TECHNOLOGY EMPOWERING PEOPLE

Annual report
2017

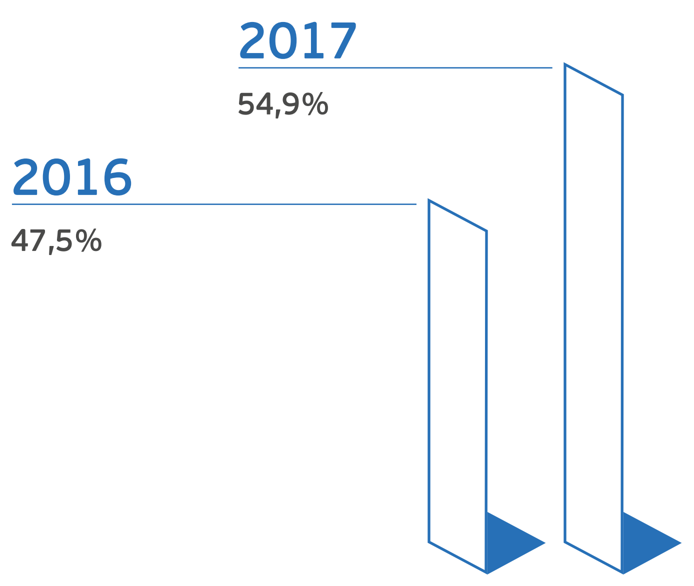
VISMA

CONTENT

KEY FIGURES

(NOK 1 000)	2017 IFRS	2016 IFRS
Operating revenues	9 345 654	7 855 248
Growth	19%	21%
EBITDA	2 152 016	1 908 160
Profit/(loss) from continuing and discontinued operations after minority interests	751 933	4 200 757
Earnings per share	751 933	4 200 757
No. of shares	1	1
Total assets	19 705 807	17 558 866
Current liabilities	4 669 786	3 045 267
Long-term liabilities	7 501 958	6 261 685
Equity	7 534 063	8 251 913

CLOUD COMPUTING REVENUE SHARE



TIMELINE

NUMBER OF EMPLOYEES & REVENUE

* Restated to reflect the sale of the BPO division

THE LAST
10
YEARS*

2008
REVENUE
NOK 2 086 065
EMPLOYEES
1 734

2009
REVENUE
NOK 2 120 829
EMPLOYEES
2 088

2010
REVENUE
NOK 2 810 483
EMPLOYEES
2 604

2011
REVENUE
NOK 3 534 258
EMPLOYEES
2 989

2012
REVENUE
NOK 4 141 108
EMPLOYEES
3 225

2013
REVENUE
NOK 4 679 243
EMPLOYEES
3 481

2014
REVENUE
NOK 5 307 344
EMPLOYEES
4 202

2015
REVENUE
NOK 6 487 635
EMPLOYEES
4 842

2016
REVENUE
NOK 7 855 248
EMPLOYEES
5 493

2017
REVENUE
NOK 9 345 654
EMPLOYEES
7 008

01 CEO COMMENTS

CLOUD SOFTWARE THAT KEEPS OUR CUSTOMERS ONE STEP AHEAD OF THE COMPETITION

As small, open economies with high cost levels, the Nordic countries are dependent on efficiency for continued growth and prosperity. Visma aims to promote competitiveness and contribute to the creation of growth and effectiveness for our customers and the Nordic economies by providing software that makes business and admin processes more efficient.

After divesting the BPO division in late 2016, Visma entered 2017 as a pure software company. 2017 was a year of strong growth. Visma achieved 19.0% growth in revenues while EBITDA grew by 12.8%. SaaS and cloud computing continue to be the main growth driver and cloud revenues grew 37.3%.

Overall, the economies in Visma's core markets are performing well. The Nordic economy has recovered from the oil sector volatility and growth is good. Also Sweden and Denmark continue with stable growth during 2017. After several years with negative growth, the Finnish economy also shows signs of increasing growth. Overall, the Nordic economies are stable with above average growth rates compared to Europe and we remain positive about the macro-economic situation, although the global political situation may hold surprises for 2018.

STRONG GROWTH ACROSS SEGMENTS

Visma experienced good revenue growth across all segments. The strongest growth was in the Enterprise segment, which grew 38.1% year on year. Revenues in Visma's largest segment, SMB, grew by 14.6%. Custom Solutions grew by 27.7%. Retail grew by 1.6%. Lastly, revenues from Visma's Hosting & IT operations grew by 3.1%.

Visma is combining its organic revenue growth with an active acquisition program. During 2017 Visma acquired 17 companies, most of them fast growing cloud computing companies. Through the acquisition program Visma gets access to new technology, new talent and new markets.

CLOUD COMPUTING A KEY DRIVER FOR GROWTH

With more businesses seeing the benefits of SaaS software, and demand for cloud computing and mobile solutions keeps growing. Visma has invested heavily in its SaaS products since 2010, and we are now seeing the benefits of the demanding transition to becoming a cloud company. Revenues from Cloud Computing grew by 37.3% in 2017, to NOK 5 127m.

In Denmark, SaaS champion e-conomic was joined by Dataløn, a leading SaaS payroll software in Denmark, acquired as part of the Bluegarden group, ensuring that Visma has the strongest SaaS product line up available in the Danish market. The entry level solution eAccounting now has more than 90 000 customers across Norway, Sweden, Finland and the Netherlands. Adding local SaaS champions, such as Netvisor and Fivalli in Finland and Tripletex in Norway, Visma has well over 500 000 SaaS customer contracts.

GROWTH ACROSS ALL SEGMENTS

Visma has a strong presence in the Nordic, Baltic and Dutch segment where we have achieved good segment positions, high brand awareness, operational efficiencies and competitiveness. Visma's ambition is to be a national and regional leader in its product categories, an advantage versus global competitors. During 2017, Visma experienced strong growth in all segments. Through the acquisition of Bluegarden, Visma's largest acquisition to date, we also got a significant position in the Danish payroll segment. We look forward to

01 CEO COMMENTS

improving and expanding our payroll and HRM offering to customers across all segment in the years to come.

In the coming years, Visma will consider expansion to new, well regulated, politically stable geographies through acquisition of market leading local SaaS companies. We will remain loyal to the strategy about being a strong and sizeable player in each segment, rather than spreading thinly globally.

WE CONTINUE TO INVEST IN THE FUTURE

Investments in product development and innovation are key success factors for Visma. During the decade from 2010 to 2020 Visma will re-create all its Windows solutions as cloud solutions. This means complete rewrite of code, not converting or upgrading. Thus investments in the years 2013 through 2017 are at a peak as we continue to maintain on-premises solutions as well. In 2017 and R&D expenses amounted to approximately 15% of revenues. About two thirds of R&D investments are related to SaaS projects.

Visma operates in high cost markets with a strong drive for increasing efficiency. Through utilizing advanced algorithms, big data and artificial intelligence, Visma is exploring more ways to automate the core accounting and payroll processes for the customers to increase efficiency and competitiveness.

> **Visma is combining its organic revenue growth with an active acquisition program. During 2017 Visma acquired 17 companies, most of them fast growing cloud computing companies. Through the acquisition program Visma gets access to new technology, new talent and new markets.**

FINDING THE RIGHT TALENT

Finding and keeping the right talent is a key to Visma's future success, and the competition is hard for the best and brightest minds. Across our core geographies, Visma has worked consistently to build brand awareness among students in top universities over time with application numbers for our trainee programs increasing. Also among experienced professionals, Visma is increasingly perceived as an attractive employer.

Visma is competing with larger global and regional companies and we are dependent on our nearshoring capacity. The Nordic cost level combined with insufficient access to competent human resources have been the drivers behind the build-up of our nearshoring activities, which today comprise operations in Romania, Lithuania, Latvia, Poland, Ireland and Spain. At the end of 2017 we had 950 full time employees in these locations, and the plan is to increase this by another 200 FTEs by the end of 2018. Most resources are within software development and levels of employee engagement in these locations are among the highest in the group.

CYBER SECURITY AND PRIVACY

As a provider of mission critical systems, Visma takes its responsibility when it comes to cyber security and privacy seriously. Visma is consistently working on improving its data protection procedures, and has launched several initiatives during 2017 to ensure that we meet current and future privacy regulations, including the coming EU General Data Protection Regulation. To meet the increasing global cyber security threat levels, Visma also continues to invest in the IT security program. Visma IT&C, responsible for Visma's internal IT operations is ISO 9001, ISO 20000, ISEA 3402 and ISO 27001 certified.

OPPORTUNITIES AHEAD

Visma will continue to promote competitiveness by providing our customers with software that make their business and admin processes more efficient than their competition. Our core markets are the among the most tech savvy in Europe, and Visma expect to see our modern SaaS solutions to be the growth driver also in 2018.

In a changing world with tough competition it is hard to plan for all eventualities. However, an agile, competent and engaged organisation is able to adapt to disruption in technology and markets. In later years the employee engagement surveys in Visma have shown high levels among our 7 000 employees. Combined with a good inflow of new talent, Visma shall be able to prosper and grow in the coming years.

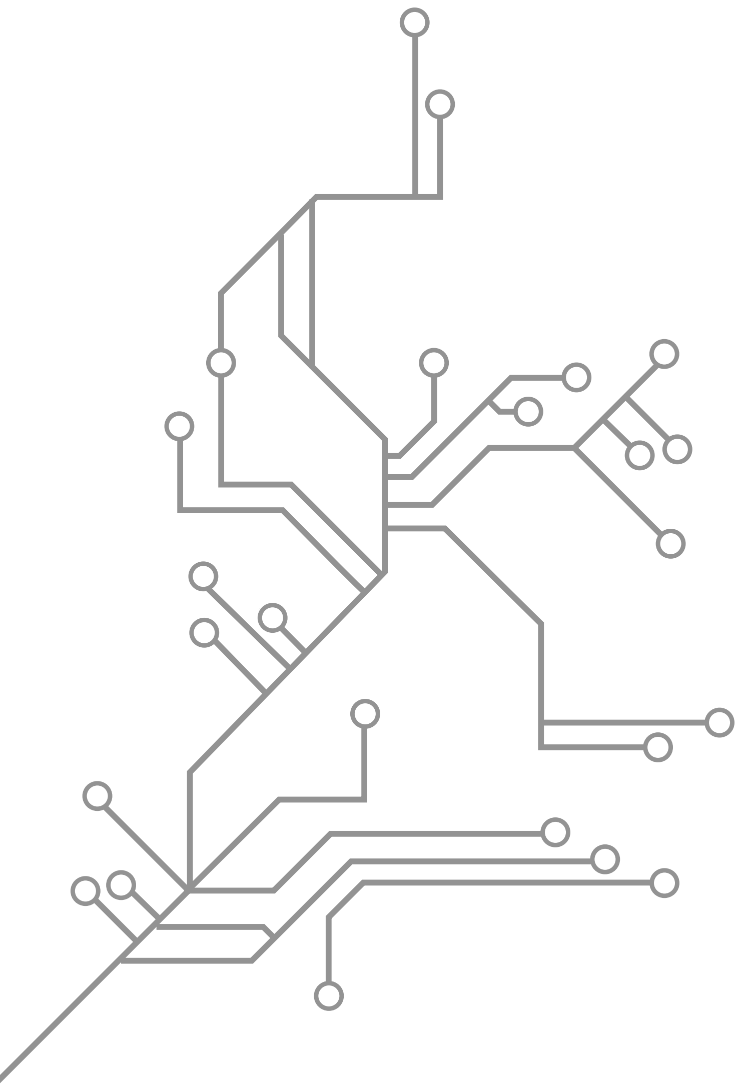
Øystein Moan

Øystein Moan

CEO - Visma

TECHNOLOGY EMPOWERING PEOPLE

New technology is transforming the way we work. Automation and artificial intelligence are opening up new possibilities for efficiency, and solutions designed for individual human behaviour are putting more power in the hands of people than ever before. To stay competitive in this technology-driven landscape, businesses must be ready to adapt.



The digital transformation and introduction of new, disruptive technologies have changed the way we do business. Digital transformation is influenced by technology innovation, customer behaviour and demand. Business leaders will have to reshape their organisation to drive change and take advantage of the right tools for successful digitalisation.

Automation is simplifying processes for business and governments worldwide, contributing to both economic and social rewards. Realising the full potential of automation requires businesses to focus on automation wherever possible and to make people and technology work together.

In Visma, we believe that technology empowers people. Our mission is to help our customers work smarter with cloud technology, turning processes into competitive advantages.

HUMAN EXPERIENCE

Technology designed for individual behaviour is the new benchmark. People have increasingly higher expectations of their interaction with businesses, placing human experience in the front seat.

People are starting to distance themselves from intrusive technologies, leaving them more responsive to a personal approach in digital services and applications.

User experience design is one of our focus areas in Visma, giving people the best possible customer experience in all interactions with our products and services. We're making people our number one priority with hours of testing and development work behind every new solution and improvement.

> **"Artificial intelligence and machine learning are natural components in our software development, giving our customers the competitive advantages they need in a transformative digital landscape**

MOBILE WORKFORCE

Mobile allows for small businesses to become large and local businesses to go global. The ability to connect and work from anywhere empowers people and has been proven to increase productivity.

In the last year alone, 1.5 billion smartphones were sold worldwide, and people now see mobile as critical to the way they work.

We believe in technology adapted to the individual, and with our smart and user-friendly apps and mobile solutions, we give people the freedom and flexibility to access their information and work on the go.

DIGITAL TRANSFORMATION

While the idea of shifting toward a digital business seemed improbable a few years ago, the rapid technological development has made it a reality in 2018. Businesses are spending a major part of their IT budgets on cloud solutions and applications and will continue to do so in the years to come.

We focus on enabling business growth while adapting to the altering business landscape. Our solutions help businesses of all shapes and sizes manage their business processes – enabling people to be more productive with their time. For public sector institutions like health care and education, our solutions provide a simple way of handling time-consuming administrational tasks, allowing for more time spent on human interaction.

We aim to be a digitalisation partner for both businesses and governments, improving services in many aspects of people's lives. In addition to our standard products, we provide custom solutions, giving our customers tailored software to suit their unique needs.

AUTOMATED FUTURE

The rapid development of artificial intelligence technologies has made many businesses afraid of the possibility that machines might outface humans in the workforce. However, automation done right can give people the opportunity to focus on tasks that drive the business forward by letting machines do repetitive and manual tasks.

Artificial intelligence and machine learning are natural components in our software development, giving our customers the competitive advantages they need in a transformative digital landscape. We have reshaped financial services with the help of machine learning into a mobile ERP system, and we are in the process of creating a fully automated financial system.

ENDLESS POSSIBILITIES

The major technological transition in this decade has been the move to cloud computing. In 2012, we introduced our first cloud-based ERP-system, and by 2020, 90 percent of our business will be cloud solutions.

Having led our customers through the successful migration from on-premise solutions to the cloud, we continue to follow them on the road towards digitalisation. We are continuously developing and introducing new technologies like artificial intelligence to our solutions, staying in front of the development.

We embrace technology that helps people thrive in a world in constant change, improving businesses, careers and lives. Together, we are entering a future full of possibilities.

CORPORATE ENVIRONMENTAL SOCIAL GOVERNANCE

Download CESG policy

www.visma.com/corporate-environmental-and-social-governance/

The Board of Directors of Visma AS is committed to the principles of good corporate governance in order to build trust and contribute to long-term value creation for the benefit of shareholders, employees and other stakeholders.

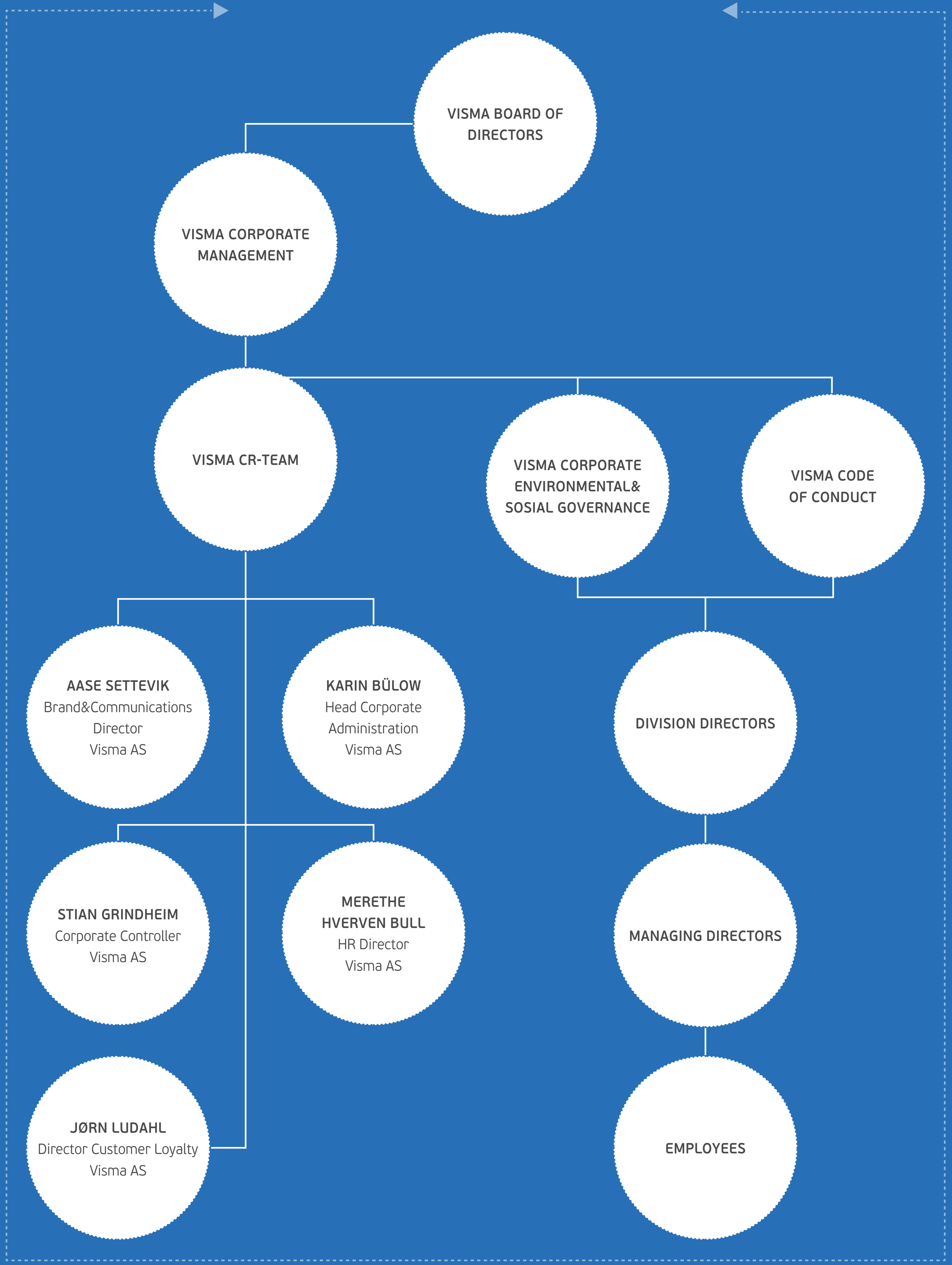
The purpose of the principles is to ensure an appropriate division of roles between shareholders, the Board of Directors and the executive management, more comprehensively than is required by legislation.

The principles for good corporate governance at Visma are based on the Norwegian Code of Practice for Corporate Governance (the Code), issued by the Norwegian Corporate Governance Board (NCGB).

Being an unlisted company, Visma is not formally required to report compliance or explain deviations from the code. However, the Board of Directors is focused on good corporate governance practice. The principles for good corporate governance that are relevant to Visma and its current ownership structure are based on the Code of 23 October 2012. The Code can be found at www.nues.no/en/.

THE MAIN PRINCIPLES FOR CORPORATE GOVERNANCE IN VISMA ARE:

- Visma's Board of Directors is independent of the Visma Group's Corporate management team.
- Structures are established to ensure the separation of roles and to provide the Board with effective measures to execute its functions. Visma's communication with its stakeholders must be open and reliable both in terms of the development of the company and all issues related to corporate governance.



VISMA MANAGEMENT

Øystein Moan
Chief Executive Offiser
Born 1959, started in Visma in 1997. Since taking the reins, Moan has led Visma to become one of the most innovative companies in the Nordic region. He has taken the company from 300 to more than 7 000 employees, and increased revenue from EUR 30 million to EUR 900 million.

Tore Bjerkan
Chief Financial Officer
Born 1958, started in Visma in 1980. As CFO, Bjerkan has steadily led Visma through healthy and continuous financial growth. The former founder of Multisoft (a part of the merger on which Visma was established) is involved in all decisions that could possibly affect Visma's financial results.

Eivind Gundersen
Division Director, Visma Software SMB
Born 1970, started in Visma in 2000. As Director of the Software SMB Division, Gundersen is in charge of providing our small to medium sized customers with efficient and easy to use business admin solutions. The migration to the cloud is well underway, new business models awaits both Visma and our customers – and Eivind Gundersen has both the experience and ability to lead the division through these exciting times.

Peter Fischer
Division Director, Visma Retail
Born 1964, started in Visma in 2008. Knowing sales inside-out is a great attribute when leading Visma's Retail division. With the region's largest retailers amongst their customers, Fischer and his team go out of their way to deliver value-adding solutions – from the sales point to the head office.

