

Q1

QUARTERLY
REPORT

2017



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Double-Digit Revenue and EBITDA Growth as a Pure Software and Cloud Solutions Company

HIGHLIGHTS, FIRST QUARTER 2017

- Revenue of NOK 2 101 million, an increase of 12,3%
- EBITDA of NOK 467 million, an increase of 17,3%
- Annual Repeatable Revenue from SaaS Software grew by 29%, year-on-year in the quarter
- Monthly e-invoicing rate reached 6,5 million invoices, a year-on-year growth of 55%
- Continued strong after-tax cashflow with 16,6% growth for Q1 2017 vs. Q1 2016
- Additionally, six new SaaS/Cloud software businesses were acquired during the quarter

Visma had another strong quarter with excellent top-line revenue and profit growth. Total revenue growth was 12,3% while EBITDA improved with 17,3% over Q1 2016 to reach NOK 467 million, yielding a very strong EBITDA margin of 22,2%.

Revenues in the Enterprise segment grew by an impressive 17,8% and Revenues in SMB grew by 11,2%, compared to the first quarter a year ago. SaaS and SaaS transactions continue to be the strongest driver of organic growth in Visma and Software SaaS Solutions annualized repeatable revenue grew by 29% during the quarter.

Visma continues its proactive and high tempo acquisitions activity completing eight transactions during the quarter, six, of which, were mainly SaaS businesses. Visma made particularly two interesting acquisitions, Trollweb and mystore.no, the two leading e-commerce software/platform companies in Norway. These businesses are enjoying strong double-digit growth and will continue to thrive as they will enjoy the benefits of seamless integrations with Visma ERP systems in order to offer customers an even stronger product.

KEY FIGURES

Continuing operations (NOK in millions)	First quarter		Growth	Year
	2017 Actual	2016 Actual		2016 Actual
Revenue	2 101	1 871	12,3 %	7 855
EBITDA	467	398	17,3 %	1 908
<i>EBITDA margin</i>	<i>22,2 %</i>	<i>21,3 %</i>		<i>24,3 %</i>
EBITA	443	372	19,2 %	1 798
EBIT	267	231	15,8 %	1 156
Net profit	175	105	66,2 %	690
Operational cash flow (after tax)	1 254	1 076	16,6 %	1 804

FINANCIAL REVIEW – GROUP (FIRST QUARTER 2016 IN BRACKETS)

Revenue amounted to NOK 2 101 million (1 871) and EBITDA to NOK 467 million (398) in the first quarter of 2017. Revenue increased 12,3% over Q1 2016.

Group EBIT amounted to NOK 267 million in the first quarter (231), whereas net gain from associated companies amounted to NOK 1,2 million (1,3). Net financial items were NOK -41,6 million (-75,7). Consequently, profit before taxes was NOK 227 million (231). Taxes amounted to NOK 51,9 million (51,2), and net income from continuing operations resulted in NOK 175 million (105) in the first quarter.

Cash flow from continuing operations after tax amounted to NOK 1 254 million (1 076) in the first quarter 2017. Cash outflow from investments was NOK -216 million (-360) in the quarter, which is fixed assets and software R&D and investments in acquired businesses. At the end of the first quarter, the cash position of Visma was NOK 4 612 million (3 184).

Equity amounted to NOK 6 612 million at the end of the quarter (4 031), corresponding to an equity ratio of 40,0% (28,5%). Long term interest bearing debt amounted to NOK 4 953 million (5 395). The debt-facilities have maturity dates in the 4th quarter 2019.

