



Q4

QUARTERLY
REPORT

2017

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Over Twenty Percent (20%+) Revenue and EBITDA Growth and Annualized Cloud Revenue Exceeding NOK 6 Billion

HIGHLIGHTS, FOURTH QUARTER 2017

- Revenue of NOK 2 809 million, an increase of 32,5%
- EBITDA of NOK 615 million, an increase of 21,3%
- SaaS customer contracts continued to grow at a 30%+ annual exemplifying the focus and growth of cloud computing within the Visma organization.
- Cloud Annualized Revenue reached NOK 6 400m, a year-on-year growth of 63%
- Three acquisitions of strategic cloud businesses in the Nordics bringing the total number of aquired companies to 18 for the full year 2017

Visma had another strong quarter with excellent top-line revenue and continued profit growth. Total revenue growth was 32,5% while EBITDA grew strongly as well by 21,3% over Q4 2016 to reach NOK 615 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 23%, Enterprise grew by an impressive 72% (with the addition of Bluegarden) and Custom Solutions achieved 32% growth compared to the fourth 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 63% to reach NOK 6 400m (including the effects of Bluegarden).

Visma continues its proactive and high tempo acquisitions activity completing eighteen (18) acquisitions for the full year. During the quarter, Visma made three SaaS-focussed acquisitions: OCTO3 in Finland (leading edge software developer), e-identitet in Sweden (cloud autentication services) and AdminControl (the leading Nordic provider of secure Boardroom information portals).

KEY FIGURES

Continuing operations (NOK in millions)	4th quarter			Year			Year
	2017	2016	Growth	2017	2016	Growth	2016
	Actual	Actual		Actual	Actual		Actual
Revenue	2 809	2 120	32,5 %	9 346	7 855	19,0 %	7 855
EBITDA	615	507	21,3 %	2 152	1 908	12,8 %	1 908
<i>EBITDA margin</i>	<i>21,9 %</i>	<i>23,9 %</i>		<i>23,0 %</i>	<i>24,3 %</i>		<i>24,3 %</i>
EBITA	562	479	17,3 %	2 017	1 798	12,2 %	1 798
EBIT	286	298	-4,2 %	1 154	1 156	-0,1 %	1 156
Net profit	212	229	-7,2 %	743	690	7,7 %	690
Operational cash flow (after tax)	538	511	5,3 %	2 004	1 804	11,1 %	1 804

FINANCIAL REVIEW – GROUP (FOURTH QUARTER 2016 IN BRACKETS)

Revenue amounted to NOK 2 809 million (2 120) and EBITDA to NOK 615 million (507) in the fourth quarter of 2017. Revenue increased 32,5% while EBITDA increased by 21,3% over Q4 2016.

Group EBIT amounted to NOK 286 million in the fourth quarter (298), whereas net gain from associated companies amounted to NOK 1,4 million (0,5). Net financial items were NOK -62,4 million (-57,7). Consequently, profit before taxes was NOK 224,6 million (240,9). Taxes amounted to NOK 12,1 million (11,9), and net income from continuing operations resulted in NOK 212,5 million (228,9) in the fourth quarter.

Cash flow from continuing operations after tax amounted to NOK 538 million (511) in the fourth quarter 2017. Cash outflow from investments was NOK -564 million (2 823) 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 3 665 million (5 867).

Equity amounted to NOK 7 533 million at the end of the quarter (8 252), corresponding to an equity ratio of 38,2% (47,0%). Long term interest bearing debt amounted to NOK 5 820 million (4 996). The debt-facilities have maturity dates in the 4th quarter 2019.

