTWARE GLA

### SHARE OF GROUP



Operating revenue

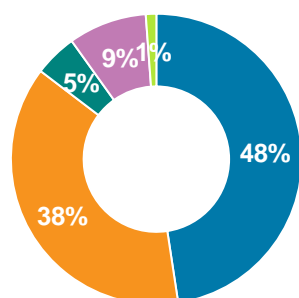


EBITDA

### KEY FIGURES

Revenue	619 MNOK
Growth, QoQ	27,8 %
EBITDA	92 MNOK
EBITDA margin	14,8 %
FTE	1 506
Headcount	1 775

### SALES BY GEOGRAPHY



■ Norway ■ Sweden ■ Finland  
■ Denmark ■ Lithuania

(NOK in millions)	1st quarter			Year
	2014	2013	Δ	2013
<b>Segment revenue</b>				
Software	272	247	10,1%	1 045
Transaction Services	7	5	21,0%	21
Consulting Services	252	192	31,6%	814
Hosting and Infrastructure as a Service	13	0	-	0
Other	76	40	87,6%	199
<b>Total operating revenue</b>	<b>619</b>	<b>484</b>	<b>27,8%</b>	<b>2 079</b>
Growth	27,8%			
<b>EBITDA</b>	<b>92</b>	<b>80</b>	<b>14,2%</b>	<b>383</b>
EBITDA margin	14,8%	16,6%		
EBITDA growth	14,2%			

#### Comments on the first quarter

Revenue in Visma GLA increased by NOK 134.8 million or 27.8% compared to Q1 2013. The growth was driven mostly by Retail FMCG projects, new hardware deals in the Pharma business area, good growth in the Norwegian governmental sector plus good contribution from the acquired companies InstoreIT, Information Factory, Wallmob, Logium and Priorite. The interim condensed consolidated financial statements include the results for the period from the acquisition dates.

We see good revenue growth in all countries. Newly acquired Priorite in Finland had an especially good start in Visma, securing its biggest contracts ever during the first quarter.

The currency adjusted organic growth of 11.6% quarter over quarter was very good and both recurring revenue and SaaS revenue share is up in Q1 2014 compared to Q1 2013.

First quarter EBITDA increased by NOK 11.4 million or 14.2%. However the EBITDA-margin decreased from 16.6% to 14.8% driven by changes in sales mix in the Retail business area.

#### Enterprise Solutions

Enterprise Solutions experienced good sales in all our markets in Q1 2014. Especially good sales performance in Norway, with new contracts in the governmental sector and sales of more than 150 modules to existing customers.

Transition to cloud is our most important growth enabler in years ahead, and we do already experience a positive approach to cloud services in the GLA-segment.

In January we released the new International Visma.net Payroll in the Netherlands. This is an important step to gain growth on SaaS revenue and customers on the Visma.net platform.

Visma.net Expense is now in production in all segments in Norway and in SMB in Finland. Visma.net Expense and Visma.net Recruitment will be two important services to augment existing On-Premises Payroll to gain growth on existing customer base through hybrid models. We have continuous releases of the Cloud-based Visma Flyt Skole to satisfy a larger share of the different Norwegian municipalities.

#### Consulting

All Companies in the Consulting business area are working on important and large tenders and some important deals are already closed, especially in Finland.

# 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:

- Mobile and cloud solutions for schools and childcare
- Mobile and dataflow solutions within healthcare
- Software solutions for large amounts of data
- Software project delivery
- System development and integration
- Application management
- eGovernment solutions and 24/7 Self Service
- Tailored IT solutions for BPM, document flow and mobile
- ERP and financial systems
- Supply and logistics software
- HRM and payroll administration and notification
- ERP integrated with retail data solutions
- Retail store software, hardware and IT infrastructure
- Retail signage and electronic shelf labels
- Mobile and handheld units and applications
- Retail consultancy, installation and training
- Retail Security System and Environmental Monitoring System

### Retail

Q1 2014 was a very dynamic quarter. To further strengthen our market position and offering within Retail SaaS, multichannel and mobile solutions we acquired Wallmob in Denmark. Increased multichannel competition and changes in consumer buying behavior have created a need for rethinking the Point of Sale. Wallmob will give us a new competitive edge in all segments we are targeting today, specially within specialized trade.

The Wallmob acquisition will also open new areas of business within SMB and micro/longtail segments and we expect to gain quite substantial market shares in these segments under the coming year.

