



Q4

QUARTERLY
REPORT

2019

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Continued strong growth and SaaS momentum. Three acquisitions completed, including fast growing PowerOffice

HIGHLIGHTS, fourth quarter 2019

- Revenue of NOK 4 197 million, an increase of 21,9%
- EBITDA of NOK 1 149 million, an increase of 24,3%
- SaaS customer contracts growth of 22% year-on-year
- Cloud Annualized Revenue reached NOK 12,2 billion, a year-on-year growth of 31%
- The monthly level of e-invoice transactions reached 9,4 million
- Three acquisitions completed during the quarter, including the fast growing SaaS accounting system PowerOffice

Visma ended 2019 by delivering a fourth quarter with excellent growth on top line as well as operating profit. Total revenue growth was 21,9% while EBITDA grew strongly as well by 24,3% over Q4 2018 to reach NOK 1 149 million.

Growth remains strong across each of Visma's four core divisions which all deliver revenue growth in the double digits. Annualized Cloud revenue continues to grow at a faster pace than revenue, reaching NOK 12 200m after Q4, thus increasing the overall cloud share of Visma revenues.

2019 has been a particularly active M&A year for Visma and the high acquisitions pace continued in the fourth quarter with the closing of three acquisitions, bringing the number of acquired companies during 2019 to a total of 20. Visma continued its aggressive expansion in the Netherlands with the acquisition of the absence management software VerzuimSignaal which promises strong synergies with Dotweb acquired earlier in the year. In Norway, Visma strengthened its cloud offering to accounting offices and small businesses through the acquisition of fast growing PowerOffice. With the acquisition of Inyett, Visma can offer its customers software performing automated checks of supplier payments enabling customers to prevent fraud.

KEY FIGURES

Continuing operations (NOK in millions)	4th quarter			Year			Year
	2019 Actual	2018 * Actual	Growth	2019 Actual	2018 * Actual	Growth	2018 * Actual
Revenue	4 197	3 443	21,9 %	15 028	11 389	31,9 %	11389
EBITDA	1 149	925	24,3 %	4 064	3 207	26,7 %	3 207
<i>EBITDA margin</i>	<i>27,4 %</i>	<i>26,9 %</i>		<i>27,0 %</i>	<i>28,2 %</i>		<i>28,2 %</i>
EBITA	962	729	31,9 %	3 389	2 648	27,9 %	2 648
EBIT	465	379	22,4 %	1 626	1 481	9,8 %	1 481
Net profit	197	287	-31,3 %	962	920	4,5 %	920
Operational cash flow (after tax)	907	966	-6,1 %	3 629	3 047	19,1 %	3 047

* 2018 has been restated for the effects of IFRS16.

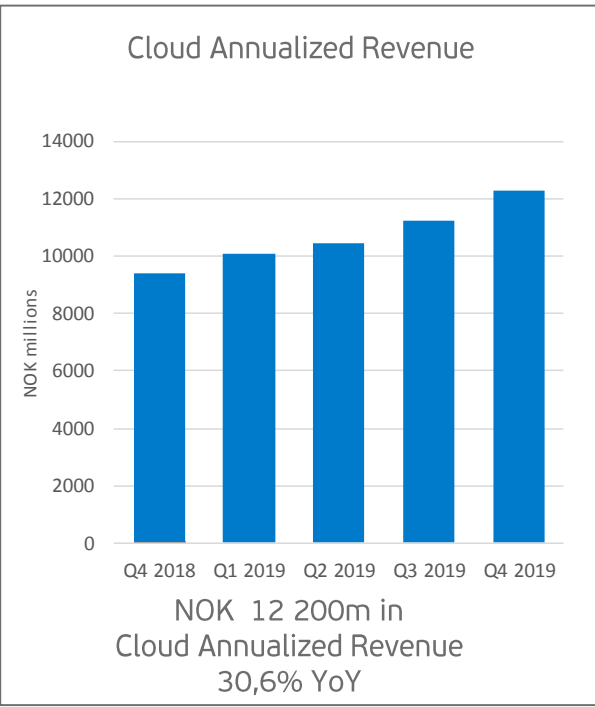
FINANCIAL REVIEW – GROUP (FOURTH QUARTER 2018 IN BRACKETS)

Revenue amounted to NOK 4 197 million (3 443) and EBITDA to NOK 1 149 million (925) in the fourth quarter of 2019. Revenue increased 21,9% while EBITDA increased by 24,3% over Q4 2018.

Group EBIT amounted to NOK 465 million in the fourth quarter (379). Net financial items were NOK -208 million (-83). With increased M&A activity, Visma has higher amortization and interest expenses compared to 2018. Consequently, profit before taxes was NOK 255 million (298). Taxes amounted to NOK 58 million (11), and net income from continuing operations resulted in NOK 197 million (287) in the fourth quarter.

Cash flow from continuing operations after tax amounted to NOK 907 million (967). Cash flow from investments, which are fixed assets, software R&D and investments in acquired businesses, was NOK -1 581 million (-824). At the end of the fourth quarter, the cash position of Visma was NOK 6 572 million (5 148).

Equity amounted to NOK 13 756 million (9 862), corresponding to an equity ratio of 36% (32%). Long term interest bearing debt amounted to NOK 13 066 million (9 329). The debt-facilities have maturity dates in the 4th quarter 2025.



COMMENTS ON SELECTED KPIS

Visma is experiencing good traction on the SaaS product portfolio.

