ANNUAL REPORT
2016

SIMPLIFIED
CLOUD FIRST

VISMA

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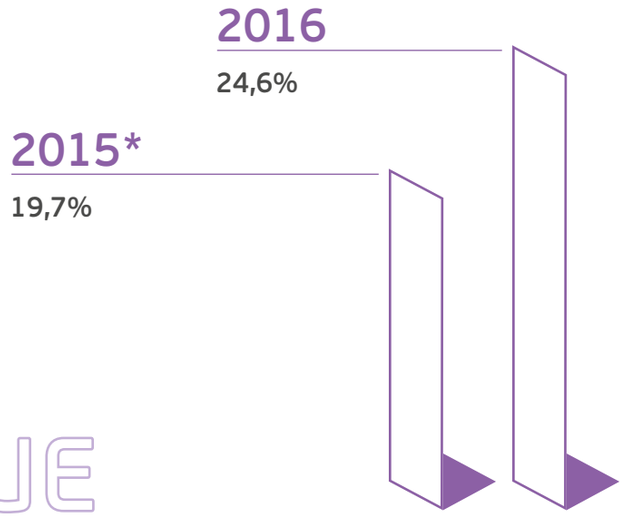
KEY FIGURES

(NOK 1 000)	2016 IFRS	2015* IFRS
Operating revenues	7 855 248	6 487 634
Growth	21%	20%
EBITDA	1 908 160	1 500 409
Profit/(loss) after minority interests	4 200 757	623 198
Earnings per share	4 200 757	623 198
No. of shares	1	1
Total assets	17 558 866	13 656 820
Current liabilities	3 045 267	3 359 489
Long-term liabilities	6 261 684	6 133 450
Equity	8 251 913	4 163 880

* 2015 has been restated to reflect the sale of the BPO division

SAAS SOFTWARE REVENUE OF TOTAL REVENUE



NUMBER OF EMPLOYEES & REVENUE

* Restated to reflect the sale of the BPO division

2009
REVENUE
NOK 2 120 829
EMPLOYEES
2 088

2008
REVENUE
NOK 2 086 065
EMPLOYEES
1 734

2007
REVENUE
NOK 1 937 911
EMPLOYEES
1 658

THE LAST
10
YEARS*

2016
REVENUE
NOK 7 855 248
EMPLOYEES
5 493

2015
REVENUE
NOK 6 487 635
EMPLOYEES
4 842

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

2016 - A TRANSFORMATIVE YEAR. THE FUTURE IS ALL ABOUT SOFTWARE

Visma achieved 21.1% growth in revenues in 2016. Growth from cloud computing and SaaS Software was even higher at 51.5%. EBITDA grew by 27.2%, and the EBITDA-margin improved from 23.1% to 24.3%. The growth was partial organic and partial through strategic acquisitions. The macro-economic situation was rather unstable in 2016, but with heterogenous nature of the Nordic economies ensures a high degree of recession resilience.

2016 was a transformative year for Visma. During the year, the BPO division was divested and Visma will move forward as a pure software company. 2016 was also a year of strong growth. Visma achieved 21.1% growth in revenues. EBITDA grew by 27.2%, and the EBITDA margin improved to 24.3% from 23.1%. SaaS and cloud computing continue to be the main growth drivers, and SaaS revenues grew 51.5%

2016 was a turbulent year in global politics, with Brexit and the outcome as the US election surprising many and being seen as proofs of a growing dismay with the political elites. As small, open economies, the Nordic countries are dependent on a friendly climate in global trade for continued growth and prosperity. In spite of oil-prices having rebounded over the low level in 2015, Norwegian unemployment has stabilized around 4.4% for the country, and remains higher around the oil-intensive west coast. The labour market in Oslo is better and the Norwegian capital is growing fast, putting pressure on the housing market. Combined with low interest this has caused the housing prices to soar. With increasing prices on oil, fish and other raw materials, most likely the economic development in Norway will continue on a positive trend into 2017.

2016 was a good year for the Swedish economy with strong growth and low unemployment. The labor market in Stockholm is hot and competition for the best talent is tough. Denmark has had somewhat lower growth in 2016, but with a very vibrant entrepreneurial drive, we expect good development in Denmark. In Finland after several years of little economic growth, there are positive signs and we expect faster growth. It seems that many of the upstarts after the demise of Nokia some years back, are now becoming mature, profitable and growing companies. The economy in the eurozone seemed to pick up towards the end of 2016 with most indicators pointing the right way. With elections coming up in France, Germany and Netherlands, 2017 may hold some interesting election results. Normally we would have rather positive outlook for macro-economy in the markets where Visma operates, but the political situation may hold suprises for 2017.

STRONG GROWTH ACROSS ALL SEGMENTS

Visma experienced good revenue growth across all segments. The strongest growth was in the Enterprise segment, which grew 35.2% year on year. Revenues in Visma's largest segment, SMB, grew by 18.8%. Custom Solutions grew by 31.5%, fueled by a strong need for e-government solutions among public customers. Retail grew by 8.6%. With new products launched and international contracts signed towards the end of the year, the division can expect stronger growth in 2017. Lastly, revenues from Visma's Hosting & IT operations grew by 2.4%. Visma is combining its organic revenue growth with an active acquisition program. During 2016 Visma acquired 25 companies, almost all 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 keep 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. SaaS revenues grew by 51.5% in 2016. Total revenues from SaaS and related services 2,703m in 2016, constituting over 35% of total revenues.

E-conomic, Visma's Danish SaaS champion reached 100,000 Danish customers in the end of 2016, while the entry level solution eAccounting now has more than 80,000 customers across Norway, Sweden and the Netherlands. In April 2016, Visma acquired Tripletex, a fast growing Norwegian SaaS ERP-company, further expanding our SaaS product offering in Norway. The Netvisor and Fivalli solutions makes Visma the leading SaaS ERP supplier in Finland and growing about 25%. In total, Visma has well over 300,000 SaaS customer contracts.

GROWTH IN NEW AND EXISTING MARKETS

Visma has a strong presence in the Nordic, Baltic and Dutch markets where we have achieved good market positions, high brand awareness, operational efficiencies and competitiveness. Visma´s ambition is to be the national and regional leader in its product categories, an advantage versus global competitors.

During 2016, Visma expanded its operations to Ireland through the acquisition of the SaaS school administration system VSware. With its state of the art technology, the system has quickly gained a strong market position on the Irish market and Visma, will also bring the technology to our other geographies in order to offer schools the best administrative software available.

In the coming years, Visma will consider expansion to new, well-regulated and 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 market, rather than spreading thin 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 it's Windows solutions as cloud solutions. This means complete rewrite of code, not converting or upgrades. Thus investments in the years 2013 through 2017 are at a peak as we continue to maintain on premises solutions as well. In 2016, and R&D expenses amounted to approximately 16% of revenues.

While the world outlook for 2017 might be unclear, we see good opportunities for growth in our core markets. With all our resources and attention on software, Visma expects to see the strong growth on SaaS products to continue in 2017 and we will continue to launch new, innovative products.

About two thirds of R&D investments relates 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.

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 and became "Climber of the year" in the Universum Professional survey in Norway.

Visma is competing with larger global and regional companies and we are dependent on our offshoring capacity. The Nordic cost level combined with insufficient access to competent human resources have been the drivers behind the build-up of our offshoring activities, which today comprise operations in Romania, Lithuania, Latvia, Poland, Ireland and Spain. At the end of 2016, we had 798 full time employees in these locations, and the plan is to increase this to around 1000 FTEs by the end of 2017. 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 2016 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 expand the IT security program. Visma IT&C, responsible for Visma's internal IT operations is ISO 9001, ISO 20000, ISEA 2402 and ISO 27001 certified.

OPPORTUNITIES AHEAD

While the world outlook for 2017 might be unclear, we see good opportunities for growth in our core markets. With all our resources and attention on software, Visma expects to see the strong growth on SaaS products to continue in 2017 and we will continue to launch new, innovative products.

In a changing world with tough competition, it is hard to plan for all eventualities. However, an agile, competent and engaged organization is able to adapt to disruption in technology and markets. The later years the employee engagement surveys in Visma have shown high levels among our 5500 employees. Combined with a good inflow of new talent, Visma shall be able to prosper and grow in the coming years.

Øystein Moan

CEO - Visma

CLOUD FIRST

After the divesture of the BPO division, Visma appears simplified, software focused and positioned with cloud solutions as first line of business. In the future, all companies will be software companies. Efficient administration is a necessity, but not enough to enable growth and innovation. Managers and boards will need to develop new strategies that bring software to the core of business operations and their first choice will be cloud.

Historically speaking, technology has in many cases been designed to relieve human hands, and to perform tasks faster and better. The automation of admin processes is no exception and in many ways mandatory for all businesses and organisations. Why miss out on an opportunity to stay ahead and retain the competitive advantages?

> **By empowering employees with self-service solutions, organisations will achieve huge efficiency gains and reduce staff tied up in administration**

In addition, machine learning and artificial intelligence makes it possible to extend the intervention of modern technology, from human hands to human heads. Smart software can do things that we are accustomed to think we need humans to do.

THE SOFTWARE FOUNDATION

Businesses need to find new ways to stay competitive. As their traditional advantages are challenged, they need to improve their admin and production processes to retain the upper hand. This is the rationale behind Visma´s vision; to provide our customers with solutions that enable them to be world leading in terms of efficiency. This is also a vision for a software-based future, because software is, and will be, the technological foundation for all businesses. It is software that makes it possible to automate tasks and processes.

Software are the brains of the robots. Artificial intelligence is software that is able to evolve, to become smarter, better and faster, by itself. But still, it´s all about software.

ALL SOFTWARE WILL BE CLOUD SOFTWARE

Given the strategic position for software in future business, the cloud, as a way of developing, distributing and using software, is of equal strategic importance. Cloud has been conceived as the new norm of software. It still is, but it is also already embedded in the whole concept of software, as all future software will be cloud software.

SOFTWARE WILL SUPPLEMENT HUMANS

To accept this line of thought is to accept the course of technological development, and that software in the future will play an even more important role. Today, payroll expenses are the main cost for many businesses. In the future, businesses and organisations will probably invest and spend more on software and technology than they do on human resources.

IMPROVED LIVES

The use of software will also lead to change and many improvements in daily lives in our societies ; within healthcare, elderly care, education, and other public and private services. The software for school administration and learning platforms that Visma is developing, affect daily life of thousands of teachers, parents and pupils, as well as school administrations.

In future businesses and organisations employees will be given new opportunities to affect the development of business operations, partly due to the vast amount of intelligence that will be available through cloud software eco-systems developed by Visma.

VISMA TO THE PEOPLE

By empowering employees with self-service solutions, organisations will achieve huge efficiency gains and reduce staff tied up in administration. Today, many organisations give their employees the opportunity to interact with their business software through smart-phones and tablets. Visma's app portfolio is steadily growing and are already in the pockets of hundreds of thousands of users. When people go shopping, they will probably prefer to do so in self-service retail stores that have no lines. As a leading provider of retail software and technology, Visma support the development and innovation in the retail industry.

WELCOME TO THE FUTURE

Visma is focused and ready to continuously develop essential solutions needed in the future, a future dependent on software and cloud first.

SOFTWARE FOR SMALL AND MEDIUM SIZED BUSINESSES

Cloud computing is changing the way we work, collaborate, and provide services. The development of machine learning based business software is accelerating the automation of both adminitrative procedures and business processes in general. This is the technological backdrop for the promising future of Visma SMB Software Division.

Visma is Northern Europe's leading provider of cloud solutions for small and medium sized businesses (SMB's). The software solutions enable SMB's to take advantage of new opportunities within technology, in areas such as financial management, accounting, HRM, payroll, invoicing, and debt collection.

THE SMB'S ARE HEADING FOR THE CLOUD

Cloud computing is a true game changer, with compelling capabilities for process efficiency, data harvesting and availability. However, over the past few years there has been a trend that the low-end business segment has been moving faster compared with the upper SMB market. With Visma eAccounting and the acquisition of Dinero (Denmark) and Tripletex (Norway), Visma has taken a substantial part of this growth. As for the upper SMB market, this segment is now switching gear and heading for the cloud with their core business solutions as well. For this segment, Visma delivers one of the strongest solutions with Visma.net.

AUTOMATION AND MACHINE LEARNING

Efficiency through automation of business processes has always been at the core of Visma´s mission. With the cloud, more services can be automated, also through ecosystem collaboration. To further strengthen automation, machine learning is being used in a larger degree to better understand how data is used, and by that recommending or even handling data usage. In 2016, Visma had an average of 7.0 million transactions per month through our automated SaaS payment and invoicing solutions. E-invoicing represents a huge productivity and cost saving potential, and Visma is in the forefront championing mandatory electronic invoicing.

MOBILE INNOVATION

Visma leads the way in the transition to mobile business solutions. In 2016, Visma reached 110,000 active mobile users per month, surpassing a 100% year on year growth.

With mobile apps, employees now manage expense claims, timesheets, absences, and more, using their mobile phones. Meaning employees throughout the organisation are empowered to receive and provide information more efficiently. Super-users can use their expertise on business control rather than data entry, and managers can easily approve claims and other requests from their mobile.

USABILITY FOR THE FUTURE

Visma software is embracing one common and intuitive user interface. Fast and responsive interfaces and single-sign-on are other important aspects that allow a seamless user experience. On the backend, customer data protection and compliance with rules and regulations are taken care of through Visma Trust Center.

ECOSYSTEM COLLABORATION

Visma´s ecosystem strategy ensures that a broad set of certified partners are available for customers requiring a customised setup. Visma co-operate with a broad network of accounting offices, allowing the accountants to collaborate directly with clients. A strong API for the software allows third party vendors to connect customer data with specific branch solutions or internal legacy products. Through a rich Visma community peers can discuss and solve all kinds of matters important to them.

SMB SOFTWARE FROM VISMA

- ERP and financial software
- HRM and payroll administration software
- Software for accounting practices and auditing
- Invoicing and payment software
- Dunning and debt collection services
- Software for artisans and other industries
- Project management and professional service automation (PSA)
- Procurement administration and notification
- Logistics and replenishment
- Purchase pooling for administrative purchases
- Training and staffing

SOFTWARE FOR PUBLIC AND LARGE PRIVATE ENTERPRISES

High quality software is critical to constantly strive towards automation of administration processes for public sector and large private customers. Digital interaction through self-service for customers and end-users is a central part of Visma's cloud offering all over Northern Europe.

LARGE ENTERPRISES ARE MOVING TO THE CLOUD

Visma is a large player in the growing market for enterprise software in Norway, Sweden, Finland, Denmark, the Netherlands, Latvia and Ireland. Transition to cloud will be the most important growth enabler in the years ahead as large customers are moving critical business and administration processes to the cloud. This transition can be done by moving central core systems to the cloud, or step by step by keeping existing core system and add cloud services for lighter tasks and self-service for a large amounts of users. HRM and school/education are strategic fields for this future growth. These are areas with large user groups where cloud advantages like availability and usability are crucial.