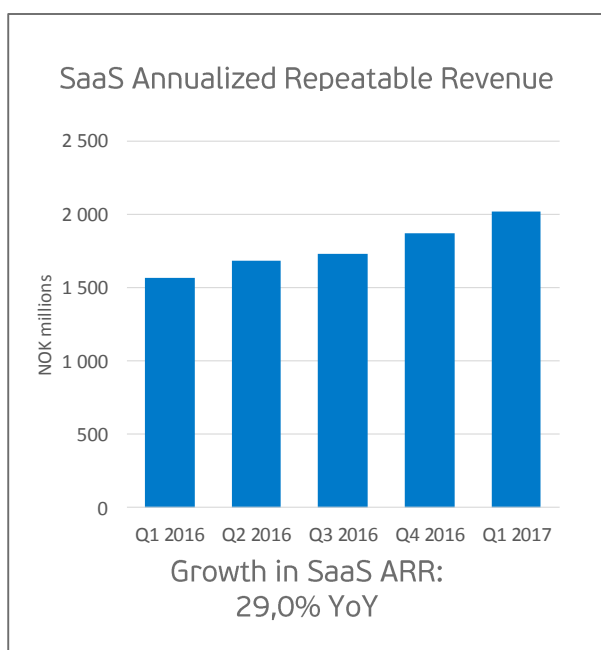


COMMENTS ON SELECTED KPIS

Visma is experiencing good traction on the SaaS product portfolio.

It is impressive that SaaS Annualized Repeatable Revenue (ARR) has grown by 29% year-on-year in Q1. Now, 75% of our ARR is indeed from true SaaS solutions. Also SaaS customer contracts have seen a strong high-growth development. Visma has over 650 000 customer contracts, of which 400 000 are for SaaS products. The group's fastest growth is also on the SaaS contracts, which grew by 18,6% year-on-year.

At the end of Q1, 6,5 million monthly e-invoices were transported through Visma's e-invoicing hubs (55% 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 are about to launch an e-invoicing service for our e-economic customers in Denmark.



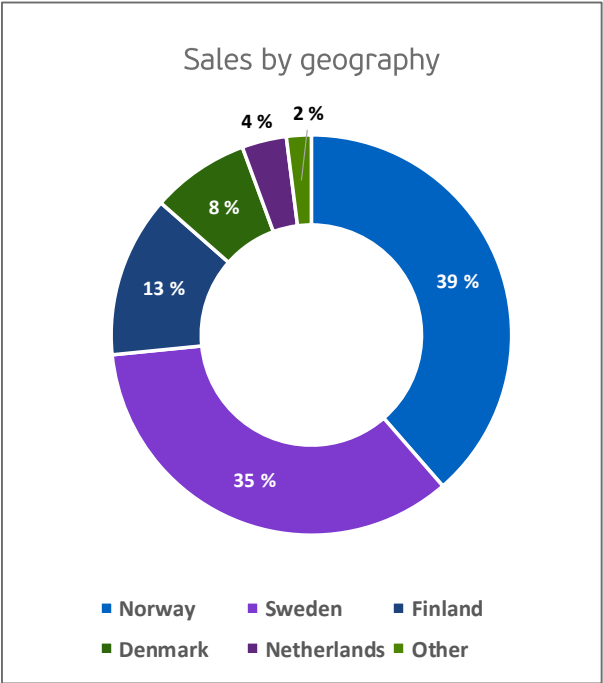
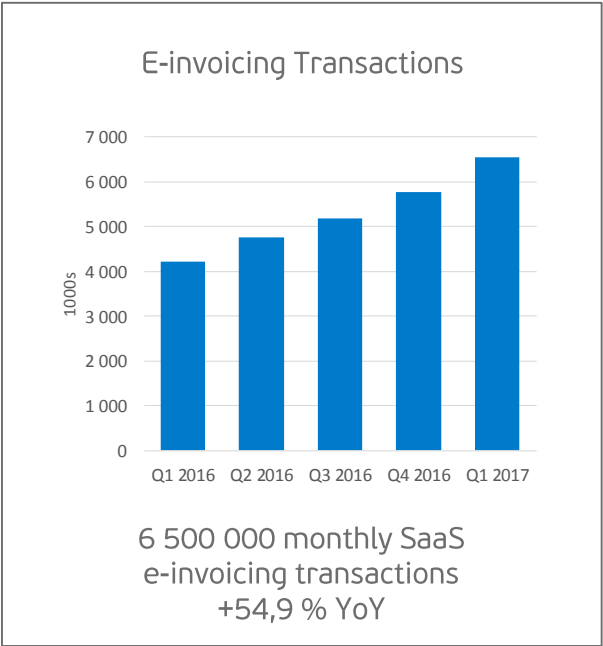
MARKET OUTLOOK

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 (79% of Visma revenue) have very strong public finances. Norway has stabilized and recovered from the oil sector volatility and Sweden continues its strong growth. Denmark and Finland are also feeling general upswing in the economy. Regardless of the macroeconomic environment there are plenty of opportunities that will allow Visma to continue to achieve good organic growth. 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 the coming quarters.