Cloud Annualized Revenue has grown by an impressive 30,6% year-on-year in Q4. Strong organic development is boosted by Visma’s focus on acquiring leading SaaS companies. At the end of Q4, revenue from cloud computing saw an annualized run rate reaching NOK 12 200m. Furthermore, SaaS customer contracts have seen a strong, high-growth development. Visma has north of 900 000 customer contracts, of which more than 700 000 are for SaaS products. This is 22,0% higher than the number of SaaS contracts last year. Additionally, Visma has a large number of freemium and trial customers not yet paying for the use of the services.

At the end of Q4 the monthly volume of e-invoices transported through Visma e-invoicing hubs passed 9,4 million (25,6% y-on-y growth). One key objective for Visma’s software products and solutions is to make the traditional paper invoice redundant.

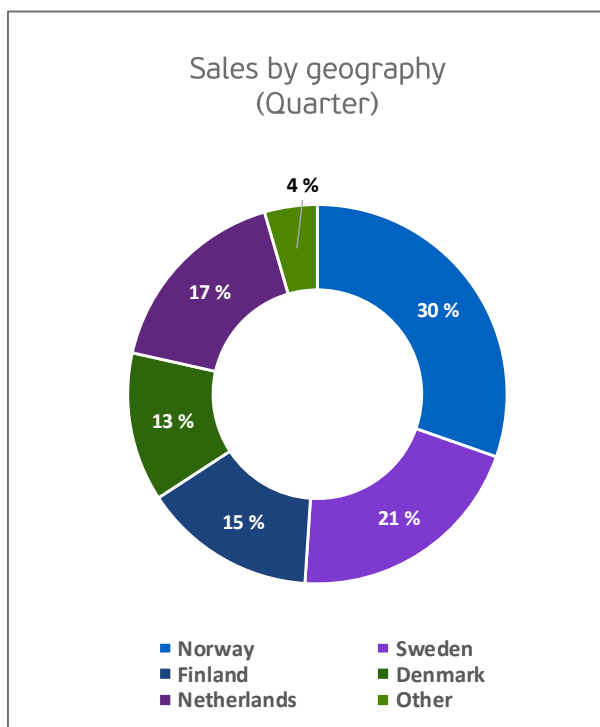
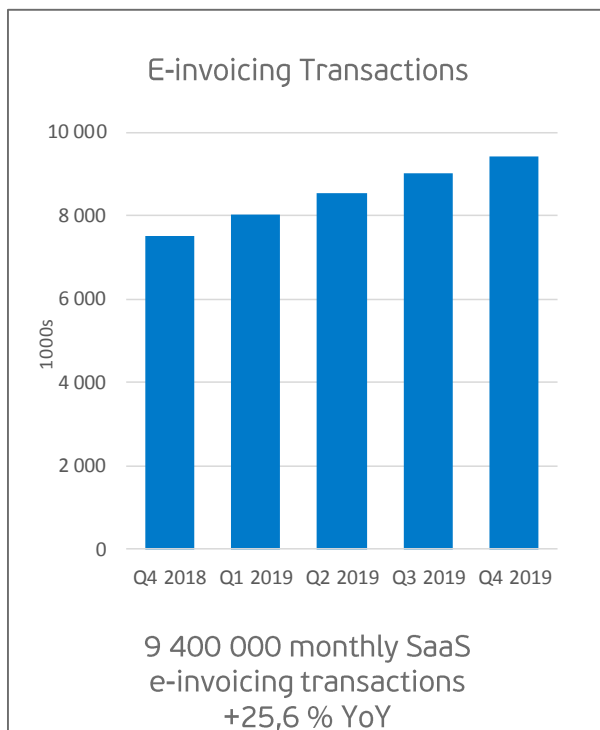
MARKET OUTLOOK

The Nordic markets remain stable and continues to with a healthy development compared to overall Europe. Modest growth rates are expected for the coming year across the Nordic countries and unemployment remains low. During the fourth quarter, the Swedish Central Bank also increased interest rates by 25 bps, ending almost 5 years of negative interest. After some decline, growth rates in the Netherlands are also expected to increase during 2020. Visma's core markets are small and open economies remain largely influenced by the development in the global 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 and increased automation and efficiency in business processes is steadily increasing. Visma continues to invest considerably in SaaS. To lead the transition to Visma is steadily launching new SaaS products and have come a long way in moving all our existing activities to a SaaS model. Our customers increasingly prefer subscription payment models over large up-front investments, and revenue from licenses is now less than one percent of total revenues.

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



OWNERSHIP

Six international private investors own Visma. HgCapital and co-investors 60.4 %, GIC 15.5 %, Intermediate Capital Group 7.2 %, Montagu 5.8 % and CPPIB 5.0%. A broad management group holds approximately 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 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.