Within FMCG we have strengthened our market position for Retail Suite. We expect that more and more food retailers are now ready to take the next step and initiate migrations to Retail Suite in order to stay competitive on chain efficiency and IT innovation.

The Pharma players in Sweden are full transition to multi-channel offerings. This opens up new possibilities and we are well positioned to lead this multi-channel movement.

Traditional non-retail segments, such as Gaming and Transportation, are a part of the Visma Retail strategy and areas where we see further growth potential. These areas are also potential new areas for a full range of our delivery model ranging from software solutions to field service.

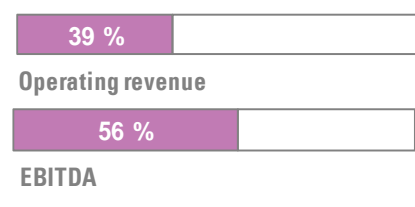
### IT & Communications

In Q1 2014 a new gear was shifted in the move towards cloud based deliveries of Vismas applications. The infrastructure architecture and solution architecture of Visma is being redesigned and tuned performancewise to handle the new service delivery model. In addition we started designing and building a brand new server center in Sweden (Växsjö). This will tune our service delivery architecture to a new level in providing services to both our Swedish customers and our customers in general.

## VISMA SOFTWARE SMB

(NOK in millions)	1st quarter		Δ	Year 2013
	2014	2013		
<b>Segment revenue</b>				
Software	485	425	13,9%	1 796
Transaction Services	117	98	19,8%	427
Consulting Services	32	25	28,4%	100
Hosting and Infrastructure as a Service	48	44	8,8%	178
Other	24	27	-11,0%	101
<b>Total operating revenue</b>	<b>706</b>	<b>619</b>	<b>14,0%</b>	<b>2 601</b>
Growth	14,0%			
<b>EBITDA</b>				
EBITDA	203	166	21,9%	794
EBITDA margin	28,7%	26,8%		
EBITDA growth	21,9%			

### SHARE OF GROUP



### KEY FIGURES

Revenue	706 MNOK
Growth, QoQ	14,0 %
EBITDA	203 MNOK
EBITDA margin	28,7 %
FTE	1 903
Headcount	1 982

### Comments on first quarter

The Software SMB division delivered 14% growth in Q1 2014, driven mostly by organic growth in software as a service (SaaS) and collecting services, plus the acquisitions of InExchange (e-invoicing, Sweden), Duetto (debt collection, Finland) and Finnvalli (SaaS ERP, Finland). The interim condensed consolidated financial statements include the results for the period from the acquisition dates.

More than 2/3 of the operating revenue in the SMB division is derived from Software sales, of which NOK 38 million is one-off license fees. The remaining software revenue is contracted or repeatable revenue, which provides a stable non-cyclical source of revenue. We expect SaaS to continue the high organic growth of >30%, while one-off license fees from on-premises software, down NOK 11 million since Q1 2013, will continue to decline in importance.

The EBITDA improvement is a result of continued improvement in operational efficiency in sales, support and administration, while achieving economies of scale through acquisitions.

### Software Entry level & Mid-range

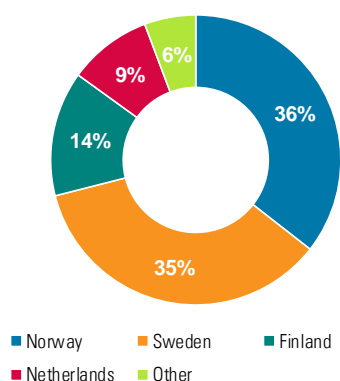
Q1 continued the trend of transition to SaaS with increased uptake from SMB customers for both the entry level segment with eAccounting and the mid-range with the Visma.net offerings. The growth quarter over quarter was 46% on CMRR value, reaching more than 55 000 customer contracts on SaaS solutions in the SMB segment. We expect continued increased interest in Software as a Service versus traditional On-Premise software. Invested SaaS development hours passed On-Premises investments in Q1 2014.

In Norway, Visma is the market leader in the SMB segments for accounting software with Visma.net, eAccounting, Visma Business, Mamut One and daTax product lines. The most significant trends in this market is growth in the entry level SaaS market for accounting, electronic invoicing, and online HRM add-ons such as expense management. During Q1 2014, the number of eAccounting customers in Norway increased by 80% compared to Q1 2013.

In Sweden, Visma is the market leader in the lower SMB segment with more than 125 000 customers. The growth in SaaS customers continues for both Advisor and Visma eAccounting. An updated edition of Visma Administration has also been delivered. During Q1 2014, the number of eAccounting customers in Sweden increased by 90% compared to Q1 2013.