SOFTWARE FOR FUTURE GENERATIONS

Visma has a strong history as a software provider for the public sector in Norway. Together with the acquisitions of StarSoft (Finland) and School Thing (Ireland) this has made Visma a leading provider of school administration software in Northern Europe. Based on this Visma has established a common concept for all school administration solutions called Visma InSchool. All together Visma InSchool reach out to 3.5 million teachers, parents and students in Norway, Finland and Ireland.

Visma is now making the future international cloud software for school administration with increased efficiency and a new way of interacting. Due to the millions of potential users this is an important part of making Visma more of a household brand.

WORKFORCE AND TALENT MANAGEMENT

Maximizing performance levels and competence for an organization with workforce management solutions increases the competitiveness. Through the acquisitions of Numeron (Finland) and Gatsoft (Norway), Visma is now in a favorable position in this segment as well.

In 2016, Visma also strengthened its SaaS Talent Management software offering through the acquisition of the market leading recruitment solution EasyCruit.

EMERGING TECHNOLOGIES AND INNOVATION

Artificial intelligence and machine learning are increasingly important for established companies to stay competitive. To maintain and strengthen the leadership Visma has gained by focusing on cloud and mobile, the Emerging Technologies department was established in 2016. This department will investigate technology, find business cases and prototype solutions. This agile and forward-thinking knowledge will ensure that Visma will remain a leading adopter of new technology. One of the focus areas in 2017 will be on getting a machine learning pilot in production. Innovation itself has a significant drive throughout Visma Enterprise. There is considerable focus on lean methodology, microservice architecture, DevOps and continuous deployment to remove blockers and nurture a culture and familiarity with innovation. Cloud and mobile have set the stage for this new mindset, to the benefit of Visma's customers. continuous deployment to remove blockers and nurture a culture and familiarity with innovation. Cloud and mobile have set the stage for this new mindset, to the benefit of Visma's customers.

ENTERPRISE SOFTWARE FROM VISMA

- HRM and payroll cloud software for public sector and large customers
- ERP and financial management for public sector
- Procurement administration and notification for public sector and large customers
- Cloud solutions for schools, healthcare and welfare
- Business intelligence and dashboards for municipalities and large customers

CUSTOM SOFTWARE SOLUTIONS

Digitalization is a cornerstone in the Nordic countries. It is essential in the up keeping of the welfare societies and meet the challenges of the growing elderly population. As for the private sector, it is equally important to keep the competition from the developing countries at bay in the future.

Visma provides both packaged software including Software as a Service (SaaS) and bespoke software solutions for the public sector and large regulated private companies. For customers who need more than the packaged software can provide, Visma has the competence, technology and track record needed to deliver high-end custom-designed software.

Visma´s ambition is to further develop the position as the preferred partner of software solutions that enable the continuous development of the "digital society" and "eGovernment" in the Nordic countries. The Nordic governments have supported these strategies for years. This is based on the fact that the Nordics must become more efficient, and digitalization of the public sector is one important answer.

VISMA DIGITALISE THE NORDICS

Visma helps both public and private companies to design, develop, modernize and maintain software. As a part of that strategy Visma provides both bespoke solutions and commercial off-the-shelf solutions. Together with the customers, Visma creates increased productivity and growth in the Nordics.

In close collaboration with customers Visma develops end-to-end business software and self-service solutions that help customers to improve productivity by digitization, automation and integration of business processes. Subsequently, it´s essential to maintain and further develop the solutions as part of the application lifecycle management service, to keep the software updated and efficient over time.

COOPERATION WITH CUSTOMERS

Agile principles and close cooperation with customers are central parts of the Visma development philosophy. It´s essential to strive for customer value, through professional skills using state-of-the-art methods and tools as well as insights to challenges in the market. Thus, Visma's software solutions make an important impact in society and value for businesses.

With technically advanced expertise and knowledge, Visma is analyzing, designing, developing and testing new innovative software solutions to enhance competitiveness. Through implementation and integrations, Visma is able to capture, organize, store, analyze, and visualize large amounts of information. Reduction of bureaucracy through improved online collaboration and self-service solutions is another benefit from Visma´s software. Large organizations are able to automate and manage straight-through processing enabling enterprises to become more efficient and profitable.

MEETING THE DEMANDS OF CLIENTS AND REGULATION

The division of custom software is handling some of the largest ICT contracts in the public sector in the Nordics with values exceeding 400 MNOK each. Many of the contracts are long-term contracts (4-6 years) and include mission critical solutions with high degree of rules and regulation. Consequently, Visma has established long-term relations with the customers and invest in building value creating domain knowledge to ensure continuous satisfied customers.

CUSTOM SOFTWARE FROM VISMA

- Bespoke solutions and services
- System development and project delivery
- Application lifecycle management
- Cloud integration services and system integration
- Enterprise architecture services
- Business intelligence, big data, machine learning, predictive analytics
- Case and document management
- Business process management and straight-through processing
- Electronic signature - signing as a service
- E-government solutions
- Self-service solutions
- E-commerce solutions
- Content management solutions
- Mobile solutions
- Fishery control solutions

SOFTWARE FOR THE RETAIL INDUSTRY

The world of retailing is changing rapidly, as shopping and commerce is subject to a technological driven alteration of the dynamics of consumer behaviour. Retailers need new tools, know-how and partners that enable them to stay competitive and provide the customers of tomorrow with a seamless shopping experience.

NEW REQUIREMENTS

Today's consumers place higher demands for information, self-service and availability than ever before, which places new demands on retailers. As the availability to consumers increases, so does the competition in the retail sector. These trends have for several years imposed many new requirements for retailers. There is no such thing as a digital strategy anymore, only a strategy in a digital world.

ONE STEP AHEAD

The retail industry is seeing disruptive technologies that are changing their business models. The influence of new technologies such as augmented reality, artificial intelligence, and even robotics, is shaping next generation retailing. And is especially changing the way consumers shop, interact and make purchasing decisions. Visma can help retailers to stay one step ahead by providing innovative solutions to the pressing issues that the industry is facing.

ARTIFICIAL INTELLIGENCE POWERED RETAILING

Tomorrow´s consumers will expect even more. Fortunately, the technological development is making it possible to meet and stay ahead of these expectations. Artificial intelligence and machine learning software solutions enhances both the customer experience and the business model of the retail industry.

With intelligent software, retailers can offer their customers personalized digital guides that compete with the "live" experience of a real human shopping assistant. Artificial intelligence powered out of stock management or dynamic prising are innovations already available and constantly improving.

Speaking of intelligence, the retail software of the future takes the concept of business intelligence a step further when it comes to gaining customer insight and execute automated loyalty programs.

SEAMLESS CUSTOMER EXPERIENCES

Online shopping used to be a threat to the retail businesses, but the innovative part of the industry orchestrates a multi-channel dialogue with their customers, through all touchpoints of the journey, regardless of whether the purchase is made in one of the chain's physical stores or online. Visma´s software will give the customer the same information in all channels, including pricing, inventory, product information and recommendations.

Customers can "shop online in store" by paying for the item and have it shipped home, or they can buy online and collect in store.

MOBILE FIRST

As in any other field of the digital age, "mobile first" is an essential concept also for the future retail industry. Visma´s mobile shopping software solutions enable the retailers to engage empowered consumers before, during, and after a purchase.

This is supporting the overall purpose of the retail division of Visma, which is clear and simple: to provide our clients with the software and solutions they need to gain more customers, who stay loyal.

A FULL-RANGE SUPPLIER

Visma´s solutions make it possible to achieve all of the above through sophisticated use of technology, supporting all necessary processes at all levels. As a full-range supplier, especially in the segments of grocery, convenience and pharmacy. Visma offers software solutions, consultancy, project management, installation, education, support, technical service and IT-operations.

RETAIL SOFTWARE SOLUTIONS FROM VISMA

- Retail HQ and back office software
- Retail POS and self-service solutions (self-checkout, self-scanning, self-service-stations)
- Mobile solutions (mobile POS, mobile back office, apps)
- Retail hardware and IT infrastructure services
- Data security and EMS
- Customer insights solutions (business intelligence software)
- Automated loyalty programs
- Software for optimized pricing and supplier conditions
- Automated ordering and invoicing software
- Loss prevention management software
- E-commerce
- Warehouse management system
- Consultancy and planning
- Installation, training and support
- Administration and service

IT AND HOSTING SERVICES

Visma is the leading Nordic provider of hosting solutions, and provides IT operations and hosting services to more than 330.000 customers. These services enable the customers to achieve their goals, since Visma offers them best in class tailored IT solutions that are secure, innovative, simplified and efficient.

Visma's division for IT and hosting also provide the global Visma community itself with the tools and framework it needs to continue to innovate the future of software business.

IT OPERATIONS

Visma IT is a IT services and hosting provider in the Visma group. The service deliveries includes net centric services like domain names, e-mail, web servers, through servers, virtual servers, data center capacity and highly specialized and tailored solutions both on premise and in the cloud.

Additionally Visma provide internal IT services like local support, ITIL certified operations, IT project management, security operations, it asset management, cloud brokerage and process automation with machine learning.

RESPONDING TO THE CHANGES IN THE IT INDUSTRY

The IT industry is undergoing major disruptions and changes. Visma has recently paid much attention to cloud brokerage (to support transition to cloud), process automation (to facilitate artificial intelligence) and machine learning and security (to meet the added risk levels in online environments).

As a cloud broker Visma negotiate and refine Visma group enterprise agreements with public cloud vendors. In process automation Visma has designed and implemented a fully automated and self-learning IT service desk dispatcher - which in 2017 will move on to also handle incoming service requests. The security organization has grown and continue to develop policies and skills to meet the increasing number of threats in online environments.

HOSTING SERVICES

Visma hosting is an international provider with more than 17 years experience of cloud based hosting services including domain names, e-mail solutions and web hosting in several European markets.
As a leading Nordic provider and a strong position in central Europe, Visma has more than 330 000 customers using services to succeed online. In these segments, Visma is the market leader in Sweden and Serbia, and number two in the Czech Republic with the brands Loopia and Active 24.

INTERNATIONAL TEAMS AND CERTIFICATIONS

The IT and hosting teams in Visma are international and highly competent and specialized in their fields. The services are based on extensive knowledge of IT service delivery in on-premise environments, in hosting environments and in the cloud, both public and private.

To accommodate this in a certified and formal manner Visma is certified in the fields of controls (ISAE 3402), security (ISO 27001), quality (ISO 9001) and IT service delivery (ISO 20000:1). These certificates also extend to enterprise agreements on Microsoft Azure and Amazon AWS.

The general growth in the mass hosting market is expected to be low, as several European markets are under price pressure with too many competing hosting providers and an ongoing consolidation. Visma will actively search for interesting acquisition opportunities to strengthen its presence in several markets.

IT AND HOSTING SERVICES FROM VISMA

- Domains and e-mail solutions
- Web hosting
- Website builders
- E-commerce solutions
- Virtual servers
- Microsoft Office 365

ONE TO WATCH VISMA.NET FINANCIALS

Technology makes the world easier to access and provides us with tools to increase efficiency. The key to survival is increased efficiency, which can be achieved through workload automation. Visma.net is the ultimate cloud based financial management software for large businesses.

Many businesses are unaware of the power of automation. This was illustrated in a recent survey conducted by Visma, which addressed the biggest challenges facing CFOs across the Nordic markets.
It found that invoicing, banking, budgeting, along with reporting and consolidating take up the majority of their time.
The survey also revealed that CFOs spend too much time on accounting processes and underestimate the importance of automation.

A CLOUD SOLUTION FOR BUSINESSES THAT NEED EVERYTHING
Visma.net is designed to empower all employees by automating manual tasks and helps you ensure your business reaches its full potential. It provides real-time insight into the health of your business so you can make better financial decisions.

Visma.net makes it possible to close the books faster, with support from the automated services for handling the total process of sending and receiving e-invoices. This enables the business to streamline the inventory processes, and thus better manage the business in general.

A module has been introduced to align with today's subscription-based economy, to better handle customer needs.
Those companies with numerous entities running with the same structure, can now simplify end of month reporting and consolidation through multi-company handling.

Project oriented companies can easily track projects, both financial and non-financial, with all features being fully integrated with the financials, for greater transparency and efficiency around projects.

EMPOWER ALL EMPLOYEES
Through integrated, automated and easy to use mobile apps, employees can now manage expense claims, timesheets and more using their mobile phones. Allowing everyone to work more efficiently and spend more time on core business activities.

A COMPLETE ECOSYSTEM
Through our ecosystem, we offer complete and relevant solutions, which provide you with greater flexibility to help run your business. With this we have a broad set of certified partners, with more than 100 partners working on building integrations for third party applications alone.

Visma.net is available across Northern Europe and has a solid customer base that values the broad service offering.

Learn more at visma.net

ONE TO WATCH VISMA CLOUD HRM

Cloud technology and mobile apps will change the way people think about work and office life. Visma´s HRM solutions for the cloud are already positioned at the center of this stage.

Visma help streamlining the core HR functions of employee management and payroll. The software increases the productivity by automating many of the administrative processes and optimizes the workforce. In addition, Visma add support on a strategic level, by helping the customers to recruit, develop and engage the employees in the organization.

MAKES EVERYDAY LIFE MORE EFFICIENT

By replacing paper documents and manual process with best-of-breed, automated and integrated cloud solutions, Visma aim to radically improve the efficiency of HRM processes. This is done by introducing mobile apps that secure that the employees spend as little time as possible on payroll tasks. These apps reduce errors and inaccuracies, and end-users will be all employees of Visma's customers. In that respect, these apps will bring "Visma to the people".

AN ATTRACTIVE PLACE TO WORK

A modern, cloud based HRM solution empowers the employee, and it is important for employer branding. Today's professionals expect modern and efficient solutions at work. They are technology savvy and are used to getting tasks done through self-service solutions. A clanky, outdated system can cause much frustration and can be detrimental when competing for the best talent. By integrating Visma Cloud Payroll with their ERP solution, businesses can automate some of their most time consuming and least profitable processes.

THE FUTURE OF VISMA CLOUD HRM

Visma will in the coming years bring new international services to customers. The payroll solution will be launched in all of Visma's core markets.The workforce management software will also include software for resource optimization, to help organizations optimize their workforce. Our cloud software suite for HR- and talent management will help organizations to streamline their strategic processes to ensure that a company is using its staff as efficiently as possible. It will also drive employees engagement, and thereby increase employee satisfaction and retention rates.

MACHINE LEARNING WILL IMPROVE PAYROLL AND HR

Artificial intelligence and machine learning will revolutionize multiple industries, including payroll- and HR. This will help remove even more manual work and increase efficiency for all users of Visma´s payroll and HR software. Visma has the ambition to lead this revolution, and through AI and machine learning be the most efficient cloud payroll and HR software vendor.