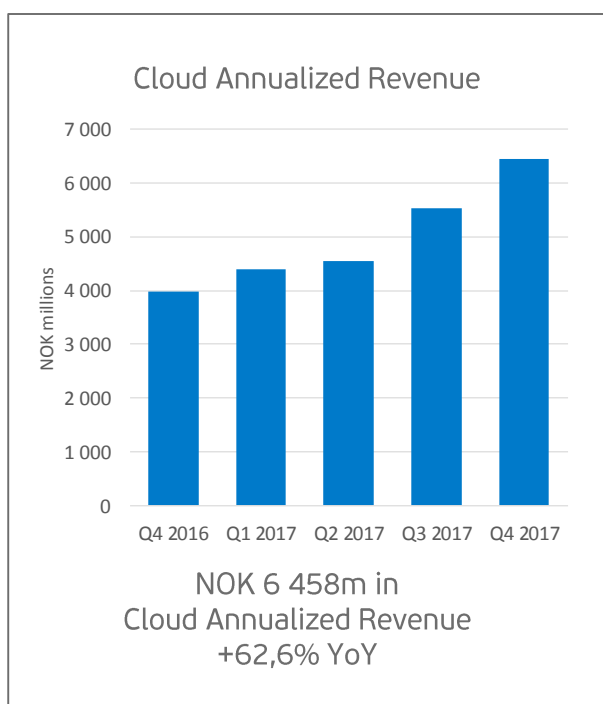


COMMENTS ON SELECTED KPIS

Visma is experiencing good traction on the SaaS product portfolio.

It is impressive that Cloud Annualized Revenue has grown by 63% year-on-year in Q4. At the end of Q4, revenue from cloud computing saw an annualized run rate exceeding NOK 6 400m. Also SaaS customer contracts have seen a strong high-growth development. Visma has over 750 000 customer contracts, of which ca. 500 000 are for SaaS products. The group's fastest growth is also on the SaaS contracts, which grew by 30,1% year-on-year.

At the end of Q4, 7,5 million monthly e-invoices were transported through Visma's e-invoicing hubs (30% 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

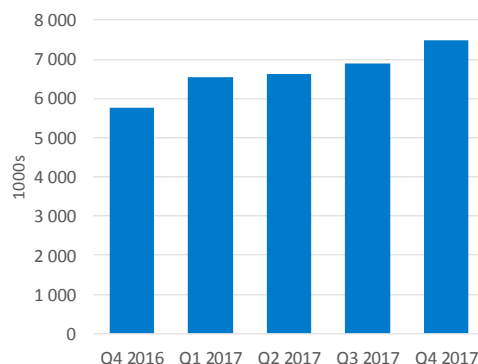
The Nordic markets, where Visma has 98% of revenues, continue to be stable and have above average growth rates compared to Europe overall. The public finances in the markets where Visma operates are in good shape. Norway and Sweden (70% of Visma revenue) have very strong public finances. Norway has recovered from the oil sector volatility 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.

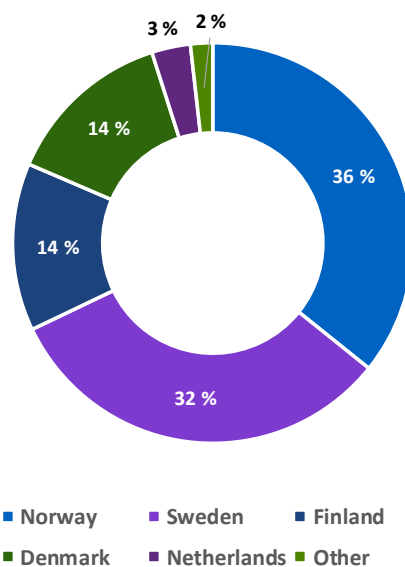
Visma Software SMB is the largest and most diversified business area, contributing 44% of the Revenue and 64% of the EBITDA in the fourth quarter of 2017.

E-invoicing Transactions



7 500 000 monthly SaaS
e-invoicing transactions
+30,0 % YoY

Sales by geography (Quarter)