Visma Software SMB is the largest business area, contributing 49% of the Revenue and 63% of the EBITDA in the first quarter of 2017.



OWNERSHIP

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

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.

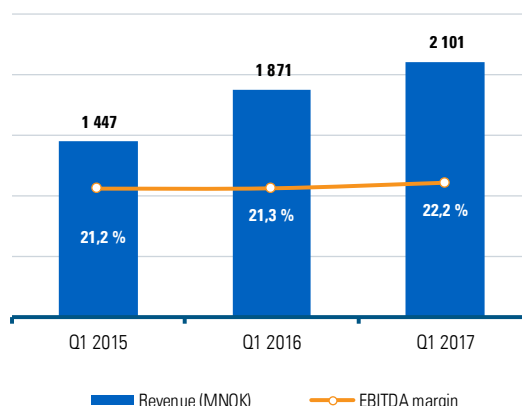
DISCLAIMER

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.

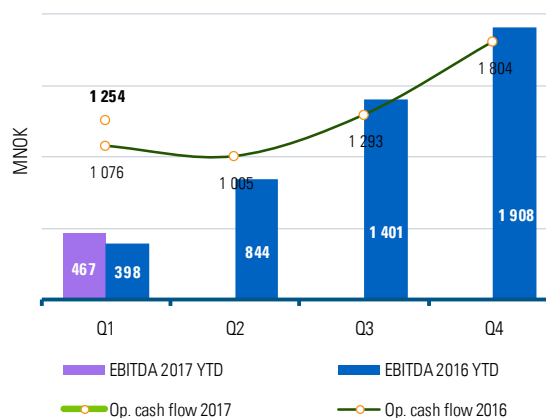
Oslo, April 20, 2017

The Board of Directors of VISMA AS

Revenue and EBITDA margin



EBITDA and Operational Cash Flow



SMB

Comments on the first quarter

Visma's transition to the cloud continues with good cloud presence in the SMB segments in all markets. The entry-level cloud solution Visma eAccounting passed 80,000 customer contracts, of these 30 000 in Norway. This brings the total number of SMB cloud contracts in Visma's markets to 395 000, over 62% of all contracts.

The cloud mid-range offering and hybrid automated services in Visma.net experienced good growth both in customers and users with a solid implementation pipeline lined up for Visma.net Financials and Logistics. Further, an all-time-high number of 6,5 million AutoInvoice/e-invoices was processed during March and 130 000 users logged into our mobile solutions, solidifying Visma's leadership in the cloud SMB segments in the Nordics.

In Q1, product development focus has been on delivering quality cloud solutions for our key segments. This is combined with upgrades for the large existing on-premises customer base, providing cloud and automation benefits as part of its transition to the cloud. Cloud investments outpace on-premises solution investments for the quarter, while a continuous expansion in sourcing resources improves our delivery capability.

Integrating recent acquisitions has been the main operational focus in the quarter. This has included Movenium, TransPA, Dinero, Mystore and Davilex. Segment growth trends of note include accounting offices' switch to cloud solutions, ERP integrated electronic invoicing and P2P, cloud HRM, and mobile apps enabling our customers employees broad interaction with our 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



Operating revenue



EBITDA

Key Figures

Revenue	1 038 MNOK
Growth, YoY	11,2 %
EBITDA	296 MNOK
EBITDA margin	28,5 %
FTE	2 717
Headcount	2 898

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

Transition to cloud services are a prioritized area for Enterprise. Currently, 35% of the CMRR is on true cloud services, and 55% of the R&D resources are working on cloud services.

Visma is delivering 5.3 million payslips every month on multiple Visma payroll solutions as per March 2017. Our true international payroll cloud solution, Visma.net Payroll, is in production with customers in the Netherlands, Norway and Sweden. The first Visma.net HRM package was launched for small customers in Norway in January 2017. There are currently 550 000 users on different services within the Visma.net HRM portfolio.

Visma is now the market leader of School Administrative solutions in Ireland, Finland and Norway. The planning for entering Sweden has started, and Visma is participating at two large School fairs in Sweden this spring.