In Finland, the strong growth continues with more than 15% in Q1 2014 with the majority of growth coming from SaaS offerings. Visma combined with Netvisor, Severa, Passeli and newly acquired Finnvalli are strong brand names in the Finnish market in the SMB segment. Finnvalli was acquired in Q1 2014 and will strengthen product offerings to new customers and provide SaaS migration paths for existing Visma customers as well. The Finnvalli integration is proceeding well with 22% growth in Q1 2014.

### SALES BY GEOGRAPHY



# Software SMB - continued

## Software SMB at a glance

### Management:

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

### 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

In the Netherlands, Visma offers Visma.net SaaS services in addition to rental models for AccountView software solutions for end customers and accounting offices. Several new SaaS services will be introduced in the Netherlands during 2014 in addition to focus on non-organic growth.

### Business Transactions

Business Transactions includes Visma's activities within Debt Collection and e-Invoicing. Both areas had significant organic revenue growth and profitability in the first quarter. This was mainly driven by customer acquisitions and strong demand, especially within e-Invoicing solutions in Sweden and Finland.

### Accounts receivables management

The strong development from Q4 continued throughout Q1 with strong growth and profitability development, especially in Norway and Sweden. In Norway, the growth is mainly due to new customer acquisitions and increased productivity. The Swedish debt collection operations are healthy with a combination of a highly efficient operations and a good inflow of new customers. The frame-agreement with the Swedish public sector gives a strong uptake of municipalities and other public entities. In Finland, the growth has been somewhat slower, but regained growth momentum is anticipated as Visma customers are on-boarded from integrations with Visma's ERP systems.

### E-invoicing

Visma has a strong market position both in Finland and Sweden within electronic invoicing. More than 3 million invoices were transported through Visma's e-Invoicing hubs in Q1, and volumes are rapidly growing month over month. As the market leader in Sweden, we have started to see a viral effect of the Network, where more and more customers are connecting because trading partners are already connected. Norway is about to gain momentum and we expect significant uptake throughout the year. This is an important area going forward and Visma expect to connect a high number of own ERP systems to these e-Invoicing hubs and actively stimulate customers to start using electronic invoicing.

### Hosting

Visma is offering web hosting communication and collaboration solutions under two different brands: Active 24 in Western and Central Europe and Loopia in Sweden and Serbia.

In 2013 a new automated sales and billing system was implemented to improve the overall customer experience and the business process efficiency. We see positive effects from this investment in Q1 2014.

As market leader, Loopia has continued its very good performance in both Sweden and Serbia in Q1 2014 compared to Q1 2013.



## VISMA BPO

### SHARE OF GROUP



Operating revenue



EBITDA

### KEY FIGURES

Revenue 508 MNOK  
Growth, QoQ 6,8 %

EBITDA 70 MNOK  
EBITDA margin 13,8 %

FTE 2 129  
Headcount 2 236

(NOK in millions)	1st quarter		Δ	Year
	2014	2013		2013
<b>Segment revenue</b>				
Software	9	6	42,4%	29
Transaction Services	256	233	9,5%	891
Consulting Services	238	231	3,0%	832
Hosting and Infrastructure as a Service	0	0	0,0%	0
Other	6	6	7,3%	21
<b>Total operating revenue</b>	<b>508</b>	<b>476</b>	<b>6,8%</b>	<b>1 773</b>
Growth	6,8%			
<b>EBITDA</b>	<b>70</b>	<b>54</b>	<b>30,7%</b>	<b>187</b>
EBITDA margin	13,8%	11,3%		
EBITDA growth	30,7%			

#### Comments on first quarter

Revenue in Visma BPO increased by NOK 32.2 million, or 6.8% compared to Q1 2013. Even though some of this quarter over quarter growth is related to Easter coming in April versus March in 2013, the BPO division still shows a healthy growth. Our near-shoring initiative, which has reduced Nordic and especially Norwegian resources, has impacted the revenue growth rate positively. Currency adjusted organic growth was 1.1%.

First quarter EBITDA increased by NOK 16.5 million, or 30.7% compared to Q1 2013. EBITDA-margin has increased from 11.3% in Q1 2013 to 13.8% in Q1 2014. The improvement was mainly driven by restructuring initiatives and successfully reducing costs in Norway.

