



Q1

QUARTERLY
REPORT

2018

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Thirty Percent (30%) Revenue and EBITDA Growth ! Annualized Cloud Revenue Exceeding NOK 6.6 Billion

HIGHLIGHTS, FIRST QUARTER 2018

- Revenue of NOK 2 722 million, an increase of 30%
- EBITDA of NOK 608 million, an increase of 30%
- SaaS customer contracts continued to grow at a 40% year-on-year rate exemplifying the focus and growth of cloud computing within the Visma organization.
- Cloud Annualized Revenue reached NOK 6 600m, a year-on-year growth of 51%
- The monthly level of e-invoice and transactions reached 8 million
- Two cloud software companies were acquired during the quarter

Visma had another strong quarter with excellent top-line revenue and continued profit growth. Total revenue growth was 29,5% while EBITDA grew strongly as well by 30,2% over Q1 2017 to reach NOK 608 million.

Revenues in each of Visma's three largest divisions (representing over 95% of EBITDA) grew well in excess of 20% year-on-year. The SMB Division grew revenues by 24%, Enterprise grew by an impressive 51% (with the addition of Bluegarden) and Custom Solutions achieved 46% growth compared to the first 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 51% to reach NOK 6 660m.

Visma continues its proactive and high tempo acquisitions activity completing two acquisitions for the quarter. Visma acquired Optiway (a Swedish cloud GIS information provider to large customers, such as SEB, who need a combination of national-specific information package with geographical data). The second acquisition was CO3 (a Danish e-commerce software and solutions provider).

KEY FIGURES

Continuing operations (NOK in millions)	First quarter		Growth	Year
	2018 Actual	2017 Actual		2017 Actual
Revenue	2 722	2 101	29,5 %	9 346
EBITDA	608	467	30,2 %	2 152
<i>EBITDA margin</i>	<i>22,3 %</i>	<i>22,2 %</i>		<i>23,0 %</i>
EBITA	569	443	28,4 %	2 017
EBIT	305	267	14,2 %	1 156
Net profit	164	175	-6,4 %	744
Operational cash flow (after tax)	1 295	1 254	3,3 %	2 004

FINANCIAL REVIEW – GROUP (FIRST QUARTER 2017 IN BRACKETS)

Revenue amounted to NOK 2 722 million (2 101) and EBITDA to NOK 608 million (467) in the first quarter of 2017. Revenue increased 29.5% while EBITDA increased by 30.5% over Q1 2017.

Group EBIT amounted to NOK 305 million in the first quarter (267), whereas net gain from associated companies amounted to NOK -1.0 million (1.2). Net financial items were NOK -92.6 million (-41.6). Consequently, profit before taxes was NOK 212 million (227). Taxes amounted to NOK 47.9 million (51.9), and net income from continuing operations resulted in NOK 164 million (175) in the first quarter.

Cash flow from continuing operations after tax amounted to NOK 1 295 million (1 254) in the first quarter 2017. Cash outflow from investments was NOK 375 million (216) in the quarter, which is fixed assets and software R&D and investments in acquired businesses. At the end of the fourth quarter, the cash position of Visma was NOK 3 646 million (4 612).

Equity amounted to NOK 7 248 million at the end of the quarter (6 612), corresponding to an equity ratio of 37.3% (36.8%). Long term interest bearing debt amounted to NOK 6 181 million (4 852). The debt-facilities have maturity dates in the 4th quarter 2021.

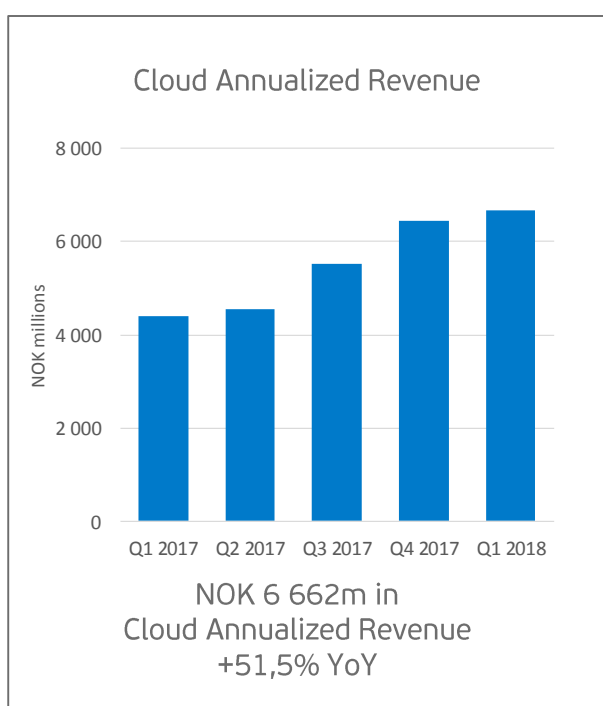


COMMENTS ON SELECTED KPIS

Visma is experiencing good traction on the SaaS product portfolio.