Carsten Boje Møller
Division Director, Visma Custom Solutions
Born 1962, started in Visma in 2010. Handling – and winning – the largest ICT contracts in the public sector, the Consulting division combine the highest professional standards with an unwavering customer value. Boje Møller leads by example, and the former IT consultant's experience is valuable for all aspects of his job.

Nils Vold
Division Director, Visma Enterprise
Born 1975, started in Visma in 2006. The division provides full-scale ERP and HRM systems for complex businesses along with public sector production systems for areas such as school administration, care for the elderly, and child protective services. Both government organization and private enterprises are in a state of transition, migrating from on premise systems to cloud solutions – With a combination of technical and business skills Nils Vold has the expertise to succeed with this cloud transformation - and his experience with M&A is important for the future strategy in Visma Enterprise.

Merete Hverven Bull
Chief HR Officer
Born 1977, started in Visma in 2011. Since her appointment, Merete Hverven Bull has been responsible for the professionalization of overall HR processes and the development of a business oriented corporate HR strategy in Visma, focusing on developing our organization and attracting, recruiting and retaining the right employees

Espen Håkonsen
Managing Director,
Visma IT and hosting services
Born 1968, started in Visma in 2013. IT service delivery means rapid growth and major changes as emerging technologies introduce paradigm shifts. Cloud service delivery is the next major driver. Success in changing environments requires the ability to innovate, design and deliver while providing steady and secure IT deliveries. Espen brings broad IT experience, ranging from technical operations to top management, from both the private and the public sector.

Aase Settevik
Director Brand & Communication
Born 1961, started in Visma in 1998. Through a systematic and long-term effort, Settevik has turned Visma into a highly recognized and trusted brand. Overseeing marketing and communication resources in many countries and across a myriad of entities, her conviction of the value of strong brands has certainly come to fruition.

Mikael Männik
Director Mergers & Acquisitions
Born 1967, started in Visma in 2010. With strategic acquisitions as an important factor in Visma's growth, Männik has had to make full use of his diplomacy skills and excellent financial insight. Männik and his highly skilled team of financial analysts and experts are hands-on throughout all Visma's M&A processes.

Jørn Ludahl
Director Customer Loyalty
Born 1966, started in Visma in 2007. With the clear-cut objective of improving customer loyalty among Visma's 320 000 customers, Ludahl has become the symbol of the Net Promoter Score program. Through his efforts all Visma entities will soon know how to measure and improve customer loyalty a vital step in ensuring organic growth.

ØYSTEIN MOAN
Chief Executive Officer

TORE BJERKAN
Chief Financial Officer

EIVIND GUNDERSEN
Division Director,
Visma Software SMB

PETER FISHER
Managing Director,
Visma Retail

CARSTEN BOJE MØLLER
Managing Director,
Visma Custom Solutions

NILS VOLD
Division Director,
Visma Enterprise

MERETE HVERVEN BULL
Chief HR Officer

ESPEN HÅKONSEN
Managing Director,
Visma IT&C

AASE SETTEVIK
Director Brand
& Communication

MIKAEL MÄNNIK
Director Mergers &
Acquisitions

JØRN LUDAHL
Director Customer Loyalty

08 DIRECTORS REPORT

DIRECTORS REPORT

2017 marks another strong year for Visma. The Group completed its biggest acquisitions to date, the Scandinavian Payroll and HRM software provider Bluegarden in September 2017. Several more strategic software acquisitions were completed during the year, and the group enjoyed double-digit revenue and EBITDA growth. SaaS/Cloud solutions remained a primary focus for Visma and significant resources were invested in development during 2017.

The overall market situation remained stable for Visma's core markets. Visma benefits from continued strong fundamentals in the Nordic markets (representing 98 per cent of Visma revenues). All Nordic countries have very strong public finances. During 2017, the Norwegian economy recovered from the oil sector volatility and the Swedish economy continued to enjoy strong growth. The Danish and Dutch economies are solid and growing, and the Finnish economy is experiencing strong growth after some years of weakness.

Visma continued its excellent track record of above-market economic growth in 2017 with double-digit revenue and EBITDA growth when including acquired companies. Through organic growth as well as acquisitions, the Group further strengthened its strong position within ERP and HRM software to the Nordic Entry Level and SMB segments during 2017. At the end of 2017, Visma had 7 000 employees and more than 750 000 customer contracts in its core software businesses, and an additional 330 000 hosting customers. Visma continued its strategic focus on Cloud Software in 2017, with SaaS Software and related services being an increasingly important driver of organic growth. Visma invested substantial development resources in SaaS products and technologies during 2017. The strong, organic SaaS development was also complemented by multiple SaaS acquisitions completed during the year.

Visma achieved Cloud revenues of 5 127 million in 2017. Pure SaaS Software revenues grew 52.4%. As a result, Visma is one of the largest SaaS business software businesses in Europe.

Total revenue increased by 19,0 per cent to NOK 9 346 million in 2017. EBITDA increased by 12.8 per cent to NOK 2 152 million. The Board of Directors is satisfied with the financial performance, which was in accordance with the expectations set forth in the Director's report for 2016.

Visma continues to offer its customers products that help to manage businesses and improve efficiency. The essential and business critical nature of the product and services offering provides significant stability to Visma revenues. In addition, the broad product portfolio and growing Nordic customer density increases potential for cross-selling products and services across business units and national borders. Visma believes its strong customer base and strategic positioning provides a solid platform for continued growth in 2018.

HIGHLIGHTS

The economies where Visma operates were generally in good health during 2017. We see stability across the core markets.

During 2017, Visma continued to emphasize its strategic prioritization of transitioning Visma and its customers to the Cloud.

eAccounting, Visma's SaaS accounting offering to the micro/SMB segment had over 90 000 customers across Norway, Sweden, the Netherlands and Finland by the end of 2017. Visma's SaaS e-invoicing solutions achieved strong, organic growth across Norway, Sweden, Finland and Denmark. In addition to its strong organic SaaS development, Visma also acquired several SaaS/Cloud businesses during the year.

2017 included significant acquisition activity, Visma increased its SaaS product portfolio through numerous acquisitions in the Nordic markets, among them the acquisition of Bluegarden, one of the leading SaaS payroll and HRM providers in Scandinavia.

In Denmark, Visma significantly increased its presence on the payroll/HRM segment through the acquisition of Bluegarden, a leading provider of SaaS payroll and HRM Software in Denmark. Visma see strong synergies with Bluegarden and look forward to expand and improve the software offering to our payroll and HRM customers.

In Norway, Visma entered the segment for e-Commerce solutions through the acquisitions of Trollweb Solutions and Mystore.no. Through these acquisitions, Visma is becoming one of the leading providers in the fast growing segment for e-Commerce solutions.

In Finland, Visma grew its presence in the segment for accounts receivables management and debt collection through the acquisition of Papilla Penkkala Group, specializing in order to cash management.

Visma expanded its product portfolio to SaaS Board Portals and Virtual Data Rooms through the acquisition of Admincontrol. Admincontrol is a market leading board portal for Norwegian companies with a significant presence in several other Northern European countries as well.

Visma Custom Solutions expanded its solution offering through multiple acquisitions during 2017, among them Octo3, a Finnish consulting firm specializing in mobile solutions as well as Svensk e-Identitet specializing in eAuthentication services.

Innovative product development is of vital importance to retain existing and attract new customers to Visma. At the end of 2017, Visma employed around 900 employees in cost effective and highly competent nearshore R&D centers. Nearshoring in combination with highly skilled onshore development resources are key strategic components to provide Visma with increasingly cost-effective and agile development teams.

In 2017, Visma continued to invest in new SaaS products, with several new SaaS products and modules released during the year. In 2017, close to 70% of R&D spend was allocated to SaaS/Cloud products.

ACQUISITIONS

Visma acquired the following entities in 2017:

- Optivasys AB, Sweden, January 2017
- LogBuy ApS, Denmark, February 2017
- Trollweb Solutions AS, Norway, March 2017
- Mystore.no AS, Norway, March 2017
- Papilla Penkkala Group Oy, Finland, March 2017
- Davilex Software BV, the Netherlands, March 2017
- NYCE Solutions AB, Sweden, April 2017
- Megaflex Oy, Finland, May 2017
- Comenius Svenska AB, Sweden, June 2017
- Infrastone Oy, Finland, June 2017
- nearU AB, Sweden, August 2017
- Bluegarden Group, Denmark, September 2017
- Admincontrol AS, Norway, October 2017
- Svensk e-identitet AB, Sweden, October 2017
- Octo3 Oy, Finland, October 2017

ASSESSMENT OF FINANCIAL STATEMENTS

The financial statements for the year have been presented on the assumption that the company is a going concern, and based on the financial statements and earnings forecasts for 2018 the Board of Directors confirms that this assumption is applicable.

Visma reports in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU. The financial statements for the parent company have been prepared in accordance with the Norwegian Accounting Act 1998 and generally accepted accounting principles (NGAAP). The paragraph below describes the full year 2017 figures. 2016 figures are in brackets.

INCOME STATEMENT

The Visma Group achieved revenue growth of 19.0 per cent to NOK 9 346 million in 2017 (7 855), a solid revenue development across the business.

SMB remained the largest revenue contributor and accounted for 47.8 per cent of revenue, followed by Enterprise at 24.9 per cent, Custom Solutions at 12.5 per cent, Retail at 11.3 per cent and IT & Hosting at 3.3 per cent.

Earnings before interest, tax, depreciation and amortization (EBITDA) increased by 12.8 per cent to NOK 2 152,0 million (1 908.2).

SMB accounted for 63.8 per cent of total EBITDA, followed by Enterprise at 22.4 per cent, Custom Solutions at 8.3 per cent, Retail at 2.1 per cent and IT & Hosting at 3.2 per cent.

Depreciation and amortization amounted to NOK 997.6 million in 2017 (752.3), with the increase primarily explained by acquisitions adding to the asset base.

08 DIRECTORS REPORT

EBIT decreased by 0.1 per cent to NOK 1 156.2 million (1 155.9).

Net financial items decreased as a result of increased interest and financial, and profit before tax increased by 2.3 per cent to NOK 917.9 million (897.1).

Taxes amounted to NOK 173.6 million (207.5), generating a net income from continuing operations of 744.4 million (689.5). Profit for the year from continuing and discontinued operations combined was 753.4m (4 201.1), with the sale of the BPO division in 2016 explaining the decrease. Consequently, the net profit after tax and minority interests was 751.9m (4 200.8)

In the Board of Directors opinion, the financial statements for the year present fairly the Group's financial position and results for 2017.

In 2017, the parent company Visma AS had a profit of NOK 729.1 million (790.4).

PROPOSED ALLOCATION OF THE PROFIT FOR THE YEAR (NOK 1 000)

Transferred to retained earnings	729.065
Total allocated	729.065

CASH FLOW AND BALANCE SHEET

Visma generated a strong cash flow of NOK 1 961.7 million from continuing operational activities in 2017 (1 803.6). The Board of Directors deems the cash flow from operations to be satisfactory, supported by sound financial management and improvements in working capital.

Cash flow from investing activities was NOK -3 325.3 million (1 401.2). 2016 saw positive cash flow from investing activities due to cash proceeds from the divestiture of the BPO division. In 2017 NOK -3 310.3 million was related to acquisitions (-1 439.3). Cash flow from financing activities amounted to NOK -1 064.5million (-267.6) the increase was driven by payment of an increased group contribution following the sale of the BPO division the year before.

Cash and cash equivalents decreased to NOK 3 665.2 million (5 866.9), which the Board of Directors considers to be sufficient given the current and expected activity level.

Total assets increased to NOK 19 706 million at the end of 2016 (17 559), mostly related to businesses acquired during the year.

The majority share of the equity decreased to NOK 7 517.8 million at the end of 2016 (8 229.9), mainly reflecting the profit for the year and payment of group contribution to Archangel AS. The equity ratio decreased to 38.2 per cent (46.9).

Accounts receivables totaled NOK 1 353 million at 31 December 2017 (1 102). Customers' average credit period was 36 days towards the end of 2017.

Visma has made provisions of 1.5 per cent of accounts receivable (excluding VAT), to cover potential losses on doubtful receivable. The allocation is close to trade receivables older than 180 days. The company closely monitors accounts receivable, and the provision is considered adequate given that the company's average credit period is below the IT-industry average.

REVIEW OF THE BUSINESS AREAS

SMB delivers ERP, CRM, HR/payroll, and e-commerce software to small and medium-sized businesses in Norway, Sweden, Finland Denmark and the Netherlands. In addition, SMB provides Accounts Receivables Management services and e-Invoicing solutions throughout the Nordic region. In 2017, Visma SMB further strengthened its position as a leading SaaS supplier with strong growth in both revenue and number of new subscriptions. During 2017, growth in revenues from cloud computing was 34.5 per cent and ended at NOK 2 497 million for the full year. SaaS subscriptions and SaaS transactions is now the key growth driver for SMB. Visma SMB acquired several SaaS businesses during the year: Among them Admincontrol in Norway.

Visma enjoyed a strong organic growth on its SaaS ERP offering for the entry-level segment, eAccounting, which reached a customer base of more than 90.000 customers across Norway, Sweden the Netherlands and Finland by the end of 2017. Visma is a strong catalyst in developing the Nordic e-Invoicing market. The market adoption is steadily increasing and Visma's position has been strengthened during 2017. Visma reached 7.5m monthly e-invoicing transactions at the end of 2017

Revenue in SMB increased 14,6 per cent to NOK 4 468.7 million in 2017 (3 900.0). EBITDA amounted to NOK 1 392.1 million (1 240.3), corresponding to an EBITDA-margin of 31.2 per cent (31.8). At the end of the year, SMB had approximately 3 000 employees, servicing more than 650 000 Customer Contracts.

Enterprise experienced strong growth in 2017. Significant focus has been directed towards cloud payroll and HRM software. Visma continued to roll out Visma.net Payroll - a true international payroll cloud service with the same payroll software for the Dutch, Norwegian and Swedish markets. Combined with the acquisition of Bluegarden and Comenius, Visma has become a leading provider of SaaS payroll and HRM solutions to the Nordic markets.

Revenue in Enterprise increased 38.1 per cent to NOK 2 331.7 million in 2017 (1 689.0). EBITDA amounted to NOK 489.0 million (388.9), corresponding to an EBITDA-margin of 21.0 per cent (23.0). At the end of the year, Enterprise had approximately 2 000 employees.

Custom Solutions is a leading provider of bespoke software solutions, IT and consultancy services across the Nordic countries. The focus is primarily on public sector and large private enterprises. Custom Solutions offers development and project management, application management, e-government solutions, BI solutions as well as system development and system integration.

During 2017, Visma Custom Solutions expanded its product offering and competency within mobile solutions through the acquisition of Octo3 and e-authentication solutions through the acquisition of e-Identitet.

Revenue in Custom Solutions increased 27.7 per cent to NOK 1 170.8 million in 2017 (916.5). EBITDA amounted to NOK 181.9 million (150.4), corresponding to an EBITDA-margin of 15.5 per cent (16.4). At the end of the year, Custom Solutions had approximately 1 050 employees.

Retail is a full range supplier of software solutions and related services to Scandinavian retailers, with some of the largest retail chains in Scandinavia on the customer list.

During 2017, Visma Retail expanded its product offering into Warehouse Management Systems through the acquisition of NYCE Solutions and e-Commerce solutions through the acquisition of Trollweb. Adding to the already strong product line up, Visma Retail solidify its position as a one-stop shop for Retail Software solutions.

Revenue in Retail increased 1.6 per cent to NOK 1 055.2 million in 2016 (1 038.9). EBITDA amounted to NOK 46.5 million (82.7), corresponding to an EBITDA-margin of 4.4 per cent (8.0). At the end of the year, Retail had approximately 700 employees.

IT & HOSTING

IT & Hosting provides IT Operations to internal as well as external customers in addition to domain name and web services hosting to more than 330 000 customers across several European countries.

Revenue in IT & Hosting increased by 3.1 per cent to NOK 310.3 million in 2017 (301.0). EBITDA amounted to NOK 69.5 million (49.4), corresponding to an EBITDA-margin of 22.4 per cent (16.4). At the end of the year, IT & Hosting had approximately 200 employees.

ORGANIZATION, WORK ENVIRONMENT AND EQUALITY OF OPPORTUNITIES

Visma is headquartered in Oslo, but has further 133 locations distributed in Norway (45), Sweden (45), Finland (16), Denmark (11), the Netherlands (3), Romania (2), United Kingdom (2), Ireland (2), Lithuania (2), Latvia (1), Spain (1), Czech Republic (1), Poland (1) and Serbia (1).

The business operations of the Visma Group are carried out through 117 wholly and partly owned subsidiaries, whereas the Group for reporting purposes is organized in five divisions; SMB, Enterprise, Custom Solutions, Retail and IT & Hosting. The divisions have responsibility for their business areas, regardless of geography and other factors.

At the end of 2017 Visma had 7 008 employees, which is an increase from 5 493 at the end of 2016. The increase is fueled by high acquisition activity.

Visma is a highly complex enterprise. The competencies of our employees are central in creating value for customers and shareholders, and ensure future progress of the company.

Visma has a clear focus on retaining and further developing skilled and dedicated employees. Several courses are offered on group level, as well as further down in the organization, with the purpose of increasing competence and ensuring career development. This includes leadership development programs.

Moreover, Visma focuses on attracting the best and brightest young professionals and offers several trainee programs. The 11th class of Management Trainees started the program autumn 2017. All managers in the Group are responsible for designating and training their successors.

Visma emphasizes activities within HSE (health, safety and the environment) and has designated HSE groups and a head safety delegate. HSE procedures form

08 DIRECTORS REPORT

part of Visma's ISO 9000 approved quality system. Total sick leave for the Group averaged 3,1 per cent in 2017 (3.2 in 2016). 2 accidents occurred in connection with work tasks undertaken at Visma during 2017.

Twice a year Visma conducts a joint, international Employee Engagement Survey (EES) aiming to uncover the work climate and employee engagement in the organization. The main survey is conducted in September and consists of 15 common questions as well as optional division specific questions. The scale is 1-10, 10 being the highest score. The follow-up survey is carried out in March. In collaboration with the Managing Director and HR personnel, each department establishes target figures for the individual areas of focus for each year. The knowledge our managers obtain from such surveys is necessary to facilitate the development and further improvement of the work environment and corporate culture.

One overall action plan is submitted per division. In addition, all units with a negative eNPS and/ or a negative development of 10 or more is to submit a separate plan with analysis, concrete actions, deadline of implementation. The action plans are reviewed at management meetings, and followed up until the issues in the action plan have been resolved. The eNPS measuring how likely the employees are to recommend Visma as a good employer has had a stable score of 41 the past year.

Visma's staff is, overall, relatively balanced between the genders, with a slight majority of 62 per cent men.

In the holding company, Visma AS, eight of seventeen employees are women. The proportion of women in top management is 23 per cent and 34 per cent in middle management. Visma aims to improve the balance in the executive group, although the primary criteria remain to secure the right competence in all types of positions.

As of 31 December 2017, the group's Board of Directors comprises nine men.

Visma believes that a relatively balanced gender ratio contributes to a better working environment, greater creativity and adaptability, and better results in the long run. To promote the principle of equal opportunity for both genders, Visma has implemented the following measures to strengthen and secure the gender balance:

- If qualifications are the same in other respects, the underrepresented gender will be appointed when hiring new employees or filling vacant positions.
- Opportunities for training and promotion are independent of gender.
- Guidelines on equal opportunities have been sent to all managers in the Group and have been reviewed in management meetings.

Visma's compensation policy is based on equal pay for equal work, meaning that women and men in the same positions have the same salaries if all other conditions are the same. However, average salary levels are also influenced by age, length of service, specialization, and the proportion of managers. All of these factors contribute to an average salary which in 2017 was 16.5 per cent (16.9) higher for men than for women.

In recruitment processes, Visma seeks candidates with the best professional qualifications and emphasizes ability tests for all positions. Focus on ability creates equal opportunities regardless of gender, nationality or background. On a general level, the Group seeks to obtain a gender ratio within the 40-60 per cent range in each department and each category of position.

The company also promotes employment of personnel of different nationalities and cultural backgrounds, and is recruiting professionals from all over the world.

Visma strives to create a working environment that enables employees of both genders to combine work and family life. At the end of 2017, 169 employees were on leave of absence, of which 83 per cent were women.

Visma also seeks to provide a working environment offering opportunities for the disabled. The company has recently moved into several new buildings, where the company has required landlords to provide easy access also for employees using wheelchairs and other disabled. Work in Visma is in general not physically demanding, and people with physical disabilities thus have good opportunities in Visma.

On the basis of the current status and measures already implemented, the Board of Directors at Visma AS considers that further actions to promote equal opportunities in the Visma Group are not necessary at this time, but will be regularly considered.

THE ENVIRONMENT

It is the opinion of the Board of Directors that the company's activities do not significantly affect the environment.

In the broader context, Visma's financial and logistics products contribute to greater productivity for the company's customers, and thereby to reduced wastage of economic and material resources. Visma's solutions help businesses improve their efficiency, reduce paper and electricity usage, reduce travelling time and costs, and generally reduce their carbon footprint through electronic business operation.

Visma's environmental strategy is a key area in the company's overall responsibility program, with a special focus on areas where Visma can have the most impact on the environment: Green IT, energy saving, and consolidated server solutions. Further details are described in the separate review of our environmental strategies in the CESG section, which also offers a short description of internal measures that are designed to reduce Visma's already modest carbon footprint.

ASSESSMENT OF RISK FACTORS AND UNCERTAINTIES

Market and technology risks

As all companies, Visma is exposed to general economic fluctuations and GDP developments in the different countries where Visma is selling its products and services.