The migration of users to the modernized procurement service Proceedo 9 has started. During 2017 75% of the users will be migrated. Commerce AB has signed a contract with one of Scandinavia's largest public organizations - the Swedish Västra Götalands Region - on Proceedo. The annual SaaS value of the contract is 7.9 MSEK. The contract is based on the standard product of Proceedo.

Visma Enterprise has identified two big growth opportunities for Workforce Management in the Nordics. Possibilities within new social and health organizations (SOTE) in Finland, and health organizations in Denmark will be prioritized during 2017 and 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:

- Jan Ivar Borgersen, Division Director Enterprise

Share of Group

22 %

Operating revenue

22 %

EBITDA

Key Figures

Revenue	455 MNOK
Growth, YoY	17,8 %
EBITDA	101 MNOK
EBITDA margin	22,2 %
FTE	1 267
Headcount	1 304

Products and services:

- HRM and payroll cloud solutions
- ERP and financial management
- Procurement administration and notification
- Cloud Solutions for schools, childcare and welfare
- Business intelligence and dashboards for municipalities and large accounts

Custom Solutions

Comments on the first quarter

Results for the Custom Solutions in Q1 were very satisfactory. Compared to last year, Custom Solutions had strong growth and improvements of results in Q1. Revenue was 270 MNOK and EBITDA 48 MNOK with a margin of 17,6 %. Revenue grew strongly with 30,1 % YoY and EBITDA grew by an impressive 54 %,

All countries were performing very well - especially Norway and Finland had an exceptionally good start to the year with strong organic growth. Sweden had great improvements of results compared to last year. The Nearshore Development Center in Lithuania is performing very well with very high customer satisfaction. The company was awarded **"Gazelle of the Year"** in the Lithuania/Vilnius region.

Both customer and employee engagement improved during the quarter. Notably the semi-annual Employee Engagement Survey showed an all-time high for division with an eNPS score of 53.

Strategic acquisitions of two Business Intelligence companies – Cox in Finland (Dec) and Optivasys in Sweden (Jan) were successfully completed and are showing good results from the beginning.

The Division had important wins of new customer contracts in Q1 in all countries – highlighted by Mattilsynet in Norway, City of Vantaa in Finland and The Danish Ministry of Taxation. In addition, our new Cloud/SaaS solutions business (Visma Case, Visma Addo and PensionBroker) are growing nicely in Denmark.

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

Key Figures

Revenue	270 MNOK
Growth, YoY	30,1 %
EBITDA	48 MNOK
EBITDA margin	17,6 %
FTE	1 097
Headcount	1 116

Products and services:

- System development and integration
- Application management
- E-government solutions
- Case and document management
- E-commerce solutions
- Information management & business intelligence
- Fishery control solutions

Retail

Comments on the first quarter

Q1 was characterized by several interesting business opportunities with prospects in our home markets (especially within the Pharma segment), and also for our International sales team working on the markets outside the Nordics with prospects particularly within the FMCG and grocery segment.

In January, we attended the world's largest annual global retail congress, the National Retail Federation's "Retail Big Show 2017". It gathered 35 000 retailers and industry executives from all over the world, covering the hottest topics in retail such as Artificial Intelligence, Digital retail innovation, Mobile retailing, Seamless shopping experience, Customer loyalty etc. For the first time, we are also present as exhibitors (in HP's stand) with world premier of our POS and Retail ERP software on HP's product X3 on windows 10 mobile. In February, we conducted successful webinars in both Sweden and Norway covering the highlights from the retail congress and presenting the retail trends for 2017, all in line with our work with thought leadership.

In February the Retail Division acquired Trollweb Solutions, the leading Magento Enterprise partner and e-commerce consultancy company in Norway, with presence also in Sweden and Denmark. The acquisition further strengthens our e-commerce competence and position in the markets we operate in and offering a more complete value proposition to our customers.

We participated as exhibitors (and invited to join HP's stand again) at the world's largest retail trade show, Euroshop 2017, in Dusseldorf, gathering more than 115.000 visitors over the five days in March. We presented our POS and Retail ERP software, as well as our customer loyalty software, and met with several interesting prospects from the European countries.