It is impressive that Cloud Annualized Revenue has grown by 51% year-on-year in Q1. At the end of Q1, revenue from cloud computing saw an annualized run rate exceeding NOK 6 600m. Also SaaS customer contracts have seen a strong, high-growth development. Visma has 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 by 39.5% year-on-year.

At the end of Q1, 8 million monthly e-invoices were transported through Visma's e-invoicing hubs (20% 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-economic customers in Denmark.



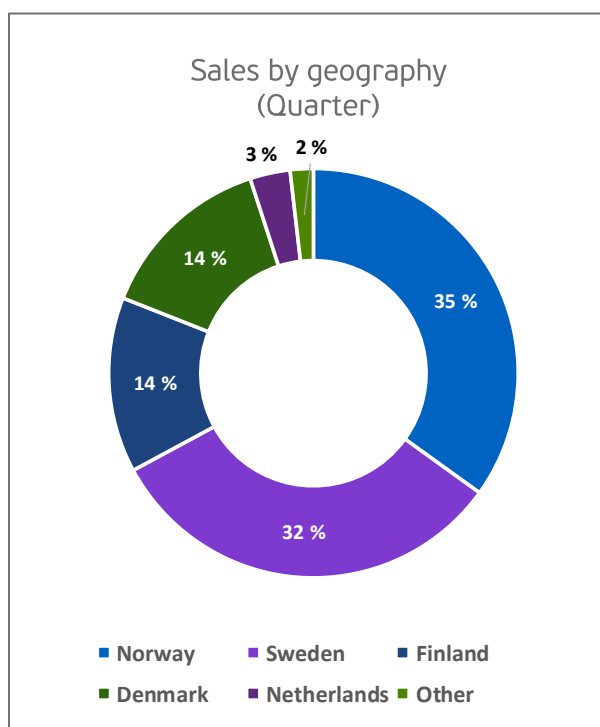
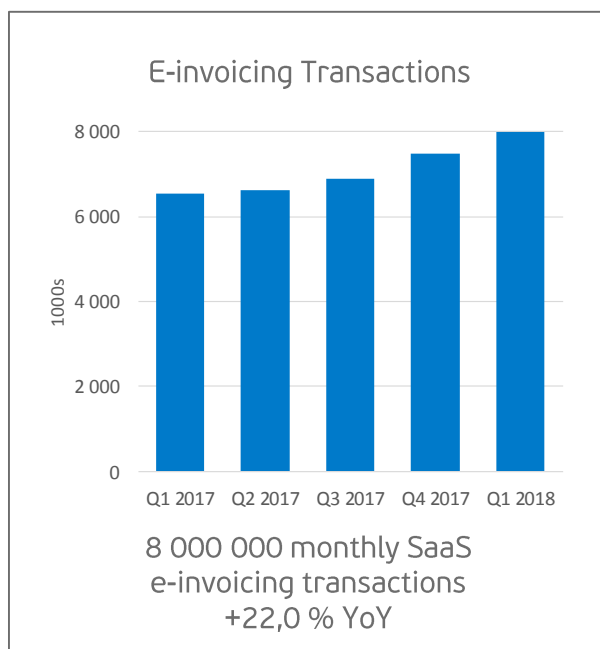
MARKET OUTLOOK

The Nordic markets, where Visma has 97% of revenues, continue to be stable and have above average growth rates compared to Europe overall. The public finances in the markets where Visma operates are in good shape. Norway and Sweden (67% of Visma revenue) have very strong public finances. Norway is benefitting from increasing oil prices and a strengthening economy and Sweden continues its strong growth. Danish and Dutch economies are solid and growing. Finland is experiencing strong growth after several years of weakness. 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 47% of the Revenue and 60% of the EBITDA in the first 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