As a technology company, Visma is also exposed to risks associated with shifts in technology, and resulting changes in the competitive landscape.

The competition can mainly be divided into two groups; large international companies, and smaller, local competitors. Visma's main international competitor is Microsoft, with Oracle and SAP also having a significant presence in the Nordic markets. In additional to the large international competitors, Visma also faces local competitors, often specializing in a given geography or market segment. Visma has competed with each of these businesses in the Nordics over a number of years and has maintained a strong position with high brand recognition and good customer satisfaction.

Visma has tried to limit its exposure to the market and technology risks in the following manner:

- The products and services provided to a large degree cater to requirements that are mandatory and necessary regardless of the economic cycle
- Visma has more than 750 000 customer contracts in different countries, and in many different verticals. This lowers the exposure to events affecting a single country or vertical market. Visma has many small customers, which simplifies the projects and lowers implementation risks
- Visma has a wider range of products than its competitors, which provides more opportunities for cross-selling, more product sales to each customer, and less churn
- Visma utilizes both Microsoft based technology and Open Source/Java technology
- Visma systematically collects information about customer satisfaction through "net-promoter-score" research. Based on feedback from the customers, Visma both addresses individual customer problems, and need for process-changes

Interest rate risk

Visma is exposed to interest rate risk, as its interest bearing debt carries floating interest rates. However, the company has entered into interest contracts covering around 50 per cent of the loan amounts. Hedges through interest rate swaps are expected to offset the changes in expected cash flows due to fluctuations in interest rates over the life of the debt.

Exchange rate risks

Visma is exposed to changes in the value of NOK, relative to other currencies, in particular SEK, DKK and EUR. This reflects both production and sales in other countries, and effects on the translation of earnings and cash flows into NOK. The Group has loans in several currencies to match underlying cash flows in the operations.

In 2017, a 5.0 per cent change in exchange rates versus NOK would have had an estimated effect of NOK 25.4 million on the profit before tax.

Credit risks

Visma sells almost all of its products and services to other businesses at a credit and is hence exposed to credit risks.

In 2017, the company expensed bad debts corresponding to approximately 0.2 per cent of revenue and has made provisions for 1.5 per cent of total accounts receivable.

Credit risk is limited through:

- Credit checks before establishment of new customer relations
- Low average invoice due to the large number of small customers
- Expedient follow up of unpaid due invoices
- A high-quality product offering and customer satisfaction among the highest in the markets where Visma operates

Furthermore, Visma's in-house debt collection operation in Visma Collectors has the highest resolution rate among Nordic debt collection companies

08 DIRECTORS REPORT

Cash-flow risks

As a leveraged company Visma has debt service obligations and depends on continuous cash conversion of its revenue. Visma has very limited cost of goods sold and carries hardly any inventory.

Net cash flow from operating activities has historically been above 90.0 per cent of EBITDA. In 2017 it is 93.0 per cent (94.5). Any cash-flow risk is hence closely related with EBITDA-performance.

Liquidity risks

Visma seeks to manage liquidity to ensure that it has sufficient liquidity to meet its financial obligations under any circumstances without incurring unacceptable losses or risking damage to the reputation. Excess liquidity is primarily invested in bank deposits. The Board of Directors considers the cash level at the end of 2017 to be sufficient given the current and expected activity level.

Please also refer to note 20 – Financial instruments for further description of risk factors and measures to manage risk.

Legal risks

Several parts of Visma perform professional services, especially within Visma BPO and Visma Software SMB. Visma is also involved in complex implementation projects.

With over 7 000 employees and more than 750 000 customer contracts, Visma's international master insurance program for general responsibilities is constructed to cover the liability and exposure. Visma also has extensive insurance cover against cyber risk exposure. The Board of Directors considers Visma's coverage sufficient for the projects where Visma is involved.

IT risks

As a technology company Visma is heavily dependent on it IT-operations and infrastructure. The SaaS product offering of Visma utilize software and IT-automation for its production, and even a few hours of downtime at the Visma IT-center may have a short-term impact on the financial results of Visma and potential long-term consequences for customer-relationships.

Software development and customer support are also using Visma IT extensively and, like in most modern companies, almost all activities stop without IT. As an industry-leading high-tech company Visma is probably also a likely target for industrial espionage and hacking.

To limit and control the risks associated with the dependence on IT, Visma has organized its IT operations in a separate legal entity: Visma IT & Communication (VITC). VITC operates a central data-center on two independent locations with fail-over functions.

VITC operations are run according to best practices within information security management and is certified according to ISO 27001 as well as ISO 20000 and ISO 9001.

The top management of Visma recognizes the need to limit IT-related risks, and has supported Visma's extensive investments in hardware, premises, certifications, competence and software to prevent intrusion and ensure the continuity of its IT operations.

OUTLOOK FOR 2018

The global economic outlook for 2018 is overall positive. However, there is significant macroeconomic uncertainty in the global economy. Most prominently from increased political tension in the US as well as Europe. Still, Visma's markets continue to be the strongest and most stable in Europe.

The company expects increased demand for ERP and HRM solutions. The high labor costs in the Nordic markets require businesses and the public sector to invest in productivity enhancing tools. While many enterprises will continue with tight cost-control and productivity measures, Visma expects that most companies also will continue to look for solutions to promote and support renewed growth.

We also see that the HRM segment of the market is growing relatively faster than the ERP market. Visma has a strong position with its payroll, travel expense and workforce management products and will continue to build its position in this product category. Visma will focus on areas that are mission critical for its customers and have logical links with other Visma systems.

Visma expects increasing demand for SaaS offerings in all of Visma´s product areas. Visma intends to be a leader in the SaaS product development in its markets. During 2018, Visma will continue with launches of some new and innovative SaaS products that Visma believes will provide leading-edge software solutions to its customers and markets. The SaaS offerings will both attract new groups of users and will also provide growth opportunities through enhancement of existing products already installed at the customers' sites.

It will be important for Visma to increase its own organizational productivity going forward. Therefore, Visma will continue to invest in its near-shoring centers. Visma will concentrate organic personnel growth within the group to these near-shore locations. Visma will also increase its recruiting presence and invest in employer branding in these core Visma markets.

Organic growth will continue to be driven by SaaS trends, cross-selling across and the bundling of add-on products.

2018 will likely see continued acquisition activity with a prioritization on SaaS and HRM oriented businesses. The acquisitions will also complement the substantial internal R&D investments focused on developing SaaS/Cloud solutions for all primary product areas.

GUNNAR BJØRKAVÅG
Chairman of the Board

NICHOLAS JAMES HUMPHRIES
Director

JEAN BAPTISTE VINCENT ROGER ROBERT BRIAN
Director

SØREN HOLT
Director

JAMES DAVIS
Director

EDWARD SHUCKBURGH
Director

CHRISTOPHER JAMES GOOD
Director

VINIT NAGARAJAN
Director

ØYSTEIN MOAN
CEO and Director

Oslo, 24 May 2018

CONSOLIDATED ANNUAL ACCOUNTS

INCOME STATEMENT – 1 JAN. - 31 DEC.

VISMA AS - CONSOLIDATED

(NOK 1,000)	Note	2017	2016
CONTINUING OPERATIONS			
OPERATING REVENUE			
Sales revenue	2	9 345 654	7 855 248
Total operating revenue		**9 345 654**	**7 855 248**
OPERATING EXPENSES			
Sales and distribution cost		1 577 896	1 383 931
Payroll and personnel expenses	3,16	4 345 912	3 558 574
Depreciation and amortisation expenses	4,5	995 795	752 303
Other operating expenses	8,16	1 269 830	1 004 583
Total operating expenses		**8 189 433**	**6 699 391**
Operating profit		**1 156 221**	**1 155 857**
Result from associated companies	**24**	**(7 840)**	**(311)**
FINANCIAL ITEMS			
Financial income	9	74 877	22 330
Financial expenses	9	(305 349)	(280 811)
Net financial items		**(230 471)**	**(258 481)**
Profit before taxes and discontinued operations		**917 909**	**897 066**
Taxes	**10**	173 554	207 546
Net income from continuing operations		**744 356**	**689 520**
DISCONTINUED OPERATIONS			
Net income from discontinued operations	**26**	**9 034**	**3 511 600**
Profit for the year from continuing and discontinued operations		**753 389**	**4 201 120**
Attributable to:			
Equity holders of Visma AS		751 933	4 200 757
Non-controlling interests		1 457	363
Earnings pr share in TNOK			
Basic earnings per share	19	751 933	4 200 757
Diluted earnings per share	19	751 933	4 200 757

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Profit for the year		**753 389**	**4 201 120**
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:	20	36 746	30 410
Net gain (loss) on financial hedging instruments		(8 819)	(7 298)
Income tax	2	273 569	(91 643)
Exchange differences on translation of foreign operations			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Net gain (loss) on defined benefit plan		5 164	2 940
Other comprehensive income (loss) for the period, net of tax		306 660	(65 591)
Total comprehensive income for the period		**1 060 049**	**4 135 529**
Equity holders of Visma AS		1 058 593	4 135 166
Non-controlling interests		1 457	363

STATEMENT OF FINANCIAL POSITION 31 DEC

VISMA AS - CONSOLIDATED

(NOK 1,000)	Note	2017	2016
ASSETS			
Non-current assets			
Pension assets	3	0	9 327
Deferred tax assets	10	77 563	61 686
Goodwill	4,23	8 453 324	6 100 589
Patents and other intangible assets	4	2 031 632	1 531 124
Capitalized development expenses	4	404 425	264 999
Contracts & Customer relationships	4	2 586 780	1 389 124
Property	5	21 718	21 151
Machinery and equipment	5	122 384	94 189
Shares classified as available for sale	21	43 642	39 675
Investment in associated companies	24	76 076	83 917
Other long-term receivables	7	454 885	418 808
Total non-current assets		**14 272 429**	**10 014 588**
Current assets			
Inventory		60 084	38 650
Accounts receivables	6	1 353 106	1 102 192
Other current receivables	7	354 947	536 501
Cash and cash equivalents	12	3 665 241	5 866 935
Total current assets		**5 433 378**	**7 544 278**
TOTAL ASSETS		**19 705 807**	**17 558 866**

09 CONSOLIDATED ANNUAL ACCOUNTS

(NOK 1,000)	Note	2017	2016
EQUITY AND LIABILITIES			
Equity			
Paid-in share capital	14,15	186 700	181 700
Share premium reserve		46 857	1 415 631
Other paid-in capital		394 394	394 394
Total paid-in capital		**627 952**	**1 991 726**
Other reserves	13	452 585	145 925
Retained earnings		6 437 283	6 092 291
Equity attributable to equity holders of the parent		**7 517 819**	**8 229 942**
Non-controlling interests		16 244	21 971
Total equity		**7 534 063**	**8 251 913**
Non-current liabilities			
Deferred tax liability	10	1 260 148	888 089
Financial hedging Instruments	20	82 891	119 160
Other long-term interest bearing loans and borrowings	12	5 804 317	4 977 879
Other long-term non interest bearing liabilities		354 602	276 557
TOTAL NON-CURRENT LIABILITIES		**7 501 958**	**6 261 685**
Current liabilities			
Revolving credit facility	20,22	793 080	163 553
Short-term interest bearing bank loans	12, 20,22	100 000	100 000
Trade creditors		468 322	425 319
Public duties payable		431 092	340 370
Tax payable		80 696	36 615
Other current liabilities	22	2 796 596	1 979 410
Total current liabilities		**4 669 786**	**3 045 267**
Total liabilities		**12 171 744**	**9 306 953**
TOTAL EQUITY AND LIABILITIES		**19 705 807**	**17 558 866**
Secured liabilities and guarantees	17		

Oslo, 24 May 2018

GUNNAR BJØRKAVÅG
Chairman of the Board

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Director

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Director

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Director

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Director

NICHOLAS JAMES HUMPHRIES
Director

VINIT NAGARAJAN
Director

SØREN HOLT
Director

ØYSTEIN MOAN
CEO and Director

STATEMENT OF CASH FLOWS – 1 JAN. - 31 DEC.

VISMA AS - CONSOLIDATED

(NOK 1,000)	Note	2017	2016
Profit before tax from continuing operations		917 909	897 066
Profit before tax from discontinued operations	26	9 034	3 562 139
Ordinary profit before taxes from continuing and discontinued operations		**926 943**	**4 459 204**
Depreciation and amortisation expenses		995 795	752 303
Taxes paid		(169 194)	(107 070)
Changes in debtors		(250 914)	5 815
Changes in inventory and trade creditors		21 570	108 230
Changes in public duties payable		90 721	(98 002)
Changes in deferred revenue		259 058	(11 431)
Change in other accruals		87 724	227 255
Net cash flow from continuing and discontinued operations		**1 961 703**	**1 999 229**
Net cash flow from continuing operations		1 961 703	1 763 618
Net cash flow from discontinued operations	26		235 611
Sale of (investment in) businesses	1	(3 310 336)	(1 739 337)
Investment in R&D software related to business combinations		(144 718)	(26 281)
Investment in tangible fixed assets related to business combinations		(10 808)	(10 865)
Capitalised development cost	4	(68 532)	(71 913)
Investment in tangible fixed assets	5	(63 093)	(57 265)
Sale of (investment in) shares	**21**	(3 967)	4 336
Net proceeds from divestiture of discontinued operations	**26**	276 150	3 302 521
Net cash flow from investments		**(3 325 304)**	**1 401 196**
Repayments of interest bearing loans		(234 011)	(224 010)
Proceeds from interest bearing loans		744 375	738 664
Change in revolving credit facility		584 296	(332 017)
Change in long-term receivables		(5 203)	(1 556)
Payment of group contribution		(2 000 993)	(403 027)
Cash inflow from dividends		23 400	4 000
Net cash from share issues		94 000	215 697
Cash inflow from interest		22 859	21 233
Cash outflow from interest		(251 007)	(286 572)
Net cash flow from financing activities		**(1 022 284)**	**(267 587)**
Net cash flow for the year		**(2 385 885)**	**3 132 837**
Cash and cash equivalents 1.1		5 866 935	2 915 318
Net foreign exchange difference		184 192	(181 221)
Cash and cash equivalents 31.12	**12**	**3 665 242**	**5 866 935**

STATEMENT OF CHANGES IN EQUITY.

VISMA AS - CONSOLIDATED

(NOK 1,000)		Paid-in share capital Note 14	Share premium reserve	Other paid-in capital	Other reserves Note 13	Retained earnings	Majority's share of equity	Non-con-trolling interests	Total equity
Equity as at 01.01.2016		**171 700**	**1 209 934**	**394 394**	**211 516**	**2 170 287**	**4 157 832**	**6 049**	**4 163 880**
Profit for the period						4 200 757	4 200 757	363	4 201 120
Issue of share capital	14	10 000	205 697				215 697		215 697
Reallocation of share premium reserves									
Dividends									
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		10 000	205 697		**(65 591)**	**4 200 757**	**4 350 863**	**363**	**4 351 226**
Group contribution from/(to) parent company						(275 580)	(275 580)		(275 580)
Changes to non-controlling interest; acquisition and arising on business combination (Note 1)						(3 173)	(3 173)	15 560	12 387
Equity as at 31.12.2016		**181 700**	**1 415 631**	**394 394**	**145 925**	**6 092 291**	**8 229 942**	**21 971**	**8 251 913**
Equity as at 01.01.2017		**181 700**	**1 415 631**	**394 394**	**145 925**	**6 092 291**	**8 229 942**	**21 971**	**8 251 913**
Profit for the period						751 933	751 933	1 457	753 389
Issue of share capital	**14**	5 000	89 000				94 000		94 000
Reallocation of share premium reserves									
Dividends									
Net gain (loss) on financial hedging instruments, net of tax					27 927		27 927		27 927
Exchange differences on translation of foreign operations, net of tax					273 569		273 569		273 569
Net gain (loss) on defined benefit plan, net of tax					5 164		5 164		5 164
Total comprehensive income for the period		**5 000**	**89 000**		**306 660**	**751 933**	**1 152 593**	**1 457**	**1 154 049**
Group contribution from/(to) parent company			(1 457 774)			(406 941)	(1 864 715)		(1 864 715)
Changes to non-controlling interest; acquisition and arising on business combination (Note 1)								(7 184)	(7 184)
Equity as at 31.12.2017		**186 700**	**46 857**	**394 394**	**452 585**	**6 437 283**	**7 517 819**	**16 244**	**7 534 063**

IFRS ACCOUNTING POLICIES 2017

CORPORATE INFORMATION

The consolidated financial statements of Visma AS, for the year ended 31 December 2017 were authorised for issue in accordance with a resolution of the Board of Directors on 24 May 2018. Visma AS (hereafter the 'Company' or 'Visma' or the 'Group') is a limited liability company incorporated and domiciled in Oslo, Norway. The registered office of Visma AS is Karenslyst allé 56, 0277 Oslo, Norway. The Company is 100% owned by Archangel AS.
The Groups activities are described in note 2. Information on the Group's structure and other related party relationships is provided in note 11.

BASIS OF PREPARATION

The consolidated financial statements of Visma AS including all its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the EU.

The consolidated financial statements have been prepared on a historical cost basis, except for available-for-sale investments and interest rate swaps that have been measured at fair value.

The consolidated financial statements have been prepared on the basis of uniform accounting principles for similar transactions and events under otherwise similar circumstances.

The consolidated financial statements are presented in NOK and all values are rounded to the nearest thousand (NOK 1 000) except when otherwise indicated. The consolidated financial statements provide comparative information in respect of the previous period.

BASIS FOR CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December each year. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Segment reporting

For management purposes, the Group is organised into business units based on its products and services and has five reportable segments. The Group reports its operating segments based on changes to the organisational structure implemented 1 December 2016 after the sale of BPO division in 2016. At the end of 2016, BPO is not presented as a separate segment as a result of the sale of the BPO division and the business of the Software SM and Software GLA segments from 2015 has been reallocated to five new segments at the end of 2016. In line with realignment of the strategic focus of the Group, the financial reporting structure of the Group has been changed to mirror the new customer structure and the sale of the BPO division.

Operating segment is a component of the Group that:

- engages in business activities from which it may earn revenues and incur expenses
- whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance
- for which discrete financial information is available
- The financial information relating to segments and geographical distribution is presented in note 2.
- The internal gain on sales between the various segments is eliminated in the segment reporting.
- Functional currency and presentation currency
- The consolidated financial statements are presented in NOK, which is Visma AS's functional currency.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. All exchange differences are recognised in the income statement. Non-monetary items that are measured at historical cost in foreign currency are translated using the exchange rates at the dates of the initial transactions.

The Group has foreign entities with functional currency other than NOK. At the reporting date, the assets and liabilities of foreign entities with functional currencies other than NOK are translated into NOK at the rate of exchange at the reporting date and their income statements are translated at the average exchange rates for the year. The translation differences arising from the translation are recognised in other comprehensive income until the disposal of the net investment, at which time they are recognised in the income statement.

Exchange differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity, or monetary items that are regarded as a part of the net investments are in the consolidated financial statements recognised as a separate component of other comprehensive income until the disposal of the net investment, at which time they are recognised in the income statement. Tax charges and credits attributable to exchange differences on those borrowings are also recorded in other comprehensive income.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in profit or loss. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and if non-controlling interests are recognised at the proportionate share of the acquiree' s identifiable net assets the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Impairment
Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities are assigned to those units or groups of units. A cash-generating unit to which goodwill has been allocated will be tested for impairment annually, and whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the unit, including the goodwill, with the recoverable amount of the unit.

Where recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. The recoverable amount of a cash-generating unit is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the cash-generating unit.

Cash-generating units
A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. In identifying whether cash inflows from an asset (or group of assets) are largely independent of the cash inflows from other assets (or groups of assets), the management considers various factors including how management monitors the entity's operations (such as by product or service lines, businesses, geographical areas).
Intangible assets

Research and development cost
Research costs are expensed as incurred.

Development expenditure incurred on an individual project is recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete and its ability to use it sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset; and
- The ability to measure reliably the expenditure during development.

Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure carried forward is amortised over the period of the expected future sales from the related project. Amortisation starts when the development process is completed. The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use or more frequently when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable.

Gains and losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised but are expensed as occurred.

Identifiable intangible assets acquired in business combinations
The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition.

Values related to contracts and customer relationships are identified and recorded as identifiable intangible assets. The fair value of contracts and customer relationships are calculated considering the estimated future recurring revenues from the customers in the acquired operations at the date of the acquisition. The value related to contracts and customer relationships are calculated on a 100% basis, including the share of any non-controlling interest. The fair value of tax amortizations are considered in the recorded value of contracts and customer relationships. Any deferred tax liabilities related to the recorded contracts and customer relationships are calculated at nominal values and the difference between the fair value of the tax amortizations and the corresponding deferred tax liabilities are recorded as a part of goodwill.

Purchased rights and contracts and customer relationships acquired are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to this class of intangible assets. Purchased rights and contract and customer relationships have 4 – 15 years of useful life and are amortized on a straight-line basis over their useful life. The depreciable amount is determined after deducting its residual value (only where there is an active market for the asset). Useful life and residual value are reviewed at least annually and reflect the pattern in which the benefits associated with the asset are consumed. A change in the useful life or depreciation method is accounted for prospectively as a change in accounting estimate.

Trademark with indefinite lives are not amortised but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The carrying values of intangible assets with finite useful life are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of intangible assets is the greater of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognised in the income statement.

An item of intangible assets is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses on the sale or disposal of intangible assets are recorded as other operating revenues and other operating costs respectively in the year the item is derecognised.