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

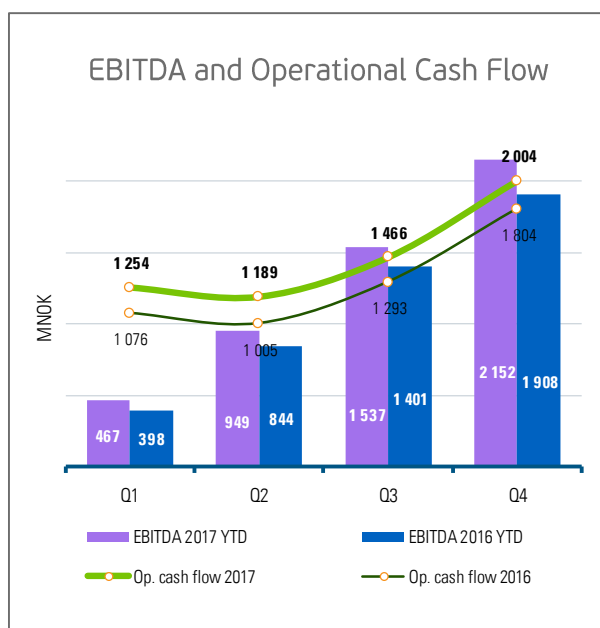
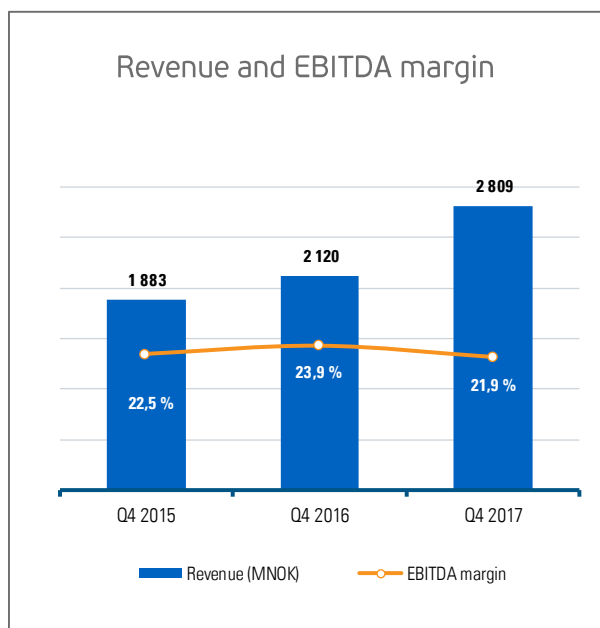
Visma is exposed to the general economic climate in the countries where the company operates. However, the business risk is limited by the company's diversified customer base and a reasonably priced, high-quality portfolio of products and services. Although Visma is also involved in some very large IT 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, January 25, 2018

The Board of Directors of VISMA AS



SMB

Comments on the fourth quarter

Our entry-level cloud solutions including Visma eAccounting, Tripletex, e-economic, SpeedLedger and Dinero, reached 280 000 contracts by acquiring over 8 000 net new customers in the quarter. With the December release of Visma eAccounting in Finland, the product line has passed 92 000 customers overall.

The SaaS mid-range offering and hybrid services in Visma.net continued with strong growth in both customers and users with a solid pipeline for Visma.net Financials & Logistics, further solidifying Visma's Nordic leadership in the SaaS SMB segment.

Product development has in this quarter focused on providing SaaS solutions for Visma's core segments and upgrades for the large on-premises customer bases, providing automation and SaaS benefits in their transition to SaaS. SaaS investments continues to outpace investments in on-premises solutions.

Operational focus this quarter has been on onboarding the latest acquisitions including Davilex, Descartes, Mystore, Bluegarden/DataLøn and Admincontrol. Growth trends of significance in our segments are the empowerment of our customers employees through mobile apps, accounting office's transition to SaaS solutions, online HRM solutions, electronic invoicing integrated with ERP and digital boardroom and due diligence solutions.

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

44 %

Operating revenue

64 %

EBITDA

Quarterly Key Figures

Revenue	1 248 MNOK
Growth, YoY	22,8 %
EBITDA	393 MNOK
EBITDA margin	31,5 %
FTE	2 831
Headcount	2 974

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 fourth quarter

Transition to cloud services continue to be a prioritized area for Enterprise. Currently, 58% of the R&D resources are working on cloud services. Furthermore, cloud computing makes up 45% of the total revenue in Enterprise.

Significant effort have been directed at successfully integrating Bluegarden, Visma's largest acquisition to date, into the Enterprise and SMB divisions during the quarter. The one off costs related to this have temporarily affected the division margin in Q4. The integration is progressing according to plan and we expect significant synergies going forward.

In Sweden, two framework agreements for the cloud services, Visma.net Financials and Proceedo, were signed, which strengthens our commitment on the cloud portfolio in the Nordic market. Visma.net Financials gives great opportunities for automatization of important business processes and can easily be adapted to each clients needs.

The usage of mobile apps has increased significantly during 2017 and Enterprise has released several new features during the last quarter. GatGo, an app for employees to view their shift, tasks and absences, as well as apply for vacant shifts and stamp in and out, was released in Norway during the quarter. In Finland, a new version of the Wilma-app for schools was released. With its 500.000 users within the school segment, Wilma allows students, parents, teachers and administrators to access information and to communicate with each other.

Additionally, the OCR feature has been added to Visma Attach, and time registration is now an available feature in Visma Employee. 2017 was a year with great leaps for cloud services. The plan is to continue on this pace and even exceed this in 2018.