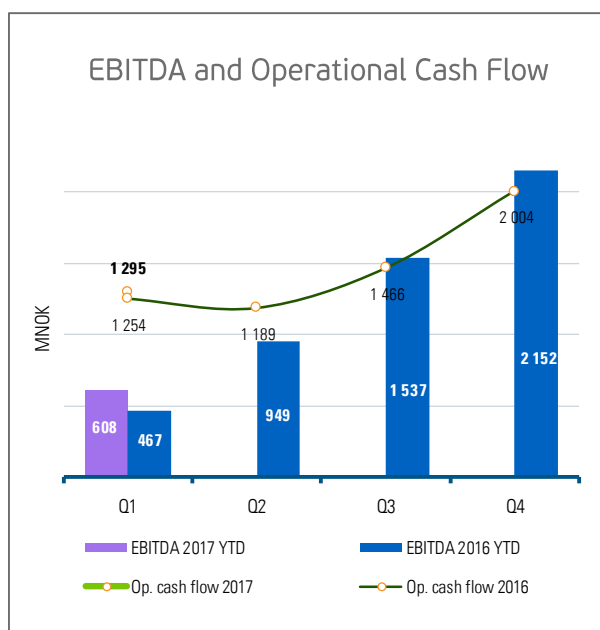
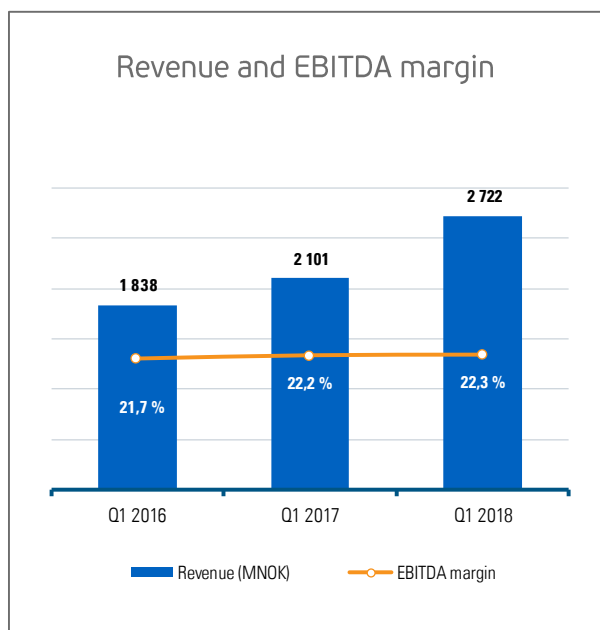
Visma is exposed to the general economic climate in the countries where the company operates. However, the business risk is limited by the company's diversified customer base and a reasonably priced, high-quality portfolio of products and services. Although Visma is also involved in some very large IT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

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, April 19, 2018

The Board of Directors of VISMA AS



SMB

Comments on the first quarter

Visma SMB continue to see strong customer growth on cloud solutions. The cloud entry-level solutions that include Visma eAccounting, Tripletex, e-economic, Dinero, and SpeedLedger acquired over 8 000 net new customers during the quarter and are closing in on 290 000 contracts in total. The Visma eAccounting product line also passed 100 000 users during the quarter.

The cloud mid-range offering and hybrid automation services in Visma.net experienced good growth both in customers and users. The Visma.net transactions services integrated with our main ERP systems passed 10 million monthly transactions during the quarter, further solidifying Visma's Nordic leadership in the SaaS SMB segment.

First quarter product development focused on delivering new versions of SaaS solutions for our core segments and also upgrades for the large on-premises customer bases, providing these customers automation and SaaS benefits in the transition to SaaS. Investments in SaaS continues to outpace investments in on-premises solutions.

Operational focus in Q1 has been on integrating the latest acquisitions including Bluegarden/DataLøn and Admincontrol.

A significant growth trend in our segment is the integration of ERP-solutions with financial services through real-time analysis of customer accounting data in the cloud. In Q1, extensive planning of building financial services as an integrated part of the ERP and accounting software has been made. Pilots and testing will be carried out during Q2.

Segment at a glance

Target market:

- Small & medium sized businesses
- Accounting Offices

Management:

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

Share of Group



47 %

Operating revenue



60 %

EBITDA

Quarterly Key Figures

Revenue	1 285 MNOK
Growth, YoY	23,8 %

EBITDA	367 MNOK
EBITDA margin	28,5 %

FTE	2 959
Headcount	3 221

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
- Customer collaboration for accounting practices
- Practice management for accounting practices
- Business automation for accounting practices

Enterprise

Comments on the first quarter

In the first quarter, the cloud transformation of the Enterprise Division's products continued. Our investments in R&D for international cloud platforms upon which we are building our future success are at a record level, and the organization is energized and committed to delivering these exciting products to our customers.