CYBER SECURITY

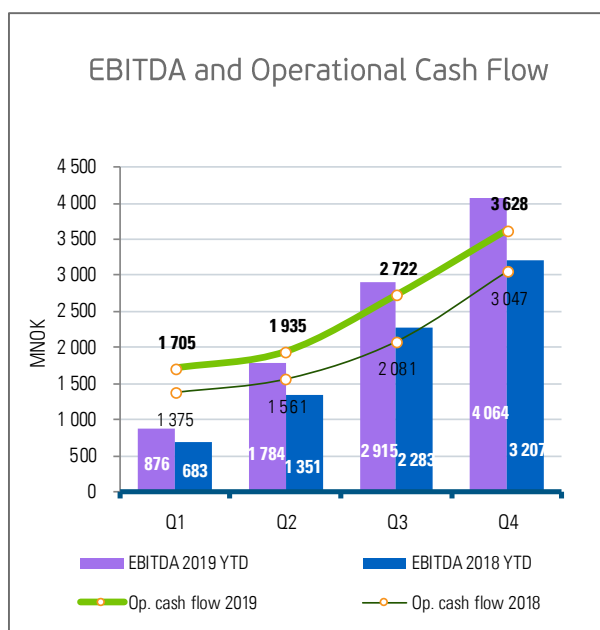
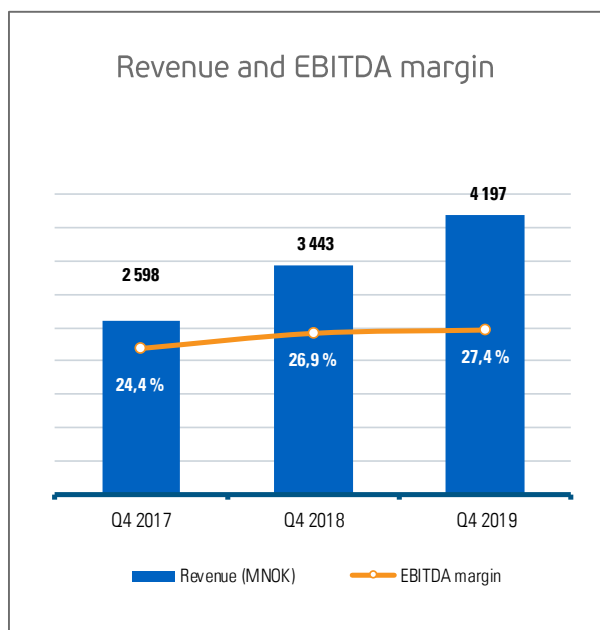
There were no security incidents with customer impact in the fourth quarter. October was European Cyber Security Month (ECSM), and Visma engaged broadly in order to further raise awareness of cybersecurity threats and provide people with the resources to protect themselves online. During October, all employees in Visma went through relevant and agile training to learn how to stay safe in today's online environments.

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, 23 January 2020

The Board of Directors of VISMA AS



SMB

Comments on the fourth quarter

Visma's entry-level and lower SMB segment cloud solutions that include e-economic, Tripletex, Dinero, Visma eAccounting and SpeedLedger, continued the positive trend by increasing the customer base by more than 5 000 net new customers in Q4 and passing 359 000 combined customer contracts. The solutions increasingly serve as cloud ecosystem hubs for Independent Software Vendors (ISVs), fintech services, accounting offices, and banking.

Visma.net ERP, the pure cloud offering and hybrid services for the complex mid-range segment continued strong double digit growth in users, customers and revenue. In Sweden in particular 2019 has seen over 65% growth. Partner certification and customer piloting in preparation for launching Visma.net in Denmark are going according to plan. Over 70% of all customer contracts in the division are now for cloud products and services.

Q4 product development focused on delivering continuous value-add and features for Visma's core cloud solutions, and enabling hybrid benefits and AI/machine learning automation for the remaining on-premises customers in their transition to the cloud. Expansion of Visma's development, sales and support centers in Central Europe and the Baltics have improved delivery capability and margins.

SMB segment strategic trends include integrating ERP with online banking for fully automated accounting routines, automated fintech services integrated with cloud ERP-systems, AI and machine learning automation of manual tasks, and employee mass consumption of cloud and mobile HRM.

2019 has been an active year on M&A and the outlook for 2020 is promising with several attractive M&A targets in the pipeline.

Segment at a glance

Target market:

- Small & medium sized businesses
- Accounting Offices

Management:

- Steffen Torp, Director SMB Division

Share of Group



34 %

Operating revenue



44 %

EBITDA

Quarterly Key Figures

Revenue	1 446	MNOK
Growth, YoY	16,9	%
EBITDA	501	MNOK
EBITDA margin	34,7	%
FTE	2 909	
Headcount	3 103	

Products and services:

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

Enterprise

Comments on the fourth quarter

In the fourth quarter Enterprise's business grew further in our most strategic areas. In Sweden, our new cloud and AI-based workforce management optimization module was launched in our Medvind product. Due to the new module, the time our users spend on employee shift planning goes from days to minutes, and the resulting plan is more optimal for the employee, our customers and the services our customers provide.

In Norway, we rolled out our state-of-the-art InSchool solution to five new regions for school administrative staff, increasing the number of daily active users to over 15,000, giving all our users significant productivity benefits. In Sweden our modernization of the Proceedo product progressed successfully with 88% of our users now using the HTML5 client. In the Netherlands, our teams working on HRM products delivered several key features for dealing with regulatory changes coming in 2020. In our Visma.net HRM product we delivered key integrations with legacy payroll systems to ease migrations.

With the acquisition of Inyett we have expanded our product offering to fraud prevention by offering our customers automated checks of supplier payments. There are several ongoing M&A dialogues, some of which we hope to sign in early 2020

Our robotics teams are also highly active with projects across Norway, Sweden, Denmark and Finland. We continue to see rising demand from customers for robotics services and expect the trend to continue for the years to come, which will save significant administrative time for our customers.