#### BPO Norway

Q1 sales in Norway have had a slower start than the same period 2013. In general, we see the market is becoming more cost focused and pressure on prices is expected to continue. However, we experience that our near-shore activities are making Visma more competitive in the market. Most of our growth is coming from the SMB segment, and our retail vertical is also performing well. We are in discussions and contract negotiations with several new and significant retail clients.

Despite a competitive market, Norway has so far been able to maintain and slightly increase realized prices. This is a result of more efficient production methods, and the introduction of new and better IT solutions. The large account restructuring in 2013 has had a negative impact on revenues in first quarter 2014 compared to first quarter 2013, but the goal of significantly improve margins has been achieved. In line with strategic initiatives, we have also experienced a positive development in sold advisory hours. The combination of strategic and operational actions have let to solid EBITDA margin improvement, from 9.7% in Q1 2013 to 13.7% in Q1 2014.

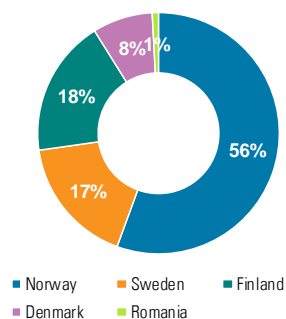
#### BPO Sweden

Sweden achieved organic growth of 4% for the first quarter. This is especially satisfying as the beginning of 2013 was exceptionally strong.

Demand for Payroll services is growing steadily and the SMB segment is performing well. Also in SMB, we are focusing on increasing sales and have initiated cross sales activities with Visma Agda (Payroll Software).

Sweden has started an ambitious implementation of near-shore resource roll-out to existing and new customers this year.

### SALES BY GEOGRAPHY



## BPO- continued

### BPO at a glance

#### Management:

- Roar Wiik Andreassen, Director BPO Division
- Rune Norbakk, Managing Director BPO Norway
- Magnus Hedlund, Managing Director BPO Sweden
- John Roitto, Managing Director BPO Finland
- June Mejlgaard Jensen, Managing Director BPO Denmark

#### Target market:

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

#### Products and services:

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

#### BPO Finland

The challenging Finnish economy is continuing to impact our operations in Finland. However, BPO Finland still maintains a strong reputation and profitability in the market. Relocation of offices to a new Visma Finland headquarters and reorganization plans are expected to improve margins over time.

Even though the market is slow, sales compared to last year are stable. The SMB, Payroll and International service lines are still performing well, and due to a win of a large Payroll contract, Finland will establish a new LA Payroll department in Helsinki this year. The main challenge is to increase the profitability of smaller regional offices.

#### BPO Denmark

Denmark has had a relatively good start of the year, both when it comes to growth and sales. This follows in line with a strong 2013 fourth quarter. Even though the market is still tough, the increased sales initiatives started in the second half of 2013 are showing good results.

On the margin side, Denmark has improved EBITDA quarter over quarter by 6%. The main reasons for improvement is the reorganizing of the sales department and higher utilization.

Denmark has also started limited near-shoring activities in 2014, mainly related to larger Payroll clients.

# CONDENSED INTERIM FINANCIAL INFORMATION

## CONSOLIDATED STATEMENT OF INCOME

(NOK in thousands)	1st quarter		Year
	2014	2013	2013
<b>OPERATING REVENUE</b>			
Sales revenue	1 833 778	1 580 052	6 452 354
<b>Total operating revenue</b>	<b>1 833 778</b>	<b>1 580 052</b>	<b>6 452 354</b>
<b>OPERATING EXPENSES</b>			
Sales and distribution costs (COGS)	284 515	223 176	926 275
<b>Gross profit</b>	<b>1 549 263</b>	<b>1 356 876</b>	<b>5 526 079</b>
Payroll and personnel expenses	946 274	846 742	3 316 412
Bad debts	4 074	5 623	29 519
Other operating expenses	236 710	212 759	852 871
<b>Total operating expenses</b>	<b>1 187 058</b>	<b>1 065 123</b>	<b>4 198 802</b>
<b>EBITDA before M&amp;A expenses</b>	<b>362 205</b>	<b>291 753</b>	<b>1 327 277</b>
M&A expenses	1 023	339	2 132
<b>EBITDA</b>	<b>361 181</b>	<b>291 414</b>	<b>1 325 145</b>
Depreciation tangible assets and capitalised R&D	24 184	22 481	109 303
<b>EBITA</b>	<b>336 997</b>	<b>268 933</b>	<b>1 215 842</b>
Amortisation intangible assets	80 307	62 961	263 992
<b>Operating profit EBIT</b>	<b>256 690</b>	<b>205 972</b>	<b>951 850</b>
Result from associated companies	1 346	1 811	5 393
<b>FINANCIAL ITEMS</b>			
Financial income	8 315	10 166	34 746
Financial expenses	(60 116)	(55 346)	(267 773)
<b>Net financial items</b>	<b>(51 802)</b>	<b>(45 180)</b>	<b>(233 027)</b>
<b>Profit before taxes</b>	<b>206 234</b>	<b>162 603</b>	<b>724 217</b>
Taxes	53 271	41 806	157 109
<b>Net income</b>	<b>152 963</b>	<b>120 797</b>	<b>567 107</b>
<b>ATTRIBUTABLE TO:</b>			
Equity holders of Visma AS	152 843	120 826	564 207
Non-controlling interests	120	( 29)	2 900
<b>EARNINGS PR SHARE</b>			
Basic earnings per share (NOK in thousands)	152 843	120 826	564 207
Diluted earnings per share (NOK in thousands)	152 843	120 826	564 207
EBITDA margin	19,7 %	18,4 %	20,5 %