In the HRM area, work in the first quarter continued on the next-generation Visma.net HRM suite. Launch for selected customers and segments will happen throughout the year. The HRM platform comprises a wide range of functionality from payroll and expense management to talent, recruiting and workforce management. Investments continue in all these areas.

In the education area, the first high schools in Norway have gone live on our next-generation cloud solution for school administration. By 2019 all Norwegian high schools will be onboarded. The solution enables the school administration to be more efficient and will represent a leap from legacy administration systems into fully digital, cloud-based offerings with advanced optimization algorithms. This will free up time and funds that can instead be spent on students.

In our procurement and FMS areas, a strong team effort led to fully complying with several important contractual commitments during the quarter. In particular, one commitment that was delivered is the ability to digitally sign contracts directly in our software. This will save our procurement suite customers time and help them avoid a significant amount of manual paper-based work.

Cloud transformation of our next-generation welfare product lines continues. Both development of new cloud services which are targeted for first release towards the end of the year, and also new features on already released cloud services. This transformation strengthens and secures our Welfare market share in Norway.

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

25 %

Operating revenue

25 %

EBITDA

Quarterly Key Figures

Revenue	687 MNOK
Growth, YoY	51,0 %
EBITDA	150 MNOK
EBITDA margin	21,8 %
FTE	1 917
Headcount	1 976

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 first quarter

Custom Solutions delivered a quarter with strong performance. Compared to Q1 2017, the division had very strong growth, despite a lower number of working days due to Easter. External revenue was 393 MNOK and EBITDA 69 MNOK with a best-in-class profit margin of 17,6%.

During the first quarter, the division closed two new acquisitions: Optiway and Co3. Both have been successfully integrated and the first commercial synergies have already materialized themselves in Denmark between Co3 and Visma Consulting DK with a project for the Danish Maritime organization on design of Vessel Certificates. Both Optiway, Svensk e-identitet and Visma Addo are working with the SMB division to integrate of our offerings into several of SMB's Cloud solutions. The division has been in negotiations with two potential new acquisitions during Q1 that we expect to be signed/closed in Q2.

Custom Solutions signed several important deals during Q1 highlighted by: Visma Consulting Finland closing its largest single contract in the history of the company with KEHA (a project to implement a nationwide CRM system for the unemployment offices and local government organizations that support Finnish enterprises worth of 10 MEUR). Visma Consulting DK signed additional contracts with the Ministry of Taxation further cementing Visma as an important supplier to this key customer. In addition, DK signed the next phase of the British Maritime PoC for eCert with sizeable license and CMRR revenues (~5 MNOK) over the next two years. Visma Consulting SE signed another 22 municipalities on the e-archive solution in March solidifying their lead position in this product area. The SAMBI network (Swedish Healthcare Network) holds an immense potential for Svensk e-identitet as an agent, and the first contracts have been landed during Q1. In Norway, we signed several important deals (one of the larger ones was a frame agreement with Ruter for application management and machine learning). The outlook for Q2 is positive including several large contracts in the pipeline in all countries.

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	393 MNOK
Growth, YoY	45,5 %
EBITDA	69 MNOK
EBITDA margin	17,6 %
FTE	1 140
Headcount	1 180

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

Retail

Comments on the first quarter

Q1 started with continued focus on our deliveries and customer care with several large and important ongoing projects. During Q1, the demand for our e-commerce solutions and our Warehouse Management System (WMS) was very strong. Investments in these areas are very important to customers in order to stay competitive. Visma has a strong offering addressing e-commerce, logistics/WMS, and loyalty, which is helping our customers to stay ahead of the competition.

A true highlight this quarter was the win of an interesting new customer, covering Sweden, Norway and Finland. It is a full service contract that includes software (Visma Retail Suite and Visma Retail POS), hardware, application management, hosting, support and onsite service. This is a breakthrough for Visma Retail in the convenience and fuel market. This will become official news and the customer name will be announced with a press release in Q2.

In January, we attended the world's largest annual global retail congress, the National Retail Federation's "Retail Big Show 2018". It gathered 35.000 retailers and industry executives from all over the world, covering the hottest topics in retail and the newest technologies. We were exhibitors again (in HP's stand) showcasing our software solutions. In collaboration with both the Swedish and Norwegian trade organisations (Svensk Handel and Virke), our annual arrangement for customers and prospects attending this congress was at an all-time high. There were record number of participants joining our study trip and several Visma Retail exclusive round table events and store tours. Like every year, we summarized the highlights from the retail congress into our insights and retail trends publication. In February, we shared our findings through video podcast and webinar with great success, and all in line with our work with thought leadership in the sector.