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:

- Ellen Furru, Interim Division Director Enterprise

Share of Group



33 %

Operating revenue



24 %

EBITDA

Quarterly Key Figures

Revenue	1 366	MNOK
Growth, YoY	10,6	%
EBITDA	279	MNOK
EBITDA margin	20,5	%
FTE	3 671	
Headcount	3 977	

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

Visma Custom Solutions delivered a strong fourth quarter. External revenue reached 814 MNOK with a YoY growth of a staggering 53,7% growth, and EBITDA of 205 MNOK and a EBITDA margin of 25,1%. All 2019 acquisitions are performing well and commercial synergies are being realised. The acquisitions are all supporting the strategy of Visma Custom Solutions by delivering e-government cloud solutions and premium services increasing margins and recurring revenue.

Visma Custom Solutions secured several important deals in the quarter. In Denmark, this is exemplified by an additional contract with the Danish tax authorities and securing an enterprise agreement with Lantmännen for Visma ADDO (Vismas e-sign product). Visma Consulting Finland has won several sizable deals with a software development contract for CSC being the largest. Visma Consulting Norway continues winning significant spots on key framework agreements securing repeatable revenue stretching many years into the future. In Sweden, Visma Consulting AB has succeeded in winning several deals in the municipal arena with case management and web solutions for Helsingborg and Haninge municipalities. Visma Connect in the Netherlands continues to secure additional agreements with the Dutch central procurement office Logius. The pipeline for Visma Connect looks very promising and several commercial synergies are being harvested in the Visma Group on secure and standardised data exchange. Visma Roxit is immensely successful in selling their new Rx.Mission product toward the Dutch municipalities and authorities increasing the recurring revenue proportion in Visma Custom Solution

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	814 MNOK
Growth, YoY	53,4 %
EBITDA	205 MNOK
EBITDA margin	25,1 %
FTE	1 657
Headcount	1 690

Products and services:

- System development and integration
- Application management
- E-government solutions
- Case and document management
- E-commerce solutions
- Business intelligence
- Fishery control solutions
- Cloud based GIS (Geographical Information Syst.)
- Cloud based Authentication Services

Commerce Solutions

Comments on the fourth quarter

Commerce Solutions delivers a solid fourth quarter with north of 25% growth both on revenue and profit. The divisions has strengthened its position across the countries it operates in throughout the quarter, both through organic growth and good performance in newly acquired companies. Within order-to-cash the number of distributed invoices have increased by almost 30 % through the year. There has also been a strong uptake in the number of reminders and debt collection cases. The growth within order-to-cash is proven through a healthy increase in number of customer contracts and transactions in Q4 and 2019 as a whole.

Focus in Q4 has been on integrations and facilitations for the two acquisitions closed in the previous quarter. Scancloud delivers good results, with double digit growth on both revenue and EBITDA, proving a solid run-rate into 2020. Meglerfront has proven to be a great success achieving solid growth on top and bottom line. Commerce Solutions will increase their focus on M&A in 2020 and currently has a strong pipeline.

The division maintains its focus on establishing financial services as an offering to Visma's customers. Through Q4 and 2019, the initiatives with partners have continuously been improved, thus now showing good customer uptake and usage. At the end of Q3 Visma Finance AB launched Visma's first self-built financing solution; Spot factoring in eAccounting. The service seems to be well received by eAccounting's customers.

Segment at a glance

Target market:

- Small and medium sized businesses
- Large enterprises
- Public sector

Management:

- Eivind Gundersen, Division Director Commerce Solutions

Share of Group



Operating revenue



EBITDA

Quarterly Key Figures

Revenue	337	MNOK
Growth, YoY	25,1	%
EBITDA	97	MNOK
EBITDA margin	28,8	%
FTE	543	
Headcount	577	

Products and services:

- Credit management services
 - Invoicing
 - Account receivable management
 - Collection services
 - Purchased debt
 - Financial services
- Pool Procurement and Employee benefit programs
- Board Portals and Virtual Data Rooms

CONDENSED INTERIM FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF INCOME

(NOK in thousands)	4th quarter		Year		Year
	2019	2018 *	2019	2018 *	2018 *
CONTINUING OPERATIONS					
OPERATING REVENUE					
Sales revenue	4 196 819	3 442 908	15 027 834	11 389 313	11 389 313
Total operating revenue	4 196 819	3 442 908	15 027 834	11 389 313	11 389 313
OPERATING EXPENSES					
Sales and distribution costs (COGS)	683 104	576 603	2 377 586	1 738 317	1 738 317
Gross profit	3 513 715	2 866 305	12 650 248	9 650 995	9 650 995
Payroll and personnel expenses	1 936 560	1 589 998	7 025 231	5 321 171	5 321 171
Bad debts	4 087	1 941	31 255	17 214	17 214
Other operating expenses	415 036	335 837	1 481 572	1 081 100	1 081 100
Total operating expenses	2 355 684	1 927 776	8 538 058	6 419 485	6 419 485
EBITDA before M&A expenses	1 158 032	938 529	4 112 190	3 231 510	3 231 510
M&A expenses	8 561	13 986	47 976	24 015	24 015
EBITDA	1 149 470	924 543	4 064 214	3 207 495	3 207 495
Depreciation tangible assets and capitalised R&D	89 740	76 376	297 723	204 855	204 855
Depreciation right of use assets	97 677	118 995	377 959	354 225	354 225
EBITA	962 053	729 172	3 388 533	2 648 415	2 648 415
Amortisation intangible assets	497 439	349 688	1 762 189	1 167 005	1 167 005
Operating profit EBIT	464 614	379 484	1 626 344	1 481 410	1 481 410
Result from associated companies	(1 237)	1 251	(551)	(3 050)	(3 050)
FINANCIAL ITEMS					
Financial income	24 795	19 988	282 937	82 501	82 501
Financial expenses	(232 987)	(103 076)	(666 950)	(444 959)	(444 959)
Net financial items	(208 191)	(83 088)	(384 013)	(362 458)	(362 458)
Profit before taxes from continuing operations	255 186	297 647	1 241 779	1 115 902	1 115 902
Taxes	58 175	10 832	280 004	195 906	195 906
Net income from continuing operations	197 011	286 815	961 775	919 995	919 995
DISCONTINUED OPERATIONS					
Net income from discontinued operations	0	466	13 268	660 496	660 496
Net income from continuing and discontinued operations	197 011	287 281	975 043	1 580 491	1 580 491
ATTRIBUTABLE TO:					
Equity holders of Visma AS	197 011	286 177	975 357	1 578 217	1 578 217
Non-controlling interests	0	1 103	(314)	2 274	2 274
EARNINGS PR SHARE					
Basic earnings per share (NOK in thousands)	197 011	286 177	975 357	1 578 217	1 578 217
Diluted earnings per share (NOK in thousands)	197 011	286 177	975 357	1 578 217	1 578 217
EBITDA margin	27,4 %	26,9 %	27,0 %	28,2 %	28,2 %