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(NOK in thousands)	1st quarter		Year
	2014	2013	2013
<b>Net income</b>	<b>152 963</b>	<b>120 797</b>	<b>567 107</b>
Net gain (loss) on financial hedging instruments, net of tax	(7 226)	7 228	(10 135)
Exchange differences on translation of foreign operations, net of	(10 185)	5 774	81 757
Net gain (loss) on defined benefit plan, net of tax	118	0	(4 520)
<b>Other comprehensive income (loss) for the period, net of tax</b>	<b>(17 292)</b>	<b>13 002</b>	<b>67 102</b>
<b>Total comprehensive income for the period</b>	<b>135 670</b>	<b>133 799</b>	<b>634 209</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>			
Equity holders of Visma AS	135 550	133 828	631 309
Non-controlling interests	120	( 29)	2 900

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(NOK in thousands)	31.March 2014	31.December 2013	31.March 2013
<b>ASSETS</b>			
Deferred tax assets	76 855	75 300	117 220
Patents and other intangible assets	537 217	465 621	453 047
Capitalised R&D cost own software	127 859	125 664	121 321
Contracts and customer relationships	777 590	671 327	632 122
Goodwill	4 150 314	3 986 940	3 615 146
Property, land and buildings	20 830	20 884	20 557
Machinery and equipment	131 356	133 487	128 459
Financial assets/Shares	36 055	36 142	39 208
Investment in associated companies	87 506	86 160	82 578
Other long-term receivables	9 704	9 788	13 396
Long term receivables from group companies	0	0	239 636
<b>Total non-current assets</b>	<b>5 955 286</b>	<b>5 611 313</b>	<b>5 462 691</b>
Inventory	43 372	45 307	34 390
Accounts receivables	850 491	920 320	835 230
Other current receivables	243 617	180 412	207 923
Cash and cash equivalents	2 578 208	2 246 384	1 897 745
<b>Total current assets</b>	<b>3 715 688</b>	<b>3 392 423</b>	<b>2 975 288</b>
<b>TOTAL ASSETS</b>	<b>9 670 973</b>	<b>9 003 736</b>	<b>8 437 979</b>
<b>EQUITY AND LIABILITIES</b>			
Paid-in capital	165 000	165 000	165 000
Other reserves	(13 506)	3 786	(50 314)
Retained earnings	1 831 393	1 783 532	1 373 674
<b>Equity attributable to equity holders of Visma AS</b>	<b>1 982 887</b>	<b>1 952 318</b>	<b>1 488 360</b>
Non-controlling interests	4 562	4 489	1 508
<b>Total equity</b>	<b>1 987 449</b>	<b>1 956 807</b>	<b>1 489 868</b>
Pension liabilities	(3 780)	(4 136)	(7 067)
Deferred tax liability	543 114	501 644	474 399
Financial hedging Instruments	126 717	116 953	93 218
Long-term interest bearing bank loans	3 958 756	4 217 757	4 126 087
Accrued funding fees	(30 098)	(34 613)	(65 156)
Other long-term non interest bearing liabilities	197 116	114 667	6 696
Long-term liabilities to group companies	0	0	(0)
<b>Total non-current liabilities</b>	<b>4 791 825</b>	<b>4 912 271</b>	<b>4 628 177</b>
Bank overdraft	165 100	0	0
Short-term interest bearing bank loans	100 000	100 000	0
Trade creditors	185 389	194 214	179 992
Public duties payable	501 486	351 121	445 975
Tax payable	24 396	50 977	17 201
Deferred revenue	1 249 257	839 356	1 168 263
Other current liabilities	666 070	598 989	508 502
<b>Total current liabilities</b>	<b>2 891 698</b>	<b>2 134 657</b>	<b>2 319 933</b>
<b>Total liabilities</b>	<b>7 683 524</b>	<b>7 046 929</b>	<b>6 948 110</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>9 670 973</b>	<b>9 003 736</b>	<b>8 437 978</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