Current versus non-current classification
The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.
A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.
Fair value measurement

The Group measures financial instruments such as derivatives and "available-for-sale investments" at fair value at each balance sheet date as describe in Note 20. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to transfer the liability takes place either:

- In the principal market for the asset or liability

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For cash-flow hedges, the Group Management, in conjunction with the Group's external valuers, also compares the change in the fair value of the liability with relevant external sources to determine whether the change is reasonable.

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Revenue
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is recognized gross unless required to be recognised net by a Standard or Interpretation (IAS 1.32).

Visma Enterprises, Retail and SMB
The most common types of revenue streams in Visma Enterprise, Retail and SMB are:
- License and maintenance fees
- Revenue from support agreements
- Software as a Service (SaaS)
- Revenue from procurement pooling services
- Revenue from maintenance agreements
- Revenue from hourly based consulting
- Revenue from transaction based agreements

Visma Enterprise, Retail and SMB have also revenue from sale of domains and web hosting services. Visma Retail has also revenue from sale of hardware. Refer to revenue recognition principles for both described under Visma IT & Hosing.
SMB has also revenue from services in administration and collections of accounts receivables.

License and maintenance fees
Licence fees related to software are recognized as revenue when the software is delivered. A delivery has taken place when the risk and control related to the software in all significant aspects have been transferred to the customer. Risk in this relation means the profit and loss potential related to the software. Control is related to the delivery of the software. At what time a delivery has taken place will therefore depend on the conditions included in the specific sales arrangement.

Initial licence fees are recognised when:
- A non-cancellable licence agreement has been signed;
- The software and related documentation have been shipped;
- No material uncertainties regarding customer acceptance exists;
- Collection of the resulting receivable is deemed probable.

Visma has two separate relationships related to their software licences and related maintenance contracts; one software licence contract and one maintenance contract, which may also include customer support. In addition Visma and/or the distributor may enter into separate contracts with the end-user regarding installation, implementation, support and other consultancy services related to the software. Most of this work is performed by a distributor.

Visma account for licence fee and maintenance fee separately. Licence fee is recognised when shipped to the customer when the criteria in IAS 18.14 are met. Maintenance fees are charged annually and recognised on a straight line basis over the contract period. Customers normally have the right to cancel their utilization rights prior to the next renewal period. Failing cancellation in due time, customers are obliged to pay for the next period. Such revenue from maintenance is recognised over the lifetime of the contract. When the software is delivered electronically, the delivery criterion for revenue recognition is met when the customer has the reasonable ability to access the licensed software. This condition is generally met when:

- Visma provides the necessary access codes to the customer to allow the customer to commence download of the licensed software and
- Visma's server is functioning.

In some cases, Visma is selling customized software implying development of new functionality. When delivering customised software, the percentage of completion method is applied.

Revenue from support agreements
Revenue from support agreements is recognised when the support is performed. Fixed price support contracts are recognized on a straight-line basis over the support period.

Software as a Service (SaaS)
Revenue from SaaS solutions may, in some cases, have two components – an up-front payment to cover the set-up fee, and an ongoing service fee equivalent to the maintenance contract, but including the hosting service. Visma recognize the portion of the fee related to the set-up on delivery, with the portion of the fee related to the maintenance and hosting element being recognized on a straight-line basis over the contract period as the service is provided. If the two components cannot be separated, the license fee is recognized over the contract period (normally on a straight-line basis).

Revenue from procurement pooling services
Revenue from procurement pooling services (SaaS solutions) has two components – an up-front payment to cover the licence and set-up fee, and an ongoing service fee to cover hosting. Visma recognize the portion of the fee related to the licence and set-up on delivery, with the portion of the fee related to the hosting element being recognized on a straight-line basis over the contract period as the service is provided. If the two components cannot be separated, the license fee is recognized as earned over the contract period (normally on a straight-line basis).Agreements with the suppliers in the purchasing pool are defined with a kick-back bonus according to sales volume to customers. These bonuses are recognised as revenue when earned

Revenue from maintenance agreements
Revenue from fixed price maintenance agreements is recognized on a straight-line basis over the maintenance period.

Revenue from hourly based consulting
Revenue from hourly based consulting is recognised when services have been provided. It is based on delivered hours and net hourly rates.

Revenue from transaction based agreements
Agreements regarding services to einvoicing are usually based on a transaction fee. Revenue is normally recognized as they are performed based upon transactions handled and hours used.

Visma IT & Hosting
The most common types of revenue streams in Visma IT & Hosting are:
- Revenue from sale of domains and web hosting service
- Sale of hardware
- Revenue from hourly based agreements
- Revenue from fixed price service agreements

Revenue from sale of domains and web hosting services
Revenue from sale of domains and web hosting services are charged annually and recognised on a straight-line basis over the contract period, usually 12 months. Advance payments are recognised as a liability (deferred revenue) in the balance sheet.

Sale of hardware
Revenue related to hardware acquired in from third parties is earned when the hardware is delivered and the control has been transferred to the customer.

Revenue from hourly based agreements
Hourly based agreements are defined with a fee per hour, and are usual small projects. Revenue related to project and consulting is earned when the services have been provided. At the balance sheet date work performed, but not yet invoiced, is recognised and capitalised as accrued income. Work invoiced, but not yet performed, is capitalised as deferred revenue.

Revenue from fixed price service agreements
Fixed price service agreements are usually larger projects. They are based on fixed fee or max and min fee and sometimes a defined target fee. As revenue from hour-based agreements, the revenue from fixed price agreements are also earned when the services have been provided.

Some fixed price service contracts will be invoiced upfront. The payment is capitalised as prepayments from customers and the revenue is recognised as the corresponding work is performed. If the work for the most part is performed on a continuous basis, a linear recognition of revenue over the contract period can be justified, unless there is evidence that some other method better represents the stage of completion. An estimated loss is accounted for immediately when a loss contract is identified.

Visma Custom Solutions
The most common types of revenue streams in Custom Solutions are:
- Revenue from maintenance agreements
- Revenue from hourly based agreements
- Revenue from fixed price service agreements

Software as a Service (SaaS)
Refer to description of revenue recognition above under Visma Enterprise, Retail and SMB and Visma IT & Hosting.

Other types of revenues within the Group
Interest income
Revenue is recognised as interest accrues (using the effective interest method). Interest income is included in finance revenue in the income statement.

Dividends
Dividend is recognised in the income statement when the shareholders' right to receive dividend has been determined by the general meeting.

Pensions
The Group have pension schemes where the company's commitment is to contribute to the individual employee's pension scheme (contribution plans). Contributions paid to the pension plans are expensed.
In addition to the defined contribution schemes, Visma has one defined benefit plan in Sweden covering 11 employees.

Income tax
The tax expense consists of the tax payable and changes to deferred tax.

Tax payable
Taxes payable assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.
Taxes payable are recognised directly in equity to the extent that they relate to equity transactions.

Deferred taxes
Deferred income tax is provided using the liability method on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:
- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.
- Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:
- where the deferred income tax asset

relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Property and equipment
Property and equipment acquired by Group companies are stated at historical cost, except the assets of acquired subsidiaries that were stated at the fair values at the date of acquisition. Depreciation is charged on a straight-line basis over the estimated useful life of the assets. The amount to be depreciated is the carrying amount less the asset's residual value.

Useful life and residual value are reviewed at least annually and reflect the pattern in which the benefits associated with the asset are consumed. A change in the useful life or depreciation method is accounted for prospectively as a change in accounting estimate.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Ordinary repair and maintenance (day-to-day servicing) of tangible assets is recorded as an operating cost, whereas improvements are capitalised and depreciated over its useful life. An item of property and equipment is derecognised upon disposal or when no future economics benefits are expected to arise from the continued use of the asset. Gains or losses on the sale or disposal of fixed assets are recorded as other operating revenues or other operating costs respectively in the year the item is derecognised.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of property and equipment is the greater of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognised in the income statement.

Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as interest cost.

Inventories
Inventories are valued at the lower of cost and net realisable value. The original cost of purchased goods is the purchase price and is based on the FIFO principle. The original cost of work in progress and own manufactured goods are the direct cost of production plus a share of the indirect cost of production based on normal operating capacity but excluding borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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Inventories are reduced for estimated obsolescence.

Trade receivables
Trade receivables are recognised at their cost minus any write downs.

Cash and cash equivalents
Cash and cash equivalents comprise bank deposits, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Restricted cash is included as cash and cash equivalents. Bank overdrafts are included within borrowings in current liabilities on the statement of financial position.
For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net outstanding bank overdraft.

Earnings per share
Earnings per share is calculated by dividing the majority shareholders share of the profit/loss for the period by the weighted average number of ordinary shares outstanding over the course of the period. When calculating diluted earnings per share, the average number of shares outstanding is adjusted for all share options that have a potential dilutive effect. Options that have a dilutive effect are treated as shares from the date they are issued.

Leases
Finance leases, which transfer to the Group substantially all the risk and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Cash flow
The cash flow statement has been drawn up in accordance with the indirect method and report cash flows during the period classified by operating, investing and financing activities. Cash and cash equivalents consist of cash and cash equivalents as defined under cash and cash equivalents, net outstanding bank overdraft.

Investment in an associate
The Group's investment in its associate is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The income statement reflects the share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. Where there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The share of profit of associates is shown on the face of the income statement outside operating profit. This is the profit attributable to equity holders of the associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the associates.

The financial statements of the associate are prepared for the same reporting period as the parent company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group. After application of the equity method, the Group determines whether it is necessary to recognize an additional impairment loss on the Group's investment in its associates. The Group determines at each balance sheet date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate' and its carrying value and recognizes the amount in the income statement.

Upon loss of significant influence over the associate, the Group measures and recognizes any retaining investments at its fair value. Any differences between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

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Financial instruments

In accordance with IAS 39, Financial instruments: Recognition and measurement, financial instruments within the scope of IAS 39 are classified in the following categories: at fair value with changes in value through profit or loss, loans and receivables, available-for-sale financial assets and other liabilities.

Financial assets with fixed or determinable cash flows that are not quoted in an active market are classified as loans and receivables. Financial liabilities that do not form part of the held for trading purposes category and which have not been designated as being at fair value with changes in value through profit or loss are classified as other liabilities.

Financial instruments that are held to maturity are included in fixed asset investments unless the redemption date is less than 12 months after the balance sheet date. Financial instruments in the held for trading purposes group are classified as current assets. Financial instruments that are available for sale are presented as current assets if the management has decided to sell the instrument within the 12-month period following the balance sheet date.

Investments that are held to maturity, loans and receivables and other liabilities are recognized at their amortized cost using the effective interest method.

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified. Financial instruments that are classified as available for sale and held for trading purposes are recognized at their fair value, as observed in the market on the balance sheet date, without deducting costs linked to a sale.

The gain or loss resulting from changes in the fair value of financial investments that are classified as available for sale is recognised in other comprehensive income. When the investment is sold, the accumulated gain or loss on the financial instrument that has previously been recognised in other comprehensive income is reversed and the gain or loss is recognised in the income statement.

Changes in the fair value of financial instruments classified as held for trading purposes or designated as being at fair value with changes in value through profit or loss are recognised in the income statement and presented as a financial income/expense.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

Initial recognition and subsequent measurement

The Group uses derivative financial instruments such as interest rate swaps to hedge its interest rate risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Group's criteria for classifying a derivative or other financial instrument as a hedging instrument are as follows:

(1) The hedge is expected to be very effective in that it counteracts changes in the fair value of or cash flows to an identified asset - a hedging efficiency of 80-125% is expected,

(2) The effectiveness of the hedge can be reliably measured,

(3) There is adequate documentation when the hedge is entered into that the hedge is effective, among other things,

(4) For cash-flow hedges, the forthcoming transaction must be probable, and

(5) The hedge is evaluated regularly and has proven to be effective.

Cash-flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized directly as other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the income statement in other operating expenses. Amounts recognized as other comprehensive income are transferred to the income statement when hedged transaction affects profit or loss, such as when the hedged income or financial expense is recognized or when a forecast sale occurs. Where the hedged item is the cost of a non-financial assets or non-financial liability, the amounts recognized as other comprehensive income are transferred to the initial carrying amount of the non-financial assets or liability.

For cash-flow hedges other than those mentioned above, associated accumulated gains and losses are reclassified from equity to the income statement during the same period(s) as the hedged expected transaction affects the profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or the enterprise cancels the hedging relationship despite the fact that the hedged transaction is still expected to take place, the accumulated gains or losses at that time remain in equity and are recognized in the income statement in accordance with the above guidelines when the transaction takes place.

Should the hedging relationship no longer meet the criteria for hedge accounting as specified above, accumulated gains and losses that are recognized in equity up to this date remain in equity and are recognized in the income statement in accordance with the above guidelines when the transaction takes place.

If the hedged transaction is no longer expected to take place, accumulated unrealized gains or losses on the hedging instrument that have previously been recognized directly in equity are recognized in the income statement immediately.

EQUITY

Equity and liabilities

Financial instruments are classified as liabilities or equity in accordance with the underlying economical realities.
Interest, dividend, gains and losses relating to a financial instrument classified as a liability will be presented as an expense or income. Amounts distributed to holders of financial instruments that are classified as equity will be recorded directly in equity.
Costs of equity transactions

Transaction costs directly related to an equity transaction are recognized directly in equity after deducting tax expenses.

Other equity

(a) Reserve

This reserve contains the total net increase in the fair value of non-current assets that have been revalued at an amount which exceeds their cost. The reserve also contains total net changes in the fair value of financial instruments classified as available for sale until the investment has been sold or it has been determined that the investment is of no value.

(b) Translation differences

Translation differences arise in connection with exchange-rate differences of consolidated foreign entities.

Exchange-rate differences in monetary amounts (liabilities or receivables) which are in reality a part of a company's net investment in a foreign entity are also included as translation differences.

If a foreign entity is sold, the accumulated translation difference linked to the entity is reversed and recognized in the income statement in the same period as the gain or loss on the sale is recognized.
Discontinued operations

The Group classifies non-current assets and disposal groups as held for distribution to equity holders of the parent if their carrying amounts will be recovered principally through a distribution rather than through continuing use. Such non-current assets and disposal groups classified as held for distribution are measured at the lower of their carrying amount and fair value less costs to distribute. Costs to distribute are the incremental costs directly attributable to the distribution, excluding finance costs and income tax expense.

The criteria for held for distribution classification is regarded as met only when the distribution is highly probable and the asset or disposal group is available for immediate distribution in its present condition. Actions required to complete the distribution should indicate that it is unlikely that significant changes to the distribution will be made or that the decision to distribute will be withdrawn. Management must be committed to the distribution expected within one year from the date of the classification. Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for distribution.

Assets and liabilities classified as held for distribution are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations

Or

• Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

The Group has one discontinued operations in 2017 and 2016 as they have sold its Active 24 z.o.o. (Poland) and BPO division, respectively. Additional disclosures are provided in Note 26. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

Adoption of new and amended standards and interpretations

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2017.

The nature and the impact of each new standard and amendment are described below. Although these new standards and amendments applied for the first time in 2017, they did not have a material impact on the annual consolidated financial statements of the Group.

IAS 7 Statement of Cash Flow - Disclosure initiative: The Group has provided disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses), refer to note 12

Annual Improvements 2012 – 2014, IFRS 12: IFRS 12 Disclosures of interest in other entities - clarification of the scope of the disclosure requirement in IFRS 12

Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses: The Group applied this amendment retrospectively. However, the implementation has no effect on the Group's financial position and performance as the Group has no deductible temporary differences or assets that are in the scope of the amendments"

The Group has not early adopted any other Standards, Interpretations or Amendments in 2017.

New and amended IFRSs and IFRICs with future effective dates

Standards and interpretations that are issued up to the date of issuance of the consolidated financial statements, but not yet effective are disclosed below. The Group's intention is to adopt the relevant new and amended standards and interpretations when they become effective, subject to EU approval before the consolidated financial statements are issued. The Group has considered to list and address only those standards, amendments and interpretations which are relevant and expected to have an impact on the Group's financial position, performance and/or disclosures.

The Group anticipates that all of the below standards, amendments and interpretations will be adopted in the Group's financial statements for the period commencing 1 January 2018 or after.

IFRS 9 Financial Instruments: Classification and Measurement

In July 2014, final version of IFRS 9 Financial Instruments was issued which reflects all phases of the financial instrument project and replaces IAS 39 Financial Instruments: Recognition and Measurements and all previous version of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. Overall, the Group expects no significant impact on its balance sheet and equity after initial application of the standard based on currently available information but it may be subject to changes arising from further detailed ongoing analyses or additional reasonable and supportable information being made available to the Group during the next year.

Effective for annual periods beginning on or after 1 January 2018. Early adoption of IFRS 9 is permitted.

IFRS 15 Revenue from Contracts with Customers (including amendments for effective date)

Under IFRS 15, the revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. This new revenue standard is superseding all current revenue recognition requirement under IFRS.

The standard applies to all revenue contracts and provides a model for the recognition and measurement of sales of some non-financial assets (e.g., disposals of property, plant and equipment). During 2016, the Group performed a preliminary assessment of IFRS 15, which is subject to changes arising from more detailed ongoing analysis and considering the clarifications issued by IASB in April 2016.

The Group has a high level of decomposition in their revenue recognition under current practice, and that contracts are decomposed based on sales prices to the customers. In 2017, the Group reviewed their contracts in more details to determine whether current practice of decomposition and revenue recognition are according to new guidelines given in IFRS 15. This review indicated that the impact of IFRS 15 is low for the Group, however, the group expect the have final detailed assessment after approval of the 2017 annual report.

Regardless of whether the revenue recognition is affected, the disclosure information on revenue recognition will have to be extended.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018, Visma has opted for the modified retrospective approach. Early adoption of IFRS 15 is permitted.

IFRS 16 Leases

The new leases standard requires lessees to recognise assets and liabilities for most leases i.e. account for all leases under a single on balance sheet model. At the commencement date of a lease, the Group, as a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessor accounting is substantially unchanged from current accounting under IAS 17.

Furthermore, the standard required lessees and lessors to make more extensive disclosure requirement.

In 2017, the Group has started a process to assess the potential effect of the IFRS 16 on its consolidated financial statement and it expects to finalise its assessment during 2018.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2019. Early adoption of IFRS 15 is permitted if adopted together with early adoption of IFRS 15.

Annual Improvements 2012 – 2014. IASBs annual improvements project 2012 – 2014 includes amendments to a number of standards:

- IFRS 1 First-time adoption of IFRS - Deletion of short-term exemption for the first-time adoption.
  This amendment does not have any impact on the Group. Effective date is 01 January 2018
- IAS 28 Investments in associates and joint ventures - clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice. The amendment has been deferred indefinitely.
- This clarification applies for venture capital organization or entity which has an interest in an associate or joint venture that is an investment entity. Therefore, this amendment does not have any impact on the Group.

IFRIC Interpretation 22 Foreign currency transactions and advance consideration

The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the nonmonetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.

Effective for annual periods beginning on or after 1 January 2017 by IASB but EU has not yet endorsed this amendment. Early adoption is permitted.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatments

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The interpretation addresses separate consideration of uncertain tax treatments, the assumptions an entity makes about the examination, how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates and how an entity considers changes in facts and circumstances of tax treatments by taxation authorities.

Effective for annual periods beginning on or after 1 January 2019 but EU has not yet endorsed this amendment. Early adoption is permitted

Annual Improvements 2015 – 2017. IASBs annual improvements project 2015 – 2017 includes amendments to a number of standards. The Group expect that the following amendments may have impact for the Group:

- IAS 23 Borrowing Costs - Borrowing costs eligible for capitalisation
  The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.
  Effective for annual periods beginning on or after 1 January 2019 but EU has not yet endorsed this amendment. Early adoption is permitted.

Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgments which have the most significant effect on the amounts recognised in the consolidated financial statements: Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Taxes

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Total tax payable is also depending on whether Visma would be allowed to change the Group contributions from previous years as a response to the present judgment. Refer to note 10 for further descriptions.

Fair value measurements of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing faire values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 20 for further disclosures.

Contingent consideration (earn-out), resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor (refer Note1 for details).

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Events after the balance sheet date

New information on the company's financial position on the statement of financial position which becomes known after the balance sheet date and which provides evidence of conditions that existed at the balance sheet date is recorded in the annual accounts. Events after the balance sheet date that are indicative of conditions that arose after the balance sheet date and that do not affect the company's financial position on the statement of financial position but which will affect the Company's financial position in the future are disclosed if significant.