* 2018 has been restated for the effects of IFRS16.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(NOK in thousands)	4th quarter		Year		Year
	2019	2018	2019	2018	2018
Net income from continuing and discontinued operations	197 011	287 281	975 043	1 580 491	1 580 491
Net gain (loss) on financial hedging instruments, net of tax	23 204	(13 355)	8 867	(713)	(713)
Exchange differences on translation of foreign operations, net of tax	8 982	246 665	(23 434)	66 554	66 554
Other comprehensive income (loss) for the period, net of tax	32 186	233 310	(14 567)	65 841	65 841
Total comprehensive income for the period	229 196	520 590	960 476	1 646 332	1 646 332
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Equity holders of Visma AS	229 196	519 487	960 790	1 644 058	1 644 058
Non-controlling interests	0	1 103	(314)	2 274	2 274

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(NOK in thousands)	31 December 2019	31 December 2018	30 September 2019	31 December 2018
ASSETS				
Deferred tax assets	57 016	52 863	56 729	52 863
Patents and other intangible assets	4 471 371	3 175 755	4 120 183	3 175 755
Capitalised R&D cost own software	634 945	677 784	642 624	677 784
Contracts and customer relationships	6 087 585	5 357 476	5 514 282	5 357 476
Goodwill	15 164 218	12 043 842	14 033 906	12 043 842
Property, land and buildings	24 014	24 063	24 014	24 063
Machinery and equipment	222 488	169 327	233 534	169 327
Financial assets/Shares	4 954	42 967	7 876	42 967
Investment in associated companies	72 475	73 026	73 712	73 026
Other long-term receivables	525 843	488 699	512 096	488 699
Right of use assets	1 566 797	1 384 682	1 608 228	1 384 682
Net Investment in subleases	13 649	9 994	16 543	9 994
Total non-current assets	28 845 356	23 500 477	26 843 727	23 500 477
Inventory	42 561	29 136	55 319	29 136
Accounts receivables	1 902 465	1 867 982	1 631 633	1 867 982
Other current receivables	494 924	493 753	650 886	493 753
Cash and cash equivalents	6 571 888	5 148 003	5 622 869	5 148 003
Total current assets	9 011 838	7 538 874	7 960 708	7 538 874
TOTAL ASSETS	37 857 194	31 039 351	34 804 435	31 039 351
EQUITY AND LIABILITIES				
Paid-in capital	5 142 027	1 769 512	3 241 978	1 769 512
Other reserves	503 859	518 426	471 673	518 426
Retained earnings	8 110 053	7 572 540	7 913 042	7 572 540
Equity attributable to equity holders of Visma AS	13 755 938	9 860 477	11 626 693	9 860 477
Non-controlling interests	0	1 058	0	1 058
Total equity	13 755 938	9 861 535	11 626 693	9 861 535
Deferred tax liability	2 750 807	2 141 734	2 690 005	2 141 734
Financial hedging Instruments	72 370	83 812	102 311	83 812
Long-term interest bearing bank loans	13 065 812	9 329 003	11 319 234	9 329 003
Accrued funding fees	(8 506)	(8 030)	(11 623)	(8 030)
Long-term lease liabilities	1 298 095	1 162 746	1 333 025	1 162 746
Other long-term non interest bearing liabilities	1 980 108	2 444 003	1 385 522	2 444 003
Total non-current liabilities	19 158 686	15 153 268	16 818 473	15 153 268
Bank overdraft	(0)	1 442 504	1 750 244	1 442 504
Short-term interest bearing bank loans	94 420	97 010	92 520	97 010
Trade creditors	590 537	614 475	541 292	614 475
Public duties payable	690 052	621 632	645 061	621 632
Tax payable	148 542	123 647	(23 216)	123 647
Deferred revenue	1 445 520	1 489 302	1 668 480	1 489 302
Short-term lease liabilities	394 296	328 678	386 148	328 678
Other current liabilities	1 579 204	1 307 302	1 298 740	1 307 302
Total current liabilities	4 942 570	6 024 549	6 359 269	6 024 549
Total liabilities	24 101 256	21 177 817	23 177 742	21 177 817
TOTAL EQUITY AND LIABILITIES	37 857 194	31 039 351	34 804 435	31 039 351