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

Key Figures

Revenue	260 MNOK
Growth, YoY	6,6 %
EBITDA	12 MNOK
EBITDA margin	4,7 %
FTE	644
Headcount	657

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

IT & Hosting

Comments on the first quarter

Hosting

Visma Hosting is offering domain and web hosting services to more than 330 000 customers in several European countries under the two brands Loopia and Active 24. The market is highly competitive and the international trend with market consolidation continues in 2017. We are actively searching for interesting acquisition opportunities supporting our growth strategy.

In Q1 we introduced SSL services to all our Loopia customers as well as increased our marketing activities in Norway, following our strategy with increased focus on the core markets. We will launch additional services during H1-2017. Financially it was a strong start of 2017, EBITDA year-to-date increased with 78 % compared to the same period last year. We see a significant improvement of the EBITDA run-rate the last 9 months compared to previous periods. New sales in Q1 experienced a considerable improvement compared to Q1-2016.

IT Operations

With a new IT organization and processes we are faster and more capable than ever of both preventing and quickly handling and solving incoming requests to our service desk. Now also assisted by our artificial intelligence ticket dispatcher. Statistically, we have never had less incidents and disruptions than we had this quarter and we expect the improvement to continue going forward.

Security has certainly become and will remain an important focus area. We constantly push forward to stay one step ahead and mitigate any threat or vulnerability before it becomes an actual risk to Visma.

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

4 %

Operating revenue

3 %

EBITDA

Key Figures

Revenue	74 MNOK
Growth, YoY	10,4 %
EBITDA	13 MNOK
EBITDA margin	17,2 %
FTE	203
Headcount	210

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		Year
		2017	2016	2016
CONTINUING OPERATIONS				
OPERATING REVENUE				
Sales revenue		2 101 298	1 870 537	7 855 248
Total operating revenue		2 101 298	1 870 537	7 855 248
OPERATING EXPENSES				
Sales and distribution costs (COGS)		345 553	328 286	1 383 931
Gross profit		1 755 744	1 542 252	6 471 317
Payroll and personnel expenses		1 010 478	904 115	3 558 574
Bad debts		3 529	1 641	12 699
Other operating expenses		272 463	236 437	975 950
Total operating expenses		1 286 471	1 142 194	4 547 222
EBITDA before M&A expenses		469 274	400 058	1 924 095
M&A expenses		1 990	1 826	15 935
EBITDA		467 284	398 232	1 908 160
Depreciation tangible assets and capitalised R&D		23 959	26 401	109 759
EBITA		443 325	371 831	1 798 401
Amortisation intangible assets		175 937	140 889	642 544
Operating profit EBIT		267 388	230 942	1 155 857
Result from associated companies		1 217	1 261	(311)
FINANCIAL ITEMS				
Financial income		6 771	4 281	22 330
Financial expenses		(48 387)	(79 979)	(280 811)
Net financial items		(41 616)	(75 699)	(258 481)
Profit before taxes from continuing operations		226 988	156 505	897 066
Taxes		51 927	51 204	207 546
Net income from continuing operations		175 061	105 301	689 520
DISCONTINUED OPERATIONS				
Net income from discontinued operations		9 034	71 323	3 511 600
Net income from continuing and discontinued operations		184 095	176 623	4 201 120
ATTRIBUTABLE TO:				
Equity holders of Visma AS		184 051	177 174	4 200 757
Non-controlling interests		44	(551)	363
EARNINGS PR SHARE				
Basic earnings per share (NOK in thousands)		184 051	177 174	4 200 757
Diluted earnings per share (NOK in thousands)		184 051	177 174	4 200 757
EBITDA margin		22,2 %	21,3 %	24,3 %

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(NOK in thousands)		First quarter		Year
		2017	2016	2016
Net income from continuing and discontinued operations		184 095	176 623	4 201 120
Net gain (loss) on financial hedging instruments, net of tax		8 759	27 135	23 112
Exchange differences on translation of foreign operations, net of tax		31 950	(60 509)	(91 643)
Net gain (loss) on defined benefit plan, net of tax		(58)	209	2 940
Other comprehensive income (loss) for the period, net of tax		40 652	(33 165)	(65 591)
Total comprehensive income for the period		224 746	143 459	4 135 529
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Equity holders of Visma AS		224 702	144 010	4 135 166
Non-controlling interests		44	(551)	363