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NOTE 1 - ACQUISITIONS OF BUSINESS, ASSETS AND NON-CONTROLLING INTEREST

(NOK 1,000)

Name	Description	Acquisition date	Percentage of voting equity instruments acquired	Cost price	Cost associated with the acquisition [1]	Consideration total
Acumatica inc	Deferred payment	02.01.2017		60 651	-	60 651
Numeron Oy	Last year earn-out, paid this year	02.01.2017		14 083	-	14 083
Optivasys AB	SaaS Consulting	05.01.2017	100,00%	54 469	-	54 469
Dinero Regnskab ApS	Deferred payment	02.02.2017		2 382	110	2 491
LogBuy ApS	SaaS Procurement Sw	01.02.2017	100,00%	38 818	365	39 183
Visma Duetto Oy	Last year earn-out, paid this year	22.02.2017		1 339	-	1 339
Descartes	SaaS audit tool asset	03.03.2017		14 873	-	14 873
Trollweb Solutions AS	e-Commerce SaaS Solutions	08.03.2017	100,00%	89 356	370	89 727
Mystore.no AS	e-Commerce SaaS Solutions	17.03.2017	100,00%	110 450	431	110 881
Pappila Penkkala Group Oy	Order-to-cash Solutions	08.03.2017	100,00%	210 634	759	211 393
Davilex Software BV	SMB ERP Sw	09.03.2017	100,00%	47 997	469	48 466
Visma Smartskill as	Last year earn-out, paid this year	03.04.2017		10 101	-	10 101
bWise AS	Last year earn-out, paid this year	04.04.2017		9 055	-	9 055
Viklo Oy	Last year earn-out, paid this year	03.04.2017		-317	-	-317
Digital Illustrated Oy	Last year earn-out, paid this year	03.04.2017		6 250	102	6 351
Trimma AB	Last year earn-out, paid this year	04.04.2017		23 410	-	23 410
NYCE Solutions AB	SaaS Warehouse Management Systems	06.04.2017	100,00%	68 839	183	69 023
Information Factory AB	Last year earn-out, paid this year	21.04.2017		9 871	-	9 871
SpeedLedger AB	Last year earn-out, paid this year	21.04.2017		75 657	-	75 657
Mind4IT A/S	Last year earn-out, paid this year	10.04.2017		17 196	-	17 196
Doneco ApS	Last year earn-out, paid this year	02.05.2017		4 414	-	4 414
Megaflex Oy	IoT Access Control Systems	18.05.2017	100,00%	172 300	301	172 601
Comenius Svenska AB	SaaS HRM Software	09.06.2017	100,00%	147 948	402	148 349
Infrastone Oy	SaaS Consulting	28.06.2017	100,00%	26 165	599	26 764
nearU AB	SaaS Consulting	25.08.2017	100,00%	25 726	210	25 936
Bluegarden Group	SaaS Payroll and HRM Software	12.09.2017	100,00%	2 341 341	17 300	2 358 641
Citysites	Domain name hosting asset	07.09.2017		33 656	265	33 921
Admincontrol AS	SaaS Board Portals and VDR	03.10.2017	100,00%	490 325	2 861	493 187
Svensk e-identitet AB	e-authentication solutions	02.10.2017	100,00%	61 426	272	61 699
Octo3 Oy	SaaS Consulting	03.10.2017	100,00%	89 607	68	89 675
Visma Vsware Bidco AS	Adjustment of estimated earn-out *	31.12.2017		20 901	45	20 947
Movenium Oy	Adjustment of estimated earn-out *	31.12.2017		-15 744	-	-15 744
Mind4IT A/S	Adjustment of estimated earn-out *	31.12.2017		20 675	-	20 675
Dinero Regnskab ApS	Adjustment of estimated earn-out *	31.12.2017		36 540	-	36 540
Visma Smartskill AS	Adjustment of estimated earn-out *	31.12.2017		4 500	-	4 500
Total				**4 324 893**	**25 113**	**4 350 005**

NOTE 1 CONTINUED

The cash outflow on acquisition are as follows:	
Cost price (excluded costs associated with the acq.)	4 150 930
Last year earn-out, paid this year	173 963
Change in estimated earn-out	(61 452)
Deferred payment	(557 094)
Cash paid	**3 706 346**
Net cash acquired with the acquisitions	240 484
Net cash (outflow)/inflow	**3 465 862**
Other intangible assets acquired	144 718
Machinery and equipment acquired	10 808
Net investment in businesses	**3 310 336**

1) Costs associated with the acquisition are expensed as "Other operating expenses".

Trollweb Solutions AS
On 8 March Visma acquired 100% of the voting shares in Trollweb Solutions AS. Trollweb is a Norwegian supplier of e-commerce solutions

Pappila Penkkala Group Oy
On 8 March Visma acquired 100% of the voting shares in Pappila Penkkala Group Oy. PPG is a Finnish supplier specialicing in order-to-cash solutions

Mystore.no AS
On 17 March Visma acquired 100% of the voting shares in Mystore.no AS. Mystore.no is a Norwegian supplier of e-commerce solutions

NYCE Solutions AB
On 6 April Visma acquired 100% of the voting shares of NYCE Solutions AB. NYCE is a Swedish supplier of Warehouse Management Systems

Megaflex Oy
On 18 May Visma Acquired 100% of the voting shares in Megaflex Oy. Megaflex is a Finnish supplier of IoT based Access Control Systems

Comenius Svenska AB
On 9 June Visma Acquired 100% of the voting shares in Comenius Svenska AB. Comenius is a Swedish supplier of SaaS HRM software

Bluegarden
On 12 September Visma Acquired 100% of the voting shares in the Bluegarden Group. Bluegarden is a Scandinavian supplier of SaaS Payroll and HRM software

Admincontrol AS
On 2 October Visma acquired 100% of the voting shares in Admincontrol AS. Admincontrol is a Norwegian supplier of SaaS Board Portals and Virtual Data Rooms

Svensk e-identitet AB
On 2 October Visma acquired 100% of the voting shares of Svensk e-identitet AB. E-identitet is a Swedish supplier of e-authentication solutions

Octo3 Oy
On 3 October Visma acquired 100% of the voting shares of Octo3. Octo3 is a Finnish supplier of SaaS consulting

Consideration for the acquisition includes the acquisition-date fair value of contingent consideration.

*Estimated earn out in the balance sheet for most entities, are considered at the best estimate. Adjustments to earn-outs are related to earn-out payments made during 2017 due to revised earn-out conditions and acquisition of the remaining equity stake in certain subsidiaries as specified in the table above. The aggregated effect on investment in purchased rights, goodwill, contracts and customer relationships is shown in note 4.

NOTE 1 CONTINUED

The aggregated fair value of identifiable assets and liabilities and the goodwill arising at the date of acquisition for material transactions are:

(NOK 1,000)	Trollweb Solutions AS	Pappila Penkkala Group Oy	Mystore.no AS	Comenius Svenska AB	Megaflex Oy	Bluegarden	Admincontrol AS	Octo3 Oy
Deferred tax assets	39	338		3 367		15 533	3 332	
Shares	3 325	2 391	311	(1 104)	4 398			105
Machinery and equipment	553	812	86	76	142	3 533	1 746	371
Property		302				1 144		
Other long-term receivables	454	99	2 101	104		5 944	2 176	
Inventories	119		226	15	13 074	321		
Trade receivables	5 780	2 696	2 828	7 634	4 444	90 576	11 476	7 007
Other short term receivables	884	1 974	1 675	2 806	1 202	54 094	15 451	406
Cash and cash equivalents	7 475	5 732	4 280	14 163	9 323	132 075	35 606	16 234
Other intangible assets		2 669	0		1 163	159 766	6 519	
Assets	**18 628**	**17 013**	**11 508**	**27 061**	**33 746**	**462 987**	**76 306**	**24 123**
Other long-term liabilities		1 357			6 557		7 987	
Deferred tax liability			9	3 242		10 785	1 722	
Bank overdraft		299						
Trade creditors	1 607	906	1 147	792	7 284	32 708	3 281	234
Public duties payable	2 068	1 523	1 990	1 252	1 808	30 192	6 038	2 041
Tax payable	(525)	622	439	(961)	598	10 064	398	758
Other current liabilities	2 054	4 535	9 080	21 610	3 038	99 877	67 598	4 701
Liabilities	**5 204**	**9 242**	**12 664**	**25 935**	**19 285**	**183 626**	**87 023**	**7 733**
Fair value of net assets	**14 514**	**7 770**	**(1 156)**	**1 126**	**14 461**	**279 360**	**(10 717)**	**16 390**
Non-controlling interests	1 091							
Goodwill arising on acquisition	34 956	110 185	65 438	83 352	88 919	967 807	324 042	33 790
Other intangible assets	21 250	52 658	27 613	36 987	43 075	390 591	61 900	22 402
Contracts and customer relationship arising on acquisition	25 500	63 190	33 135	44 384	43 075	1 017 882	161 500	26 882
Deferred tax liability	(11 220)	(23 170)	(14 579)	(17 902)	(17 230)	(314 299)	(53 616)	(9 857)
Total acquisition cost	**85 000**	**210 634**	**110 450**	**147 948**	**172 300**	**2 341 341**	**483 109**	**89 607**
Net cash acquired with the subsidiary	(7 475)	(5 732)	(4 280)	(14 163)	(9 323)	(132 075)	(35 606)	(16 234)
Cash paid	85 000	141 087	41 950	147 948	124 491	1 861 161	483 109	56 610
Net cash outflow	**77 525**	**135 355**	**37 670**	**133 785**	**115 168**	**1 724 317**	**447 504**	**40 377**
Deferred payment		**69 547**	**68 500**		**47 809**	**251 600**		**32 996**
Revenue for the year	44 989	67 078	45 001	64 246	68 981	1 060 949	110 928	43 374
Revenue for the period before acquisition	5 648	8 324	5 088	23 920	26 801	686 617	79 277	31 110
Revenue contribution to the Visma Group	39 341	58 754	39 913	40 325	42 180	374 332	31 652	12 264
Profit for the year	2 827	(644)	1 255	(1 435)	(6 403)	34 707	(13 839)	7 702
Profit for the period before acquisition	1 032	1 404	(1 209)	2 486	2 626	67 418	(13 138)	8 853
Profit contribution to the Visma Group	1 795	(2 049)	2 464	(3 921)	(9 030)	(32 712)	(700)	(1 152)

The goodwill arising on these acquisitions are attributable to the anticipated profitability of the operations and to the anticipated synergies.
Goodwill arising on the acquisitions is usually not tax deductible.
For further comments on goodwill arising from acquisitions, please see Note 4.

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NOTE 1 CONTINUED

ACQUISITIONS AFTER THE BALANCE SHEET DATE

Name	Description	Acquisition date	Percentage of voting equity instruments acquired	Cost price	Cost associated with the acquisition	Consideration total
Optiway AB	Geographic Information Systems (GIS)	10.01.2018	100.0%	108 141	246	108 387
Co3 A/S	IT consulting	11.01.2018	100.0%	56 112	229	56 341
Kapacity A/S	BI Consulting	25.04.2018	100.0%	200 098	144	200 242
MyOpt Consulting Oy	Optimization Algorithms	26.04.2018	100.0%	31 772	0	31 772

The initial accounting for the business combination is incomplete at the time these financial statements are authorised for issue.
Hence disclosures related to purchase price allocation is not provided.

NOTE 2 - SEGMENT INFORMATION

CONSOLIDATED

The Group's primary reporting format is business areas and its secondary format is geographical distribution.
For management purposes, the Group is organised into business units based on the market their customer operates in with different risk and rates of return. The Group and has five reportable segments as follows:

a) Small and Medium Businesses (SMB)
b) Enterprise
c) Custom Solutions
d) Retail
e) IT & Hosting

The SMB division offers small to medium sized businesses a complete range of business admin solutions; including web based ERP and invoicing, CRM solutions, purchasing management and e-commerce solutions
Enterprise provides private enterprises with full-scale ERP and procurement systems along with public sector production systems for areas such as school administration and child protective services.
Custom Solutions offer custom development to Government and Large accounts
Retail offer full suite retail software and infrastructure
IT & Hosting offer hosting services as well as IT operations to other Visma business units as well as external customers.
Transfer prices between business segments are set at an arm's length basis in a manner similar to transactions with third parties.
Visma AS and national holding companies are disclosed under "Other".
Summarised financial information concerning each of the Company's reportable business segments is as follows:

OPERATING SEGMENTS

	2017						
(NOK1,000)	**SMB**	**Enterprise**	**Custom Solutions**	**Retail**	**IT & Hosting**	**Other**	**Total**
Revenues							
Total segment revenues	**5 252 764**	**3 003 384**	**1 332 637**	**1 370 862**	**458 510**	**151 788**	**11 569 946**
Internal revenues	784 094	671 685	161 860	315 655	148 254	142 743	**2 224 291**
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**
Cloud Computing	2 497 754	1 137 617	662 846	518 907	310 260	0	**5 127 384**
Other	109 522	39 519	20 671	193 248	-5	9 046	**372 001**
External revenues	**4 468 669**	**2 331 699**	**1 170 776**	**1 055 208**	**310 256**	**9 046**	**9 345 654**
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**
EBITDA margin	31,2%	21,0%	15,5%	4,4%	22,4%		23,0%
Profit before tax	**913 067**	**140 564**	**116 025**	**-23 077**	**28 977**	**-257 647**	**917 909**
Assets	**9 601 477**	**6 314 111**	**1 788 552**	**1 114 102**	**577 121**	**310 444**	**19 705 807**

NOTE 2 CONTINUED

	2016						
(NOK1,000)	**SMB**	**Enterprise**	**Custom Solutions**	**Retail**	**IT & Hosting**	**Other**	**Total**
Revenues							
Total segment revenues	**4 719 914**	**2 242 416**	**1 064 361**	**1 361 902**	**432 777**	**155 373**	**9 976 744**
Internal revenues	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	1 896 444	975 573	523 801	407 370	2 566	0	3 805 755
Cloud Computing	1 857 429	592 389	373 528	416 761	254 714	0	3 494 821
Other	146 088	121 011	19 173	214 801	43 699	9 900	554 672
External revenues	**3 899 961**	**1 688 973**	**916 503**	**1 038 933**	**300 978**	**9 900**	**7 855 248**
EBITDA	**1 240 276**	**388 888**	**150 447**	**82 740**	**49 378**	**-3 569**	**1 908 160**
EBITDA margin	31,8%	23,0%	16,4%	8,0%	16,4%		24,3%
Profit before tax	**828 582**	**201 376**	**85 055**	**43 402**	**9 455**	**-270 804**	**897 066**
Assets	**8 580 926**	**2 747 781**	**1 389 735**	**1 026 789**	**209 395**	**3 604 241**	**17 558 866**

Reconciliation	**2017**	**2016**
Profit before taxes and discontinued operations	917 909	897 066
Net financial items	230 471	258 481
Result from associated companies	7 840	311
Depreciations and amortisations	995 795	752 303
EBITDA from operating segments	**2 152 016**	**1 908 160**
EBITDA	**2 152 016**	**1 908 160**

Assets for associated companies are disclosed under "Other".

GEOGRAPHICAL AREAS

	2017			2016		
	Net sales	**% of net sales**	***Long lived assets**	**Net sales**	**% of net sales**	*** Long lived assets**
Norway	3 599 214	38,5%	4 069 589	3 246 228	41,3%	2 980 688
Sweden	3 152 919	33,7%	3 085 718	2 818 886	35,9%	2 286 994
Denmark	990 049	10,6%	3 625 565	624 595	8,0%	1 863 788
Finland	1 277 324	13,7%	1 880 828	866 032	11,0%	1 401 220
Netherlands	326 147	3,5%	814 461	299 507	3,8%	753 147
Total	**9 345 654**	**100,0%**	**13 476 160**	**7 855 248**	**100,0%**	**9 285 836**

* Long lived assets is defined as intangible assets, less deffered tax assets.

Assets and liabilities in foreign operations, including goodwill and fair value adjustments, are translated into NOK using the exchange rate applicable at the end of the reporting period. Income and expenses relating to foreign operations are translated into NOK using the average exchange rate. Exchange-rate differences are recognised in other comprehensive income.

NOTE 3 - PAYROLL AND PERSONNEL EXPENSES

CONSOLIDATED

(NOK 1,000)	2017	2016
Salaries	3 026 714	2 633 435
Employer's national insurance contributions	563 347	506 052
Pension expenses	272 652	202 995
Other personnel expenses	483 199	216 091
Total	**4 345 912**	**3 558 574**
Average number of man-year	**6 735**	**5 493**

Pensions

Visma has contribution-based schemes in Denmark, Finland, Sweden and Norway. The company is for the Norwegian employees required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension (Lov om obligatorisk tjenestepensjon). The company's pension scheme meets the requirements of that law. The annual contribution to the scheme is expensed as the year's pension expenses. Visma has no obligation beyond the annual contribution. Expenses related to the contribution plan were TNOK 256 650 in 2017 and TNOK 202 995 in 2016. In addition to the defined contribution-based schemes, Visma has one defined benefit plan in Sweden covering 11 employees.

NOTE 4 - GOODWILL AND OTHER INTANGIBLE ASSETS

CONSOLIDATED

(NOK 1,000)	Trademark	Technology	Software rights	Capitalized development expenses	Contracts & Customer relationships	Goodwill
Cost as at 1 January 2017, net of accumulated amortisation	**0**	**0**	**1 531 124**	**264 999**	**1 389 124**	**6 100 589**
Acquisitions	0	0	774 281	144 718	1 530 972	1 989 244
Additions	0	0	0	68 532	0	0
Disposal	0	0	0	0	0	0
Amortisation	0	0	(402 105)	(80 224)	(458 760)	0
Exchange adjustments	0	0	128 332	6 399	125 443	363 492
Balance at 31 December 2017	**0**	**0**	**2 031 632**	**404 425**	**2 586 780**	**8 453 324**
Carrying amount at 1 January 2017						
Cost	5 004	129 541	2 568 067	539 691	2 988 004	6 231 792
Accumulated amortisation and impairment	(5 004)	(129 543)	(1 036 943)	(274 692)	(1 598 880)	(131 203)
Carrying amount at 1 January 2017	**0**	**0**	**1 531 124**	**264 999**	**1 389 124**	**6 100 589**
Carrying amount at 31 December 2017						
Cost	5 004	129 541	3 470 680	759 340	4 644 419	8 584 527
Accumulated amortisation and impairment	(5 004)	(129 543)	(1 439 048)	(354 915)	(2 057 640)	(131 203)
Carrying amount at 31 December 2017	**0**	**0**	**2 031 632**	**404 425**	**2 586 780**	**8 453 324**

NOTE 4 CONTINUED

Contracts and Customer relationships represent intangible assets purchased through the effect of business combinations. The useful lives of these intangible assets were estimated as having a finite life and is amortised under the straight-line method over a period of 4-7 years. These assets are tested for impairment where an indicator on impairment arises.
Purchased rights represent intangible assets purchased through the effect of business combinations. The useful lives of these intangible assets were estimated as having a finite life and is amortised under the straight-line method over a period of 4-15 years. These assets are tested for impairment where an indicator on impairment arises.
Technology represents intangible assets purchased through the effect of business combinations. The useful lives of these intangible assets were estimated as having a finite life and is amortised by using the declining balance method.
Trademark represents intangible assets purchased through the effect of business combinations and is amortised with 12% by using the declining balance method.
Development costs are internally generated and amortised under the straight-line method over a period of 4 years.
Goodwill represents intangible assets purchased through the effect of business combinations. These assets are not amortised, but are anually tested for
impairment or if an indicator on impairment arises. Reference is made to Note 23.

INVESTMENT IN PURCHASED RIGHTS, GOODWILL, CONTRACTS AND CUSTOMER RELATIONSHIPS

(NOK 1,000)	Acquired (year)	Software rights	Capitalized development expenses	Contracts & Customer relationships	Goodwill
Optivasys AB	2017	5 447	-	13 617	35 106
LogBuy ApS	2017	9 705	2 674	13 586	19 580
Descartes	2017	14 873	-	-	-
Trollweb Solutions AS	2017	21 250	-	25 500	34 955
Mystore.no AS	2017	27 613	-	33 135	65 437
Pappila Penkkala Group Oy	2017	52 658	5 277	63 190	110 184
Davilex Software BV	2017	11 999	-	14 399	11 736
NYCE Solutions AB	2017	17 210	-	17 210	39 661
Megaflex Oy	2017	43 075	1 163	43 075	88 919
Comenius Svenska AB	2017	36 987	-	44 384	83 352
Infrastone Oy	2017	6 541	-	7 850	10 616
nearU AB	2017	6 432	-	7 718	6 812
Bluegarden Group	2017	390 591	129 484	1 017 882	967 807
Citysites	2017	24 390	-	9 266	7 404
Admincontrol AS	2017	61 900	6 121	161 500	324 042
Svensk e-identitet AB	2017	15 357	-	18 428	31 568
Octo3 Oy	2017	22 402	-	26 882	33 790
Adjustments*	2017	5 852	-	13 350	118 274
Total		**774 281**	**144 718**	**1 530 972**	**1 989 244**

* Adjustmens are related to earn-out payments for Dinero, Visma Duetto, bWise, Viklo, Speedledger, School Thing, Movenium, Mind4IT, Visma Smartskill, Information Factory, Trimma and Trollweb.
For further details and comments on acquisitions, please see Note 1.

NOTE 4 CONTINUED

(NOK 1,000)	Trademark	Technology	Software rights	Capitalized development expenses	Contracts & Customer relationships	Goodwill
Cost as at 1 January 2016, net of accumulated amortisation	**0**	**0**	**1 014 713**	**243 094**	**1 314 929**	**6 379 886**
Acquisitions	0	0	758 780	26 281	624 361	826 045
Additions	0	0	0	71 913	0	0
Disposal	0	0	(20 470)	(33)	(16 493)	(787 129)
Amortisation	0	0	(303 476)	(52 750)	(345 459)	0
Exchange adjustments	0	0	81 578	(23 506)	(188 214)	(318 214)
Balance at 31 December 2016	**0**	**0**	**1 531 124**	**264 999**	**1 389 124**	**6 100 589**
Carrying amount at 1 January 2016						
Cost	5 004	129 541	1 748 179	465 036	2 568 350	6 511 089
Accumulated amortisation and impairment	(5 004)	(129 542)	(733 467)	(221 942)	(1 253 421)	(131 203)
Carrying amount at 1 January 2016	**0**	**0**	**1 014 713**	**243 094**	**1 314 929**	**6 379 886**
Carrying amount at 31 December 2016						
Cost	5 004	129 541	2 568 067	539 691	2 988 004	6 231 792
Accumulated amortisation and impairment	(5 004)	(129 542)	(733 467)	(221 942)	(1 598 880)	(131 203)
Carrying amount at 31 December 2016	**0**	**0**	**1 531 124**	**264 999**	**1 389 124**	**6 100 589**

	2017	2016
The Group has incurred the following software research and development expenses	1 417 795	1 270 300

Research and development expenses include salaries for employees in the Group's development department and an estimate of the development department's proportional share of the operating expenses. Development expenses have been assessed by the Group in accordance with IAS 38.