(NOK in thousands)	1st quarter		Year
	<b>2014</b>	2013	2013
Ordinary profit before tax	206 234	162 603	724 217
Depreciation tangible assets	14 386	13 470	58 848
Depreciation capitalised R&D cost	9 798	9 011	50 455
Amortisation patents and other intangible assets	30 831	27 997	108 441
Amortisation contracts and customer relationships	49 476	34 964	155 551
Tax paid	(47 187)	(22 386)	(62 812)
Changes in debtors	69 829	(45 362)	(130 453)
Changes in inventory and trade creditors	(6 890)	5 465	8 771
Changes in public duties payable	150 365	131 865	37 011
Changes in deferred revenue	409 901	430 641	101 735
Changes in other accruals	27 635	(20 943)	172 687
<b>Net cash flow from operations</b>	<b>914 378</b>	<b>727 325</b>	<b>1 224 450</b>
Sale of (investment in) tangible fixed assets	(7 840)	(17 497)	(60 213)
Sale of (investment in) R&D own software	(9 680)	(2 181)	(24 520)
<b>Net cash flow from investments</b>	<b>(17 520)</b>	<b>(19 678)</b>	<b>(84 733)</b>
Investment in tangible fixed assets related to business combinations	(4 360)	( 94)	(8 112)
Investment in R&D software related to business combinations	(2 313)	0	(23 448)
Sale of (investment in) businesses	(266 721)	(63 707)	(295 256)
Sale of (investment in) shares	87	( 951)	2 115
<b>Net cash flow from investments related to business combinations</b>	<b>(273 308)</b>	<b>(64 752)</b>	<b>(324 701)</b>
Repayments of interest bearing loans	(194 814)	0	(50 389)
Changes in bank overdraft	165 100	0	0
Changes in long term receivables/payables	84	(90 922)	152 322
Payment of Group contribution	(145 807)	(159 841)	(159 896)
Cash inflow from dividends	0	1 300	3 300
Cash inflow from interest	8 315	7 770	29 267
Cash outflow from interest and fees	(96 365)	(99 492)	(244 688)
<b>Net cash flow from financing activities</b>	<b>(263 488)</b>	<b>(341 185)</b>	<b>(270 083)</b>
<b>Net cash flow</b>	<b>360 063</b>	<b>301 710</b>	<b>544 933</b>
Cash and cash equivalents, beginning of period	2 246 384	1 559 376	1 559 376
Net foreign exchange differences	(28 239)	36 659	142 074
<b>Cash and cash equivalents, end of period</b>	<b>2 578 208</b>	<b>1 897 745</b>	<b>2 246 384</b>
EBITDA to net cash flow from operations	253,2 %	249,6 %	92,4 %

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(NOK in thousands)	Attributable to equity holders of Visma AS					Total equity
	Paid-in share capital	Other reserves	Retained earnings	Majority's share of equity	Non-controlling interests	
Equity as at 01.01.2013	165 000	(63 316)	1 367 934	1 469 618	8 974	1 478 591
Profit for the period			564 207	564 207	2 900	567 107
<i>Net gain (loss) on financial hedging instruments, net of tax</i>		(10 135)		(10 135)		(10 135)
<i>Exchange differences on translation of foreign operations, net of tax</i>		81 757		81 757		81 757
<i>Net gain (loss) on defined benefit plan, net of tax</i>		(4 520)		(4 520)		(4 520)
Total comprehensive income for the period		67 102	564 207	631 309	2 900	634 209
Group contribution to parent company			(115 125)	(115 125)		(115 125)
Changes to non-controlling interest; acquisition and arising on business combination			(33 484)	(33 484)	(7 385)	(40 869)
Equity as at 31.12.2013	165 000	3 786	1 783 532	1 952 318	4 489	1 956 807
Equity as at 01.01.2014	165 000	3 786	1 783 532	1 952 318	4 489	1 956 807
Profit for the period			152 843	152 843		152 843
<i>Net gain (loss) on financial hedging instruments, net of tax</i>		(7 226)		(7 226)		(7 226)
<i>Exchange differences on translation of foreign operations, net of tax</i>		(10 185)		(10 185)		(10 185)
<i>Net gain (loss) on defined benefit plan, net of tax</i>		118		118		118
Total comprehensive income for the period		(17 292)	152 843	135 550	0	135 550
Group contribution			(104 981)	(104 981)		(104 981)
Changes to non-controlling interest; acquisition and arising on business combination			73		73	73
Equity at end of period	165 000	(13 507)	1 831 466	1 982 887	4 562	1 987 449

# 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 first quarter of 2014 were authorised for issue by the board of directors on May 13 2014.