CONSOLIDATED STATEMENT OF CASH FLOWS

(NOK in thousands)	4th quarter		Year		Year
	2019	2018	2019	2018	2018
Ordinary profit before tax from continuing and discontinued operations	255 186	297 647	1 241 779	1 115 902	1 115 902
Depreciation right of use assets	97 677	118 995	377 959	354 225	354 225
Depreciation tangible assets	33 995	19 775	110 333	60 724	60 724
Depreciation capitalised R&D cost	55 746	56 601	187 389	144 131	144 131
Amortisation patents and other intangible assets	242 047	146 014	839 965	508 524	508 524
Amortisation contracts and customer relationships	255 392	203 674	922 224	658 480	658 480
Amortisation Goodwill	0	0	0	0	0
Tax paid	(103 813)	(95 618)	(330 462)	(226 501)	(226 501)
Changes in debtors	(270 832)	(461 105)	(34 483)	(514 876)	(514 876)
Changes in inventory and trade creditors	62 003	156 855	(37 362)	177 100	177 100
Changes in public duties payable	44 991	118 521	68 420	190 540	190 540
Changes in deferred revenue	(222 960)	52 997	(43 782)	145 909	145 909
Changes in other accruals	457 189	351 152	326 731	448 752	448 752
Net cash flow from continuing and discontinued operations	906 620	965 507	3 628 712	3 062 910	3 062 910
Net cash flow from continuing operations	906 620	965 507	3 628 712	3 046 665	3 046 665
Net cash flow from discontinued operations	0	0	0	16 245	16 245
Sale of (investment in) tangible fixed assets	(25 015)	(34 127)	(99 115)	(82 124)	(82 124)
Sale of (investment in) R&D own software	(22 900)	(31 332)	(79 447)	(103 441)	(103 441)
Net cash flow from investments	(47 916)	(65 459)	(178 562)	(185 565)	(185 565)
Investment in tangible fixed assets related to business combinations	(13 101)	(12 202)	(59 194)	(36 558)	(36 558)
Investment in R&D software related to business combinations	(25 335)	(7 374)	(93 929)	(379 351)	(379 351)
Sale of (investment in) businesses	(1 548 246)	(804 346)	(4 821 961)	(4 901 418)	(4 901 418)
Sale of (investment in) shares	5 711	(322)	237 818	675	675
Net proceeds from divestiture of discontinued operations	0	464	13 268	1 224 101	1 224 101
Net cash flow from investments related to business combinations	(1 580 971)	(823 780)	(4 723 998)	(4 092 551)	(4 092 551)
Repayments of interest bearing loans	0	0	(347 001)	(268 018)	(268 018)
Net proceeds from interest bearing loans	1 784 477	0	4 213 098	3 602 014	3 602 014
Changes in bank overdraft	(1 808 886)	434 219	(1 508 009)	626 651	626 651
Cashflow from leases	(150 104)	(122 227)	(515 473)	(426 780)	(426 780)
Changes in long term receivables/payables	(5 384)	(442)	(4 872)	(3 732)	(3 732)
Payment of Group contribution	0	0	(507 767)	(494 252)	(494 252)
Cash inflow from dividends	0	0	6 000	5 000	5 000
Net cash flow from share issues	1 900 049	0	1 900 049	0	0
Cash inflow from interest	13 629	4 356	30 708	14 255	14 255
Cash outflow from interest and fees	(82 598)	(3 205)	(507 654)	(313 334)	(313 334)
Net cash flow from financing activities	1 651 183	312 701	2 759 079	2 741 807	2 741 807
Net cash flow	928 915	388 969	1 485 231	1 526 601	1 526 601
Cash and cash equivalents, beginning of period	5 622 869	4 646 239	5 148 003	3 665 241	3 665 241
Net foreign exchange differences	20 103	112 795	(61 346)	(43 840)	(43 840)
Cash and cash equivalents, end of period	6 571 888	5 148 003	6 571 888	5 148 003	5 148 003
EBITDA to net cash flow from operations	78,9 %	104,4 %	89,3 %	95,0 %	95,0 %

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(NOK in thousands)	Attributable to equity holders of Visma AS					Non-controlling interests	Total equity
	Paid-in share capital	Other reserves	Retained earnings	Majority's share of equity			
Equity as at 01.01.2018	627 952	452 585	6 369 884	7 517 819	16 244	7 534 063	
Issue of share capital	1 141 560		0	1 141 560		1 141 560	
Profit for the period			1 578 217	1 578 217		1 578 217	
<i>Net gain (loss) on financial hedging instruments, net of tax</i>		(713)		(713)		(713)	
<i>Exchange differences on translation of foreign operations, net of tax</i>		66 554		66 554		66 554	
Total comprehensive income for the period		65 841	1 578 217	1 644 058	0	1 644 058	
Group contribution			(375 631)	(375 631)		(375 631)	
Changes to non-controlling interest; acquisition and arising on business combination			69	69	(15 186)	(15 117)	
Equity at end of period	1 769 512	518 426	7 572 539	9 860 477	1 058	9 861 535	
Equity as at 01.01.2019	1 769 512	518 426	7 572 539	9 860 477	1 058	9 861 535	
Issue of share capital	3 311 654		0	3 311 654		3 311 654	
Profit for the period			975 357	975 357	(314)	975 043	
<i>Net gain (loss) on financial hedging instruments, net of tax</i>		8 867		8 867		8 867	
<i>Exchange differences on translation of foreign operations, net of tax</i>		(23 434)		(23 434)		(23 434)	
Total comprehensive income for the period		(14 567)	975 357	960 790	(314)	960 476	
Group contribution	60 861		(437 843)	(376 982)		(376 982)	
Changes to non-controlling interest; acquisition and arising on business combination			0	0	(744)	(744)	
Equity at end of period	5 142 027	503 858	8 110 053	13 755 938	0	13 755 938	

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 2019 were authorised for issue by the board of directors on 23 January 2020.