Cloud HRM functionality from Visma

- Payroll
- Time and attendance
- Resource optimization
- Recruiting
- Applicant tracking
- Employee management
- e-Dossier
- On- and off-boarding
- Performance and appraisals
- Learning management

ONE TO WATCH VISMA ADDO

Everyday companies send out lots of documents which the receiver must sign and return. A manual, expensive and very time-consuming process that involves many steps and actions for both the company and the receiver. On this background, Visma has developed an industry standard software for digital signature of documents - quickly, easily and securely.

CLOUD-BASED SIGNATURE DIGITALIZATION

Visma Addo is Visma's cloud-based digital signature service in which the full signing process and distribution of documents between two or more parties is completely digitalized, using either fingerprint on touch-screens or one of the many Nordic e-IDs.

REDUCE TIME AND SAVE MONEY

The solution makes the signing process quick and easy for all parties. It allows the user to digitally sign documents anywhere and at any time, and the receiving party can receive a signed document within a few minutes. Hence, manual processes are radically reduced and businesses save time and money.

FLEXIBLE TO ANY SOFTWARE OR DESIGN

Visma Addo offers many ways to start your signature flow (e.g. directly from Windows applications) and includes a strong workflow engine that allows the business to design its own distribution workflows. Visma Addo is integrated into many standard applications and currently has language support of seven languages.

Learn more at visma.com/addo

Visma Addo
OK

CORPORATE ENVIRONMENTAL 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.ncgb.no.

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.

1. IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

Visma's corporate governance practice is made up of a framework of guidelines and principles with the purpose of ensuring the appropriate division of roles and tasks between the shareholders, the Board of Directors and the executive management team of the Visma Group.

The Board of Directors of the parent company is responsible for implementing good corporate governance in the group. The Board of Directors, Corporate management and the CR-team carry out an annual review of the corporate governance practice in the company.

Visma provides information about its corporate governance practice in the group's annual report and on its web site www.visma.com. This information follows the structure of the Code.

CORPORATE VALUES AND ETHICAL GUIDELINES

The Board of Directors of Visma has defined the company's corporate values. These values have been comprehensively communicated and are known throughout the Visma Group. The values are listed below:

RESPECT

Show respect for colleagues, clients and their businesses. Always represent Visma in an appropriate manner.

RELIABILITY

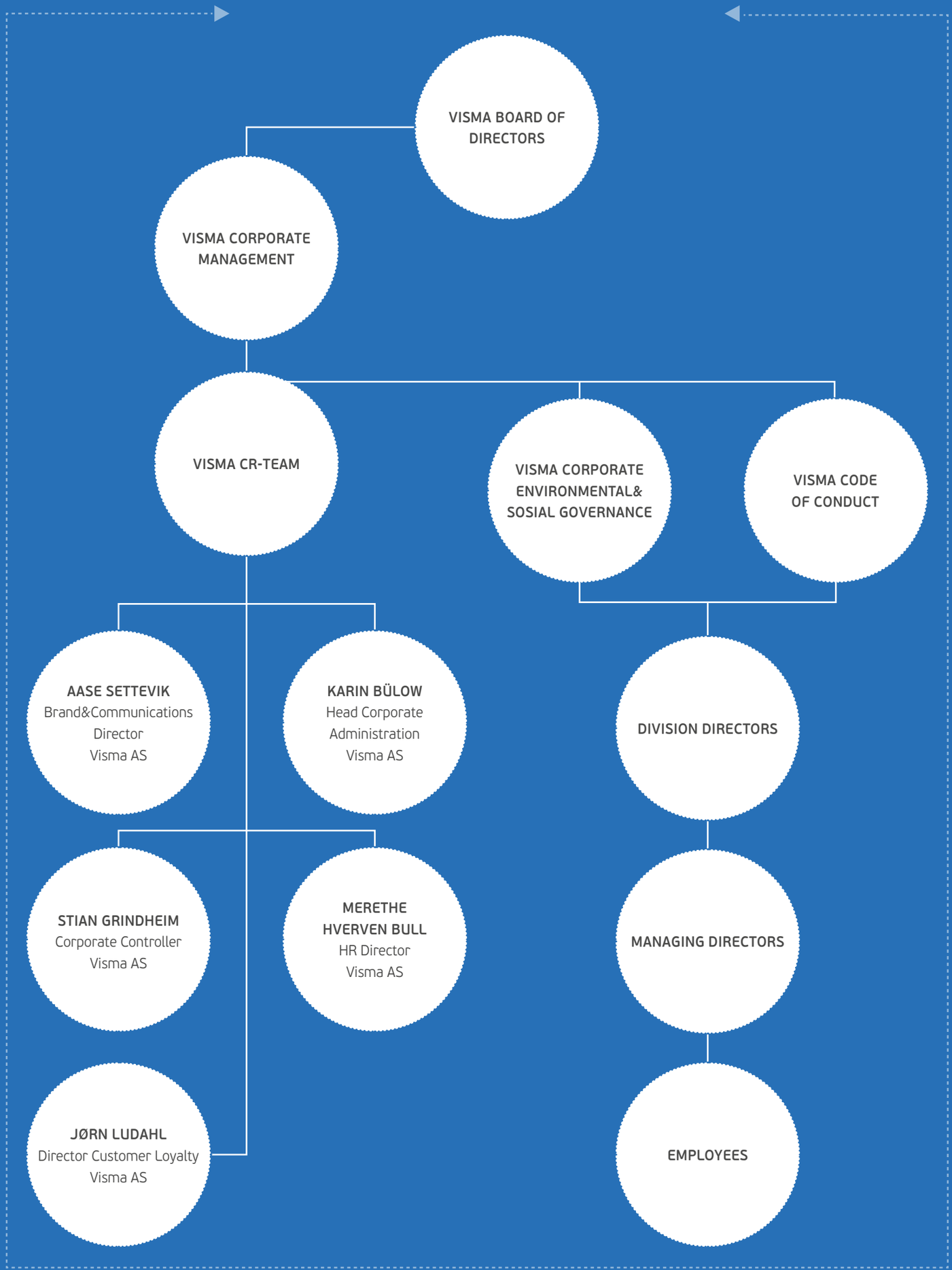
Be loyal, to Visma's directives and honour the agreements that have been made with clients, colleagues and others. Surprise, in a positive way.

INNOVATION

Quickly adopt new solutions, when they enable greater productivity in your own work. Contribute to improving the efficiency of the client's business processes.

COMPETENCE

Rely on your own skills and be eager to learn as well as to help colleagues to learn. Ensure that you are well-versed in your own products and services while focusing on the client's processes.


VISMA BOARD OF DIRECTORS
VISMA CORPORATE MANAGEMENT
VISMA CR-TEAM
VISMA CORPORATE ENVIRONMENTAL& SOSIAL GOVERNANCE
VISMA CODE OF CONDUCT
AASE SETTEVIK
Brand&Communications Director
Visma AS
KARIN BÜLOW
Head Corporate Administration
Visma AS
DIVISION DIRECTORS
STIAN GRINDHEIM
Corporate Controller
Visma AS
MERETHE HVERVEN BULL
HR Director
Visma AS
MANAGING DIRECTORS
JØRN LUDAHL
Director Customer Loyalty
Visma AS
EMPLOYEES

TEAM SPIRIT
Share knowledge and resources with others, and help to make it possible for your colleagues' strengths to be used in the best interests of the company. Our team spirit must benefit our customer relationships.
The company has a Code of Conduct and a corporate culture that is based on these corporate values.

VISMA'S CODE OF CONDUCT
Visma's Code of Conduct works as a basis for all staff members and provides guidelines for conduct in relation to the outside world as well as within the organisation.

The Code of Conduct also applies to those who take on assignments and act on behalf of Visma, including members of the Board, auditors, resellers, partners, consultants and other incidental and more widely varying contractors. All actions and decisions at Visma must be consistent with the Code of Conduct. In cases where normal rules can not be applied, all actions and decisions must fulfil the highest possible standards for ethical conduct.

Visma's Code of Conduct has been thoroughly communicated and understood in all entities across the Group. All Managing Directors have signed the Code to ensure that they implement the Code in all departments of the Visma companies they manage. All managers and employees are obliged to report all incidents that do not comply with the Code.

THE CODE OF CONDUCT IN BRIEF:
Complete confidentiality must be maintained with respect to information about colleagues, clients and business associates.

Respect must be shown in all relationships, external as well as internal, based on principles such as equality and diversity.

Situations that might create external or internal conflicts of interest must be avoided.

Visma upholds diversity in its appointment of people from different cultural, ethnic and religious backgrounds. As a workplace, Visma has a neutral attitude to religion and philosophy of life. In order to avoid conflicts in the workplace, no form of religious preaching, agitation or religious provocation is permitted.

Zero tolerance applies to benefits or gifts that may be regarded as improper or may engender a sense of obligation.

Actions and decisions must be handled in such a way as to bear both external and internal investigation.

Employees, management and their close families may not receive loans or obtain other benefits from clients and suppliers.

Employees and management may not use knowledge obtained about clients' trade secrets or customer base to their own advantage.

Employees or management must not work on projects or have direct or indirect financial interest in or appointments or positions with Visma's competitors.

Each employee and manager is personally responsible for disclosing partiality and cases of doubt to his/her superior.

SUSTAINABILITY AND RESPONSIBILITY
Visma's aim is help to maintain the competitive edge of Northern European companies and government bodies through the automation of administrative processes. Visma defines its responsibility as the way the company's business objectives are fulfilled; this includes ethical operations and respect for the environment as well as a commitment to positive social impact.

Visma continuously develops its operations through innovation in technology and associated skill sets. The company's main objective is to provide its customers with the best skills available. Visma's core purpose is to secure and manage its customers' everyday business processes.

Visma has additionally established policies to ensure that managers and employees across the Group work against corruption in all its forms, including extortion and bribery.

We work towards:

- Providing IT solutions that keep our customers one-step ahead of their competition

We are here to:
- Promote competitiveness and contribute to the creation of growth and effectiveness for our customers

2. BUSINESS

Visma's business is clearly defined in Section 3 of the company's Articles of Association: "The objective of the company is to own and manage shares in other companies, including companies that work with the development and sale of software, the sale of consulting services, commerce, agencies and other business activities, or that participate in other companies in connection with the above, and all related matters".

The Articles of Association can be found on the company's website at www.visma.com. Within the scope of the Articles of Association, the Board of Directors has – in co-operation with the executive management – developed clear objectives and strategies for its business activities, which are further described in the Board of Directors report.

VISION
Visma's vision is to lead the field in the automation and integration of business processes. This means that Visma provides an extensive offering of products and services, which all contribute to making business processes more effective. Visma's products and services contribute to automating business processes and linking them in streamlined integration.

As all organisations are different, we offer freedom of choice within a wide range of products, services and combinations of these. Our ambition is to make our clients leaders in the field of automation and integration of business processes through our own expertise in the area.

CONCEPT
Visma's business concept is to supply software and services related to finance and administration to the private and public sectors in Europe. Our deliveries are made directly to the end customer through a large international network of distributors and resellers. An ever-increasing proportion of our deliveries take place over the Internet as on-demand solutions.

OBJECTIVE
Visma's objective is, in addition to being an attractive workplace for our employees, to generate earnings that will make Visma an attractive investment.

3. EQUITY AND DIVIDENDS

EQUITY
Visma is growing fairly rapidly through acquisition and consolidation and needs a strong and liquid balance sheet.
The company's most important assets are goodwill associated with the business and its software. The intellectual assets in an IT company are primarily of value as long as the company is doing well and is financially independent – Visma therefore needs a higher level of shareholder equity than companies in more traditional industries.
Visma's business activities are by nature relatively capital-light in terms of capital expenditure requirements in non-current assets although the organic growth of the company entails increasing working capital requirements. The company is also growing inorganically through acquisitions, and the company seeks to retain a capital buffer to maintain its investment flexibility.
The equity level and ratio at the end of the year, are considered appropriate in terms of the company's objectives, strategy and risk profile both in absolute and relative terms.

DIVIDEND POLICY
The dividend capacity is evaluated annually by the Board of Directors, based on the need to secure the company's stable development, and the requirements for sound equity capital as well as for adequate financial resources to enable future growth. Under Norwegian regulations, dividends are taxable for foreign shareholders and the company is obliged to deduct tax at source.

CAPITAL INCREASE
Visma has been a privately owned company since 2006. During this period, the Annual General Meeting has granted the Board mandates to increase the share capital only for defined purposes. All mandates are limited in time until the following AGM. Visma is owned by Cinven (28,6%), HGCapital (36,5%) and KKR (28,6%).
The remaining shares in Visma are held by management in a widespread investment scheme initiated in order to ensure dedication and management stability for the future.

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES
Visma emphasises independence and neutrality in all relationships between the Board, the management and the shareholders. This policy also applies to relationships with other interest groups, such as customers, suppliers, banks and other business partners.

Visma's objective is that all shareholders should have equal rights. Visma has one class of shares, and each share carries one vote at the AGM. The shares are freely transferable, and there are no barriers to acquisition. All shareholders in Visma have equal rights to dividends. All shareholders have equal rights in the event of any capital increases.

EQUAL TREATMENT
Visma is currently a privately owned company. Visma's shares are thus not traded on any stock exchange. If the company carries out a transaction in its own shares, this is done at an estimated market value and the company will always strive to ensure equal treatment of all shareholders.

TRANSACTIONS WITH CLOSE ASSOCIATES
In the event of substantial transactions between Visma and any of its Board members, executive management or close associates of these parties, the Board will arrange for a valuation from an independent third party, unless the transaction is subject to approval by the AGM. The Board will also arrange for an independent valuation of transactions between companies in the Visma Group if any of the companies have minority shareholders.

FREELY NEGOTIABLE SHARES
Visma shares are freely negotiable.
No form of restriction has been included in the company's Articles of Association.

5. ANNUAL GENERAL MEETING
The shareholders exercise the highest authority in Visma through the AGM.
The Board of Visma strives to ensure that the AGM is an effective forum for communication between shareholders and Board.
The notice calling the AGM is distributed to the shareholders no later than 14 days prior to the meeting, as required by Norwegian law. The notice includes all the necessary information for shareholders to form a view on the matters to be considered, including deadline for notice of intention to attend and a proxy form. The AGM is open to all shareholders and all shares carry equal voting rights. All shareholders may participate in person or through a proxy. There are no limitations on ownership or known shareholders' agreements.
The Board decides the agenda for the AGM. The main agenda items are determined by the requirements of the Norwegian Public Limited Liability Companies Act and the company's Articles of Association.

6. CORPORATE ASSEMBLY AND BOARD OF DIRECTORS: COMPOSITION AND INDEPENDENCE
Composition of the Board of Directors
The Board of Visma reflects the fact that the company is currently privately owned and has three large international share-holders, in addition to key executive staff. The composition of the Board has been established to ensure the company's need for expertise, capacity and diversity and to ensure that the Board functions well as a collegiate body.