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

30 %

Operating revenue

25 %

EBITDA

Quarterly Key Figures

Revenue	837 MNOK
Growth, YoY	72,4 %
EBITDA	156 MNOK
EBITDA margin	18,6 %
FTE	1 956
Headcount	2 026

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 fourth quarter

Custom Solutions delivered yet another quarter with strong performance. Compared to last year, the division had very strong growth and improvements of results in Q4 - particularly on revenues. Revenue was 368 MNOK and EBITDA 62 MNOK with an impressive profit margin of 16,9 %. Revenue growth YoY was 32%.

Overall, the division has performed very well. Especially Finland and Norway had very strong results and growth in Q4. Our nearshore development center in Lithuania continues to perform very well with high customer satisfaction.

The division closed two acquisitions early in October: OCTO3 in Finland, a consulting firm specializing in JAVA/Enterprise mobility solutions in the private sector, and e-Identitet, a Swedish provider of Cloud based authentication services. Both acquired companies have shown a very promising start with strong results and growth above expectations in Q4. In addition, we signed two acquisitions just before the New Year, Optiway a cloud based GIS service in Sweden, and Co3 in Denmark, an e-Commerce solutions provider and digital marketing consultancy.

Custom Solutions closed several important deals during Q4 totaling a potential value well above NOK 1 billion. This was highlighted by: A system development contract (frame agreement) with Directorate of Immigration (UDI) in Norway with an estimated value of NOK 400-1200 million over 6 years. In Finland, one with Finavia - an eBusiness and reporting solution, a data warehouse solution for Ratiopharm, an AI/ML solution for Elenia and a multimillion euro framework agreement for VRK. In Denmark, we won several new project assignments within the Ministry of Taxation for the new Debt Collection system, as well as, several projects within PensionBroker around GDPR for our major financial/pension customers. In general, the division has a very good outlook for Q1/2018 with a strong order book and sales pipeline.

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	361 MNOK
Growth, YoY	31,6 %
EBITDA	62 MNOK
EBITDA margin	17,2 %
FTE	1 016
Headcount	1 061

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 fourth quarter

Q4 has been characterized by greater focus on our deliveries and customer care. With several large and important projects ongoing, highlights are the success of the implementations.

Our work with thought leadership is progressing well, where we now are beginning to be seen as experts in our field. With our new study on "Digital Natives" in Norway, we have been invited as speaker at several seminars in November. Such as at events with Virke (Norwegian trade organization), Creuna, and Nærings- og fiskeridepartementet (the Norwegian Ministry of Trade, Industry and Fisheries).

We are synchronizing our thought leadership work across all our retail companies, resulting in our first common activity. With the increase of Black Friday phenomenon also in Scandinavia we used this as a common theme for our companies. We did a survey on a selection of our customers (primarily e-commerce) about this topic, including the perspectives of e-commerce, loyalty/personalization and warehouse management. This resulted in a white paper distributed in November. We gained PR attention both in Norway and Sweden with this Black Friday-themed study and were featured in Retailmagasinet and E24 in Norway, and Handelstrender in Sweden.

Visma Retail's international expansion proceeds as planned and we see a great interest in our broad retail offering, within e-commerce, logistics, loyalty, mobility and retail solutions.

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

Quarterly Key Figures

Revenue	282 MNOK
Growth, YoY	5,4 %
EBITDA	-5 MNOK
EBITDA margin	-1,7 %
FTE	706
Headcount	711

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 fourth 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 Hosing 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.

In Q4, we initiated the migration of customers from the acquired Swedish business CitySites, which will be finalized in Q1 2018. In December, Loopia in Sweden was awarded "The Best Service Desk 2017", in hard competition with other highly professional service organizations.

IT Operations

Our IT operations are generally in a very good and stable state. Once again we saw a quarter with no high impact incidents with any noteworthy impact to the business. This was very much like Q3 - but with an even lower number of incidents and disruptions overall. On the other hand we saw numerous new security threats which needed our attention. Our IT security team and IT operations spent a lot of time on mitigating the risk, ensuring no impact to the business.

With the acquisition of Bluegarden in Q3 - we spent time in Q4 planning and initiating the migration to Visma ITCs infrastructure and IT services. Not only does this increase our internal customer portfolio on both clients and servers - but it also brings new resources and competence into our organization - enabling us to further develop and grow our business in Denmark, Norway and Sweden.