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 2018 and applies to these condensed interim financial statements, except for the adoption of new standards and interpretations as of 1 January 2019.

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 16 with effect from 1 January 2019. Operating leases previously included as operating expenses in the P&L are now capitalized and put on the balance sheet as Right-of-Use assets and lease liabilities, and will be depreciated over time. This has significant effect on the group EBITDA, and 2018 figures have been restated for comparability.

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 four core divisions, Small and Medium Business (SMB), Enterprise, Custom Solutions, Commerce Solutions. Group HQ + IT + Cloud Infrastructure Services are reported as other. 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 fourth quarter of 2019 and 2018 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

4th quarter	2019						2018						
	(NOK in thousands)	SMB	Enterprise	Custom Solutions	Commerce Solutions	Group HQ + IT + CIS	TOTAL	SMB	Enterprise	Custom Solutions	Commerce Solutions	Group HQ + IT + CIS	TOTAL
Revenue													
Total segment revenue	1 694 062	1 717 402	879 834	348 049	443 582	5 082 929	1 427 307	1 500 683	563 505	279 303	322 754	4 093 552	
Internal revenue	248 463	351 069	65 970	11 338	209 269	886 110	190 593	265 462	33 099	10 071	151 419	650 644	
External revenue on each group of similar products and services													
On-premises software	467 382	375 716	169 097	0	0	1 012 195	465 764	364 677	171 521	0	160 730	1 162 693	
New software licences	12 244	10 013	12 834	0	0	35 090	12 931	14 624	19 241	0	12 181	58 977	
Annual agreements	399 246	237 558	57 815	0	0	694 619	392 262	225 515	18 136	0	61 435	697 348	
Software Consulting and Implementation	55 893	128 144	98 448	0	(0)	282 485	60 572	124 538	134 144	0	87 114	406 369	
Cloud Computing	919 117	761 308	546 086	335 171	167 392	2 729 073	738 311	837 360	351 619	262 364	343 643	2 533 298	
SaaS Subscriptions	625 817	320 520	137 758	69 843	4 622	1 158 560	499 324	258 103	30 090	56 761	15 791	860 069	
SaaS Transactions and sign up fees	267 065	350 088	7 907	72 592	2 544	700 196	199 993	315 923	4 901	33 918	5 041	559 776	
Cloud Infrastructure and Hosting Services	3 695	845	52 419	0	160 227	217 186	1 012	2 769	2 522	0	317 343	323 647	
Software Consulting and Implementation on SaaS	20 231	88 325	348 001	10 355	0	466 913	37 036	256 898	311 294	8 545	5 468	619 240	
FinTech Services and debt collection	2 308	1 530	0	182 380	0	186 218	946	3 667	2 811	163 142	0	170 566	
Other	59 100	229 310	98 682	1 540	66 920	455 551	32 639	33 184	7 266	6 867	(333 038)	(25 084)	
External revenue	1 445 599	1 366 333	813 864	336 711	234 313	4 196 819	1 236 714	1 235 221	530 406	269 231	171 335	3 442 908	
Actual growth (external) %	16,9 %	10,6 %	53,4 %	25,1 %	36,8 %	21,9 %							
EBITDA	501 404	279 440	204 612	97 065	66 949	1 149 470	421 793	273 105	91 127	69 936	68 581	924 543	
EBITDA margin	34,7 %	20,5 %	25,1 %	28,8 %	28,6 %	27,4 %	34,1 %	22,1 %	17,2 %	26,0 %	40,0 %	26,9 %	