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NOTE 5 - TANGIBLE FIXED ASSETS

CONSOLIDATED

(NOK 1,000)	Machinery and equipment	Property*	Total
At 1 January 2017	94 189	21 151	115 340
Investment	62 526	567	63 093
Investment from acquisition of subsidiary	10 808	0	10 808
Disposal and scrap	(96)	0	(96)
Impairment	0	0	0
Depreciation for the year	(54 707)	0	(54 707)
Adjustment	9 664	0	9 664
At 31 December 2017	**122 384**	**21 718**	**144 101**
At 1 January 2017			
Cost	818 780	31 329	850 109
Accum. depreciation	(724 591)	(10 178)	(734 769)
At 1 January 2017	**94 189**	**21 151**	**115 340**
At 31 December 2017			
Cost	901 682	31 896	933 578
Accum. depreciation	(779 298)	(10 178)	(789 476)
At 31 December 2017	**122 384**	**21 718**	**144 102**
Depreciation rates (straight line method)	10-33.33%	0 - 4%	

(NOK 1,000)	Machinery and equipment	Property*	Total
At 1 January 2016	**134 009**	**21 303**	**155 312**
Investment	57 265	(147)	57 118
Investment from acquisition of subsidiary	10 865	0	10 865
Disposal and scrap	(26 001)	(5)	(26 006)
Impairment	0	0	0
Depreciation for the year	(69 463)	0	(69 463)
Adjustment	(12 487)	0	(12 487)
At 31 December 2016	**94 189**	**21 151**	**115 340**
At 1 January 2016			
Cost	789 137	31 481	820 618
Accum. depreciation	(655 128)	(10 178)	(665 306)
At 1 January 2016	**134 009**	**21 303**	**155 312**
At 31 December 2016			
Cost	818 780	31 329	850 109
Accum. depreciation	(724 591)	(10 178)	(734 769)
At 31 December 2016	**94 189**	**21 151**	**115 341**
Depreciation rates (straight line method)	10-33.33%	0 - 4%	

* Properties that are not depreciated are tested for impairment where an indicator of impairment arise.

NOTE 6 - ACCOUNTS RECEIVABLES

CONSOLIDATED

(NOK 1,000)	2017	2016
Accounts receivables	1 373 708	1 117 488
Provision for bad debt	(20 602)	(15 296)
Accounts receivables	**1 353 106**	**1 102 192**

On a consolidated basis the provision for bad debts at 31.12.2017 is TNOK 20 602 while at 31.12.2016 it was TNOK 15 296

CHANGES IN PROVISIONS FOR BAD DEBTS	2017	2016
Provisions for bad debt 1 January	**15 296**	**21 814**
Effect from (disposals) and acquisitions of business	2 627	(3 194)
Bad debts recognised as expense (expense reduction)	4 914	(2 246)
Recovered amounts previously written off	(2 236)	(1 078)
Provisions for bad debt 31 December	**20 602**	**15 296**

AGE DISTRIBUTION OF ACCOUNTS RECEIVABLES FROM INVOICED DATE

	Current, 0-30 days	31-60 days	61-90 days	91-180 days	181+ days	Year end	Pro-visions	Total
Trade receivables 2017	1 170 393	137 644	19 974	17 854	27 842	1 373 708	(20 602)	1 353 106
Trade receivables 2016	886 716	115 858	77 601	16 571	20 742	1 117 488	(15 296)	1 102 192

The bad debt provisions is estimated based on historically incurred losses or events. The Group's accounts receivable which have been due for more than 180 days, excluding VAT, amount to TNOK 27 842 (TNOK 15 123 in 2016). Credit days varies between 15 and 30 days. There were no material individual items.
The company considers the provision for bad debt to be adequate.

NOTE 7 - OTHER CURRENT AND LONG-TERM RECEIVABLES

CONSOLIDATED

OTHER CURRENT RECEIVABLES

(NOK 1,000)	2017	2016
Prepaid expenses	102 221	145 885
Other current receivables	115 407	15 604
Prepaid taxes	2 820	12 735
Revenues recognized not invoiced / work in progress	134 498	95 768
Deferred payment discontinued operations	0	266 508
Total other current receivables	**354 947**	**536 501**

OTHER LONG TERM RECEIVABLES

Vendor loan note *	430 952	400 000
Other long term receivables	23 933	18 808
Total other long term receivables	**454 885**	**418 808**

* in 2016, Visma sold its BPO division. Part of the purchase price was paid in kind through the issuance of a NOK 400m Vendor Loan Note accruing 7% interestand recognized in the balance sheet under long term receivables.

NOTE 8 - OTHER OPERATING EXPENSES

CONSOLIDATED

(NOK 1,000)	2017	2016
Rent	326 835	263 872
Other office expenses	129 314	118 161
Telecom, postage and IT	179 893	139 393
Travel expenses	115 853	99 588
Car expenses incl leasing	47 057	36 779
Sales and marketing	180 689	156 365
Audit, lawyers' fees and other consulting services	270 985	177 727
Bad debts	19 204	12 699
Total other operating expenses	**1 269 830**	**1 004 583**

NOTE 9 - FINANCIAL INCOME AND EXPENSES

CONSOLIDATED

(NOK 1,000)	2017	2016
Financial income include:		
Dividend/transfer from investments	23 400	4 000
Other interest income	22 859	18 330
Foreign exchange gains*	0	0
Other financial revenues (PIK)	28 619	0
Total financial income	**74 877**	**22 330**
Financial expenses include:		
Interest expense	267 688	253 580
Foreign exchange losses *	14 752	12 727
Other financial expenses **	22 909	14 504
Total financial expenses	**305 349**	**280 811**

* Foreign exchange gains/losses are in all material respects associated with inter-company items that represent foreign exchange risk for the Group that is not considered part of a net investment.
** Other financial expenses consists mainly of funding fees amortized in connection with the long term interest bearing loans.

NOTE 10 - INCOME TAX

(NOK 1,000)

The major components of income tax expense for the years ended 31 December 2016 and 2015 are:

Consolidated statement of profit and loss	**2017**	**2016**
Current income tax charge	213 275	159 307
Changes in deferred taxes	-39 721	48 239
Income tax expense reported in the statment of profit or loss	**173 554**	**207 546**

Consolidated statement of other comprehensive income (loss)	**2017**	**2016**
Net gain (loss) on financial hedging instruments	(8 819)	(7 298)
Net (gain)/loss on actuarial gains and losses	(1 543)	(829)
Deferred tax charged to OCI	**(10 362)**	**(8 128)**

Below is an explanation of why the tax expense for the year does not make up 24% of the pre-tax profit. 24% is the tax rate of the parent company Visma AS.

	2017	**2016**
Ordinary profit before tax from continuing operations	917 909	897 066
Profit/(loss) before tax from a discontinued operation	9 034	3 562 139
Ordinary profit before tax	**926 943**	**4 459 204**
24% (25%) tax on ordinary profit before tax	222 466	1 114 801
Adjustments in respect of current income tax of previous years		
Permanent differences*	8 322	(829 766)
Different tax rate in group companies	(19 337)	(21 132)
Change in tax rates**	(11 150)	(4 896)
Loss (profit) from associated company	(1 882)	78
Tax from prior year	0	0
Non taxable dividend received	(22 698)	(1 000)
Recognised previous unrecognised tax loss	0	0
Tax expense	175 722	258 084
Income tax expense reported in the statement of profit or loss	173 554	207 546
Income tax attributable to a discontinued operation	2 168	50 538
Effective tax rate from continuing operations	18,9%	23,1%

*Mainly related to BPO divestment in 2016

** The following countries have changed the corporate tax with effect from 2018 affecting the temporary differences and deferred tax as at 31.12:

- Norway changed corporate tax rate from 24% to 23%

DEFERRED TAX AND DEFERRED TAX ASSETS	**Consolidated statement of financial position**		**Consolidated income statement**	
	2017	**2016**	**2017**	**2016**
Current assets/liabilities	93 315	112 832	(19 517)	(10 323)
Fixed assets/long term liabilities	1 129 288	713 554	19 831	46 246
Tax losses carried forward	(40 018)	17	(40 035)	4 189
Net deferred tax liability / (asset)*	**1 182 584**	**826 403**	**(39 721)**	**40 111**

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NOTE 10 CONTINUED

Reflected in the statement of financial position as follows:		
Deferred tax asset	77 563	61 686
Deferred tax liability	1 260 148	888 089
Net deferred tax liability / (asset)	**1 182 585**	**826 403**

	2017	**2016**
Deferred tax opening balance	**826 403**	**786 292**
Taken to other comprehensive income including currency effects	(10 362)	(8 128)
Change in group contribution related parties	(116 468)	(135 545)
Currency effects	23 777	2 121
Changes due to acquisitions	509 317	209 265
Changes due to disposals*		(67 713)
Taken to profit and loss	(50 083)	40 111
Deferred tax closing balance	**1 182 585**	**826 403**

The tax losses carried forward relate in all material respect to acquisitions made.
The losses are available indefinitely for offset against future taxable profits in the companies in which the losses arose and through realistic tax planning strategies within different tax regimes.

NOTE 11 - RELATED PARTY DISCLOSURES

CONSOLIDATED

Visma AS	Registered office	Holding% **	Book value ***
Visma Danmark Holding A/S *	Copenhagen	100,00%	794 960 997
Visma Romania Holding SRL *	Sibiu	100,00%	49 954 150
Visma Finland Holding OY *	Helsinki	100,00%	244 789 512
Visma Nederland Holding BV *	Amsterdam	100,00%	116 544 898
Visma Norge Holding AS *	Oslo	100,00%	1 799 802 663
Visma Sverige Holding AB *	Växjö	100,00%	6 080 187
Visma VSware Bidco AS *	Oslo	100,00%	127 461 997
Visma Latvia Holding SIA*	Riga	100,00%	53 416 300
Visma Treasury AS	Oslo	100,00%	5 000 000
Visma VSware Bidco AS *			
Total (NOK)			**3 198 010 703**

Visma Norge Holding AS			
Visma Software International AS*	Oslo	100,00%	519 718 353
Visma Software AS	Oslo	100,00%	562 563 079
Tripletex AS	Oslo	100,00%	59 018 636
Visma Unique AS	Oslo	100,00%	233 215 250
Visma Retail AS	Baråker	100,00%	150 032 377
Visma IT & Communications AS	Oslo	100,00%	66 326 991
Visma Collectors AS*	Trondheim	100,00%	183 735 963
Visma Smartskill AS,N	Sarpsborg	100,00%	124 651 225
Visma Commerce AS	Oslo	100,00%	12 845 694
Visma Retail Software AS	Baråker	100,00%	27 600 000
Exso AS,N	Baråker	100,00%	266 234 526
Visma Consulting AS	Oslo	100,00%	214 663 481
bWise AS	Oslo	70,00%	74 083 096
Visma Software Labs AS	Oslo	100,00%	324 106 676
Visma Mamut AS*	Oslo	100,00%	70 017 889
Mystore.no AS	Tromsø	100,00%	110 880 638
Trollweb Solutions AS	Sandnes	100,00%	74 977 898
Bluegarden AS	Oslo	100,00%	387 022 500
Admincontrol Holding AS*	Oslo	100,00%	395 851 762
Total (NOK)			**3 857 546 033**

NOTE 11 CONTINUED

Visma Sverige Holding AB	Registered office	Holding% **	Book value ***
Abalon AB	Stockholm	100,00%	60 389 059
TransPA AB	Munkedal	100,00%	46 263 729
Visma Software AB	Malmø	100,00%	120 330 042
InExchange Factorum AB	Skövde	100,00%	210 637 668
Visma Spcs AB	Växjö	100,00%	920 299 345
Visma Retail AB	Stockholm	100,00%	70 948 643
Visma Esscom AB	Bromman	100,00%	131 817 328
Visma Collectors AB	Helsingborg	100,00%	250 386 195
Visma Advantage AB	Stockholm	100,00%	30 674 009
Visma Finans AB	Växjö	100,00%	47 792
Information Factory AB, S	Uppsala	100,00%	46 597 501
Visma Enterprise AB	Stockholm	100,00%	433 416 625
Visma Labs AB	Stockholm	100,00%	234 436 779
Visma IT & Communications AB	Växjö	100,00%	2 220 000
Visma Commerce AB*	Stockholm	100,00%	249 803 610
Spendency AB	Stockholm	50,10%	11 500 000
Optivasys AB	Gothenburg	100,00%	57 857 357
Visma Lindhagen AB	Stockholm	100,00%	3 000 000
Visma Consulting AB*	Kista	100,00%	267 244 323
Visma Heatlthcare Logistics AB	Malmö	100,00%	70 552 394
Visma Purchasing AB	Malmö	100,00%	3 164 955
Visma Malmö AB	Malmo	100,00%	1 000 000
Visma Vipsen AB *	Växjö	100,00%	163 946 932
Loopia AB	Västerås	100,00%	527 803 235
Speedledger AB	Gothenburg	100,00%	238 405 562
NYCE Solutions AB	Nittorp	100,00%	72 239 826
Active 24 SRO	Prague	100,00%	89 541 425
Trollweb Solutions AB	Norrköping	100,00%	25 252 525
Bluegarden AB	Stockholm	100,00%	397 293 564
Medvind Informationsteknik AB	Stockholm	100,00%	48 133 876
Visma Comenius AB*	Kalmar	100,00%	152 090 852
nearU AB	Uppsala	100,00%	26 717 703
Svensk e-identitet AB	Uppsala	100,00%	63 202 740
Admincontrol Sweden AB	Stockholm	100,00%	24 264 483
Total (SEK)			**5 051 480 078**

NOTE 11 CONTINUED

Visma Danmark Holding A/S	Registered office	Holding% **	Book value ***
LogBuy Danmark ApS	Copenhagen	100,00%	32 805 826
Wallmob A/S	Vejle	100,00%	500 000
Visma Software A/S	Copenhagen	100,00%	58 946 298
Visma Retail A/S	Copenhagen	100,00%	500 000
Visma Consulting A/S	Copenhagen	100,00%	171 425 155
Visma Labs A/S	Copenhagen	100,00%	95 861 928
Mind4IT A/S	Copenhagen	100,00%	93 775 193
Dinero Regnskab ApS	Copenhagen	100,00%	152 353 531
Visma e-conomic A/S	Copenhagen	100,00%	1 068 740 834
Trollweb Solutions ApS	Copenhagen	100,00%	570 863
Team Siri Holding ApS*	Copenhagen	100,00%	1 245 297 743
Admincontrol Danmark ApS	Copenhagen	100,00%	31 090 753
Total (DKK)			**2 951 868 124**

Visma Finland Holding OY	Registered office	Holding% **	Book value ***
Visma PPG Oy	Turku	100,00%	23 338 914
Visma Numeron Oy	Tampere	100,00%	8 049 875
Visma Duetto Oy	Turku	100,00%	3 256 401
Visma Software OY	Espoo	100,00%	40 336 047
Visma InCommunity Oy	Vaasa	100,00%	21 378 576
Visma Enterprise OY	Helsinki	100,00%	19 271 932
Octo3 Oy	Lappeenranta	100,00%	9 612 660
Megaflex Oy	Helsinki	100,00%	18 340 538
Visma Consulting OY	Helsinki	100,00%	13 162 483
Digital Illustrated Finland Oy	Helsinki	100,00%	4 748 930
Movenium Oy *	Espoo	100,00%	7 810 797
Visma Solutions Oy	Lappeenranta	100,00%	56 341 182
Visma Passeli Oy	Pori	100,00%	20 334 663
Infrastone Oy	Hyvinkää	100,00%	2 789 571
Total (EUR)			**248 772 568**

Visma Nederland BV			
Visma Software BV*	Schiphol-Rijk	100,00%	104 972 772
Visma Teleboekhouden BV	Schiphol-Rijk	100,00%	5 223 625
Davilex BV	Houten	100,00%	5 357 973
Total (EUR)			**115 554 370**

Visma Latvia Holding SIA			
Visma Enterprise SIA	Riga	100,00%	6 131 369
Visma Software Labs SIA	Riga	100,00%	350 000
Visma Consulting SIA	Riga	100,00%	250 000
Total (EUR)			**6 731 369**

Visma Romania Holding SRL			
Visma Software SRL	Sibiu	100,00%	18 500 000
Total (RON)			**18 500 000**

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NOTE 11 CONTINUED

Visma VSware Bidco AS	Registered office	Holding% **	Book value ***
School Thing Ltd	Dublin		81 772 601
Total (NOK)			**81 772 601**

* Parent company in subgroup
** For all Group companies, the holding is equal to the proportion of voting capital.
*** Book value in the company accounts of the individual company in the Group. In the company accounts shares in subsidiaries are recognized according to the cost method.

Reference is made to Note 24 for an overview of the equity interest in each of the related companies.
The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

(NOK 1,000)	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties	Loans to related parties	Loans from related parties
Associates:						
SuperInvest AS - Group	15 079	9 020	1 612	182	0	0
Key managment personnel of the group:	0	0	0	0	0	0

Reference is made to Note 16 for information about compensation of key management personnel of the group
Reference is made to the "Statement of changes in equity" note for information about group contribution to Archangel AS and Visma Group Holding AS.

The ultimate parent

Metatron AS is the ultimate parent entity of the group.
Other than administrative services, there were no transactions between the Visma group and Metatron AS during the financial year.

Terms and conditions of transactions with related parties.

The sales to and purchases from related parties are made at terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2017, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTE 12 - BANK DEPOSITS AND LOANS

CONSOLIDATED

The consolidated accounts include cash and bank deposits of TNOK 3 665 241 (TNOK 5 866 935 in 2016).
Of this, restricted cash amounts to TNOK 133 043 (TNOK 159 659 in 2016), whereof TNOK 63 036 relates to guarantee liabilities.

Group account facilities

In the nordic countries, Visma Treasury AS has a group facility with Danske Bank, in which all units participate. The group account facility has been established to promote optimal cash flow management. In the agreement with Danske Bank, a cash-pool agreement is included were all affiliated entities accounts are zero-balanced. A tool for cash management and interest simplifies the financial control of the groups capital. The agreement gives an opportunity to enter limit appertaining to an entities account, which gives detailed control on unit level.

NOTE 12 CONTINUED

Interest bearing loans

The debt facilities were re-structured in May 2014 as part of an restructure of the debt profile in the Group. Related to this the senior debt facilities were extended. Further amendments were also made in March 2017. The financing benefits Visma with increased operational flexibility.

Senior facility loans are nominated in NOK, SEK, EUR and DKK

No form of compliance certificates is established on the Visma Group level. On the Archangel Group, form of compliance certificates were established on 03.12.2010. After the re-financing in September 2013 new form of compliance were established 05.09.2013 on the Visma Group Holding Group level. There were no breach of these covenants in 2016. The group is expected to pass all covenant-hurdles in the future.

(NOK 1 000)	Interest*	Interest margin	Interest		Interest accrued	Nominal value 31.12.2017	Due in 2018	Due in 2019
Senior Visma AS	0,89%	3,50%	4,39%	NOK	13 315	953 688	100 000	853 688
Senior Visma Sverige Holding AB	-0,39%	3,50%	3,11%	SEK	22 918	2 337 300	0	2 337 300
Senior Visma Finland Holding OY	-0,27%	3,50%	3,23%	EUR	876	86 057	0	86 057
Senior Visma Danmark Holding AS	-0,15%	3,50%	3,35%	DKK	10 590	1 000 000	0	1 000 000
Senior Visma Nederland AS	-0,27%	3,50%	3,23%	EUR	478	46 919	0	46 919
RCF Visma Danmark Holding A/S	-0,15%	3,50%	3,35%	DKK	6 354	600 000	0	600 000
Total Visma group translated to NOK				**NOK**	**71 944**	**6 713 456**	**100 000**	**6 613 456**
Expected interests to be paid				NOK			300 835	295 562
Interest swap Visma Sverige Holding AB				SEK	701	400 000		
Interest swap Visma Sverige Holding AB				SEK	7 959	600 000		
Interest swap Visma Finland Holding OY				EUR	371	50 000		
Interest swap Visma Danmark Holding A/S				DKK	1 656	460 000		
Interest swap Visma Nederland BV				EUR	230	26 000		
Total Visma group translated to NOK				**NOK**	**16 758**	**2 355 491**		

*Interest; For loans in NOK NIBOR - SEK STIBOR - EUR EURIBOR - DKK CIBOR

Reference is made to Note 20 for information about termination date and interest rate on interest swap agreements.

Average effective interest rate on financial instruments	2017	2016
Interest bearing deposits	0,48%	0,42%
Revolving credit facility	3,35%	3,06%
Acquisition facility	3,35%	3,06%
Loan secured by mortgage	4,48%	4,44%

Acquisition financing Visma AS	
Acquisition financing national holding companies	5 820 376
Capitalised borrowing cost	(16 059)
Other non interest bearing long term borrowings	354 602
Total	**6 158 919**

Reference is made to note 20 for information about interest risk and interest hedging instruments
Trade payables are non-interest bearing and are normally settled on terms between 15 and 60 days.