### 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 2013 and applies to these condensed interim financial statements, except for the adoption of new standards and interpretations as of January 1, 2014.

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

With effect from the first quarter 2014, Visma changed its operating segments to reflect the changes to the organisation structure implemented 1 January 2014. In line with realignment of the strategic focus of the Group, the financial reporting structure of the Group has been changed to mirror the new customer centric structure.

The change has been applied retrospectively in these condensed interim financial statements including the notes. The change in accounting policy is immaterial to the Consolidated statement of income for the periods covered by these condensed interim financial statements. There is no impact on Net operating income, Net income, the Consolidated statement of financial positions or the Consolidated statement of cash flows from this policy change.

There have been no other changes to significant accounting policies in the first quarter of 2014 compared to the annual financial statements for 2013.

### 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, The Small and Medium Business (Software SMB), Government and Large Accounts (Visma Software GLA) 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.

## NOTE 2 – SEGMENT INFORMATION continued

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.

Segment data for the first quarter of 2014 and 2013 is 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.

1st quarter (NOK in thousands)	2014					2013				
	SOFTWARE SMB	BPO	SOFTWARE GLA	OTHER	TOTAL	SOFTWARE SMB	BPO	SOFTWARE GLA	OTHER	TOTAL
<b>Revenue</b>										
Total segment revenue	836 890	538 563	775 446	28 142	2 179 042	736 621	496 334	615 007	24 490	1 872 452
Internal revenue	130 786	30 079	156 256	28 142	345 264	117 192	20 087	130 632	24 490	292 400
<b>External revenue on each group of similar products and services</b>										
Software	484 711	8 775	271 662	0	765 148	425 394	6 163	246 844	0	678 401
Transaction Services	117 262	255 651	6 570	0	379 482	97 855	233 487	5 430	0	336 772
Consulting Services	32 269	237 896	252 219	0	522 383	25 122	230 855	191 690	0	447 667
Hosting and infrastructure as a service	47 766	0	12 945	0	60 711	43 906	0	0	0	43 906
Other	24 097	6 162	75 794	0	106 054	27 153	5 742	40 411	0	73 306
<b>External revenue</b>	<b>706 104</b>	<b>508 484</b>	<b>619 190</b>	<b>0</b>	<b>1 833 778</b>	<b>619 429</b>	<b>476 247</b>	<b>484 376</b>	<b>0</b>	<b>1 580 052</b>
Actual growth (external) %	14,0 %	6,8 %	27,8 %		16,1 %					
Curr adj. organic growth (external) %	3,3 %	1,1 %	11,6 %		5,3 %					
<b>EBITDA</b>	<b>202 698</b>	<b>70 274</b>	<b>91 867</b>	<b>(3 658)</b>	<b>361 181</b>	<b>166 238</b>	<b>53 768</b>	<b>80 427</b>	<b>(9 019)</b>	<b>291 414</b>
EBITDA margin	28,7 %	13,8 %	14,8 %		19,7 %	26,8 %	11,3 %	16,6 %		18,4 %

Reconciliation	1st quarter		First quarter	
	2014	2013	2014	2013
Profit before taxes	206 234	162 603	206 234	162 603
Net financial items	51 802	45 180	51 802	45 180
Result from associated companies	(1 346)	(1 811)	(1 346)	(1 811)
Depreciations and amortisations	104 492	85 442	104 492	85 442
<b>EBITDA</b>	<b>361 181</b>	<b>291 414</b>	<b>361 181</b>	<b>291 414</b>
<b>EBITDA in operating segments</b>	<b>361 181</b>	<b>291 414</b>	<b>1 113 390</b>	<b>937 392</b>