According to the Articles of Association, the Board of Visma must comprise between three and eight members. The Board of Visma currently consists of seven members, all elected by the shareholders at the AGM. The company is seeking to expand the Board to include female members. Board members are elected for a period of one year.

THE BOARD HAS THE FOLLOWING MEMBERS:
Gunnar Kjell Bjørkavåg,
Chairman of the Board
Nicholas James Humphries
Stanislas de Joussineau
Chris Good
David Barker
Jean Baptiste Brian
Anders Borg

BOARD INDEPENDENCE
The composition of the Board should reflect the company's ownership structure. The company's management is not represented on the Board and all the Board members are independent of the executive management and important business associates.

The composition of the Board also ensures that it is able to operate independently of special interests. Each of the owners have two members in the board, while the Chairman of the Board is independent of the company's main shareholders.

7. THE WORK OF THE BOARD

INSTRUCTIONS FOR THE BOARD
The Board of Visma has overall responsibility for the management of Visma and implementation of the company's strategy, including monitoring and supervision of operations. The Board of Directors annually produces a plan for its work, focused on implementing strategies to realise the company objectives. The Chairman of the Board is responsible to plan and execute the board meetings and organise the work of the Board well and efficient.

FINANCIAL REPORTING
The management is responsible to provide the Board with complete accounts and balance sheet for the company on a monthly basis as well as both divisional and consolidated management reports that describe the details and trends of the past month. The CEO prepares the agenda and cases for the Board on instructions from and in cooperation with the Chairman of the Board.

BOARD EVALUATION OF ITS OWN WORK
The Board evaluates its work on an annual basis.

MEETING STRUCTURE
The Board holds board meetings on a monthly basis. Meetings are held as telephone and video conferences, in order to ensure efficiency and save on travel expenses. The company strategy is reviewed in two extended Board meetings per year.

BOARD COMMITTEES
Remuneration committee
The role of the remuneration committee is to assess and make recommendations concerning implementing or changing remuneration policies and concepts, and determining salaries and other remuneration for the CFO and other remuneration for the executive management. None of the committees receive remuneration. Details about remuneration of the Board are included in the notes to the annual financial statements.

THE REMUNERATION COMMITTEE HAS THE FOLLOWING MEMBERS:
Nicholas James Humphries
Jean Baptiste Brian
Anders Borg

AUDIT COMMITTEE
The role of the audit committee is to assist in the exercise of the Board's management and control responsibilities and to ensure that the group has an independent and effective external and internal auditing system.

The duties of the audit committee include maintaining continuous contact with Visma's elected auditor concerning the auditing of the company's accounts. The committee also supervises the implementation of and compliance with the group's ethical guidelines, concerning financial reporting.

The audit committee assesses and makes a recommendation concerning the choice of external auditor and it is responsible for ensuring that the external auditor meets the requirements set by the authorities in Norway.

THE AUDIT COMMITTEE HAS THE FOLLOWING MEMBERS:
Chris Good
Stanislas de Joussineau
Anders Borg

NOMINATION COMMITTEE
Visma is currently a privately owned company and does not have a nomination committee. If the company should apply to become publicly listed, the company will establish a nomination committee.

8. REMUNERATION OF THE BOARD AND EXECUTIVE MANAGEMENT

Remuneration of the Board must be at a competitive level to ensure the desired composition of the Board. The remuneration of the Board is not performance-related and there are no option programmes in place for Members of the Board.

The Board of Visma has established guidelines for the remuneration of the executive management. Visma emphasises being an attractive employer and wishes to attract executive management with relevant experience. The company therefore seeks to offer its executive management competitive compensation packages. Incentive plans are linked to the company's earnings performance. Details about compensation to executive management are included in notes to the annual financial statement.

9. RISK MANAGEMENT AND INTERNAL CONTROL

Risk management procedures aim to help decision makers make informed choices, prioritize actions and distinguish among alternative courses of action.

Uncertainty is everywhere in business. The effect of this uncertainty on the Group's objectives must be assessed continually and the most significant risks must be treated.

Risk management is part of the responsibilities of the board of directors, management teams and an integral part of processes like strategic planning, employee development programs and all project and change management processes.

To reduce risk in general, Visma remains divided into several legal entities in the countries in which it operates. Each entity produces detailed monthly reporting and holds monthly Board meetings. Reports are submitted early on the fifth working day of the month. The division into many legal entities reduces the contractual risks. Most of Visma's contracts are relatively small and hence the contractual risk is limited. Nevertheless, Visma is also involved in a few very large projects. For these, formal steering committees are established, and both divisional and top management of Visma participates in these committees.

Visma seeks to limit malpractice through thorough recruitment processes as well as through training, quality systems and its Code of Conduct. Even with such measures, professional malpractice may occur and Visma has liability insurance in place to cover such incidents.

As a leveraged company Visma has debt service obligations and depends on a steady cash flow. Since the company has very limited COGS, it hardly carries any inventory. Visma has strict principles for income recognition, and the main cash flow risk is related with EBITDA performance. As long as Visma has sufficient EBITDA, the risk of a shortfall in the cash flow is limited. Visma manages its cash through a multi currency-, real-time cash management system. This system is managed by the CFO of Visma, and makes it possible to monitor and control large cash flow movements.

Like most companies, Visma is exposed to general market conditions and developments in GDP in its key markets. In addition, Visma is a technology company and, as such, exposed to risks associated with rapid changes in technology and strong competition. The competition can be divided into two categories, large international companies and smaller local players. It is a constant struggle to protect and gain market share and all units of Visma have numerous local specialised competitors, but while some of these may be aggressive in certain areas, their potential impact on the Visma Group as a whole is limited.

Profitable growth and cash flow generation are the utmost objectives of the Visma Group and its owners. To be able to achieve these objectives we depend on motivated employees and satisfied customers that continually come back and buy more products and services. We also depend on confident owners who are willing to take financial risks and continually support the business development.

Most of Visma's business is certified according to ISO9001, ISO20000 or ISO27001. While such certification does not remove contractual risks, it provides a formal framework for managing and limiting risks.

OHSAS 18001
The Occupational Health and Safety Assessment Series (OHSAS) standard gives requirements for a OH&S management system, to enable an organization to control its OH&S risks and improve its performance. This covers risks associated with:
- The organizational structure
- Planning activities
- Responsibilities
- Practices
- Procedures
- Processes
- Resources for developing, implementing, achieving, reviewing and maintaining the organization's OH&S policy.

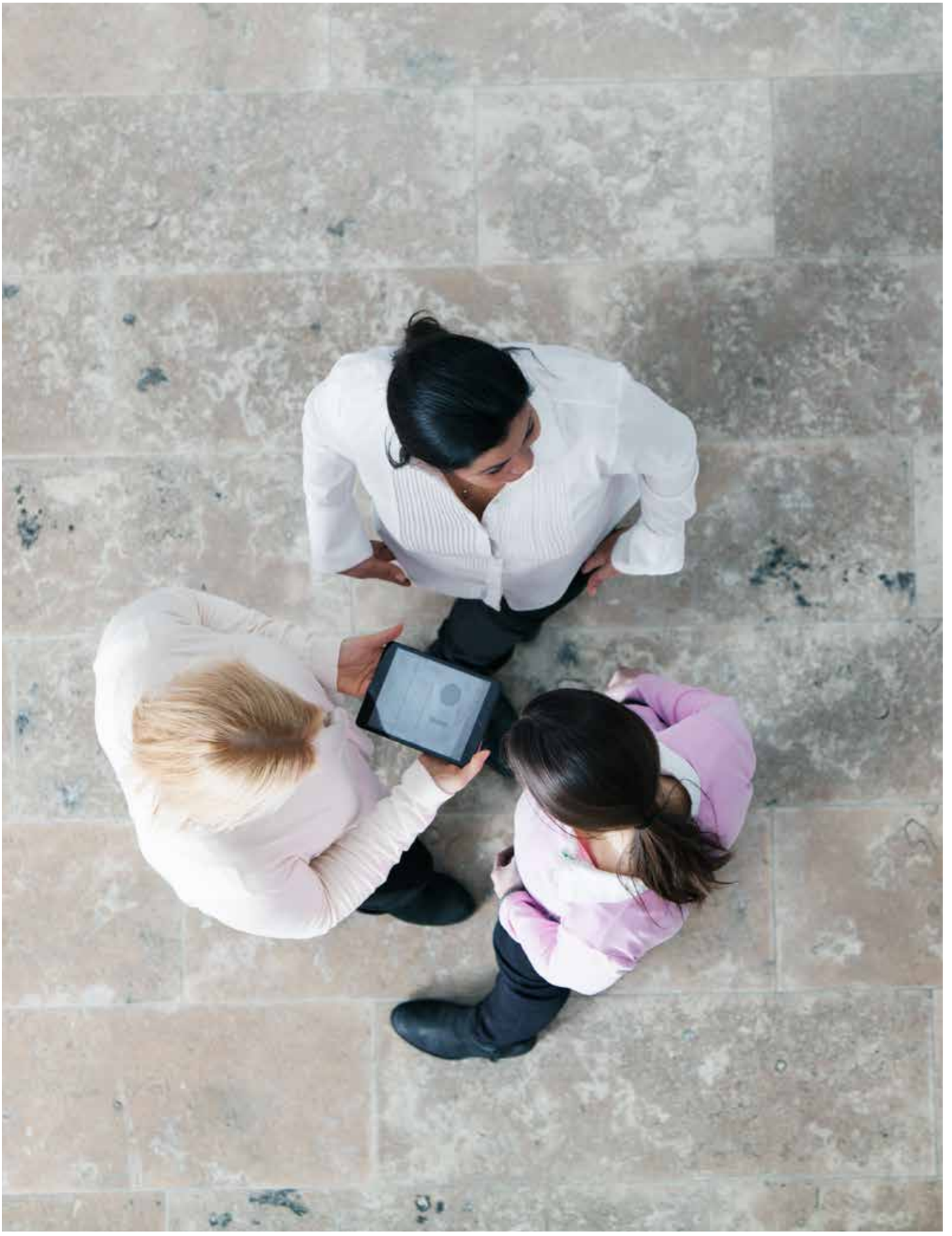
Visma Esscom AB, is certified by OHSAS 18001 to ensure employees safe work environment.

ISO 9001
The standard is process oriented and focuses on continuous improvement and customer satisfaction. It is designed for all business processes that affect quality. Important elements of the standard are:
- Quality management system
- Management responsibility
- Resource Management
- Product sales
- Measurement, analysis and improvement

ISO 20000
ISO 20000 is a global standard that describes the requirements for an information technology service management (ITSM) system. The standard was developed to mirror the best practices described within the IT Infrastructure Library (ITIL) framework. ISO 20000 also supports other frameworks, such as Microsoft's Operations Framework.

ISAE 3402
ISAE 3402 is a standard put forth by the International Auditing and Assurance Standards Board (IAASB), a board within the International Federation of Accountants (IFAC). ISAE 3402 is an excellent example of the continuing migration in adopting true global accounting standards.

ISO 21500
The main focus of the ISO 21500 approach, is the use of structured processes throughout project execution in order to achieve its objectives. Project management then is a structured process about converting a vision into reality and the major emphasis was on developing and defining processes in order to meet project objectives. The organisations strategy identifies opportunities and these opportunities are both evaluated as well as documented. A project consisting of coordinated and controlled activities, performed to achieve project deliverables. Achievement of the project objectives requires the provision of deliverable's conforming to specific requirements.



ISO 27001

ISO 27001 formally specifies an Information Security Management System (ISMS), a suite of activities concerning the management of information security risks. The ISMS is an overarching management framework through which the organization identifies, analyzes and addresses its information security risks. The ISMS ensures that the security arrangements are fine-tuned to keep pace with changes to the security threats, vulnerabilities and business impacts.

ISO 27018

This International Standard is designed for organizations to use as a reference for selecting PII protection controls within the process of implementing a cloud computing information security management system based on ISO/IEC 27001, or as a guidance document for implementing commonly accepted PII protection controls for organizations acting as public cloud PII processors. In particular, this International Standard has been based on ISO/IEC 27002, taking into consideration the specific risk environment(s) arising from those PII protection requirements, which might apply to public cloud computing service providers acting as PII processors.

Visma IT&C is certified for ISO 9001, ISO 20000, ISO 21500, ISEA 3402 and ISO 27001. And will aim for 27018 in 2017/2018.

Visma Enterprise Oy is certified for ISO/IEC 27001:2013.

NET PROMOTER (NPS) IN VISMA

In 2012, Visma implemented a business improvement program based on the Net Promoter methodology. Fundamental to the program is a customer feedback system. By asking the right questions to customer contacts, listening to their feedback, and taking actions based on their input, we are able to focus on the issues that are of the highest importance to our various customer groups.

We are reliant on our customers trusting us to deliver excellent solutions and services. Our aim is to make them so happy that they recommend us to others.
This is the ambition of our customer care program and the backdrop when we develop and improve products, services and guidelines for conduct.

To be able to earn recommendations there are two key factors:

1. Our products and services have to genuinely improve our stakeholders' professional lives
2. We need engaged employees delivering great customer experiences.

HOW IT WORKS

NPS is a metric that continuously tells us how well we are performing in this work and it is being monitored by Visma Management and Board of directors.

The Net Promoter methodology is based on short loyalty surveys designed to map status on customer relations in general (rNPS) or in specific transactions (tNPS). It may also be used internally to get insight in employee relations (eNPS). Visma is doing all of these measurements.

The score is calculated by asking stakeholders the following question: "On a scale from 0 to 10, how likely is it that you would recommend Visma to others"

On this basis, respondents are divided into three categories:

1. Those promoting us (9-10).
2. Those being satisfied, but not promoting us (7-8)
3. Those being dissatisfied with us and may spread negative word of mouth (0-6)

To calculate NPS, we simply subtract the percentage of Category 3 from the percentage of Category 1 (ignoring Category 2).

RELATIONAL NPS (RNPS)

Every month but July, we reach out to 1/11 of our customer contacts, asking for their feedback on the relational NPS survey. This way, we get to ask every contact approximately once a year. If the customer has business relations with more than one Visma company, the contact may be approached twice during a 12 months period.

As a follow up question we also ask for suggestions in terms of what we should improve to become a better vendor.

Visma measure and report rNPS based on a rolling 12 months calculation.

Per December 2016 rNPS was 19,9 for the Visma Group.

TRANSACTIONAL NPS (TNPS)

In addition to the relational NPS survey mentioned above, we reach out to people who have different interactions with Visma, in for instance support calls and implementation projects, asking for feedback.

We call these surveys transactional NPS. This gives us the opportunity to learn more about how we are performing in certain touch points with buyers and users of our software and services.

Since we ask our customers to tell us what they think about us, we are committed to respond. Thus, the respondents taking a survey are not anonymous. This gives us the opportunity to follow up directly on customer specific issues that needs our attention immediately.