Segment at a glance

Target market:

- Retail chains in Grocery, Convenience, Pharma and Specialized trade in the Nordics and rest of Europe.

Management:

- Peter Fischer, Division Director Retail

Share of Group



Operating revenue



EBITDA

Quarterly Key Figures

Revenue	274 MNOK
Growth, YoY	5,4 %
EBITDA	3 MNOK
EBITDA margin	1,1 %
FTE	694
Headcount	706

Products and services:

- Retail HQ and back office software
- Retail POS and self-service solutions (self-checkout, self-scanning, self-service-stations)
- Retail mobile solutions (mobile POS, mobile back office, apps)
- Retail hardware and IT infrastructure services
- Customer insights solutions and loyalty systems
- E-commerce solutions
- Warehouse management systems

IT & Hosting

Comments on the first quarter

Hosting

Visma Hosting is offering domain and web hosting services to more than 350 000 customers. Under the brands Loopia and Active 24, Visma Hosting is a leading provider in Sweden and the Czech Republic. The international trend with market consolidation continues. We plan to lead this process in our regions and are searching for interesting acquisition opportunities supporting our growth strategy.

During the first quarter, we successfully finalized the migration of customers to Loopia from the Swedish business CitySites, which we acquired in September 2017. IT operations in Q1 were stable with a high focus on security and privacy. The new EU privacy legislation will come into force the 25th of May and Visma Hosting is well prepared.

IT Operations

IT operations had a good and stable first quarter. No high impact incidents with any noteworthy impact to business operations were encountered. We see a continuous increase in security threats where the attackers seem to become increasingly sophisticated. This goes especially for attacks directed towards specific targets. According to the 2018 budget, we have further increased our efforts in security. We already provide a broad security operation and strong governance and we will continue invest in a safe and secure IT operation and IT services delivery to the Visma Group and its customers.

Furthermore, we completed the next step in on-boarding Bluegarden into Visma - and their IT operations staff are now an integral part of Visma ITCs operations - in Denmark, Sweden and Norway. This broadens our competence further and increases our capacity to a level where we can provide even faster and smoother service design and delivery. We will continue to efficiently on-board new companies into the Visma group.

Segment at a glance

Target market:

- Small and middle sized companies and individuals

Management:

- Espen Håkonsen, Director Visma IT & communications
- John Hugosson, Director Hosting

Share of Group

3 %

Operating revenue

3 %

EBITDA

Quarterly Key Figures

Revenue	83 MNOK
Growth, YoY	11,9 %
EBITDA	20 MNOK
EBITDA margin	24,7 %
FTE	219
Headcount	228

Products and services:

- Server hosting and operations
- Desktop virtualization and virtual servers
- Cloud broker services
- Security services
- Web centric services: domain names, e-mail, etc.
- Contract and license management
- Application management
- Domains and e-mail solutions
- Web hosting, web site builders and e-commerce solutions

CONDENSED INTERIM FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF INCOME

(NOK in thousands)	First quarter 2018	2017	Year 2017
CONTINUING OPERATIONS			
OPERATING REVENUE			
Sales revenue	2 722 064	2 101 298	9 345 654
Total operating revenue	2 722 064	2 101 298	9 345 654
OPERATING EXPENSES			
Sales and distribution costs (COGS)	467 740	345 553	1 577 896
Gross profit	2 254 324	1 755 744	7 767 758
Payroll and personnel expenses	1 299 051	1 010 478	4 345 912
Bad debts	5 149	3 529	19 204
Other operating expenses	340 998	272 463	1 220 707
Total operating expenses	1 645 198	1 286 471	5 585 823
EBITDA before M&A expenses	609 125	469 274	2 181 936
M&A expenses	774	1 990	29 919
EBITDA	608 351	467 284	2 152 016
Depreciation tangible assets and capitalised R&D	38 947	23 959	134 931
EBITA	569 404	443 325	2 017 085
Amortisation intangible assets	264 008	175 937	860 864
Operating profit EBIT	305 396	267 388	1 156 221
Result from associated companies	(1 048)	1 217	(7 840)
FINANCIAL ITEMS			
Financial income	3 437	6 771	74 877
Financial expenses	(96 079)	(48 387)	(305 349)
Net financial items	(92 642)	(41 616)	(230 471)
Profit before taxes from continuing operations	211 706	226 988	917 909
Taxes	47 870	51 927	173 554
Net income from continuing operations	163 836	175 061	744 356
DISCONTINUED OPERATIONS			
Net income from discontinued operations	0	9 034	9 034
Net income from continuing and discontinued operations	163 836	184 095	753 389
ATTRIBUTABLE TO:			
Equity holders of Visma AS	163 521	184 051	751 933
Non-controlling interests	315	44	1 457
EARNINGS PR SHARE			
Basic earnings per share (NOK in thousands)	163 521	184 051	751 933
Diluted earnings per share (NOK in thousands)	163 521	184 051	751 933
EBITDA margin	22,3 %	22,2 %	23,0 %