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(NOK in thousands)	31 March 2017	31 March 2016	31 December 2016
ASSETS			
Deferred tax assets	58 793	92 400	61 686
Patents and other intangible assets	1 607 521	1 020 990	1 531 124
Capitalised R&D cost own software	290 190	250 364	264 999
Contracts and customer relationships	1 495 744	1 352 342	1 389 124
Goodwill	6 402 148	6 433 318	6 100 589
Property, land and buildings	21 335	21 243	21 151
Machinery and equipment	92 638	137 729	94 189
Financial assets/Shares	39 295	43 749	39 675
Investment in associated companies	85 134	85 489	83 917
Other long-term receivables	415 643	17 444	418 808
Long term receivables from group companies	(0)	0	0
Total non-current assets	10 508 441	9 455 067	10 005 262
Inventory	39 308	41 206	38 650
Accounts receivables	961 958	1 090 338	1 102 192
Other current receivables	410 198	365 172	536 501
Cash and cash equivalents	4 611 514	3 183 773	5 866 935
Total current assets	6 022 979	4 680 489	7 544 278
TOTAL ASSETS	16 531 419	14 135 556	17 549 539
EQUITY AND LIABILITIES			
Paid-in capital	533 952	1 776 029	1 991 726
Other reserves	186 576	178 352	145 925
Retained earnings	5 869 707	2 071 881	6 092 291
Equity attributable to equity holders of Visma AS	6 590 235	4 026 262	8 229 942
Non-controlling interests	21 581	5 015	21 971
Total equity	6 611 816	4 031 277	8 251 913
Pension liabilities	(9 457)	(4 132)	(9 327)
Deferred tax liability	860 014	829 666	888 089
Financial hedging Instruments	107 635	156 091	119 160
Long-term interest bearing bank loans	4 852 271	5 295 496	4 995 903
Accrued funding fees	(16 522)	(22 531)	(18 025)
Other long-term non interest bearing liabilities	282 142	264 541	276 557
Long-term liabilities to group companies	0	0	0
Total non-current liabilities	6 076 082	6 519 132	6 252 358
Bank overdraft	165 029	0	163 553
Short-term interest bearing bank loans	100 275	100 000	100 000
Trade creditors	352 485	284 810	425 319
Public duties payable	524 039	625 001	340 370
Tax payable	6 348	15 943	36 615
Deferred revenue	1 842 222	1 722 002	1 084 335
Other current liabilities	853 121	837 391	895 075
Total current liabilities	3 843 520	3 585 147	3 045 267
Total liabilities	9 919 602	10 104 278	9 297 626
TOTAL EQUITY AND LIABILITIES	16 531 419	14 135 555	17 549 539

CONSOLIDATED STATEMENT OF CASH FLOWS

(NOK in thousands)			First quarter		Year
			2017	2016	2016
Ordinary profit before tax from continuing and discontinued operations			226 988	232 001	1 122 128
Depreciation tangible assets			11 792	16 888	69 463
Depreciation capitalised R&D cost			12 167	12 810	52 750
Amortisation patents and other intangible assets			80 687	61 363	303 476
Amortisation contracts and customer relationships			95 250	80 385	345 459
Amortisation Goodwill			0	0	0
Tax paid			(47 370)	(40 023)	(107 070)
Changes in debtors			140 234	17 669	5 815
Changes in inventory and trade creditors			(73 492)	(34 835)	108 230
Changes in public duties payable			183 669	186 629	(98 002)
Changes in deferred revenue			757 887	626 236	(11 431)
Changes in other accruals			(133 706)	(14 461)	248 376
Net cash flow from continuing and discontinued operations			1 254 106	1 144 662	2 039 195
Net cash flow from continuing operations			1 254 106	1 076 007	1 803 584
Net cash flow from discontinued operations			0	68 655	235 611
Sale of (investment in) tangible fixed assets			(6 146)	(18 328)	(57 265)
Sale of (investment in) R&D own software			(14 204)	(19 701)	(71 913)
Net cash flow from investments			(20 349)	(38 029)	(129 179)
Investment in tangible fixed assets related to business combinations			(3 332)	(2 220)	(10 865)
Investment in R&D software related to business combinations			(7 951)	(379)	(26 281)
Sale of (investment in) businesses			(458 805)	(319 927)	(1 779 303)
Sale of (investment in) shares			380	262	4 336
Net proceeds from divestiture of discontinued operations			274 248	0	3 302 521
Net cash flow from investments related to business combinations			(195 460)	(322 263)	1 490 408
Repayments of interest bearing loans			(184 011)	(174 010)	(224 010)
Net proceeds from interest bearing loans			0	738 664	738 664
Changes in bank overdraft			0	(508 408)	(332 017)
Changes in long term receivables/payables			3 165	(192)	(1 556)
Payment of Group contribution			(2 042 179)	(403 027)	(403 027)
Cash inflow from dividends			0	0	4 000
Net cash flow from share issues			0	0	215 697
Cash inflow from interest			6 771	4 909	21 233
Cash outflow from interest and fees			(106 857)	(151 778)	(286 572)
Net cash flow from financing activities			(2 323 111)	(493 841)	(267 587)
Net cash flow			(1 284 814)	290 528	3 132 837
Cash and cash equivalents, beginning of period			5 866 935	2 915 318	2 915 318
Net foreign exchange differences			29 394	(22 073)	(181 221)
Cash and cash equivalents, end of period			4 611 514	3 183 773	5 866 935
EBITDA to net cash flow from operations			268,4 %	270,2 %	94,5 %