We are committed to resolving bad experiences. Stakeholders telling us we are not delivering according to their expectations, and that they therefore are unlikely to recommend us, will receive a follow up call. If possible, we will try to resolve the case. If the issue is of a general character affecting a larger group of customers, we may follow up further to learn more about the issue in order to give more detailed input to our improvement projects. In some cases we also ask the stakeholder to respond to a second survey for us to learn even more.

Based on the feedback in rNPS and tNPS surveys, we get important insight and are able to analyze what to change. Then, we can decide upon prioritized business improvement projects in order to enhance the customer experience.

The NPS feedback system is the customer's voice to the management of Visma, and NPS is one of the most important key performance indicators for Visma management and employees. For our managers, NPS is also tied to their compensation plans. By answering our NPS surveys, stakeholders influence the quality and content of our future software releases, the services we provide, and our customer care.

10. INFORMATION AND COMMUNICATION

Reporting of financial and other information
Visma strives to report quarterly figures and other price-sensitive information as early as possible. Early reporting reduces the possibility of leaks of information and contributes to the equal treatment of all shareholders.

Dialogue with shareholders and the financial market

Visma AS's management is responsible for informing shareholders and investors about the company's commercial and financial performance, and although Visma is not a listed company, the management is committed to ensuring that the participants in the financial markets receive the same information at the same time. Visma will on annual basis distribute a financial calendar for important events.

Visma strives continuously to disclose all relevant information to the market in a timely, efficient and non-discriminatory manner. All news from the company will be available on the company's website, as well as through press releases. The company's management has regular meetings with large shareholders, where topics such as corporate governance and overall strategy in particular, are discussed. The importance of not discussing subjects that may be perceived as price-sensitive is highlighted.

11. TAKEOVERS

In the event of a takeover bid, the Board of Visma's primary responsibility is to maximise the return on investment for all shareholders. The Board of Visma is committed to equal treatment of shareholders and will ensure openness in respect of any takeover of the company. The Board has, however, not drawn up formal guidelines for its conduct in the event that a bid is made for the company. In case of a transaction agreement with an offeror the normal procedure will be not to include exclusive agreements hindering alternative offers, or compensation exceeding direct costs in case of non-completion of the agreement, often referred to as "poison pills".

EVALUATION OF A BID

Should a formal bid be made for Visma, the Board will usually seek to attract competing bids. This will not apply if the Board is able unequivocally to recommend a bid that has been received, or if the process of seeking to attract a competing bid would cause an existing bid to be withdrawn or expire.
If a bid is received for the company's shares, the Board will issue a statement that includes an evaluation of the bid and a recommendation to shareholders on whether the bid should be accepted or not.
If the Board finds that it is unable to recommend the bid to shareholders or not, it will explain its reasons for not making a recommendation. If the Board's statement is not the unanimous view of the Board, this will be explained.
The Board will arrange an external valuation from an independent expert. The Board will also make a recommendation to shareholders on whether or not to accept the offer.

12. AUDITOR

The Group uses the same audit firm in all its subsidiaries in all markets in which the company operates. The overall audit agreement is approved only by the CFO. No agreements may be made with local auditors. The auditor is used extensively as a consultant in financial due diligence in connection with the acquisition of new business and on tax issues.

The auditor is not used as a consultant in strategic questions, or in tasks related to operations in the company. Only the CFO in consultation with the CEO approves consulting assignments. Details of the auditor's compensation is reported at the AGM, and included in the notes to the annual financial accounts.

RELATIONSHIP BETWEEN BOARD OF DIRECTORS AND AUDITOR

The auditor participates in Board meetings dealing with the financial statements.
At the same meetings, the auditor explains his/her view on the company's accounting policies, risk areas, internal control routines and accounting processes.

13. KPI'S

DATA PROTECTION

Visma is currently working on developing and implementing a new data protection policy that is to be compliant with the coming EU data protection regulation.

Percentage of Data Protection Officers that have received relevant training within the last 12 months

- Percentage of employees that have received basic data protection/privacy training
- Number of data protection policy breaches
- Number of data protection policy breaches related to IT security

IT SYSTEM SECURITY

Visma is currently working on developing and implementing a new IT security policy, and related to this a set of KPIs. Some of the KPIs below will be updated accordingly going forward

- Percentage of personnel who received annual information and security awareness training
- Security Incidents (exceeding treshold)
- Security Incidents related to malicious software
- Percentage of system's audit log files reviewed when required per time period

- Corrective actions required by ISO27001 audit pending implementation
- Average percent of relevant security requirements addressed in third party agreements

OTHER FRAUD, ABUSE AND LEGAL
Copyright disputes and infringements

- Fraud cases
- Number of reported cases of corruption
- Number of court judgements filed against Visma (>75,000 NOK)

EMPLOYER RESPONSIBILITY
Visma aims at developing, inspiring and retaining our people, and build their competencies and skills. Courses are offered on Group level within leadership development (Visma Management Academy - VMA and Visma Leadership Training - VLT), soft skills and recruitment. In 2016, 33 managers attend VMA and 165 employees attend VLT. In addition, courses to develop the employees both professionally and personally are offered in the respective companies throughout the Group.

- Employee Net Promoter Score
- Annual employee turnover
- Number of participants Visma Management Academy /Visma Leadership Training

EQUAL OPPORTUNITIES
- Percentage of females in middle management
- Percentage of females in top management

HEALTH AND SAFETY
- Number of reported accidents at the workplace

ENVIRONMENTAL IMPACT
As a software company with the majority of operations in countries were electricity is primarily generated from hydropower, Visma's carbon footprint is mainly related to travel activity as well as disposal of hardware.
- Percentage of disposed hardware that is recycled
- Average travel cost per employee

14. GREEN FOOTPRINT

Green IT and sustainability have always been at the core of Visma's philosophy. We are keenly aware of our social responsibility towards our surroundings. One of the greatest environmental contributions we make is through our software solutions and outsourcing services that enable our customers to reduce their environmental footprints.

REDUCING ENERGY CONSUMPTION, PAPER WASTE, AND EMISSIONS
Visma creates green footprints.
Our focus on environmental and social responsibility comes down to making our own contribution as well as providing our customers with environmentally friendly products, services and technologies.

The main priorities of Visma's efforts for sustainability and green footprint include:
- Improved workflow efficiency with efficient solutions
- Green IT and energy saving
- Reduce carbon footprint

Web-based data capture is growing in many areas in both private and public enterprises. With our solutions, time sheet system are digitalised and employees receive their payslips electronically, which reduces paper usage significantly.

More than half of Norway's municipalities use our financial software solutions to send electronic invoices. This means that our solutions for electronic document flow reduce printing and copying as well as internal mailing. We concentrate on improving the efficiency of internal processes and procedures in the same way as we do for our external customers.

CONSTRUCTION OF GREEN OFFICES
From 2009 - 2016 we have built new, modern and energy-efficient office buildings in Stockholm, Malmö, Copenhagen, Helsinki, Fredrikstad, Trondheim, Stavanger and Oslo. The offices are to support processes that are sustainable for the environment. Our buildings are built to conserve the environment through:

- Efficient use of energy, water and other resources
- Protecting users' health and improving employee productivity
- Reducing waste, pollution and environmental wear
- The green profile also includes energy-saving light sensors in all meeting rooms
- Purified tap water to save on energy inefficient bottled drinking water

MORE ENVIRONMENTALLY FRIENDLY COMMUTING
Visma has become partner with GoMore, Scandinavia's largest commuting and carpooling service. Together we have developed coordination groups for the major cities in Norway where Visma is located, making it possible for our staff to get in touch with colleagues who commute to the office. Fewer cars on the road means fewer accidents, less CO2 emissions and less strain on the road network. We are quick to encourage coordination, as the current use of cars in Norway is not sustainable.

GREENMOBILE
We have entered into an agreement with GreenMobile, Norway's leading operator in the recycling of mobile phone technology. GreenMobile purchases, repairs and restores mobiles and smartphones for reuse in countries in Africa and Asia where subsidised mobile offerings are not available and used equipment is in great demand. GreenMobile's business philosophy closely aligns to Visma's vision of social responsibility and a more environmentally friendly future.

BELLONA.ORG
The Bellona Foundation is an independent non-profit organization that aims to meet and fight the climate challenges, through identifying and implementing sustainable environmental solutions. We work towards reaching a greater ecological understanding, protection of nature, the environment and health. Bellona is engaged in a broad specter of current national and international environmental questions and issues around the world.

Visma supports Bellona by contributing with new technologies and industrial solutions, which are vital to solve the global climate and environmental challenges.

15. SOCIAL RESPONSIBILITY

PICTUREAID.COM

Today there are approximately 70 million children around the world without access to education. This is a direct consequence of education not being a priority in the budgets of so many developing countries, as it often thought of as too expensive and too long term. With a lasting low level of general knowledge in many developing countries, its resources are never tapped to the benefit of the people.

Schools are vital in protecting children and supporting their emotional and social development by giving them comfort, security and opportunity. The routine of school develops a sense of normality and the environment is one in which children are allowed to be children.

Visma supports PictureAid and our contribution ensures that 35 orphans in Le Sotho are able to go to school every day. We hope to create a movement that can sustain itself by giving an option with the most powerful tool of all; education.

CONTRIBUTING TO LOCAL SOCIETIES

With our presence in Romania in the city of Sibiu, Visma has contributed to establish safe, modern work places for local citizens. We recruit our employees from high-level Romanian schools and the present subsidiaries are owned and controlled by Norwegian HQ without the risk of any corruption. The salaries are by that on a competitive level, which secures that our employees are in the best hands working for Visma. For us, the offshoring to Romania has been a success

ASSISTIVE TECHNOLOGY IN ELDERLY CARE

Visma believe that new innovation in assistive technology is likely to make an important contribution to the care of elderly people in institutions and at home. Mobile solutions, remote health monitoring, electronic sensors and equipment such as fall detectors, door monitors, bed alerts, pressure mats and smoke and heat alarms can improve older people's safety, security and ability to cope at home.

Care at home is often preferable to patients and is usually less expensive for care providers than institutional alternatives. These solutions assist the elderly in their day-to-day lives, and, what is perhaps more important, help individuals maintain an independent lifestyle in their home. New technology will also enable care workers to perform their work more effectively.

Visma has already a strong position in technology for elderly care. Together with forward thinking municipalities and various partners, we are now developing and testing cutting-edge technology for elderly care.

Being a "Miljøfyrtårn" (Eco-Lighthouse) is Norway's most used certificate for businesses that want to document their environmental performance and demonstrate social responsibility. This involves systematic work on environmental measures in daily life. Businesses meet the requirements and implementing measures for a more environmentally friendly operation and good working environment. "Miljøfyrtårn" have custom requirements for different industries, and certificates are awarded by an independent appraisal. The company has to produce annual environmental reports, and every third year the business needs to be recertified. The certificate is recognized by the authorities in public procurement.

Visma Enterprise Solutions is a "Miljøfyrtårn" (Eco-Lighthouse) – a Norwegian certification for businesses who take environmental responsibility into practice.

WORKING ENVIRONMENT, ORGANISATION AND EQUALITY

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 increase competence and ensure career development. This includes leadership development programs. Moreover, Visma focuses on attracting the best and brightest young professionals and offers several trainee programs.

Visma emphasizes activities within HSE (health, safety and the environment) and has designated HSE groups and a head safety delegate. HSE procedures form part of Visma's ISO 9000 approved quality system.

Visma conducts a joint, international Employee Engagement Survey (EES) aiming to uncover the work climate and employee engagement in the organization. The survey is conducted twice a year and each department shall establish 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.

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 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 BPO offers management development programmes where most of the participants are women. The objective is to increase the recruitment of women to management roles.

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. Average salary levels in the software industry are somewhat higher than in the accounting and the outsourcing sectors.

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

Visma seeks to provide a working environment offering opportunities for the disabled. The company has recently moved into several new buildings, where the company has have demanded 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.

EMPLOYEE COUNCIL

Visma strives to maintain a relationship of trust and communication between management and employees. To formalise this, a joint employee council has been established in which both managers and employees are represented. The objective of an employee council is to provide a platform for information and discussions about issues that are of particular interest to the staff. The employee council is not a decision-making body.
Representatives are able to raise points of view and/or elements that may contribute to improved job satisfaction for employees and efficiency for the company.

Both employee representatives and the employee council function as a communication channel for employees and for management when relevant issues are to be discussed. The groups do not have a decision-making mandate, but contribute by ensuring that the best solution is chosen. Issues raised should be relevant to all employees in Visma.

FOCUS ON YOUTH

Visma will help to strengthen the interaction between education and industry through a three-year partnership with Junior Achievement.

We see the value of teaming up with young people. It allows us to build knowledge for the future and facilitate creative zest. When students are allowed to use modern tools, collaborate with the industry, and realize their own ambitions, it gives their experience a dimension they do not get in the classroom.

VISMA MANAGEMENT

Øystein Moan
CEO
Since taking the reins in 1997, 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
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
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
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 Consulting
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.

Jan Ivar Borgesen
Division Director,
Visma Enterprise Solutions
Borgersen has a broad experience in doing business with both local and central government organizations, as well as large private enterprises. The division provides full-scale ERP systems for complex businesses along with public sector production systems for areas such as school administration, care for the elderly, and child protective services.

Merete Hverven Bull
Chief HR Officer
Since her appointment in 2011, 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
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
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
With strategic acquisitions as an important factor in Visma's growth, Männik has since 2010 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.

Bjørn A. Ingier
Director Growth & Cross sales
With more than ten years at helm of the Visma Software Division, Bjørn Ingier combine a thorough knowledge about the inner workings of the company with a deep understanding of the market. Both of which are invaluable traits in his current position as Director of Business Development and Cross Sales where he is tasked with finding new ways for to Visma to fulfill its potential.

Jørn Ludahl
Director Customer Loyalty
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
CEO and Division Director,
Visma Software GLA

TORE BJERKAN
Chief Financial Officer

EIVIND GUNDERSEN
Division Director,
Visma Software SMB

PETER FISHER
Managing Director,
Visma Retail

CARSTEN BOJE MØLLER
Managing Director,
Visma Consulting

JAN IVAR BORGERSEN
Managing Director,
Visma Enterprise Solutions

MERETHE HVERVEN BULL
Chief HR Officer

ESPEN HÅKONSEN
Managing Director,
Visma IT&C

AASE SETTEVIK
Director Brand
& Communication

MIKAEL MÄNNIK
Director Mergers &
Acquisitions

BJØRN A. INGIER
Director Growth &
Cross-sales

JØRN LUDAHL
Director Customer Loyalty

DIRECTORS REPORT

2016 marks another strong year for Visma. The BPO division was divested, several 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 2016.

The overall market situation remained stable for Visma's core markets. Visma benefits from continued strong fundamentals in the Nordic markets (representing 96 per cent of Visma revenues). All Nordic countries have very strong public finances. Particularly Sweden, Visma's second largest market experienced strong growth during 2016. The Norwegian economy also has grown moderately, despite lower activity in the petroleum sector. Denmark and Finland have experienced some macroeconomic challenges, with slightly lower growth. However, Visma's business units in these two countries have performed well even with this macro-economic head-wind.