## GEOGRAPHICAL AREAS

(NOK in thousands)	2014			2013		
	Net sales	%	Long lived assets	Net sales	%	Long lived assets
Norway	862 960	47,1 %	1 981 737	798 178	50,5 %	2 400 242
Sweden	578 754	31,6 %	1 462 714	501 795	31,8 %	930 006
Denmark	104 992	5,7 %	373 834	84 885	5,4 %	239 046
Finland	221 303	12,1 %	1 183 456	138 447	8,8 %	677 094
Netherlands	65 769	3,6 %	591 238	56 747	3,6 %	575 249
<b>Total</b>	<b>1 833 778</b>	<b>100,0 %</b>	<b>5 592 979</b>	<b>1 580 052</b>	<b>100 %</b>	<b>4 821 636</b>

## NOTE 3 – BUSINESS COMBINATION

A total of NOK 481 million in acquisition payments were made during first quarter.

The payments refer to earn-out of NOK 0.1 million and the acquisition of Finnvalli Finland Ab OY of NOK 128.7 million, the acquisition of Priorite OY of NOK 65.7 million, the acquisition of Logium OY of NOK 161.3 million and the acquisition of Wallmob A/S of NOK 124.7 million .

### Software GLA Division

On 6 January Visma acquired 100% of the voting shares of Priorite OY. Priorite OY is a Finnish consulting and software solutions company and through this acquisition Visma expands the Finnish operation to this field. The interim condensed consolidated financial statements include the results for the period from the acquisition date. On 3 February Visma acquired 100% of the voting shares of Logium OY. Logium OY is a Finnish travel expense management software company and strengthens Visma's position within the government and large accounts segment in Finland. The interim condensed consolidated financial statements include the results for the period from the acquisition date. On 7 February Visma acquired 100% of the voting shares of Wallmob A/S. Wallmob A/S is a Danish tech company with cutting edge mobile Point of Sale solutions. The purchase signals Visma's dedication to develop its portfolio of mobile - and multichannel solutions for retail business. The interim condensed consolidated financial statements include the results for the period from the acquisition date.



## NOTE 3 – BUSINESS COMBINATION - continued

### Software SMB Division

On 10 January Visma Acquired 100% of the voting shares of Finnvalli Finland Ab OY. Finnvalli Finland Ab OY is a Finnish accounting software and real estate management company. The acquisition strengthens Visma's ERP footprint in Finland and underpin Visma's position as the largest vendor in Finland. The interim condensed consolidated financial statements include the results for the period from the acquisition date.

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

#### Finnvalli Finland Ab

(NOK in thousands)	OY,Fi 10.01.14	Priorite Oy,Fi 06.01.14	Logium OY 03.02.14	Wallmob A/S 07.02.14
Deferred tax assets	0	0	0	878
Shares	0	0	0	0
Other intangible assets	2 313	0	145	441
Machinery and equipment	4 036	130	194	149
Property	0	0	0	0
Other long-term receivables	0	177	9 844	0
Inventories	58	0	1 867	0
Trade receivables	783	6 968	4 447	537
Other short term receivables	1 041	178	1 328	135
Cash and cash equivalents	2 724	23 906	2 617	7 296
<b>Assets</b>	<b>10 955</b>	<b>31 359</b>	<b>20 442</b>	<b>9 436</b>
Other long-term liabilities	0	156	0	0
Deferred tax liability	0	0	0	0
Bank overdraft	0	78	2 217	0
Trade creditors	0	7 604	575	659
Public duties payable	377	1 697	2 516	426
Tax payable	0	784	0	(1 405)
Other current liabilities	4 689	1 937	5 374	0
<b>Liabilities</b>	<b>5 066</b>	<b>12 256</b>	<b>10 683</b>	<b>( 319)</b>
<b>Fair value of net assets</b>	<b>5 889</b>	<b>19 103</b>	<b>9 759</b>	<b>9 756</b>
Non-controlling interests	0	0	0	0
Goodwill arising on acquisition	61 055	28 230	74 131	58 472
Other intangible assets	32 185	0	40 332	31 183
Contracts and customer relationship arising on acquisition	45 059	23 009	56 464	43 656
Deferred tax liability	(15 449)	(4 602)	(19 359)	(18 335)
<b>Total acquisition cost</b>	<b>128 739</b>	<b>65 740</b>	<b>161 326</b>	<b>124 731</b>
Net cash acquired with the subsidiary	2 724	23 828	400	7 296
Cash paid	95 283	65 740	108 430	35 959
<b>Net cash outflow</b>	<b>98 007</b>	<b>89 568</b>	<b>108 830</b>	<b>43 255</b>
Deferred payment	33 457	0	52 896	88 772

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