Year	2019						2018						
	(NOK in thousands)	SMB	Enterprise	Custom Solutions	Commerce Solutions	Group HQ + IT + CIS	TOTAL	SMB	Enterprise	Custom Solutions	Commerce Solutions	Group HQ + IT + CIS	TOTAL
Revenue													
Total segment revenue	6 157 640	6 287 198	2 999 946	1 232 670	1 616 598	18 294 052	5 310 822	4 576 944	1 960 004	1 023 893	971 498	13 843 162	
Internal revenue	914 680	1 285 944	233 136	41 724	790 733	3 266 218	846 421	991 481	207 115	36 817	372 016	2 453 849	
External revenue on each group of similar products and services													
On-premises software	1 760 188	1 367 608	574 592	0	0	3 702 388	1 761 082	1 249 507	527 773	0	0	3 538 363	
New software licences	44 355	33 481	45 604	0	0	123 439	46 883	47 777	52 083	0	0	146 743	
Annual agreements	1 566 332	921 927	187 994	0	0	2 676 253	1 558 285	831 540	72 661	0	0	2 462 486	
Software Consulting and Implementation	149 501	412 201	340 994	0	0	902 695	155 914	370 191	403 029	0	0	929 134	
Cloud Computing	3 289 774	2 831 812	1 861 284	1 186 410	625 739	9 795 019	2 592 180	2 211 291	1 204 665	975 122	569 883	7 553 142	
SaaS Subscriptions	2 302 336	1 193 780	410 741	254 709	17 009	4 178 575	1 825 901	847 669	121 454	191 752	14 893	3 001 670	
SaaS Transactions and sign up fees	902 265	1 325 103	35 242	198 610	9 396	2 470 615	660 127	787 547	14 093	117 842	9 399	1 589 008	
Cloud Infrastructure and Hosting Services	9 357	4 424	187 608	0	599 333	800 722	2 932	2 840	8 737	0	540 741	555 250	
Software Consulting and Implementation on SaaS	68 635	301 914	1 228 834	31 915	0	1 631 299	101 885	558 693	1 051 412	23 860	4 851	1 740 701	
FinTech Services and debt collection	7 181	6 590	(1 141)	701 176	0	713 807	1 335	14 543	8 968	641 667	0	666 512	
Other	192 996	801 835	330 934	4 536	200 126	1 530 427	111 138	124 665	20 451	11 954	29 599	297 808	
External revenue	5 242 959	5 001 254	2 766 810	1 190 946	825 865	15 027 834	4 464 401	3 585 464	1 752 890	987 076	599 482	11 389 313	
Actual growth (external) %	17,4 %	39,5 %	57,8 %	20,7 %	37,8 %	31,9 %							
EBITDA	1 840 789	1 088 171	655 736	323 377	156 141	4 064 214	1 588 269	914 216	341 779	264 648	98 584	3 207 495	
EBITDA margin	35,1 %	21,8 %	23,7 %	27,2 %	18,9 %	27,0 %	35,6 %	25,5 %	19,5 %	26,8 %	16,4 %	28,2 %	

Reconciliation	4th quarter		Year
	2019	2018	2019
Profit before taxes	255 186	297 647	1 241 779
Net financial items	208 191	83 088	384 013
Result from associated companies	1 237	(1 251)	551
Depreciations and amortisations	684 856	545 059	2 437 870
EBITDA	1 149 470	924 543	4 064 214
EBITDA in operating segments	1 149 470	924 543	4 064 214

* 2018 has been restated the effects of IFRS16.

GEOGRAPHICAL AREAS

(NOK in thousands)	2019			2018		
	Net sales	%	Long lived assets	Net sales	%	Long lived assets
Norway	5 083 979	33,8 %	8 743 208	3 878 848	34,1 %	4 647 557
Sweden	3 233 002	21,5 %	2 378 716	3 033 754	26,6 %	2 496 663
Denmark	1 905 610	12,7 %	3 828 874	1 625 240	14,3 %	3 550 622
Finland	2 223 472	14,8 %	2 214 005	1 718 205	15,1 %	2 329 583
Netherlands	2 581 772	17,2 %	9 193 316	1 133 265	10,0 %	8 230 431
Total	15 027 834	100,0 %	26 358 119	11 389 313	100,0 %	21 254 856

NOTE 3 — BUSINESS COMBINATIONS

During the fourth quarter of 2019, Visma had a net cash outflow from investment in businesses of NOK 1 079m.

SMB

The SMB division acquired the fast growing Cloud ERP company PowerOffice AS in December. This acquisition fits well into the division's focus on the Accounting Offices distribution channel.

Enterprise

The Enterprise division acquired Verzuimsignaal in the Netherlands in November, expanding Visma's offering in the region with absenteeism solutions. In Sweden, Visma acquired Inyett AB which is a fin-tech company offering fraud detection software for financial transactions.

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

	Verzuimsignaal		
	BV	PowerOffice AS	Inyett AB
(NOK in thousands)	01.11.19	13.12.19	06.12.19
Deferred tax assets	0	0	0
Other intangible assets	6 722	18 614	0
Machinery and equipment	5 357	6 697	1 043
Other long-term receivables	0	0	1 838
Trade receivables	11 069	16 684	6 613
Other short term receivables	144	1 234	2 045
Cash and cash equivalents	5 580	54 113	5 029
Assets	28 871	97 342	16 568
Other long-term liabilities	0	0	0
Deferred tax liability	1 671	960	180
Bank overdraft	0	0	0
Trade creditors	811	1 382	1 974
Public duties payable	1 986	10 563	1 620
Tax payable	0	0	(502)
Other current liabilities	6 327	6 932	1 672
Liabilities	10 795	19 838	4 944
Fair value of net assets	18 076	77 504	11 623
Goodwill arising on acquisition	66 134	1 008 232	98 323
Other intangible assets	38 572	510 214	52 018
Contracts and customer relationship arising	54 001	714 300	72 826
Deferred tax liability	(22 495)	(269 393)	(26 717)
Total acquisition cost	154 287	2 040 857	208 073
Net cash acquired with the subsidiary	(5 580)	(54 113)	(5 029)
Cash paid	154 287	1 340 857	150 227
Net cash outflow	148 707	1 286 744	145 198
Deferred payment	0	700 000	57 846

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. To account for seasonal variations, monthly e-invoices is measured as the last twelve month average.

On-premises software

Revenue from On-premises software is revenue related to software installed on the customers premises, typically windows based software and similar. Revenue from consulting and implementation of on-premises software is also included here.

Cloud Computing

Revenue from cloud computing is revenue derived from SaaS and SaaS related services, such as for instance consulting on SaaS solutions or cloud infrastructure services. Unlike traditional on-premises solutions that are locally installed, SaaS Solutions are centrally installed in datacentres run by either Visma or third party providers, and made accessible to the customer through a "thin client" such as a web browser or mobile app.

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