Visma continued its excellent track record of above-market economic growth in 2016 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 2016. At the end of 2016, Visma had close to 5,500 employees and more than 500,000 customers in its core software and services businesses, and an additional 330,000 hosting customers. Visma continued its strategic focus on SaaS in 2016, with SaaS/Cloud Software and related services being an increasingly important driver of organic growth. Visma invested substantial development resources in SaaS products and technologies during 2016. The strong, organic SaaS development was also complemented by multiple SaaS acquisitions completed during the year.

Visma achieved revenues from SaaS products and related services of 2,703 million in 2016. Pure SaaS revenues grew 51.5%. As a result, Visma is one of the largest SaaS business software businesses in Europe.

Total revenue increased by 21.1 per cent to NOK 7,855 million in 2016. EBITDA increased by 27.2 per cent to NOK 1,908 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 2015.

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 2017.

HIGHLIGHTS

The economies where Visma operates were generally in good health during 2016. We see stability across the core markets and particularly Sweden is offering good growth.

During 2016, Visma continued to emphasize its strategic prioritization of transitioning Visma and its customers to the Cloud. Through the divestiture of the BPO division, Visma also strengthened its software focus and is now a pure software company.

eAccounting, Visma's SaaS accounting offering to the micro/SMB segment had over 70,000 customers across Norway, Sweden and the Netherlands by the end of 2016. 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.

%

2016 included significant acquisition activity, Visma increased its SaaS product portfolio through numerous acquisitions in the Nordic markets. Visma also expanded into the Irish market through the acquisition of the SaaS school admin system VSware.

In Denmark, Visma entered the SaaS e-invoicing market through the acquisition of Sproom. It also expanded the offering towards the micro offering through the acquisition of Dinero, a freemium SaaS accounting software. In Norway, Visma further strengthened its offering in the Norwegian ERP market through the acquisition of Tripletex, a leading provider

of SaaS ERP systems in the SMB segment and Agrodata, provider of specialized solutions for the agriculture industry.

Visma expanded its product portfolio to Workforce Management Software though the acquisitions of Norwegian Gatsoft and Finnish Numeron. Another welcome addition to the product portfolio was the international SaaS recruitment solution EasyCruit.

Visma Custom Solutions built up leading competence on BI consulting through three strategic acquisitions across the Nordic region: bWise in Norway, VCWS in Sweden and Cox Consulting in Finland. Additionally, Visma entered the freelance consulting market with the acquisition of Mind4IT.

Innovative product development is of vital importance to retain existing and attract new customers to Visma. At the end of 2016, Visma employed around 800 employees in cost effective and highly competent nearshore R&D centres. 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 2016, Visma continued to invest in new SaaS products, with several new SaaS products and modules released during the year. In 2016, over 60% of R&D spend was allocated to SaaS/Cloud products.

ACQUISITIONS

Visma acquired the following entities in 2016:

- Trimma SB, Sweden, January 2016
- Abalon AB, Sweden, January 2016
- Agrodata AS, Norway, January 2016
- Mind4IT A/S, Norway, January 2016
- Numeron Oy, Finland, January 2016
- AS Dal Personalstøttesystem, Norway, January 2016
- Tripletex AS, Norway, April 2016
- Starsoft Oy, Finland, April 2016
- Doneco ApS, Denmark, April 2016
- Sproom Solutions A/S, Denmark, April 2016
- School Thing Ltd, Ireland, May 2016
- bWise AS, Norway, May 2016
- Suomen Onlineallekirjoitus, June 2016
- VCWS Sweden AB, Sweden, July 2016
- Gatsoft AS, Norway, October 2016
- Amesto Healthcare Logistics AB, Sweden, December 2016
- Cox Consulting Oy, Finland, December 2016
- Movenium Oy, Finland, December 2016
- TransPA AB, Sweden, December 2016
- ValueFrame Oy, Finland, December 2016
- Dinero Regsnkab ApS, Denmark, December 2016

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 2017 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 2016 figures. 2015 figures, restated to reflect the divestiture of BPO, are in brackets.

INCOME STATEMENT

The Visma Group achieved revenue growth of 21.1 per cent to NOK 7,855 million in 2016 (6,488), a solid revenue development across the business.

SMB remained the largest revenue contributor and accounted for 49.6 per cent of revenue, followed by Enterprise at 21.5 per cent, Retail at 13.2 per cent, Custom Solutions at 11.7 per cent and IT & Hosting at 3.8 per cent.

Earnings before interest, tax, depreciation and amortization (EBITDA) increased by 27.2 per cent to NOK 1,908.2 million (1,500.4), and the EBITDA margin showed increased to 24.3 per cent (23.1).

SMB accounted for 65.0 per cent of total EBITDA, followed by Enterprise at 20.4 per cent, Custom Solutions at 4.3 per cent, Retail at 7.9 per cent and IT & Hosting at 2.6 per cent.

Depreciation and amortization amounted to NOK 752.3 million in 2016 (548.5), with the increase primarily explained by acquisitions adding to the asset base.

EBIT increased by 21.4 per cent to NOK 1,155.9 million (951.9).

Net financial items decreased as a result of decreased interest and financial expenses, and profit before tax increased by 45.9 per cent to NOK 897.1 million (614.6).

Taxes amounted to NOK 207.5 million (164.5), generating a net income from continuing operations of 689.5 million (450.2). Profit for the year from continuing and discontinued operations combined , including profit from the sale of BPO was 4,201.1m (623.8). Consequently, the net profit after tax and minority interests was 4,200.8m (623.2m)

In the Board of Directors opinion, the financial statements for the year present fairly the Group's financial position and results for 2016.

In 2016, the parent company Visma AS had a profit of NOK 790.4 million (393.0).

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

Transferred to retained earnings	790,445
Total allocated	790,445

CASH FLOW AND BALANCE SHEET

Visma generated a strong cash flow of NOK 1763.6 million from continuing operational activities in 2016 (1,191.8). 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 1,401.2 million (-1,611.9). The strong increase is due to cash proceeds from the divestiture of the BPO division. NOK -1,739.3 million was related to acquisitions (-1,402.7). Cash flow from financing activities amounted to NOK -267.6 million (156.3)

Cash and cash equivalents increased to NOK 5,866.9 million (2915.3), which the Board of Directors considers to be sufficient given the current and expected activity level.

Total assets increased to NOK 17,559 million at the end of 2016 (13,660), mostly related to businesses acquired during the year.

The majority share of the equity increased to NOK 8,229.9 million at the end of 2016 (4,158), mainly reflecting the gain on sale of the BPO division as well as the profit for the year and payment of group contribution to Archangel AS. The equity ratio increased to 46.9 per cent (30.4).

Accounts receivable totaled NOK 1,102 million at 31 December, 2016 (1,108). Customers' average credit period was 37 days towards the end of 2016.

Visma has made provisions of 1.4 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 2016, Visma SMB further strengthened its position a leading SaaS supplier with strong growth in both revenue and number of new subscriptions. During 2016, growth in revenues from SaaS and related services was 44.2 % and ended at NOK 1,591.6 million for the full year. SaaS subscriptions is now the key growth driver for SMB. Visma SMB acquired several SaaS businesses during the year: Among them Tripletex in Norway and Dinero in Denmark. These acquisitions add to a good momentum in organic growth for existing SaaS solutions

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 70,000 customers across Norway, Sweden and the Netherlands by the end of 2016.

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 2016. Visma also entered the Danish e-invoicing market in 2016 through the acquisition of Sproom Solutions A/S, the leading e-invoicing provider in Denmark.

Revenue in SMB increased 18.8 per cent to NOK 3,900.0 million in 2016 (3282.5). EBITDA amounted to NOK 1240.3 million (1030.1), corresponding to an EBITDA-margin of 31.8 per cent (31.4). At the end of the year, SMB had approximately 2,600 employees, servicing more than 500,000 Customer Contracts.

Enterprise experienced strong growth in 2016. The large VIGO school project (future SaaS software system for all Norwegian high schools) continued according to plan with important milestones being achieved. The focus on school solutions was further strengthened through the acquisitions of two SaaS school admin systems: VSware in Ireland and Starsoft in Finland.

During 2016, 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. Visma also expanded the SaaS HR portfolio through the acquisition of the international recruitment solution EasyCruit.

Workforce Management Software is another focus area for Visma Enterprise, Through the acquisitions of Gatsoft and Numeron, Visma gained strong market presence in Norway and Finland during 2016.

Revenue in Enterprise increased 35.2 per cent to NOK 1,689.0 million in 2016 (1,249.5). EBITDA amounted to NOK 388.9 million (280.2), corresponding to an EBITDA-margin of 23.0 per cent (22.4). At the end of the year, Enterprise had approximately 1,250 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 2016, the first major customers went live on Retail Suite, Visma Retails flagship solution. This solution also has a strong potential outside of Scandinavia and the first international contracts were signed during 2016. The product offering within Customer Loyalty Solutions was also expanded in 2016 through the acquisition of Abalon.

Competitive solutions and a strong pipeline ensure a solid foundation for further growth in 2017.

Revenue in Retail increased 8.6 per cent to NOK 1,038.9 million in 2016 (956.6). EBITDA amounted to NOK 82.7 million (65.4), corresponding to an EBITDA-margin of 8.0 per cent (6.8). At the end of the year, Retail had approximately 600 employees.

Custom Solutions is a leading provider of 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, automated workflow management and case processing solutions as well as system development and system integration.

During 2016, Visma Custom Solutions built significant competency within business intelligence consulting through the strategic acquisitions of bWise, VCWS and Cox Consulting. Additionally, Visma entered the freelance consulting market with the acquisition of Mind4IT.

Revenue in Custom Solutions increased 31.5 per cent to NOK 916.5 million in 2016 (697.1). EBITDA amounted to NOK 150.4 million (82.2), corresponding to an EBITDA-margin of 16.4 per cent (11.8). At the end of the year, Custom Solutions had approximately 800 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 2.4 per cent to NOK 301.0 million in 2016 (293.9). EBITDA amounted to NOK 49.4 million (49.3), corresponding to an EBITDA-margin of 16.4 per cent (16.8). 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 101 locations distributed in Norway (39), Sweden (34), Finland (12), Denmark (4), the Netherlands (2), Romania (1), United Kingdom (1), Ireland (1), Lithuania (3), Latvia (2), Spain (1), Czech Republic (1), Poland (1) and Serbia (1).

The business operations of the Visma Group are carried out through 112 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 2016 Visma had 5,493 employees, which is a decrease from 7,420 at the end of 2015. The reduction of 2,532 of these employees was a part of the sale of the BPO division carried out in December 2016.

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 10th class of Management Trainees started the program autumn 2016. 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 part of Visma's ISO 9000 approved quality system. Total sick leave for the Group averaged 3.21 per cent in 2016 (3.38 in 2015). No significant injuries or accidents occurred in connection with work tasks undertaken at Visma during 2016.

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 29 the past year.

Visma's staff is, overall, relatively balanced between the genders, with a slight majority of 50,1 per cent women.

In the holding company, Visma AS, six of thirteen employees are women. The proportion of women in top management is 23 per cent and 41 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 2016, the group's Board of Directors comprises seven 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 2016 was 16.9 per cent (17.0) higher for men than for women. Average salary levels in the software industry are somewhat higher than in the accounting and the outsourcing sectors.

In recruitment processes, Visma seeks candidates with the best professional qualifications and emphasises 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 2016, 286 employees were on leave of absence, of which 85 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. Oracle and SAP also have a presence in the Nordic region, however they are primarily focused on large enterprise customers whereas Visma's core market comprises Micro and SMB customers. Visma also faces local competitors, but although these may compete in some cases with parts of Visma' product offering, they typically lack the breadth of offering to compete effectively with the Visma-group as a whole. Visma has competed with each of these businesses in the Nordics over a number of years and has maintained its strong market share.

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 800,000 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 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 utilises 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 2016, a 5.0 per cent change in exchange rates versus NOK would have had an estimated effect of NOK 23.6 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 2016, the company expensed bad debts corresponding to approximately 0.02 per cent of revenue and has made provisions for 1.4 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

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 2016 it is 92.4 per cent (79.4). 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 2016 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 5,500 employees and more than 800,000 customers, Visma's international master insurance programme 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 outsourcing activities of Visma utilise software and IT-automation for its production, and even a few hours of downtime at the Visma IT-centre 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 organised its IT operations in a separate legal entity: Visma IT & Communication (VITC). VITC operates a central data-centre 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 2017
The global economic outlook for 2017 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 labour 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 2017, 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 centres. 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.

2017 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

STANISLAS DE JOUSSINEAU
Director

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Director

DAVID ROBERT BARKER
Director

CHRISTOPHER JAMES GOOD
Director

ANDERS BENGT MARTIN BORG
Director

ØYSTEIN MOAN
CEO

Oslo, 18 May 2017

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NOTES TO THE CONSOLIDATED ACCOUNTS

INCOME STATEMENT – 1 JAN. - 31 DEC.