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(NOK in thousands)	First quarter 2018	2017	Year 2017
Net income from continuing and discontinued operations	163 836	184 095	753 389
Net gain (loss) on financial hedging instruments, net of tax	24 041	8 874	27 927
Exchange differences on translation of foreign operations, net of tax	(98 597)	31 950	273 569
Net gain (loss) on defined benefit plan, net of tax	0	(58)	5 164
Other comprehensive income (loss) for the period, net of tax	(74 556)	40 767	306 660
Total comprehensive income for the period	89 280	224 861	1 060 049
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of Visma AS	88 965	224 818	1 058 593
Non-controlling interests	315	44	1 457

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(NOK in thousands)	31 March 2018	31 March 2017	31 December 2017
ASSETS			
Deferred tax assets	69 448	58 909	77 563
Patents and other intangible assets	1 904 221	1 607 521	2 031 632
Capitalised R&D cost own software	392 842	290 190	404 425
Contracts and customer relationships	2 432 642	1 495 744	2 586 780
Goodwill	8 328 788	6 402 148	8 453 324
Property, land and buildings	23 626	21 335	21 718
Machinery and equipment	140 267	92 638	122 384
Financial assets/Shares	39 338	39 295	43 642
Investment in associated companies	75 028	85 134	76 076
Other long-term receivables	454 384	415 643	454 886
Total non-current assets	13 860 584	10 508 556	14 272 429
Inventory	59 852	39 308	60 084
Accounts receivables	1 332 168	961 958	1 353 106
Other current receivables	553 109	410 198	354 947
Cash and cash equivalents	3 646 170	4 611 514	3 665 241
Total current assets	5 591 299	6 022 979	5 433 378
TOTAL ASSETS	19 451 883	16 531 534	19 705 807
EQUITY AND LIABILITIES			
Paid-in capital	627 952	533 952	627 952
Other reserves	378 029	186 692	452 585
Retained earnings	6 225 173	5 869 707	6 437 283
Equity attributable to equity holders of Visma AS	7 231 153	6 590 350	7 517 819
Non-controlling interests	16 511	21 581	16 244
Total equity	7 247 664	6 611 932	7 534 063
Pension liabilities	0	(9 457)	0
Deferred tax liability	1 155 230	860 014	1 260 148
Financial hedging Instruments	51 871	107 635	82 891
Long-term interest bearing bank loans	6 180 966	4 852 271	5 820 376
Accrued funding fees	(14 052)	(16 522)	(16 059)
Other long-term non interest bearing liabilities	262 021	282 142	354 602
Long-term liabilities to group companies	8 967	0	0
Total non-current liabilities	7 645 003	6 076 082	7 501 958
Bank overdraft	(0)	165 029	793 080
Short-term interest bearing bank loans	100 000	100 275	100 000
Trade creditors	448 087	352 485	468 322
Public duties payable	624 604	524 039	431 092
Tax payable	41 024	6 348	80 696
Deferred revenue	2 088 247	1 842 222	1 343 393
Other current liabilities	1 257 253	853 121	1 453 203
Total current liabilities	4 559 215	3 843 520	4 669 786
Total liabilities	12 204 219	9 919 602	12 171 744
TOTAL EQUITY AND LIABILITIES	19 451 882	16 531 534	19 705 807