NOTE 12 CONTINUED

Changes in Liabilities arising from financing activities	1 January 2017	Cash Flows	Foreign exchange movement	Changes in fair values	Other	31 December 2017"
Short-term interest bearing bank loans	100 000	-100 000	0	0	100 000	100 000
Revolving credit facility	163 553	584 296	45 231	0	0	793 080
Long term interest bearing loans and borrowings	4 977 879	610 364	314 610	0	-98 535	5 804 317
Financial Hedging instruments	119 160	0	0	-36 269	0	82 891
Total liabilities from financing activities	**5 360 592**	**1 094 659**	**359 841**	**-36 269**	**1 465**	**6 780 288**

The 'Other' column includes the effect of reclassification of non-current portion of interest-bearing loans and borrowings

NOTE 13 - OTHER RESERVES

CONSOLIDATED

(NOK 1,000)	Financial hedging instruments (net of tax)	Exchange differences on translation of foreign operations (net of tax)	Other changes	Total other reserves
As at 1 January 2016	**(145 764)**	**313 673**	**43 607**	**211 516**
Changes in 2016	23 112	(91 643)	2 940	(65 591)
At 31 December 2016	**(122 652)**	**222 029**	**46 548**	**145 925**
Changes in 2017	27 927	273 569	5 164	306 660
At 31 December 2017	**(94 725)**	**495 598**	**51 712**	**452 585**

The following describes the nature of the equity component of other reserves:

Financial hedging instruments

This includes fair value changes of interest swap contracts (net of tax, ref. note 20).

Exchange differences on translation of foreign operations

Foreign currency translation includes exchange differences arising from the translation of the financial statements of foreign subsidiaries (net of tax).

Other changes

Visma implemented IAS 19R in 2013. IAS 19R eliminates the corridor approach and recognizes all actuarial gains and losses in Other Comprehensive Income as they occur. In addition all past service costs are recognized immediately and interest cost and expected return on plan assets are replaced with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). The changes have been applied retrospectively with effect on the opening balance 1 January 2012.

NOTE 14 - SHARE CAPITAL AND SHAREHOLDER ISSUES

CONSOLIDATED

At 31.12.2017, the company's share capital consists of 1 share with a nominal value of NOK 186 700 313 fully paid.
One share entitles the holder to one vote. No changes to the number of shares has taken place in 2017.

Shareholders at 31.12.2017	Holding (%)
Archangel AS	100%
Total	**100%**

NOTE 15 - SHARES OWNED BY THE BOARD AND EXECUTIVE EMPLOYEES

CONSOLIDATED

At the end of the financial year, members of the Board and executive employees owned the following shares in the ultimate parent company, Metatron AS.

	Holding
Board of Directors:	1,00%
Executive employees:	
Øystein Moan (CEO)	0,99%
Tore Bjerkan (CFO)	0,31%
Bjørn A.Ingier (Director Growth & Cross-sales)	0,16%
Eivind Gundersen (Division Director Visma Software SMB)	0,03%
Total	**1,50%**

METATRON AS

Shareholder/Nominee	Ordinary A-shares	Preference B-shares	Total # Shares	%
Trio Debtco S.a.r.l. - Hg Capital funds	23 971 326	5 968 860 434	5 992 831 760	42,1%
Philomelos S.a.r.l - Cinven funds	9 745 682	2 426 674 941	2 436 420 623	17,1%
Hornbeam Investment Pte Ltd - GIC funds	7 742 324	1 927 838 738	1 935 581 062	13,6%
Trio Co-Invest 2 S.a.r.l. - ICG funds	4 327 259	1 077 487 428	1 081 814 687	7,6%
Vesuvius Luxco S.a.r.l. - Montagu funds	3 526 257	878 038 030	881 564 287	6,2%
Jounce Debtco S.a.r.l. - Hg funds	3 934 534	979 698 914	983 633 448	6,9%
VMIN 2 AS	8 201 139	713 475 992	721 677 131	5,1%
Other management	5 734 999	206 452 462	212 187 461	1,5%
Total	**67 183 520**	**14 178 526 939**	**14 245 710 459**	**100,0%**

Only ordinary A-shares have voting rights.

During 2017, there was one share issue in Metatron AS. Shares were issued to VMIN2 AS (37 873 021 shares)

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NOTE 16 - COMPENSATION OF KEY MANAGEMENT PERSONNEL OF THE GROUP

CONSOLIDATED

(NOK 1,000)	2017	2016
CEO SALARY AND OTHER REMUNERATION		
Salaries and benefits in kind	6 189	5 850
Bonus	7 786	6 300
Other	139	273
Total remuneration	**14 115**	**12 423**

The CEO's contract of employment provides for a termination payment equivalent to 18 months' salary.
The CEO has a bonus agreement that is subject to achieved revenue and EBTIDA.
Payment to the pension contribution plan amounted to NOK 51 502 in 2017.

(NOK 1,000)	2017	2016
REMUNERATION TO THE MANAGEMENT (does not include CEO)		
Salaries and benefits in kind	21 435	18 440
Bonus	10 184	7 703
Other	650	1 045
Total remuneration	**32 269**	**27 188**

The executive management contract of employment provides for a termination payment between 6 and 12 months' salary.
The executive management has a bonus agreement that is subject to achieved EBTIDA.
No loans have been granted to or security pledged for members of the management group.

Loans to employees

In some countries, employees are entitled to loans from the Group. The interest on loans to employees is not lower than the market interest rate. The other borrowing terms and conditions are generally the same as normal market terms and conditions. Loans to employees comprised in 2017 to TNOK 127 compared to TNOK 17 in 2016.

Remuneration to the board of directors

The Board will propose to the general meeting that the Board's remuneration for 2017 is set at TNOK 750 (TNOK 650) to the chairman of the Board.

REMUNERATION TO THE AUDITORS	2017				2016			
(NOK 1,000)	Visma AS	Other Group companies	Other Auditors	Total	Visma AS	Other Group companies	Other Auditors	Total
Audit services	1 104	13 334	286	14 724	722	10 673	1 334	12 729
Other attestation services	246	1 917		2 163	715	1 049	0	1 764
Tax services	344	358		702	231	695	0	926
Other services	10 989	105		11 093	10 195	775	0	10 970
Total	**12 682**	**15 714**	**286**	**28 682**	**11 863**	**13 192**	**1 334**	**26 389**

All fees are exclusive of VAT

NOTE 17 - SECURED DEBT AND GUARANTEE LIABILITIES

CONSOLIDATED

Debtor	Actual guarantee debtor	Creditor	Type of guarantee		Guarantee limit
Visma AS	Visma Software BV, NL	Van Lanschot Bankiers N.V, NL	liability	TEUR	no limit
Visma AS	Active 24 BV, NL	Adyen BV, Amsterdam, NL	liability	TEUR	no limit
Visma AS	DSB Business Solution International	Dell Products, Dublin, IR	liability	TEUR	no limit
Visma AS	Visma Lindhagen AB, SE	Remulus Svealand 2AB, Stockholm, SE	lease of premises	TSEK	182 602
Visma AS	Visma Malmö AB, SE	AB Remulus Bassängkajen Malmö, Malmö, SE	lease of premises	TSEK	90 216
Visma AS	Visma AS, NO	Barcode 112 AS, Oslo	lease of premises	TNOK	45 233
Visma AS	Exso AS	Dell AS, NO	liability	TNOK	100
Visma AS	Visma Finland Holding Oy	Sponda Oyj	lease of premises	TEUR	73
Visma Danmark Holding AS	Visma Consulting A/S, DK	PFA Eiendomme A/S	lease of premises	TDKK	5,0
Visma Norge Holding AS	Exso AS, NO	Narviga 10 AS	lease of premises	TNOK	0,2
Visma Norge Holding AS	Visma IT&C AS, NO	Digiplex Rosenholm AS, Oslo	lease of premises	TNOK	1,0
Visma Norge Holding AS	Visma Software International AS, NO	Dikeveien 54 Eiendom AS	lease of premises	TNOK	6
Visma Norge Holding AS	Visma Unique AS, NO	Fyrstikktorvet Eiendom ANS	lease of premises	TNOK	0,9
Visma Romania Holding Srl	Visma Software Srl	S.C Timisoara Office Building Srl	lease of premises	TEUR	185,0
Visma Sverige Holding AS	SF4 Progress AB, SE	Lunds Kommun, SE	liability	TSEK	900,0
Visma Sverige Holding AS	Visma Retail AB, SE	Coop Butiker & Stormaknader AB, SE	liability	TSEK	2 400,0
Visma Sverige Holding AS	Visma EssCom AB	Gårdsfogdevägen 5-7, Bromma, SE	lease of premises	TSEK	2
Visma Sverige Holding AS	Visma Retail AB, SE	Apoteket Hjärtat AB	liability	TSEK	105 000,0
Total guarantees				**TNOK**	**427 216**

Security is granted for loans as described in note 12 as follows:

Shares
Visma AS has pledged shares in the respective national holding companies. The national holding companies have pledged it's share holdings in subsidiaries. Refer to note 11 which describe the group structure.

Account receivables
Pledges on account receivables are established in most countries. In Finland and Sweden floating charge is established on some subsidiaries.

Operating assets
Pledges on operating assets are established in most Norwegian companies.

All securities granted will always be subject to local law.

NOTE 18 - COMMITMENTS

CONSOLIDATED

Operating lease commitments - Group as lessee

The Group has entered into commercial leases on certain motor vehicles and IT machinery.
These leases have an average duration of between 1 and 5 years with no renewal options included in the contracts.
There are no restrictions placed upon the lessee by entering theses leases

In addition the Group has entered into commercial property leases related to the Group's office buildings. These leases have remaining terms of between 1 and 10 years. As of 31.12.2017, 2 096 square meters in the headquarter in Skøyen is subleased, at a yearly value of MNOK 6.8 and 9 037 square meters in the office in Bjørvika is subleased, at a yearly value of MNOK 22.2.

Future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows:

	2017	2016
Within one year	375 861	303 453
After one year but no more than four years	1 127 582	910 358
More than five years	251 676	279 640

NOTE 19 - INFORMATION ON CALCULATION OF EARNINGS PER SHARE

CONSOLIDATED

The calculation is based on the following information:	2017	2016
Majority's share of the Group's profit/loss for the year (NOK 1,000)		
– Continuing operations	742 899	689 157
– Discontinued operations	9 034	3 511 600
Majority's share of the Group's profit/loss for the year (NOK 1,000)	**751 933**	**4 200 757**
Time-weighted average number of shares 31 December	1,00	1,00
Earnings per share (NOK)	**751 932 674**	**4 200 757 070**
Effect of dilution:		
Share options	-	-
Time-weighted average number of shares 31.12 including options	1,00	1,00
Diluted earnings per share (NOK)	**751 932 674**	**4 200 757 070**

Earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the year plus the effect of all dilutive potential ordinary shares.

NOTE 20 - FINANCIAL INSTRUMENTS

CONSOLIDATED

Market and technology risks

As all companies, Visma is exposed to general economical fluctuations and GDP developments in the different countries where Visma is selling its products and services. As a technology company, Visma is also exposed to risks associated with dramatic shifts in technology, and resulting changes in the competitive landscape. Competition have been present in our markets for many years and although Visma is used the competition it remains a constant challenge to preserve and gain market shares.

The market and technology risk exposure is however limited by the following factors:

- The products and services provided to a large degree cater to requirements that are mandatory and necessary regardless of the economical cycle
- Visma has many customers in different countries, and in many different verticals. This lowers the exposure to events affecting a single country or vertical market. Visma has many small customers, which simplifies the projects are simpler and lowers implementation risks
- Visma has a wider range of products and services than its competitors, which provides more opportunities for cross-selling, more product sales to each customer, and less churn
- Visma utilises both Microsoft based technology and Open Source/Java technology

Financial risk

The Group's principal financial liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has loan and other receivables, trade and other receivables, and cash and short-term deposits that arrive directly from its operations. The Group has also entered into derivative instruments for hedging purposes. The Group does not use financial instruments, including financial derivatives, for trading purposes. The Group's senior management oversees the management of these risks. Guidelines for risk-management have been approved by the board.

The most significant financial risks for the Group are interest rate risk, liquidity risk, credit risk and exchange rate risk. The board and Management continuously evaluate these risks and determine policies related to how these risks are to be handled within the Group.

Credit risk

The Group are exposed to credit risk primarily related to accounts receivable and other current assets. The Group limits the exposure to credit risk through credits evaluation of its customers before credit are given.

The Group has no significant credit risk linked to an individual customer or several customers that can be regarded as a group due to similarities in the credit risk. The risk is limited due to the large number of customers and small amounts beeing invoiced to each customer. The Group has guidelines for ensuring that sales are only made to customers that have not experienced any significant payment problems, and that outstanding amounts do not exceed certain credit limits.

The Group has not provided any guarantees for third parties liabilities.

The maximum risk exposure is represented by the carrying amount of the financial assets in the balance sheet. The Group regards its maximum credit risk exposure to the carrying amount of trade receivables (see Note 6) and other current assets (see Note 7).

Interest-rate risk

The Group is exposed to interest-rate risk through its funding activities (see Note 12). All of the interest bearing debt has floating interest rate conditions which make the Group influenced by changes in the market rate. The objective for the interest rate management is to minimize interest costs and at the same time keep the volatility of future interest payments within acceptable limits. The Group has loans in NOK, DKK, SEK and EUR giving a natural hedge for the interest rate risk to the underlying cash flow in the companies.

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NOTE 20 CONTINUED

	Adjustment in interest rates	Effect on profit before tax, TNOK
2017	± 50bps	± 21 790
2016	± 50bps	± 14 802

Derivative instruments designated as cash flow hedging instruments

Parts of the groups cash flow are related to interest rate risk. As a part of the refinancing in 2014, the group entered into interest rate contracts covering approximately 50%of the loan amounts. Interest rate contracts were also amended in 2016 to reflect the the ninth amendment to the loan facilities. Interest rate for loans with floating rate has been hedged using interest rate swaps, where the group receives floating rate and pays fixed rate. The hedge is expected to exactly offset changes in expected cash flows due to fluctuations in the interest rate over the term of the debt. The effectiveness of the hedge relationship will be periodically assessed during the life of the hedge by comparing the current terms of the swap and the debt to assure they continue to coincide.

The table below shows the fair value of the interest swap contracts.

(NOK 1,000)	Fixed interest		Nominal value	Fair value*
Visma Sverige Holding AB from 14.03.16 to 05.12.19	0,15%	SEK	400 000	(1 759,9)
Visma Sverige Holding AB from 05.09.13 to 05.12.19	3,69%	SEK	600 000	(34 846,7)
Visma Finland Holding OY from 07.09.15 to 05.12.19	2,01%	EUR	50 000	(20 988,1)
Visma Danmark Holding A/S from 07.09.15 to 05.12.19	0,96%	DKK	460 000	(12 186,1)
Visma Nederland BV 07.09.15 to 05.12.19	2,45%	EUR	26 000	(13 110,4)
Total in NOK				**(82 891,2)**

* Fair value adjustment as market to market value at year end 2017, for the remaining life of the contracts.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due (reference is made to Note 12 for the loan repayment schedule). The Groups approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Groups reputation. Surplus liquidity is primarily invested in bank deposits.

Exchange rate risk

The Group is exposed to changes in the value of NOK relative to other currencies (SEK, DKK and EUR), due to production and sales operations in foreign entities with different functional currencies. The net income of the Group is also affected by changes in exchange rates, as the profit and loss from foreign operations are translated into NOK using the weighted average exchange rate for the period. The Group has loans denominated in SEK, DKK and EUR to reduce the cash flow risk in foreign currency.

The following table sets the Group's sensitivity for potential adjustments in NOK exchange rate, with all the other variables kept constant.
The calculation is based on equal adjustments towards all relevant currency. The effect in the profit is a result of adjustments in monetary items.

	Adjustment in exchange rate	Effect on profit before tax, TNOK
2017	± 5%	± 25 404
2016	± 5%	± 23 578

NOTE 20 CONTINUED

Capital structure and equity

The primary focus of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholders value. The group manages its capital structure and makes adjustment to it, in ligth of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives policies or processes during the financial year. The Group monitors capital according to covenants described in note 12, and a measure of the ratio of net debt divided by total capital plus net debt as shown below.

	2017	2016
Interest-bearing debt	6 713 456	5 259 457
Less cash and cash equivalents	3 665 241	5 866 935
Net debt	**3 048 215**	**-607 478**
Majority's equity	7 517 819	8 229 942
Total equity and net debt	**10 566 034**	**7 622 464**
Debt ratio	29%	-8%

Determination of fair value

The fair value of financial assets classified as "available for sale" is determined by reference to published price quotations in an active market. For unquoted financial assets the fair value has been estimated using a valuation technique based on assumptions that are not supported by observable market prices.

The following of the Group's financial instruments are not measured at fair value: cash and cash equivalents, trade receivables, other current receivables, overdraft facilities and long-term debts.

The carrying amount of cash and cash equivalents and overdraft facilities is approximately equal to fair value since these instruments have a short term to maturity. Similarly, the carrying amount of trade receivables and trade payables is approximately equal to fair value since they are entered into on "normal" terms and conditions.

The fair value of loan notes have been calculated using market interest rates. Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments.

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments.

	2017		2016	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial assets				
Cash and cash equivalents	3 665 241	3 665 241	5 866 935	5 866 935
Trade receivables	1 353 106	1 353 106	1 102 192	1 102 192
Available-for-sale investments	43 642	43 642	39 675	39 675
Other non-current assets	454 885	454 885	418 808	418 808
Financial liabilities				
Revolving credit facility	793 080	793 080	163 553	163 553
Short-term interest bearing bank loans	100 000	100 000	100 000	100 000
Trade and other payables	468 322	468 322	425 319	425 319
Financial hedging instruments	82 891	82 891	119 160	119 160
Interest-bearing loans and borrowings:				
Bank loans	5 820 376	5 820 376	4 995 903	4 995 903

Fair value and carrying amounts of bank loans are not materialy different because of variable interest rates and low credit spreads.

Fair value hierarchy

As at 31 December 2017, the Group held the following financial instruments measured at fair value:

	31 Dec. 2017	Level 1	Level 2	Level 3
Assets measured at fair value				
Available-for-sale investments	43 642			43 642
Liabilities measured at fair value				
Financial hedging instruments	82 891		82 891	

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

NOTE 21 - AVAILABLE-FOR-SALE FINANCIAL ASSETS

CONSOLIDATED

(NOK 1,000)	Fair value 01.01.2017 IFRS	Additions and reductions	2017
Shares unlisted			
Project X International Ltd	38 723	0	38 723
Other	952	3 967	4 919
Total	**39 675**	**3 967**	**43 642**

Available-for-sale financial assets consist of investments in ordinary shares, and therefore have no fixed maturity date or coupon rate.
The fair value of the unlisted shares has been estimated using a valuation technique based on assumptions that are not supported by observable market prices or rates.
Management believes the estimated fair values resulting from the valuation technique which are recorded in the statement of financial position are reasonable and the most appropriate at the balance sheet date.

NOTE 22 - CURRENT LIABILITIES

CONSOLIDATED

Other current liabilities	2017	2016
Deferred revenue	1 343 393	1 084 335
Accrued interests	88 702	69 960
Deferred payment	518 343	75 258
Other short-term liabilities	846 158	749 858
Total other current liabilities	**2 796 596**	**1 979 410**

Ref. note 17 for security to guarantee short term debt

NOTE 23 - IMPAIRMENT TESTING OF GOODWILL

CONSOLIDATED

Goodwill acquired through business combinations has been allocated to 5 cash generating units (CGU) for impairment testing as follows:

1 Visma Software SMB
2 Visma Enterprise
3 Visma Retail
4 Visma Custom Solutions
5 Visma IT & Hosting

Key assumptions used in value-in-use calculations

The recoverable amount of the segments units has been determined based on a value in use calculation. Cash flow projections are based on budget for 2018 approved by management. For the period 2019-2021, management assumes an annual nominal increase in revenues of 3% and an annual EBITDA improvement of 0,5%. Management expects the Group's share of the market to be stable over the budget period. The discount rate applied to cash flow is 7,0% (2016: 7,0%) and cash flows beyond year 2021 are extrapolated using a 1% growth rate (2016: 1%). Based upon the similarity of market conditions within the Nordic market, the same method for determining recoverable amounts has been applied across the different countries.

Carrying amount of goodwill

(NOK 1,000)	2017	2016
Visma Software SMB	4 561 223	4 356 037
Visma Enterprise	2 248 389	398 159
Visma Retail	564 431	491 170
Visma Custom Solutions	801 908	615 445
Visma IT & Hosting	277 373	239 777
Total	**8 453 324**	**6 100 589**

The recoverable amounts for the different cash generating units are higher than the carrying amounts and no impairment loss is recognised in 2017. With regard to the assessment of value-in-use of the different cash generating units above, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the units to materially exceed its recoverable amounts. Estimated cash flows and growth rates used in determining the value in use exclude any estimated future cash inflows or outflows expected to arise from future restructuring or from improving or enhancing the asset's performance.

NOTE 24 - INVESTMENTS IN ASSOCIATED COMPANIES

CONSOLIDATED

Investments in associates are accounted for under the equity method. These are investments of a strategic nature in companies in which the Group has significant influence by virtue of its ownership interest.