VISMA AS - CONSOLIDATED

(NOK 1,000)	Note	2016	2015 *
CONTINUING OPERATIONS			
OPERATING REVENUE			
Sales revenue	2	7 855 248	6 487 634
Total operating revenue		**7 855 248**	**6 487 634**
OPERATING EXPENSES			
Sales and distribution cost		1 383 931	1 135 757
Payroll and personnel expenses	3,16	3 558 574	2 957 485
Depreciation and amortisation expenses	4,5	752 303	548 487
Other operating expenses	8,16	1 004 583	893 984
Total operating expenses		**6 699 391**	**5 535 713**
Operating profit		**1 155 857**	**951 922**
Result from associated companies	**24**	**(311)**	**(2 468)**
FINANCIAL ITEMS			
Financial income	9	22 330	17 779
Financial expenses	9	(280 811)	(352 591)
Net financial items		**(258 481)**	**(334 812)**
Profit before taxes and discontinued operations		**897 066**	**614 641**
Taxes	**10**	**207 546**	**164 479**
Net income from continuing operations		**689 520**	**450 162**
DISCONTINUED OPERATIONS			
Net income from discontinued operations	**26**	**3 511 600**	**173 643**
Profit for the year from continuing and discontinued operations		**4 201 120**	**623 805**
Attributable to:			
Equity holders of Visma AS		4 200 757	623 198
Non-controlling interests		363	607
Earnings pr share in TNOK			
Basic earnings per share	19	4 200 757	623 198
Diluted earnings per share	19	4 200 757	623 198

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Profit for the year		**4 201 120**	**623 805**
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net gain (loss) on financial hedging instruments	20	30 410	15 188
Income tax		(7 298)	(3 949)
Exchange differences on translation of foreign operations	2	(91 643)	203 318
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Net gain (loss) on defined benefit plan		2 940	6 309
Other comprehensive income (loss) for the period, net of tax		65 591	220 866
Total comprehensive income for the period		**4 135 529**	**844 671**
Equity holders of Visma AS		4 135 166	844 064
Non-controlling interests		363	607

* 2015 has been restated to reflect the effect of discontinued operations. Please refer to note 26 for more information

STATEMENT OF FINANCIAL POSITION 31 DEC

VISMA AS - CONSOLIDATED

(NOK 1,000)	Note	2016	2015
ASSETS			
Non-current assets			
Deferred tax assets	10	61 686	96 094
Goodwill	4,23	6 100 589	6 379 886
Patents and other intangible assets	4	1 531 124	1 014 713
Capitalized development expenses	4	264 999	243 094
Contracts & Customer relationships	4	1 389 124	1 314 929
Property	5	21 151	21 303
Machinery and equipment	5	94 189	134 009
Shares classified as available for sale	21	39 675	44 011
Investment in associated companies	24	83 917	84 228
Other long-term receivables	7	418 808	17 252
Pension Assets	5	9 327	3 589
Total non-current assets		**10 014 588**	**9 353 107**
Current assets			
Inventory		38 650	39 057
Accounts receivables	6	1 102 192	1 108 007
Other current receivables	7	536 501	244 920
Cash and cash equivalents	12	5 866 935	2 915 318
Total current assets		**7 544 278**	**4 307 302**
TOTAL ASSETS		**17 558 866**	**13 660 408**

(NOK 1,000)	Note	2016	2015
EQUITY AND LIABILITIES			
Equity			
Paid-in share capital	14,15	181 700	171 700
Share premium reserve		1 415 631	1 209 934
Other paid-in capital		394 394	394 394
Total paid-in capital		**1 991 726**	**1 776 029**
Other reserves	13	145 925	211 516
Retained earnings		6 092 291	2 170 287
Equity attributable to equity holders of the parent		**8 229 942**	**4 157 832**
Non-controlling interests		21 971	6 049
Total equity		**8 251 913**	**4 163 880**
Non-current liabilities			
Deferred tax liability	10	888 089	882 386
Financial hedging Instruments	20	119 160	191 795
Other long-term interest bearing loans and borrowings	12	4 977 879	4 780 448
Other long-term non interest bearing liabilities		276 557	282 409
TOTAL NON-CURRENT LIABILITIES		**6 261 685**	**6 137 039**
Current liabilities			
Revolving credit facility	20,22	163 553	529 352
Short-term interest bearing bank loans	12, 20,22	100 000	100 000
Trade creditors		425 319	317 495
Public duties payable		340 370	438 372
Tax payable		36 615	37 828
Other current liabilities	22	1 979 410	1 936 442
Total current liabilities		**3 045 267**	**3 359 489**
Total liabilities		**9 306 965**	**9 496 528**
TOTAL EQUITY AND LIABILITIES		**17 558 866**	**13 660 408**
Secured liabilities and guarantees	17		

Oslo, 18 May 2017

GUNNAR BJØRKAVÅG
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Director

NICHOLAS JAMES HUMPHRIES
Director

ANDERS BENGT MARTIN BORG
Director

ØYSTEIN MOAN
CEO

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

VISMA AS - CONSOLIDATED

(NOK 1,000)	Note	2016	2015
Profit before tax from continuing operations		897 066	614 641
Profit before tax from discontinued operations	26	3 562 139	211 348
Ordinary profit before taxes from continuing and discontinued operations		4 459 204	825 989
Gain on sale of discontinued operations		(3 337 076)	0
Depreciation and amortisation expenses		752 303	548 487
Taxes paid		(107 070)	(286 661)
Changes in debtors		5 815	(191 124)
Changes in inventory and trade creditors		108 230	77 922
Changes in public duties payable		(98 002)	43 951
Changes in deferred revenue		(11 431)	177 835
Change in other accruals		227 255	251 637
Net cash flow from continuing and discontinued operations		**1 999 229**	**1 448 035**
Net cash flow from continuing operations		1 763 618	1 191 777
Net cash flow from discontinued operations	26	235 611	256 258
Sale of (investment in) businesses	1	(1 739 337)	(1 402 741)
Investment in R&D software related to business combinations		(26 281)	(74 856)
Investment in tangible fixed assets related to business combinations		(10 865)	(3 644)
Capitalised development cost	4	(71 913)	(73 079)
Investment in tangible fixed assets	5	(57 265)	(51 093)
Sale of (investment in) shares	**21**	4 336	(6 516)
Net proceeds from divestiture of discontinued operations	**26**	3 302 521	-
Net cash flow from investments		**1 401 196**	**(1 611 930)**
Repayments of interest bearing loans		(224 010)	(259 386)
Proceeds from interest bearing loans		738 664	710 108
Change in revolving credit facility		(332 017)	318 756
Change in long-term receivables		(1 556)	(4 697)
Payment of group contribution		(403 027)	(355 300)
Cash inflow from dividends		4 000	4 000
Net cash from share issues		215 697	50 671
Cash inflow from interest		21 233	17 516
Cash outflow from interest		(286 572)	(325 410)
Net cash flow from financing activities		**(267 587)**	**156 259**
Net cash flow for the year		**3 132 837**	**(7 636)**
Cash and cash equivalents 1.1		2 915 318	2 788 970
Net foreign exchange difference		(181 221)	133 984
Cash and cash equivalents 31.12	**12**	**5 866 935**	**2 915 318**

* 2015 has been restated to reflect the effect of discontinued operations. Please refer to note 26 for more information

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 01.01.2015		**165 000**		**325 394**	**(9 350)**	**1 829 856**	**2 310 900**	**4 985**	**2 315 885**
Profit for the period						623 198	623 198	607	623 805
Issue of share capital	14	6 700	1 209 934				1 216 635		1 216 635
Exchange differences on translation of foreign operations, net of tax					203 318		203 318		203 318
Net gain (loss) on defined benefit plan, net of tax					6 309		6 309		6 309
Total comprehensive income for the period		6 700	1 209 934		**220 866**	**623 198**	**2 060 698**	**607**	**2 061 306**
Group contribution from/(to) parent company				69 000		(281 652)	(212 652)		(212 652)
Changes to non-controlling interest; acquisition and arising on business combination (Note 1)						(1 115)	(1 115)	457	(659)
Equity as at 31.12.2015		**171 700**	**1 209 934**	**394 394**	**211 516**	**2 170 287**	**4 157 832**	**6 049**	**4 163 880**
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**

IFRS ACCOUNTING POLICIES 2016

CORPORTATE INFORMATION

The consolidated financial statements of Visma AS, for the year ended 31 December 2016 were authorised for issue in accordance with a resolution of the Board of Directors on 18 May 2017. 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 except for the application of IFRS 8, Operating Segments.

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 does not fully apply to IFRS 8, Operating Segments as the Group reports its segments based on changes to the organisational structure implemented 1 December 2016. BPO is not presented as a separate semgnet as a restul of the sale BPO division (see note 26) and the business of the Software SM and Software GLA segments from last year has been reallocated to five new segments this year. 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 forprospectively 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.

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 cutomers. 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 reinvoicing 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 18 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.

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.

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 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 2016 as they have sold its BPO division in 2016. 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 2016.

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 2016, they did not have a material impact on the annual consolidated financial statements of the Group.

• IAS 1 – Presentation of Financial Statements The amendments to IAS 1, issued as part of IASBs Disclosure Initiative, further encourage companies to apply professional judgment in determining what information to disclose and how to structure it in their financial statements.
• IAS 16 – Property, Plant and Equipment and IAS 38 Intangible Assets The amendments clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate.
• IAS 27 – Separate Financial Statements The amendments restore the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. The entity must apply the same accounting for each category of investments.
• Annual Improvements 2010 – 2012, IFRS 3 Business Combination: It clarifies that all contingent consideration arrangements

classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 Financial Instruments.
• Annual Improvements 2010 – 2012, IFRS 8 Operating Segments. Judgment made by management in applying aggregation criteria must be disclosed, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are similar.
Furthermore, the reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities. The Group has not applied the aggregation criteria in IFRS 8.

The Group has not early adopted any other Standards, Interpretations or Amendments in 2016.

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 2017 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 analyses or additional reasonable and supportable information being made available to the Group in the future.

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, which may indicate that the impact of IFRS 15 will be lower than for entities with a less extent of decomposition. In 2017, the group will review their contracts in more details to determine whether current practice of decomposition and revenue recognition are according to new guidelines given in IFRS 15. 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. Early adoption of IFRS 15 is permitted.

Clarification to IFRS 15 issued by IASB and it is effective date of 1 January 2018 but it has not been endorsed by the EU. The expected date of EU endorsement has not yet published. This amendment intends to clarify the requirements in IFRS 15, not to change the standard.

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 plans to assess the potential effect of the IFRS 16 on its consolidated financial statement.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption of IFRS 15 is permitted if adopted together with early adoption of IFRS 15.

IAS 7 Statement of Cash Flow - Disclosure initiative

The amendment requires entities to provide 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). The Group does not expect material impact resulting of this amendment.

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

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

- IFRS 12 Disclosures of interest in other entities - clarification of the scope of the disclosure requirement in IFRS 12
The amendments clarify that the disclosure requirements in IFRS 12, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary or an associate that is classified as held for sale. It is effective for annual periods beginning on or after 1 January 2018 by IASB but it has not been endorsed by the EU. The expected date of EU endorsement has not yet published. The Group does not expect significant impact resulting from this clarification but the Group will perform a preliminary assessment after the EU has endorsed this clarification.
- 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.
- 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.
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 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).

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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Komma igång

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
Trimma AB	Business Intelligence Software	16/01/2016	100,00 %	131 651	423	132 074
Abalon AB	Customer Loyalty Software	16/01/2016	100,00 %	61 687	387	62 074
Agrodata AS	ERP Software for Agriculture	16/01/2016	100,00 %	44 500	202	44 702
Mind4IT A/S	Freelance Consultant Agency	16/01/2016	100,00 %	100 384	212	100 597
Numeron Oy	SaaS Workforce Management Software	16/01/2016	100,00 %	79 666	307	79 973
AS Dal Personalstøttesystem	HRM software	16/01/2016	100,00 %	30 000	97	30 097
Wallmob	Last year earn-out, paid this year	20/01/2016		7 769	-	7 769
Digital Illustrated Finland Oy	Last year earn-out, paid this year	10/02/2016		6 531	-	6 531
Visma Duetto Oy	Last year earn-out, paid this year	18/02/2016		1 254	-	1 254
Viklo Oy	Last year earn-out, paid this year	01/04/2016		3 765	-	3 765
Visma Smartskill AS	Last year earn-out, paid this year	07/04/2016		11 304	-	11 304
Information Factory AB	Last year earn-out, paid this year	20/04/2016		8 618	-	8 618
InExchange Factorum AB	Last year earn-out, paid this year	08/06/2016		29 026	-	29 026
PBJ A/S	Sellers credit	03/05/2016		31 270	-	31 270
Tripletex AS	SaaS ERP Software	04/04/2016	100,00 %	233 000	215	233 215
Starsoft Oy	SaaS Admin Software	05/04/2016	100,00 %	202 808	273	203 081
Doneco ApS	Scanning Software	11/04/2016	100,00 %	15 126	180	15 306
Sproom Solutions A/S	e-invoicing	06/04/2016	100,00 %	50 940	552	51 492
School Thing Ltd	SaaS Admin Software	25/05/2016	100,00 %	104 485	972	105 457
EasyCruit	SaaS Recruitment Software Asset	31/05/2016		241 219	1 020	242 239
bWise AS	Business Intelligence Consulting	10/05/2016	60,00 %	64 949	329	65 278
Spendency	Adjusted payment	12/05/2016		4 470	-	4 470
FMS	Adjusted payment	11/05/2016		40	-	40
Acumatica inc	IP Perpetual Licence	16/06/2016		119 025	-	119 025
Suomen Onlineallekirjoitus Oy	SaaS eSignature Software	30/06/2016	100,00 %	14 575	81	14 656
VCWS Sweden AB	Business Intelligence Consulting	08/07/2016	100,00 %	17 653	180	17 832
Gatsoft AS	Workforce Management Software	10/10/2016	100,00 %	105 000	276	105 276
Instore IT Sør AS	Buy-out of minority shareholders	15/11/2016	9,00 %	5 000	-	5 000
Instore IT Midt Norge AS	Buy-out of minority shareholders	15/11/2016	4,33 %	2 500	-	2 500
Dinero regnskab ApS	SaaS Accounting Software	16/11/2016	100,00 %	140 185	826	141 011
Amesto Healthcare Logistics	Administrative Software	15/12/2016	100,00 %	64 484	389	64 873
Cox Consulting Oy	Business Intelligence Consulting	15/12/2016	100,00 %	31 805	304	32 109
Movenium Oy	SaaS Construction Site WFM Software	15/12/2016	100,00 %	84 118	284	84 402
TransPA AB	SaaS Transportation WFM software	07/12/2016	100,00 %	42 315	24	42 339
ValueFrame Oy	SaaS Project Management Software	12/12/2016	100,00 %	83 656	455	84 111
Idur Information AB and Virvo Oy	Gain on BPO related M&A - acquired and sold in 2016			841	-	841
Total				**2 175 619**	**7 988**	**2 182 767**

1) All costs associated with the acquisition are expensed as "Other operating expenses", including reimbursements to the acquiree for bearing some of the acquisition costs.

NOTE 1 CONTINUED

The cash outflow on acquisition are as follows:	
Cost price (excluded costs associated with the acq.)	2 040 720
Last year earn-out, paid this year	134 899
Change in estimated earn-out	35 362
Deferred payment	(274 862)
Cash paid	**(1 936 119)**
Net cash acquired with the acquisitions	160 140
Net cash (outflow)/inflow	**(1 775 979)**
Other intangible assets acquired	26 001
Machinery and equipment acquired	10 641
Net investment in businesses	**(1 739 337)**

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

Trimma AB
On 16 January Visma acquired 100 % of the voting shares of Trimma AB. Trimma is a Swedish supplier of business intelligence software

Mind4IT A/S
On 16 January Visma acquired 100 % of the voting shares of Mind4IT A/S. Mind4IT is a Danish freelance IT consultant agency

Tripletex AS
On 4 April Visma acquired 100 % of the voting shares of Tripletex AS. Tripletex is a Norwegian supplier of SaaS ERP Software

Starsoft Oy
On 5 April Visma acquired 100 % of the voting shares of Starsoft Oy. Starsoft is a Finnish supplier of SaaS school administration software

School Thing Ltd
On 25 May Visma Acquired 100 % of the voting shares in School Thing Ltd. School Thing is an Irish supplier of SaaS school administration software

EasyCruit
On 31 May Visma acquired the SaaS recruitment software Easycruit. This was a software asset deal paid by cash.
The previous owner of EasyCruit, Lumesse, reinvested some of the sales proceeds in shares in Metatron, Visma's ultimate holding company. "

bWise AS
On 10 May Visma Acquired 60 % of the voting shares in bWise AS. bWise is a Norwegian supplier of BI consulting services and solutions

Acumatica Inc
On June 16 Visma bought a perpetual software licence for a fork of the Accumatica source code from Accumatica Inc.