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
Net gain (loss) on financial hedging instruments, net of tax		23 112		23 112		23 112
Exchange differences on translation of foreign operations, net of tax		(91 643)		(91 643)		(91 643)
Net gain (loss) on defined benefit plan, net of tax		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 01.01.2016	1 991 726	145 925	6 092 291	8 229 942	21 971	8 251 913
Issue of share capital			0	0		0
Profit for the period			184 051	184 051	44	184 095
Net gain (loss) on financial hedging instruments, net of tax		8 759		8 759		8 759
Exchange differences on translation of foreign operations, net of tax		31 950		31 950		31 950
Net gain (loss) on defined benefit plan, net of tax		(58)		(58)		(58)
Total comprehensive income for the period		40 652	184 051	224 702	44	224 746
Group contribution	(1 457 774)		(406 635)	(1 864 409)		(1 864 409)
Changes to non-controlling interest; acquisition and arising on business combination			0	0	(434)	(434)
Equity at end of period	533 952	186 576	5 869 707	6 590 235	21 581	6 611 816

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 2017 were authorised for issue by the board of directors on April 20th 2017.

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 2016 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.

NOTE 2 — SEGMENT INFORMATION continued

Segment data for the first quarter of 2017 and 2016 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

1st quarter	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		790 243	403 302	197 333	215 011	72 235	26 619	1 704 742	1 142 359	520 433	242 830	318 844	110 025	39 316	2 373 807
Internal revenue		118 669	102 667	25 001	53 915	23 071	23 863	347 184	208 656	134 111	35 445	75 142	42 959	39 316	535 628
External revenue on each group of similar products and services															
On-premises software		297 787	174 167	110 730	57 679	0	0	640 364	479 577	236 244	119 654	98 975	750	0	935 200
Cloud Computing		358 679	109 936	60 496	78 111	49 159	0	656 381	430 528	127 879	86 215	99 172	66 309	0	810 104
Other		15 109	16 532	1 106	25 305	5	2 756	60 813	23 597	22 199	1 516	45 555	7	0	92 875
External revenue		671 574	300 636	172 332	161 096	49 164	2 756	1 357 558	933 703	386 322	207 385	243 702	67 066	0	1 838 179
Actual growth (external) %		-28,1 %	-22,2 %	-16,9 %	-33,9 %	-26,7 %		-26,1 %							
EBITDA		191 267	60 675	27 636	4 830	8 097	(924)	291 582	279 948	66 339	31 031	10 483	9 534	898	398 232
EBITDA margin		28,5 %	20,2 %	16,0 %	3,0 %	16,5 %		21,5 %	30,0 %	17,2 %	15,0 %	4,3 %	14,2 %		21,7 %

Reconciliation	1st quarter	
	2017	2016
Profit before taxes	226 988	156 505
Net financial items	41 616	75 699
Result from associated companies	(1 217)	(1 261)
Depreciations and amortisations	199 896	167 290
EBITDA	467 284	398 232
EBITDA in operating segments	291 582	398 232