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

2 %

EBITDA

Quarterly Key Figures

Revenue	80 MNOK
Growth, YoY	10,1 %
EBITDA	15 MNOK
EBITDA margin	18,3 %
FTE	206
Headcount	215

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)	4th quarter		Year		Year
	2017	2016	2017	2016	2016
CONTINUING OPERATIONS					
OPERATING REVENUE					
Sales revenue	2 809 151	2 120 481	9 345 654	7 855 248	7 855 248
Total operating revenue	2 809 151	2 120 481	9 345 654	7 855 248	7 855 248
OPERATING EXPENSES					
Sales and distribution costs (COGS)	465 919	370 548	1 577 896	1 383 931	1 383 931
Gross profit	2 343 232	1 749 933	7 767 758	6 471 317	6 471 317
Payroll and personnel expenses	1 318 208	969 196	4 345 912	3 558 574	3 558 574
Bad debts	5 535	3 645	19 204	12 699	12 699
Other operating expenses	397 564	264 405	1 220 707	975 950	975 950
Total operating expenses	1 721 307	1 237 246	5 585 823	4 547 222	4 547 222
EBITDA before M&A expenses	621 925	512 686	2 181 936	1 924 095	1 924 095
M&A expenses	6 525	5 383	29 919	15 935	15 935
EBITDA	615 400	507 304	2 152 016	1 908 160	1 908 160
Depreciation tangible assets and capitalised R&D	53 706	28 412	134 931	109 759	109 759
EBITA	561 694	478 892	2 017 085	1 798 401	1 798 401
Amortisation intangible assets	276 150	180 883	862 627	642 544	642 544
Operating profit EBIT	285 544	298 009	1 154 458	1 155 857	1 155 857
Result from associated companies	1 443	537	(7 840)	(311)	(311)
FINANCIAL ITEMS					
Financial income	18 012	6 348	74 877	22 330	22 330
Financial expenses	(80 387)	(64 043)	(305 349)	(280 811)	(280 811)
Net financial items	(62 375)	(57 695)	(230 471)	(258 481)	(258 481)
Profit before taxes from continuing operations	224 613	240 851	916 146	897 066	897 066
Taxes	12 114	11 920	173 302	207 546	207 546
Net income from continuing operations	212 498	228 931	742 844	689 520	689 520
DISCONTINUED OPERATIONS					
Net income from discontinued operations	0	3 320 024	9 034	3 511 600	3 511 600
Net income from continuing and discontinued operations	212 498	3 548 956	751 878	4 201 120	4 201 120
ATTRIBUTABLE TO:					
Equity holders of Visma AS	211 834	3 547 067	750 421	4 200 757	4 200 757
Non-controlling interests	664	1 889	1 457	363	363
EARNINGS PR SHARE					
Basic earnings per share (NOK in thousands)	211 834	3 547 067	750 421	4 200 757	4 200 757
Diluted earnings per share (NOK in thousands)	211 834	3 547 067	750 421	4 200 757	4 200 757
EBITDA margin	21,9 %	23,9 %	23,0 %	24,3 %	24,3 %

On December 1st 2016, Visma sold its BPO division.

The BPO division is presented in the consolidated statement of income as discontinued operations

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(NOK in thousands)	4th quarter		Year		Year
	2017	2016	2017	2016	2016
Net income from continuing and discontinued operations	212 498	3 548 956	751 878	4 201 120	4 201 120
Net gain (loss) on financial hedging instruments, net of tax	5 847	(18 391)	27 927	23 112	23 112
Exchange differences on translation of foreign operations, net of tax	158 935	44 875	273 572	(91 643)	(91 643)
Net gain (loss) on defined benefit plan, net of tax	5 296	77	5 164	2 940	2 940
Other comprehensive income (loss) for the period, net of tax	170 078	26 561	306 663	(65 591)	(65 591)
Total comprehensive income for the period	382 576	3 575 517	1 058 541	4 135 529	4 135 529
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Equity holders of Visma AS	381 912	3 573 628	1 057 084	4 135 166	4 135 166
Non-controlling interests	664	1 889	1 457	363	363