CONSOLIDATED STATEMENT OF CASH FLOWS

(NOK in thousands)	First quarter		Year
	2018	2017	2017
Ordinary profit before tax from continuing and discontinued operations	211 706	226 988	917 909
Depreciation tangible assets	14 450	11 792	54 707
Depreciation capitalised R&D cost	24 498	12 167	80 224
Amortisation patents and other intangible assets	114 705	80 687	402 105
Amortisation contracts and customer relationships	149 303	95 250	458 760
Amortisation Goodwill	0	0	0
Tax paid	(60 248)	(47 370)	(169 194)
Changes in debtors	20 938	140 234	(250 914)
Changes in inventory and trade creditors	(20 003)	(73 492)	21 570
Changes in public duties payable	193 512	183 669	90 721
Changes in deferred revenue	744 854	757 887	259 058
Changes in other accruals	(98 380)	(133 706)	138 983
Net cash flow from continuing and discontinued operations	1 295 333	1 254 106	2 003 928
Net cash flow from continuing operations	1 295 333	1 254 106	2 003 928
Net cash flow from discontinued operations	0	0	0
Sale of (investment in) tangible fixed assets	(32 048)	(6 146)	(63 093)
Sale of (investment in) R&D own software	(24 015)	(14 204)	(68 532)
Net cash flow from investments	(56 063)	(20 349)	(131 625)
Investment in tangible fixed assets related to business combinations	(1 128)	(3 332)	(10 808)
Investment in R&D software related to business combinations	0	(7 951)	(144 718)
Sale of (investment in) businesses	(322 393)	(458 805)	(3 308 434)
Sale of (investment in) shares	4 304	380	(3 967)
Net proceeds from divestiture of discontinued operations	0	274 248	274 248
Net cash flow from investments related to business combinations	(319 217)	(195 460)	(3 193 679)
Repayments of interest bearing loans	(218 018)	(184 011)	(234 011)
Net proceeds from interest bearing loans	772 040	0	744 375
Changes in bank overdraft	(775 920)	0	584 296
Changes in long term receivables/payables	502	3 165	(5 203)
Payment of Group contribution	(485 285)	(2 042 179)	(2 043 218)
Cash inflow from dividends	0	0	23 400
Net cash flow from share issues	0	0	94 000
Cash inflow from interest	3 437	6 771	22 859
Cash outflow from interest and fees	(155 712)	(106 857)	(251 007)
Net cash flow from financing activities	(858 955)	(2 323 111)	(1 064 509)
Net cash flow	61 097	(1 284 814)	(2 385 885)
Cash and cash equivalents, beginning of period	3 665 241	5 866 935	5 866 935
Net foreign exchange differences	(80 169)	29 394	184 192
Cash and cash equivalents, end of period	3 646 170	4 611 514	3 665 241
EBITDA to net cash flow from operations	212,9 %	268,4 %	93,1 %

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 01.01.2017	627 952	452 585	6 437 283	7 517 820	16 244		7 534 063
Issue of share capital			0	0			0
Profit for the period			163 521	163 521	315		163 836
<i>Net gain (loss) on financial hedging instruments, net of tax</i>		24 041		24 041			24 041
<i>Exchange differences on translation of foreign operations, net of tax</i>		(98 597)		(98 597)			(98 597)
<i>Net gain (loss) on defined benefit plan, net of tax</i>		0		0			0
Total comprehensive income for the period		(74 556)	163 521	88 965	315		89 280
Group contribution			0	0			0
Changes to non-controlling interest; acquisition and arising on business combination			0	0	(48)		(48)
Equity at end of period	627 952	378 029	6 600 804	7 606 785	16 511		7 623 296

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

NOTE 1 – ORGANISATION AND BASIS OF PREPARATION

General information and organisation

Visma (the Group) consists of Visma AS (the Company) and its subsidiaries. Visma AS is a limited liability company, incorporated in Norway. The address of its registered office is Karenslyst allé 56, N-0214 Oslo, Norway.

Visma's condensed interim financial statements for the first quarter of 2018 were authorised for issue by the board of directors on April 19th 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 five reporting segments, Small and Medium Business (SMB), Enterprise, Retail, Custom Solutions and IT & Hosting. These aggregations has its basis in similar economic characteristics, the nature of products, services and the type and class of customers and the market their customer operates in.