GEOGRAPHICAL AREAS

(NOK in thousands)	2017			2016		
	Net sales	%	Long lived assets	Net sales	%	Long lived assets
Norway	732 228	53,9 %	4 870 272	702 845	38,2 %	3 305 446
Sweden	341 505	25,2 %	1 476 209	713 976	38,8 %	2 326 385
Denmark	102 904	7,6 %	1 774 702	154 560	8,4 %	1 787 843
Finland	149 268	11,0 %	943 738	189 874	10,3 %	1 022 479
Netherlands	31 653	2,3 %	730 683	76 923	4,2 %	614 860
Total	1 357 558	100,0 %	9 795 602	1 838 179	100 %	9 057 013

NOTE 3 — BUSINESS COMBINATION

During the first quarter of 2017, Visma had a net cash flow from investment in businesses less sale of businesses of NOK 470m

Deferred payment for the BPO Division

On December 1st 2016, Visma sold its BPO division to Hg Capital. Visma received NOK 266,5m in deferred payment of sales proceeds during the first quarter of 2017

SMB

On March 8th, Visma acquired PPG Oy, a Finnish provider of Purchase to pay and invoicing solutions. Thus strengthening Visma's position within this area in the Finnish market. On March 9th, Visma acquired the Dutch provider of SMB accounting software, Davilex Software BV. The acquisitions strengthen Visma's position and SaaS customer base on the Dutch market. On March 17th, Visma also acquired the Norwegian provider of SaaS e-commerce solutions Mystore.no AS. On February 1st, Visma acquired the Danish provider of benefit solutions Logbuy Danmark ApS. On March 3rd, Visma acquired Descartes, a Norwegian SaaS audit tool, strengthening Visma's offering to audit firms.

Custom Solutions

On January 5th, Visma acquired the Swedish BI consulting company Optivasys AB. Through the acquisition, Visma continues to strengthen the BI consulting offering in the Nordic market.

Retail

On March 17th, Visma acquired the Norwegian provider of SaaS ecommerce solutions, Trollweb Solutions AS.

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

	Optivasys AB	PPG Oy	Trollweb Solutions AS	Davilex Software BV
(NOK in thousands)	05.01.17	08.03.17	08.03.17	09.03.17
Deferred tax assets			7	
Shares				
Other intangible assets		5 277		14 890
Machinery and equipment	1 023	872	721	482
Property		317		
Other long-term receivables		102	454	
Inventories			119	30
Trade receivables	9 213	2 979	7 400	2 271
Other short term receivables	3 841	711	1 157	9 131
Cash and cash equivalents	4669	5 732	13 948	3 615
Assets	18 747	15 988	23 805	30 419
Other long-term liabilities		1 357		
Deferred tax liability	370			
Bank overdraft				
Trade creditors	2 999	1 097	273	345
Public duties payable	2 149	1 939	2 235	1 590
Tax payable	476	698	1 694	
Other current liabilities	8 260	5 122	3 330	11 758
Liabilities	14 254	10 213	7 532	13 692
Fair value of net assets	4 493	5 775	16 273	16 726
Non-controlling interests				
Goodwill arising on acquisition	35 106	152 560	33 197	11 736
Other intangible assets	5 447	70 685	21 250	11 999
Contracts and customer relationship arising on acquisition	13 617	84 823	25 500	14 399
Deferred tax liability	(4 194)	(31 102)	(11 220)	(6 864)
Total acquisition cost	54 469	282 742	85 000	47 997
Net cash acquired with the subsidiary	(4 669)	(5 732)	(13 948)	(3 615)
Cash paid	54 469	141 087	85 000	47 997
Net cash outflow	49 799	135 355	71 052	44 381
Deferred payment	0	141 655	0	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.

SaaS Annualized Repeatable Revenue (SaaS ARR)

Software-as-a-Service ("SaaS") solutions are an important growth area for Visma. Unlike traditional on-premises solutions that are locally installed, SaaS Solutions are centrally installed in datacentres run by either Visma or third party providers, and made accessible to the customer through a "thin client" such as a web browser or mobile app.

SaaS ARR measures the full monthly value of committed recurring and repeatable revenue base from the existing SaaS customer base. It is a forward looking indicator of future repeatable revenue from the existing customer base. ARR is always measured at full monthly value, which 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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