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(NOK in thousands)	31 December 2017	31 December 2016	30 September 2 017	31 December 2016
ASSETS				
Deferred tax assets	76 989	61 686	74 227	61 686
Patents and other intangible assets	2 088 056	1 531 124	2 012 789	1 531 124
Capitalised R&D cost own software	404 425	264 999	428 868	264 999
Contracts and customer relationships	2 570 903	1 389 124	2 469 070	1 389 124
Goodwill	8 416 668	6 100 589	7 818 365	6 100 589
Property, land and buildings	21 718	21 151	21 521	21 151
Machinery and equipment	122 384	94 189	105 766	94 189
Financial assets/Shares	43 642	39 675	43 368	39 675
Investment in associated companies	76 076	83 917	74 633	83 917
Other long-term receivables	454 886	418 808	437 763	418 808
Total non-current assets	14 275 747	10 005 262	13 486 370	10 005 262
Inventory	60 084	38 650	61 028	38 650
Accounts receivables	1 353 106	1 102 192	1 122 876	1 102 192
Other current receivables	354 947	536 501	416 231	536 501
Cash and cash equivalents	3 665 241	5 866 935	3 588 640	5 866 935
Total current assets	5 433 378	7 544 278	5 188 775	7 544 278
TOTAL ASSETS	19 709 125	17 549 539	18 675 145	17 549 539
EQUITY AND LIABILITIES				
Paid-in capital	627 952	1 991 726	627 952	1 991 726
Other reserves	452 588	145 925	282 510	145 925
Retained earnings	6 435 772	6 092 291	6 223 937	6 092 291
Equity attributable to equity holders of Visma AS	7 516 311	8 229 942	7 134 399	8 229 942
Non-controlling interests	16 244	21 971	16 710	21 971
Total equity	7 532 555	8 251 913	7 151 108	8 251 913
Pension liabilities	0	(9 327)	(9 639)	(9 327)
Deferred tax liability	1 269 474	888 089	1 336 032	888 089
Financial hedging Instruments	82 891	119 160	90 484	119 160
Long-term interest bearing bank loans	5 820 376	4 995 903	5 650 060	4 995 903
Accrued funding fees	(16 059)	(18 025)	(18 089)	(18 025)
Other long-term non interest bearing liabilities	350 102	276 557	500 537	276 557
Long-term liabilities to group companies	0	0	0	0
Total non-current liabilities	7 506 784	6 252 358	7 549 385	6 252 358
Bank overdraft	793 080	163 553	758 820	163 553
Short-term interest bearing bank loans	100 000	100 000	100 000	100 000
Trade creditors	468 322	425 319	376 407	425 319
Public duties payable	431 092	340 370	396 963	340 370
Tax payable	80 696	36 615	(44 792)	36 615
Deferred revenue	1 343 393	1 084 335	1 331 437	1 084 335
Other current liabilities	1 453 203	895 075	1 055 816	895 075
Total current liabilities	4 669 786	3 045 267	3 974 651	3 045 267
Total liabilities	12 176 570	9 297 626	11 524 036	9 297 626
TOTAL EQUITY AND LIABILITIES	19 709 124	17 549 539	18 675 145	17 549 539