Visma AS has the following investments in associates:

Entity	Country	Registered Office	Ownership interest	Carrying amount 31.12.2016	Investments and reductions	Net profit (loss) 2017*	Carrying amount 31.12.2017	Fair value
SuperInvest AS - Group	Norway	Oslo	22,2%	83 917	0	-7 840	76 076	76 076
Total				**83 917**	**0**	**-7 840**	**76 076**	**76 076**

* Adjusted for changes in the company's earnings in 2016, occurred after the presentation of Visma's consolidated financial statements.

SuperInvest AS is an unlisted company, and fair value is based on the offer price when de-listed, adjusted for Visma's share of net profit (loss).

A summary of the financial information on the individual associated companies, based on 100% figures:

Entity	Assets	Liabilities	Equity	Revenues	Profit (loss) for the year
SuperInvest AS - Group *	513 272	173 821	339 452	430 056	68 048
Total	**513 272**	**173 821**	**339 452**	**430 056**	**68 048**

* Unaudited numbers 2017

NOTE 25 - EVENTS AFTER THE BALANCE SHEET DATE

CONSOLIDATED

Significant events after the balance sheet date that occur before the Board of Directors has approved the financial statements may make it necessary to change the annual financial statements or to disclose the matter in the notes to the financial statements. If new information emerges regarding a matter that existed on the balance sheet date, and the matter is significant, the financial statements must be changed. If events concern matters that arose after the balance sheet date, the matters may have to be disclosed in a note.

Visma has in 2018 acquired the following companies: Optiway AB, Co3 A/S, Kapacity A/S, MyOpt Consulting Oy. Please refer to note 1 for more information.

In 2018, the maturity on Visma's debt facilities was extended from 2019 to 2021

No other events have taken place after the reporting period that would have affected the financial statements or any assessments carried out.

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NOTE 26 - DISCONTINUED OPERATIONS

CONSOLIDATED

On February 2 Visma sold its domain name hosting operations in Poland, Active 24 z.o.o.
The net consideration for the sale was TNOK 12 478.

In Visma AS' consolidated financial statement, the gain from the sale is TNOK 9 034
The gain from the sale is presented in the consolidated financial statement under discontinued operations.

Recorded value of assets and liabilities as at the date of disposal were:

(NOK 1,000)	**02.02.2017**
ASSETS	
Machinery and equipment	99
Other short term receivables	58
Cash and cash equivalents	5 006
Assets	**5 162**
LIABILITIES	
Public duties payable	132
Other current liabilities	1 443
Liabilities	**1 576**
Value of net assets	**3 587**
Net consideration	12 620
Gain on Sale Active 24 z.o.o	**9 034**

PARENT COMPANY ANNUAL ACCOUNTS

PROFIT AND LOSS STATEMENT – 1 JAN. - 31 DEC.

VISMA AS

(NOK 1,000)	Note	NGAAP 2017	NGAAP 2016
OPERATING REVENUE			
Other revenue	1	120 939	128 700
Total operating revenue		**120 939**	**128 700**
OPERATING EXPENSES			
Cost of goods sold	1	32 000	32 000
Payroll and personnel expenses	2	67 897	62 465
Depreciation and amortisation expenses		435	779
Other operating expenses	3	22 456	27 292
Total operating expenses		**122 788**	**122 536**
Operating profit		**(1 849)**	**6 164**
FINANCIAL ITEMS			
Financial income	4	921 878	1 026 446
Financial expenses	4	(53 615)	(104 011)
Net financial items		**868 264**	**922 435**
Profit before taxes		**866 415**	**928 599**
Taxes	**5**	**137 350**	**138 154**
Profit for the year		**729 065**	**790 445**
Transfers and allocations			
Transferred to / (from) retained earnings		**729 065**	**790 445**
Total transfers and allocations	**6**	**729 065**	**790 445**
Group contribution paid (net after tax)		649 822	1 897 758

BALANCE SHEET – 31 DEC

VISMA AS

(NOK 1,000)	Note	NGAAP 2017	NGAAP 2016
ASSETS			
Non-current assets			
Intangible assets			
Deferred tax assets	5	0	0
Total intangible assets		**0**	**0**
Tangible fixed assets			
Property		21 718	21 151
Machinery and equipment		1 400	1 780
Total tangible fixed assets		**23 118**	**22 931**
Financial assets			
Shares in subsidiaries	8	3 198 011	2 362 934
Investment in associated companies	8	100 723	100 723
Total financial fixed assets		**3 298 733**	**2 463 657**
Total non-current assets		**3 321 851**	**2 486 588**
Current assets			
Inter-company receivables		676 667	2 102 650
Other current receivables	8	30	1 242
Total receivables		**676 697**	**2 103 893**
Cash and cash equivalents		490 448	131 590
Total current assets		**1 167 146**	**2 235 483**
TOTAL ASSETS		**4 488 997**	**4 722 071**

(NOK 1,000)	Note	NGAAP 2017	NGAAP 2016
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Paid-in capital			
Share capital		186 700	181 700
Share premium reserve		89 000	0
Other paid-in capital		352 251	352 251
Total paid-in capital	6	**627 952**	**533 952**
Retained earnings			
Retained earnings		2 001 330	1 641 312
Total equity	6	**2 629 282**	**2 175 263**
Non-current liabilities			
Deferred tax liability	5	2 028	2 106
Other long-term interest bearing loans and borrowings		925 426	318 864
Total non-current liabilities		**927 454**	**320 971**
Current liabilities			
Short-term bank loans		100 000	100 000
Bank overdraft		0	0
Short term liabilities to group companies		792 846	2 086 644
Trade creditors		645	3 230
Public duties payable		1 846	2 501
Other current liabilities		36 924	33 462
Total current liabilities		**932 261**	**2 225 837**
Total liabilities		**1 859 715**	**2 546 808**
TOTAL EQUITY AND LIABILITIES		**4 488 997**	**4 722 071**

Secured liabilities and guarantees

Oslo, 24 May 2018

GUNNAR BJØRKAVÅG
Chairman of the Board

JEAN BAPTISTE VINCENT ROGER ROBERT BRIAN
Director

JAMES DAVIS
Director

CHRISTOPHER JAMES GOOD
Director

EDWARD SHUCKBURGH
Director

NICHOLAS JAMES HUMPHRIES
Director

VINIT NAGARAJAN
Director

SØREN HOLT
Director

ØYSTEIN MOAN
CEO and Director

CASH FLOW STATEMENT - 1 JAN. - 31 DEC.

VISMA AS

(NOK 1,000)	NGAAP 2017	NGAAP 2016
Ordinary profit / loss before tax	**866 415**	**928 599**
Depreciation and amortisation expenses	435	779
Cash inflow from interest	(9 583)	(4 414)
Cash outflow from interest	52 034	93 656
Group contribution received	(601 707)	(587 578)
Dividend received from group companies	(278 370)	0
Dividend/transfer from investments	(23 400)	(4 000)
Write-down of shares	1 656	9 911
Gain on sales of shares	0	(71 815)
Cash flow from operations	**7 479**	**365 137**
Changes in debtors	(2 585)	2 055
Changes in public duties payable	(655)	1 002
Non-cash related financial items	(4 496)	445
Change in intercompany receivables/payables	(132 185)	(158 068)
Change in other accruals	67 269	(217 677)
Net cash flow from operations	**(65 172)**	**(7 106)**
Investment in tangible fixed assets	622	0
Sale of (investment in) businesses	(574 449)	1 027 900
Sale of (investment in) shares	0	0
Net cash flow from investments	**(573 828)**	**1 027 900**
Net cash flow from share issues	94 000	215 697
Received dividend/group contribution	2 404 420	748 012
Payment of dividend/group contribution	(2 086 644)	(573 937)
Cash in (outflow) from refinancing	0	0
Repayments of interest bearing loans	606 561	(1 307 933)
Cash inflow from interest	9 583	4 414
Cash outflow from interest	(38 881)	(38 084)
Net cash flow from financing activities	**989 040**	**(951 831)**
Net cash flow for the year	**350 040**	**68 963**
Cash and cash equivalents 1.1	131 590	63 072
Net foreign exchange difference	8 818	(445)
Cash and cash equivalents 31.12	**490 448**	**131 590**

10 PARENT COMPANY ANNUAL ACCOUNTS

ACCOUNTING PRINCIPLES

The annual accounts for Visma AS are prepared according to the Norwegian Accounting Act 1998, generally accepted accounting principles and apply for the period 1January to 31 December 2017.

REVENUE RECOGNITION

The revenue consists of revenue from providing management services and marketing and branding activity provided to group companies. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made.

SUBSIDIARIES AND INVESTMENT IN ASSOCIATES

Subsidiaries and investments in associates are valued by the cost method in the company accounts. The investment is valued as cost of acquiring shares in the subsidiary, providing that write down is not required. Write down to fair value will be carried out if the reduction in value is caused by circumstances which may not be regarded as incidental, and deemed necessary by generally accepted accounting principles. Write downs are reversed when the cause of the initial write down are no longer present.

Dividends and group contributions are recognized in the same year as appropriated in the subsidiary accounts. If dividends exceed withheld profits after acquisition, the exceeding amount represents reimbursement of invested capital, and the distribution will be subtracted from the value of the acquisition in the balance sheet.

BALANCE SHEET CLASSIFICATION

Net current assets comprise creditors due within one year, and entries related to goods circulation. Other entries are classified as fixed assets and/or long term creditors. Current assets are valued at the lower of acquisition cost and fair value. Short term creditors are recognized at nominal value. Fixed assets are valued by the cost of acquisition, in the case of non incidental reduction in value the asset will be written down to the fair value amount. Long term creditors are recognized at nominal value.

TRADE AND OTHER RECEIVABLES

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments. In addition, for the remainder of accounts receivables outstanding balances, a general provision is carried out based on expected loss.

FOREIGN CURRENCY TRANSLATION

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency using the year end exchange rates. All exchange differences are recognised in the income statement.

SHORT TERM INVESTMENTS

Short term investments (stocks and shares are valued as current assets) are valued at the lower of acquisition cost and fair value at the balance sheet date. Dividends and other distributions are recognized as other investment income.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is capitalized and depreciated over the estimated useful economic life. Direct maintenance costs are expensed as incurred, whereas improvements and upgrading are assigned to the acquisition cost and depreciated along with the asset. If carrying value of a non current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.

INCOME TAX

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 23 percent on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative are balanced out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized.

To what extent group contribution not is registered in the profit and loss, the tax effect of group contribution is posted directly against the investment in the balance.

CASH FLOW STATEMENT

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term highly liquid placement with original maturities of three months or less.

USE OF ESTIMATES

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts in the profit and loss statement, the measurement of assets and liabilities and the disclosure of contingent assets and liabilities on the balance sheet date. Actual results can differ from these estimates.

Contingent losses that are probable and quantifiable are expensed as occurred.

NOTE 1 - REVENUE
VISMA AS

(NOK 1,000)	2017
Management service fee invoiced to group companies*	88 939
Invoiced marketing/branding expenses to group companies**	32 000
Total	**120 939**

'*The company has chosen to centralize certain management activities in order to provide them at a lower cost and at higher quality compared to what each of the companies would be able to achieve on a separate basis. Central activities are strategic business development, finance and treasury, organizing of audit, legal activities.

**All companies in the Visma Group are obliged to use the Visma brand and logo. Thus all marketing activities performed by business units are to be done according to the Visma brand code. The companies pay a fee to the marketing department.

NOTE 2 - PAYROLL AND PERSONNEL EXPENSES
VISMA AS

(NOK 1,000)	2017	2016
Salaries	43 371	41 293
Salaries to employees other group units*	16 769	13 873
Employer's national insurance contributions	6 213	5 595
Pension expenses	605	570
Other personnel expenses	938	1 134
Total	**67 897**	**62 465**
Average number of man-years	**15**	**13**

For further information regarding compensation of key management, loans to employees and pensions, see note 3 and 16 in the consolidated accounts.
*invoiced salary expenses regarding group management and management trainees hired in other group units.

NOTE 3 - OTHER OPERATING EXPENSES
VISMA AS

(NOK 1,000)	2017	2016
Rent	4 313	4 052
Other office expenses	7 298	9 756
Telecom, postage and IT	207	153
Travel expenses	1 503	1 234
Car expenses incl leasing	270	261
Sales and marketing	892	1 413
Audit, lawyers' fees and other consulting services *	7 972	10 423
Total other operating expenses	**22 456**	**27 292**

* Reference is made to note 16 in the consolidated financial statement

10 PARENT COMPANY ANNUAL ACCOUNTS

NOTE 4 - FINANCIAL INCOME AND EXPENSES
VISMA AS

(NOK 1,000)	2017	2016
Financial income includes the following items:		
Dividend/transfer from investments and asscociated companies	23 400	4 000
Dividend from group companies	278 370	358 638
Gain on sale of shares	0	71 815
Other interest income	9 583	4 414
Foreign exchange gains	8 818	0
Group contribution	601 707	587 578
Total financial income	**921 878**	**1 026 446**
Financial expenses include:		
Interest expense	38 881	38 084
Write-down of shares	1 581	9 911
Foreign exchange losses	0	445
Other financial expenses	13 153	55 571
Total financial expenses	**53 615**	**104 011**

NOTE 5 - TAX ON ORDINARY PROFITS
VISMA AS

Deferred tax liabilities and assets are calculated on the basis of the temporary differences between book values and tax-related values in the balance sheet. All calculations are based on a nominal tax rate in respective tax-area.

(NOK 1,000)	2017	2016
Tax payable (tax effect of Group contribution)	137 272	138 127
Changes in deferred taxes	78	27
Income tax expense	**137 350**	**138 154**

SUMMARY OF TEMPORARY DIFFERENCES MAKING UP THE BASIS FOR THE DEFERRED ASSET/DEFERRED TAX LIABILITY

(NOK 1,000)		
Current assets/liabilities	9 679	9 783
Fixed assets/long term liabilities	(862)	(1 007)
Net temporary differences	**8 817**	**8 776**
Net deferred tax liability / (asset)	2 028	2 106

NOTE 5 CONTINUED

Visma AS's tax payable for the year has been computed as follows:

(NOK 1,000)		
Ordinary profit before tax	866 415	928 599
Permanent differences	6 577	(13 113)
Change in temporary differences	41	(460)
Non taxable dividend received from subsidiaries	(278 370)	(358 638)
Non taxable dividend received from Norwegian associated companies	(22 698)	(3 880)
Net taxable group contribution received / (paid)	(571 965)	(552 508)
Taxable profit	**0**	**0**

EXPLANATION OF WHY THE TAX EXPENSE FOR THE YEAR DOES NOT MAKE UP 25% OF THE PRE-TAX PROFIT

(NOK 1,000)	2017	2016
Ordinary profit before tax	866 415	928 599
25% (27%) tax on ordinary profit before tax	207 940	232 150
Adjustments in respect of current income tax of previous years	176	0
Permanent differences	(3 869)	(4 248)
Effect change in corporate tax	(88)	(87)
Non taxable dividend received from Norwegian subsidiaries	(66 809)	(89 661)
Tax expense	**137 350**	**138 154**
Effective tax rate	**16%**	**15%**

NOTE 6 - MOVEMENT IN EQUITY

VISMA AS

(NOK 1,000)	Paid-in share capital	Share premium reserve	Other paid-in capital	Retained earnings	Total equity
Equity as at 01.01.2017	**181 700**	**0**	**352 251**	**1 641 312**	**2 175 263**
Profit (loss) for the period				729 065	729 065
Group contribution from/(to) parent company				(369 046)	(369 046)
Issue of share capital	5 000	89 000			94 000
Equity as at 31.12.2017	**186 700**	**89 000**	**352 251**	**2 001 330**	**2 629 282**

For further information regarding share capital, shareholder isssues and shares owned by the board and executive employees, see note 14 and 15 in the consolidated accounts.

For further information regarding notes, see notes 5,7,11,12,17 and 21 to the consolidated accounts.

NOTE 7 - COMMITMENTS

OPERATING LEASE COMMITMENTS - VISMA AS AS LEASEE

Visma AS has entered into a commercial property lease in Bjørvika, Oslo.
The location is fully subleased to external parties at a yearly value of NOK 22.4m

Future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows:

(NOK 1,000)	2017	2016
Within one year	22 450	22 150
After one year but no more than four years	44 899	66 451
More than five years	0	0

NOTE 8 - OTHER MATTERS

VISMA AS

For further information regarding share capital, shareholder isssues and shares owned by the board and executive employees, see note 14 and 15 in the consolidated accounts. Decrease in shares in subsidiaries are explained by group contribution and sale of shares.

For further information regarding notes, see notes 5,7,11,12,17, 18, 21 and 24 to the consolidated accounts.

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Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Visma AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Visma AS comprising the financial statements of the parent company and the Group. The financial statements of the parent company comprise the balance sheet as at 31 December 2017, the profit and loss statement and the cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements comprise the statement of financial position as at 31 December 2017, income statement, consolidated statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion,

- the financial statements are prepared in accordance with the law and regulations;
- the financial statements present fairly, in all material respects, the financial position of the parent company as at 31 December 2017, and of its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway;
- the consolidated financial statements present fairly, in all material respects the financial position of the Group as at 31 December 2017 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Building a better working world

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway for the financial statements of the parent company and International Financial Reporting Standards as adopted by the EU for the financial statements of the Group, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Building a better working world

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Oslo, 1 June 2018
ERNST & YOUNG AS

Thomas Embretsen

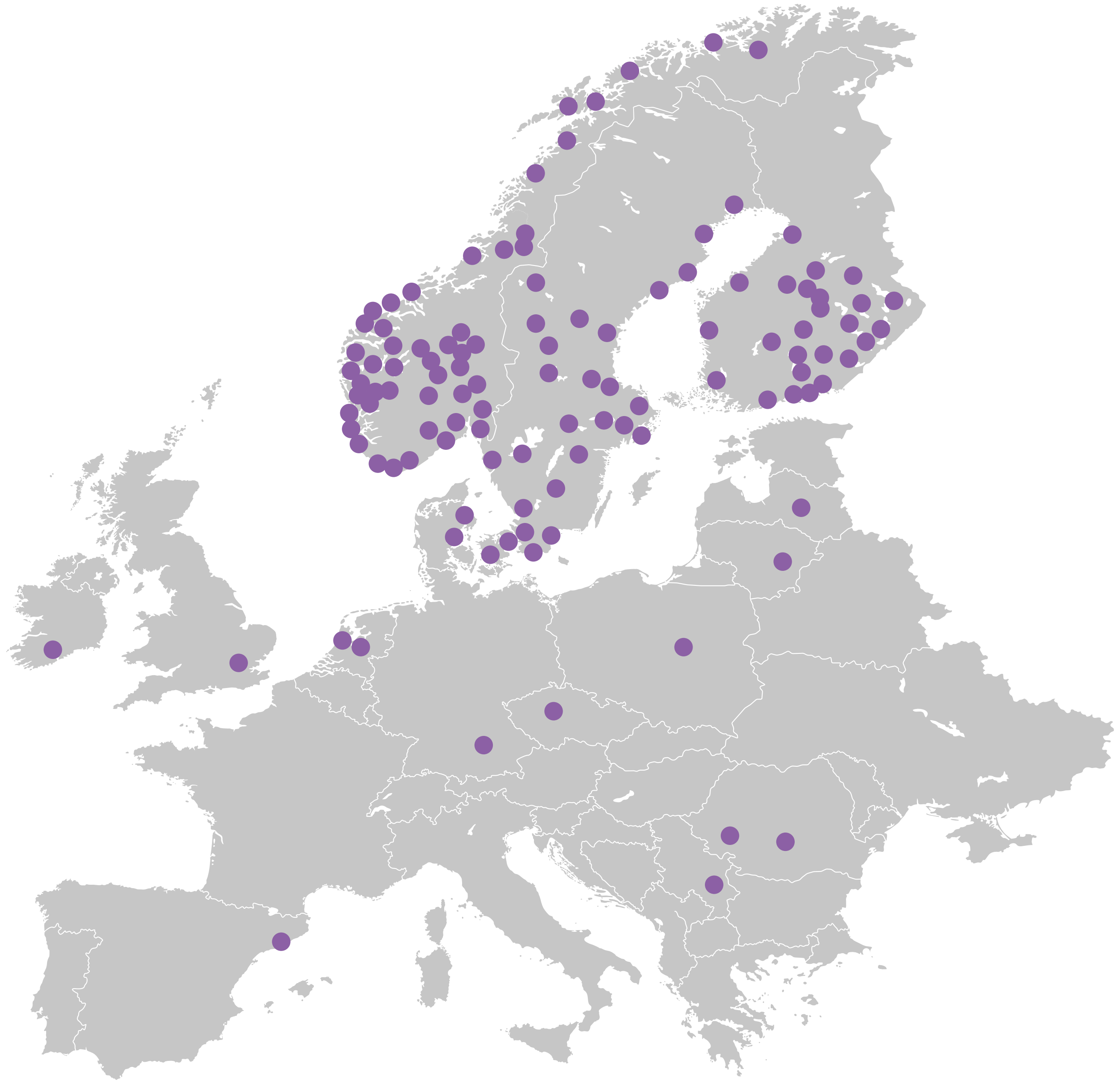
Thomas Embretsen
State Authorised Public Accountant (Norway)

OUR PRESENCE

More than 100 offices in Norway, Sweden, Denmark, Finland, UK, Ireland, the Netherlands, Romania, Poland, Spain, Czech Republic, Lithuania, Latvia and Serbia

Wide network of distributors and partners

Virtual development organisation (R&D) across borders



VISMA

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