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

NOTE 2 — SEGMENT INFORMATION continued

Segment data for the first quarter of 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

(NOK in thousands)	2018							2017						
	SMB	Enterprise	Custom Solutions	Retail	IT & Hosting	Group HQ	TOTAL	SMB	Enterprise	Custom Solutions	Retail	IT & Hosting	Group HQ	TOTAL
Revenue														
Total segment revenue	1 503 509	899 837	445 645	356 777	127 717	57 978	3 391 464	1 222 037	611 685	311 789	344 613	108 657	39 849	2 638 629
Internal revenue	218 615	212 682	52 884	83 084	44 865	57 270	669 400	183 779	156 536	41 906	84 831	34 590	35 690	537 332
External revenue on each group of similar products and services														
On-premises software	439 762	297 542	126 183	81 324	0	0	944 811	454 821	265 376	171 271	90 161	1	0	981 631
Cloud Computing	818 393	354 212	263 273	144 955	82 763	0	1 663 596	559 939	167 488	95 510	125 718	74 064	0	1 022 718
Other	26 739	35 401	3 305	47 415	89	708	86 918	23 497	22 285	3 102	43 903	3	4 159	96 949
External revenue	1 284 894	687 155	392 761	273 694	82 852	708	2 722 064	1 038 257	455 149	269 883	259 782	74 067	4 159	2 101 298
Actual growth (external) %	23,8 %	51,0 %	45,5 %	5,4 %	11,9 %		29,5 %							
EBITDA	366 621	149 757	69 097	2 966	20 436	(525)	608 351	296 306	100 887	47 516	12 278	12 705	(2 409)	467 284
EBITDA margin	28,5 %	21,8 %	17,6 %	1,1 %	24,7 %		22,3 %	28,5 %	22,2 %	17,6 %	4,7 %	17,2 %		22,2 %

(NOK in thousands)	2018							2017						
	SMB	Enterprise	Custom Solutions	Retail	IT & Hosting	Group HQ	TOTAL	SMB	Enterprise	Custom Solutions	Retail	IT & Hosting	Group HQ	TOTAL
Revenue														
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EBITDA margin	28,5 %	21,8 %	17,6 %	1,1 %	24,7 %		22,3 %	28,5 %	22,2 %	17,6 %	4,7 %	17,2 %		22,2 %

Reconciliation	1st quarter		First quarter	
	2018	2017	2018	2017
Profit before taxes	211 706	226 988	211 706	226 988
Net financial items	92 642	41 616	92 642	41 616
Result from associated companies	1 048	(1 217)	1 048	(1 217)
Depreciations and amortisations	302 955	199 896	302 955	199 896
EBITDA	608 351	467 284	608 351	467 284
EBITDA in operating segments	608 351	467 284	608 351	467 284

GEOGRAPHICAL AREAS

(NOK in thousands)	2018			2017		
	Net sales	%	Long lived assets	Net sales	%	Long lived assets
Norway	996 498	36,6 %	4 011 022	851 382	40,5 %	6 351 410
Sweden	880 523	32,3 %	2 933 730	733 563	34,9 %	2 311 059
Denmark	381 444	14,0 %	3 528 449	166 526	7,9 %	1 894 177
Finland	377 206	13,9 %	1 798 147	274 191	13,0 %	1 695 229
Netherlands	86 393	3,2 %	787 146	75 635	3,6 %	806 617
Total	2 722 064	100,0 %	13 058 492	2 101 298	100,0 %	13 058 492

NOTE 3 — BUSINESS COMBINATION

During the first quarter of 2018, Visma had a net cash outflow from investment in businesses of NOK 319,2m

Custom Solutions

Visma broadened its solution offering within the Custom Solutions division through the acquisition of two fast growing companies in the first quarter: Optiway AB, a Swedish company with expertise in geographic IT services and solutions; and Co3 A/S, a Danish provider of eCommerce, web content and digital marketing solutions targeting the SMB segment.

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

	Optiway AB	Co3 A/S
(NOK in thousands)	10.01.18	11.01.18
Deferred tax assets		
Shares		
Other intangible assets	845	
Machinery and equipment	89	952
Property	87	
Other long-term receivables		
Inventories		
Trade receivables	1 868	6 140
Other short term receivables	3 615	2 104
Cash and cash equivalents	4 189	7 323
Assets	10 692	16 520
Other long-term liabilities		
Deferred tax liability	224	431
Bank overdraft		
Trade creditors	663	979
Public duties payable	517	2 226
Tax payable	842	666
Other current liabilities	4 346	4 756
Liabilities	6 592	9 059
Fair value of net assets	4 100	7 461
Non-controlling interests		
Goodwill arising on acquisition	53 431	22 391
Other intangible assets	27 035	14 028
Contracts and customer relationship arising on acquisition	37 849	19 639
Deferred tax liability	(14 275)	(7 407)
Total acquisition cost	108 141	56 112
Net cash acquired with the subsidiary	(4 189)	(7 323)
Cash paid	88 479	56 112
Net cash outflow	84 290	48 789
Deferred payment	19 662	0

ALTERNATIVE PERFORMANCE MEASSURES

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.

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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