CONSOLIDATED STATEMENT OF CASH FLOWS

(NOK in thousands)	4th quarter		Year		Year
	2017	2016	2017	2016	2016
Ordinary profit before tax from continuing and discontinued operations	224 613	263 750	916 146	1 122 128	1 122 128
Depreciation tangible assets	18 800	18 783	54 707	69 463	69 463
Depreciation capitalised R&D cost	34 906	12 206	80 224	52 750	52 750
Amortisation patents and other intangible assets	136 660	93 279	404 558	303 476	303 476
Amortisation contracts and customer relationships	139 490	89 451	458 069	345 459	345 459
Amortisation Goodwill	0	0	0	0	0
Tax paid	(38 384)	26 045	(169 194)	(107 070)	(107 070)
Changes in debtors	(230 230)	(40 619)	(250 914)	5 815	5 815
Changes in inventory and trade creditors	92 858	115 954	21 570	108 230	108 230
Changes in public duties payable	34 129	(98 727)	90 721	(98 002)	(98 002)
Changes in deferred revenue	11 957	(77 892)	259 058	(11 431)	(11 431)
Changes in other accruals	113 212	136 276	138 983	248 376	248 376
Net cash flow from continuing and discontinued operations	538 010	538 505	2 003 928	2 039 195	2 039 195
Net cash flow from continuing operations	538 010	510 833	2 003 928	1 803 584	1 803 584
Net cash flow from discontinued operations	0	27 672	0	235 611	235 611
Sale of (investment in) tangible fixed assets	(23 875)	(23 941)	(63 093)	(57 265)	(57 265)
Sale of (investment in) R&D own software	(15 093)	(20 222)	(68 532)	(71 913)	(71 913)
Net cash flow from investments	(38 968)	(44 163)	(131 625)	(129 179)	(129 179)
Investment in tangible fixed assets related to business combinations	(2 103)	(3 711)	(10 808)	(10 865)	(10 865)
Investment in R&D software related to business combinations	(6 121)	(18 840)	(144 718)	(26 281)	(26 281)
Sale of (investment in) businesses	(516 475)	(415 085)	(3 308 434)	(1 779 303)	(1 779 303)
Sale of (investment in) shares	(274)	2 417	(3 967)	4 336	4 336
Net proceeds from divestiture of discontinued operations	0	3 302 521	274 248	3 302 521	3 302 521
Net cash flow from investments related to business combinations	(524 972)	2 867 301	(3 193 679)	1 490 408	1 490 408
Repayments of interest bearing loans	0	0	(234 011)	(224 010)	(224 010)
Net proceeds from interest bearing loans	0	0	744 375	738 664	738 664
Changes in bank overdraft	0	(567 574)	584 296	(332 017)	(332 017)
Changes in long term receivables/payables	(2 434)	(3 334)	(5 203)	(1 556)	(1 556)
Payment of Group contribution	0	0	(2 043 218)	(403 027)	(403 027)
Cash inflow from dividends	0	0	23 400	4 000	4 000
Net cash flow from share issues	0	0	94 000	215 697	215 697
Cash inflow from interest	3 246	6 945	22 859	21 233	21 233
Cash outflow from interest and fees	(785)	(6 115)	(251 007)	(286 572)	(286 572)
Net cash flow from financing activities	27	(570 079)	(1 064 509)	(267 587)	(267 587)
Net cash flow	(25 904)	2 791 565	(2 385 885)	3 132 837	3 132 837
Cash and cash equivalents, beginning of period	3 588 640	3 106 692	5 866 935	2 915 318	2 915 318
Net foreign exchange differences	102 505	(31 322)	184 192	(181 221)	(181 221)
Cash and cash equivalents, end of period	3 665 241	5 866 935	3 665 241	5 866 935	5 866 935
EBITDA to net cash flow from operations	87,4 %	100,7 %	93,1 %	94,5 %	94,5 %

On December 1st 2016, Visma sold its BPO division.

The BPO division is presented in the consolidated statement of cash flows as discontinued operations

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 01.01.2016	1 776 029	211 516	2 170 287	4 157 832	6 049	4 163 880
Issue of share capital	215 697		0	215 697		215 697
Profit for the period			4 200 757	4 200 757	363	4 201 120
<i>Net gain (loss) on financial hedging instruments, net of tax</i>		23 112		23 112		23 112
<i>Exchange differences on translation of foreign operations, net of tax</i>		(91 643)		(91 643)		(91 643)
<i>Net gain (loss) on defined benefit plan, net of tax</i>		2 940		2 940		2 940
Total comprehensive income for the period		(65 591)	4 200 757	4 135 166	363	4 135 529
Group contribution			(275 580)	(275 580)		
Changes to non-controlling interest; acquisition and arising on business combination			(3 173)	(3 173)	15 560	12 387
Equity at end of period	1 991 726	145 925	6 092 291	8 229 942	21 971	8 251 913
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			750 421	750 421	1 457	751 878
<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>		273 572		273 572		273 572
<i>Net gain (loss) on defined benefit plan, net of tax</i>		5 164		5 164		5 164
Total comprehensive income for the period		306 663	750 421	1 057 084	1 457	1 058 541
Group contribution	(1 457 774)		(4 06 941)	(1 864 715)		(1 864 715)
Changes to non-controlling interest; acquisition and arising on business combination			0	0	(7 184)	(7 184)
Equity at end of period	627 952	452 588	6 435 771	7 516 311	16 244	7 532 555

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 fourth quarter of 2017 were authorised for issue by the board of directors on January 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

There have been no significant changes to accounting policies in 2017 compared to the annual financial statements for 2016.

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.

OPERATING SEGMENTS

Year	2017							2016						
(NOK in thousands)	SMB	Enterprise	Custom Solutions	Retail	IT & Hosting	Group HQ	TOTAL	SMB	Enterprise	Custom Solutions	Retail	IT & Hosting	Group HQ	TOTAL
Revenue														
Total segment revenue	5 252 764	3 003 384	1 332 637	1 370 862	458 510	151 788	11 569 946	4 719 914	2 242 416	1 064 361	1 361 902	432 777	155 373	9 976 744
Internal revenue	784 094	671 685	161 860	315 655	148 254	142 743	2 224 291	819 953	553 443	147 859	322 969	131 799	145 473	2 121 495
External revenue on each group of similar products and services														
On-premises software	1 861 393	1 154 563	487 259	343 053	1	0	3 846 269	1 896 444	975 573	523 801	407 370	2 566	0	3 805 755
Cloud Computing	2 497 754	1 137 617	662 846	518 907	310 260	0	5 127 384	1 857 429	592 389	373 528	416 761	254 714	0	3 494 821
Other	109 522	39 519	20 671	193 248	(5)	9 046	372 001	146 088	121 011	19 173	214 801	43 699	9 900	554 672
External revenue	4 468 669	2 331 699	1 170 776	1 055 208	310 256	9 046	9 345 654	3 899 961	1 688 973	916 503	1 038 933	300 978	9 900	7 855 248
Actual growth (external) %	14,6 %	38,1 %	27,7 %	1,6 %	3,1 %		19,0 %							
EBITDA	1 392 107	488 961	181 862	46 495	69 527	(26 936)	2 152 016	1 240 276	388 888	150 447	82 740	49 378	(3 569)	1 908 160
EBITDA margin	31,2 %	21,0 %	15,5 %	4,4 %	22,4 %		23,0 %	31,8 %	23,0 %	16,4 %	8,0 %	16,4 %		24,3 %

GEOGRAPHICAL AREAS

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NOTE 3 — BUSINESS COMBINATION

During the fourth quarter of 2017, Visma had a net cash flow from investment in businesses of NOK 525,0m

SMB

On October 3rd, Visma acquired the Admincontrol Group, the leading provider of Board Portal and Virtual Data Rooms in the Nordics. The acquisition expands Visma's Product offering within digital solutions for compliance and administration.

Custom Solutions

On October 2nd, Visma acquired Svensk e-identitet AB, a Swedish provider of e-authentication solutions. Furthermore, on October 3rd, Visma acquired Octo3 Oy, a Finnish provider of mobile solutions and location specific services. These acquisitions will strengthen the customer offering in the Custom Solutions division.

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

	Svensk e-identitet AB	Octo3 Oy	Admincontrol Group
(NOK in thousands)	02.10.17	03.10.17	03.10.17
Deferred tax assets			3 332
Shares	41	105	0
Other intangible assets			6 519
Machinery and equipment	60	371	1 746
Property			0
Other long-term receivables			2 176
Inventories			0
Trade receivables	2 364	7 007	11 476
Other short term receivables	3 154	406	15 451
Cash and cash equivalents	254	16 234	35 606
Assets	5 873	24 123	76 306
Other long-term liabilities			7 987
Deferred tax liability			1 722
Bank overdraft			0
Trade creditors		234	3 281
Public duties payable	704	2 041	6 038
Tax payable	226	758	398
Other current liabilities	1 436	4 701	57 885
Liabilities	2 366	7 733	77 309
Fair value of net assets	3 507	16 390	-1 003
Non-controlling interests			
Goodwill arising on acquisition	31 568	33 790	282 173
Other intangible assets	15 357	22 402	120 777
Contracts and customer relationship arising on acquisition	18 428	26 882	144 933
Deferred tax liability	(7 433)	(9 857)	(63 770)
Total acquisition cost	61 426	89 607	483 109
Net cash acquired with the subsidiary	(254)	(16 234)	(35 606)
Cash paid	20 012	56 610	483 109
Net cash outflow	19 758	40 377	447 504
Deferred payment	41 414	32 996	0

ALTERNATIVE PERFORMANCE MEASSURES

General information

Visma Group's condensed interim financial statements are prepared in accordance with International Reporting Standard IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU). Additionally, selected alternative performance measures are provided by the management in this report to allow the reader to gain a better understanding of the Group's underlying performance. The alternative performance measures provided may be defined or calculated differently than for other companies.

EBITDA / EBITA / EBIT

EBITDA is defined as Earnings Before Interests, Tax, Depreciation and Amortization and is an indicator of the performance of the underlying operations in Visma Group. EBITDA margin is presented as EBITDA as a percentage of Operating Revenues. In addition to EBITDA, management also present EBITA which is defined as EBITDA less Depreciation as well as EBIT / operating profit 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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