Gatsoft AS
On 10 October Visma acquired 100 % of the voting shares of Gatsoft AS. Gatsoft is a Norwegian supplier of Workforce Management Software

Dinero Regnskab ApS
On 16 November Visma acquired 100 % of the voting shares of Dinero Regnskab ApS. Dinero is a Danish provider of SaaS accounting software

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 2016 due to revised earn-out conditions and acquisition of the remaining equity stake in InExchange Factorum AB from minority owners during 2016 as well as adjusted payment for Spendency AB and FMS. 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)	Mind4IT A/S	Trimma AB	Tripletex AS	Starsoft Oy	School Thing Ltd	bWise AS	Gatsoft AS	Dinero Regn-skab ApS
Deferred tax assets			58					1 137
Shares		200				1 000		
Machinery and equipment				173		288	14 499	1 353
Property	5	1 205	224	1 045	833	1 642		400
Other long-term receivables						284	1 141	642
Inventories	142		431	112			1 246	866
Trade receivables								
Other short term receivables	44 216	7 289	4 747	1 357	1 502	19 030	4 169	1 218
Cash and cash equivalents	4 386	1 253	5 052	7 222	177	1 129	3 335	79
Other intangible assets	11 245	7 986	12 653	31 157	7 032	9 171	11 205	2 690
Assets	**59 992**	**17 934**	**23 166**	**41 066**	**9 544**	**32 545**	**35 595**	**8 385**
Other long-term liabilities					4 359			
Deferred tax liability	19						378	112
Bank overdraft						1 214		303
Trade creditors	46 500	1 059	1 400		1 096	5 154	1 122	119
Public duties payable		4 332	5 926		1 158	5 860	2 957	1 164
Tax payable		967	(750)			(720)	(627)	
Other current liabilities	5 886	5 270	11 503	32 504	10 626	8 754	11 100	12 564
Liabilities	**52 405**	**11 628**	**18 079**	**32 504**	**17 239**	**20 261**	**14 929**	**14 262**
Fair value of net assets	**7 588**	**6 305**	**5 087**	**8 562**	**(7 695)**	**12 284**	**20 666**	**(5 877)**
Non-controlling interests						18 221		
Goodwill arising on acquisition	49 732	63 733	123 063	96 898	66 207	38 497	37 084	80 456
Other intangible assets		32 913	81 550	70 983	47 018	11 090	36 750	49 065
Contracts and customer relationship arising on acquisition	55 211	46 078	58 250	50 702	10 449	33 270	26 250	35 046
Deferred tax liability	(12 146)	(17 378)	(34 950)	(24 337)	(11 493)	(11 090)	(15 750)	(18 504)
Total acquisition cost	**100 384**	**131 651**	**233 000**	**202 808**	**104 485**	**110 899**	**105 000**	**140 185**
Net cash acquired with the subsidiary	(11 245)	(7 986)	(12 653)	(31 157)	(7 032)	(9 171)	(11 205)	(2 690)
Cash paid	52 747	96 702	233 000	202 808	44 337	64 699	105 000	121 900
Net cash outflow	**41 502**	**88 716**	**220 347**	**171 651**	**37 305**	**55 528**	**93 795**	**119 210**
Deferred payment	47 638	34 949			60 149			18 285
Revenue for the year	24 637	58 655	77 465	50 713	25 881	96 129	69 787	21 155
Revenue for the period before acquisition			18 293	10 623	10 615	27 704	46 943	16 526
Revenue contribution to the Visma Group	24 637	58 655	59 172	40 090	15 265	68 424	22 845	4 629
Profit for the year	5 327	4 193	2 754	1 717	2 856	6 580	7 082	3 007
Profit for the period before acquisition			2 182	1 718	(542)	1 932	4 973	2 872
Profit contribution to the Visma Group	5 327	4 193	572	(1)	3 398	4 648	2 109	136

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.

NOTE 1 CONTINUED

ACQUISITIONS AFTER THE BALANCE SHEET DATE

(NOK) Name	Description	Acquisition date	Percentage of voting equity instruments acquired	Cost price	Cost associated with the acquisition	Consideration total
Optivasys AB	Business Intelligence Consulting	05/01/2017	100,0 %	52 316 000		52 316 000
LogBuy ApS	Employee Benefits Solutions	01/02/2017	100,0 %	38 818 000	365 279	39 183 279
PPG Oy	Purchase to pay/invoicing	08/03/2017	100,0%	282 741 727	560 840	283 302 567
Trollweb Solutions AS	eCommerce	08/03/2017	100,0%	85 000 000	276 596	85 276 596
Davilex Software BV	ERP Software	09/03/2017	100,0%	47 996 834	468 786	48 465 620
MyStore.no AS	eCommerce	17/03/2017	100,0%	41 950 000	209 100	42 159 100

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

	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							
Software	2 972 451	1 217 941	127 216	414 299	58 601	0	4 790 507
Transaction Services	602 949	69 982	0	19	0	0	672 949
Consulting Services	174 209	280 040	770 114	330 392	2 578	0	1 557 333
Hosting and infrastructure as a service	4 264	0	0	79 423	196 100	0	279 787
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**
Growth (external) %	18,8 %	35,2 %	31,5 %	8,6 %	2,4 %	23,5 %	21,1 %
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**	**-270 493**	**897 377**
Assets	**8 580 926**	**2 747 781**	**1 389 735**	**1 026 789**	**209 395**	**3 544 399**	**17 499 024**

NOTE 2 CONTINUED

	2015*						
(NOK1,000)	SMB	Enterprise	Custom Solutions	Retail	IT & Hosting	Other	Total
Revenues							
Total segment revenues	**3 923 441**	**1 513 608**	**808 676**	**1 253 956**	**408 104**	**135 533**	**8 043 318**
Internal revenues	640 926	264 065	111 530	297 334	114 313	127 514	1 555 683
External revenue on each group of similar products and services							
Software	2 438 048	910 262	89 405	397 478	53 950	0	3 889 143
Transaction Services	589 122	47 700	0	13	0	0	636 836
Consulting Services	111 285	219 020	587 313	299 991	2 193	0	1 219 802
Hosting and infrastructure as a service	3 031	1 907	0	59 705	197 739	0	262 382
Other	141 027	70 654	20 428	199 435	39 908	8 019	479 472
External revenues	**3 282 514**	**1 249 543**	**697 146**	**956 622**	**293 790**	**8 019**	**6 487 634**
EBITDA	**1 030 091**	**280 183**	**82 152**	**65 421**	**49 255**	**-6 693**	**1 500 409**
EBITDA margin	31,4 %	22,4 %	11,8 %	6,8 %	16,8 %		23,1 %
Profit before tax	**685 671**	**181 176**	**36 173**	**46 071**	**-29 213**	**-302 768**	**617 109**
Assets	**7 321 812**	**2 356 487**	**1 025 827**	**944 791**	**626 993**	**-212 780**	**12 063 132**

Reconciliation	**2016**	**2015 ***
Profit before taxes and discontinued operations	897 066	614 641
Net financial items	258 481	334 812
Result from associated companies	311	2 468
Depreciations and amortisations	752 303	548 487
EBITDA from operating segments	**1 908 160**	**1 500 409**
EBITDA	**1 908 160**	**1 500 409**

Assets for associated companies are disclosed under "Other".

GEOGRAPHICAL AREAS

	2016			2015		
	Net sales	% of net sales	** Long lived assets	* Net sales	% of net sales	** Long lived assets
Norway	3 246 228	41,3 %	2 980 688	2 840 265	43,8 %	2 808 176
Sweden	2 818 886	35,9 %	2 286 994	2 244 169	34,6 %	2 366 161
Denmark	624 595	8,0 %	1 863 788	465 051	7,2 %	1 870 577
Finland	866 032	11,0 %	1 401 220	648 329	10,0 %	1 265 995
Netherlands	299 507	3,8 %	753 147	289 820	4,5 %	641 712
Total	**7 855 248**	**100,0 %**	**9 285 836**	**6 487 634**	**100,0 %**	**8 952 622**

* 2015 has been restated to reflect the effect of discontinued operations. Please refer to note 26 for more information
** 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)	2016	2015 *
Salaries	2 633 435	2 245 344
Employer's national insurance contributions	506 052	370 658
Pension expenses	202 995	189 968
Other personnel expenses	216 091	151 515
Total	**3 558 574**	**2 957 485**
Average number of man-year	**5 493**	**4 842**

* 2015 has been restated to reflect the effect of discontinued operations. Please refer to note 26 for more information

Pensions

Visma has contribution-based schemes in Denmark, Finland, Swedenliabilities of TNOK -9 327 originating from acquired entities. Expenses related to the contribution plan were TNOK 202 995 in 2016 and TNOK 270 402 in 2015. In addition to the defined contribution-based schemes, Visma has one defined benefit plan in Sweden covering 18 employees. The net liability recognised based on the defined benefit scheme in the Group (Visma Consulting AB Sweden) amounts to NOK -9.3 million as of year end 2016.

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 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)	(129 543)	(1 036 943)	(274 692)	(1 598 880)	(131 203)
Carrying amount at 31 December 2016	**0**	**0**	**1 531 124**	**264 999**	**1 389 124**	**6 100 589**

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
Disposal refers to the divestiture of the BPO division. Please refer to note 26 for more information.

INVESTMENT IN PURCHASED RIGHTS, GOODWILL, CONTRACTS AND CUSTOMER RELATIONSHIPS

(NOK 1,000)	Acquired (year)	Software rights	Capitalized development expenses	Contracts & Customer relationships	Goodwill
Trimma AB	2016	33 540	-	46 956	64 948
Abalon AB	2016	15 716	235	22 002	24 845
Agrodata AS	2016	11 125	-	15 575	23 219
Mind4IT A/S	2016	-	-	55 280	49 794
Numeron Oy	2016	19 938	145	27 914	28 398
AS Dal Personalstøttesystem	2016	7 500	-	10 500	16 395
Tripletex AS	2016	81 550	-	58 250	123 063
Starsoft Oy	2016	71 876	-	51 340	98 117
Doneco ApS	2016	5 414	-	3 867	8 160
Sproom Solutions A/S	2016	18 047	672	12 891	25 589
School Thing Ltd	2016	47 305	-	10 512	66 611
EasyCruit	2016	234 811	6 186	-	-
bWise AS	2016	11 090	204	33 270	38 497
Acumatica inc	2016	-	-	119 096	-
Suomen Onlineallekirjoitus Oy	2016	5 276	-	3 768	7 585
VCWS Sweden AB	2016	-	-	4 660	13 530
Gatsoft AS	2016	36 750	14 680	26 250	37 084
Dinero regnskab ApS	2016	51 886	1 431	37 062	85 082
Amesto Healthcare Logistics	2016	25 664	-	18 331	28 851
Cox Consulting Oy	2016	-	-	8 499	25 123
Movenium Oy	2016	31 469	-	22 478	41 476
TransPA AB	2016	16 865	-	12 046	22 116
ValueFrame Oy	2016	31 469	2 694	22 478	30 045
Adjustments*	2016	1 489	35	1 336	-32 484
Total		**758 780**	**26 281**	**624 361**	**826 045**

* Adjustmens are related to the earn-out payments for InExchange Factorum AB, adjusted payment for Spendency AB and FMS.
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 2015, net of accumulated amortisation	**0**	**0**	**523 379**	**131 711**	**770 698**	**4 508 811**
Acquisitions	0	0	631 525	74 856	742 685	1 563 468
Additions	0	0	0	73 079	0	0
Disposal	0	0	0	0	0	0
Amortisation	0	0	(214 374)	(36 552)	(263 920)	0
Exchange adjustments	0	0	74 182	0	65 467	307 608
Balance at 31 December 2015	**0**	**0**	**1 014 713**	**243 094**	**1 314 929**	**6 379 886**
Carrying amount at 1 January 2015						
Cost	5 004	129 541	1 042 472	317 101	1 760 198	4 640 014
Accumulated amortisation and impairment	(5 004)	(129 541)	(519 092)	(185 390)	(989 501)	(131 203)
Carrying amount at 1 January 2015	**0**	**0**	**523 379**	**131 711**	**770 698**	**4 508 811**
Carrying amount at 31 December 2015						
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 31 December 2015	**0**	**0**	**1 014 713**	**243 094**	**1 314 929**	**6 379 886**

	2016	2015
The Group has incurred the following software research and development expenses	**1 270 300**	**1 120 550**

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.

NOTE 5 - TANGIBLE FIXED ASSETS

CONSOLIDATED

(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%	

(NOK 1,000)	Machinery and equipment	Property**	Total
At 1 January 2015	**149 641**	**20 912**	**170 554**
Investment	51 093	391	51 484
Investment from acquisition of subsidiary	3 644	0	3 644
Disposal and scrap	0	0	0
Impairment	0	0	0
Depreciation for the year	(69 979)	0	(69 979)
Adjustment	(391)	0	(391)
At 31 December 2015	**134 009**	**21 303**	**155 312**
At 1 January 2015			
Cost	734 791	31 090	765 881
Accum. depreciation	(585 149)	(10 178)	(595 328)
At 1 January 2015	**149 641**	**20 912**	**170 553**
At 31 December 2015			
Cost	789 137	31 481	820 618
Accum. depreciation	(655 128)	(10 178)	(665 306)
At 31 December 2015	**134 009**	**21 303**	**155 313**
Depreciation rates (straight line method)	10-33.33%	0 - 4%	

* Disposal refer to assets sold as part of the divestiture of the BPO division. Please refer to note 26 for more information.
** Properties that are not depreciated are tested for impairment where an indicator of impairment arise.

NOTE 6 - ACCOUNTS RECEIVABLES

CONSOLIDATED

(NOK 1,000)	2016	2015
Accounts receivables	1 117 488)	1 129 821
Provision for bad debt	(15 296	(21 814)
Accounts receivables	**1 102 192**	**1 108 007**

On a consolidated basis the provision for bad debts at 31.12.2016 is TNOK 15 296 while at 31.12.2015 it was TNOK 21 814

CHANGES IN PROVISIONS FOR BAD DEBTS

	2016	2015
Provisions for bad debt 1 January	**21 814**	**20 742**
Effect from (disposals) and acquisitions of business	(3 194)	1 260
Bad debts recognised as expense (expense reduction)	(2 246)	4 987
Recovered amounts previously written off	(1 078)	(5 175)
Provisions for bad debt 31 December	**15 296**	**21 814**

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 2016	886 716	115 858	77 601	16 571	20 742	1 117 488	(15 296)	1 102 192
Trade receivables 2015	928 101	127 405	31 419	23 991	18 904	1 129 821	(21 814)	1 108 007

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 15 123 (TNOK 14 345 in 2015). 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)		2016	2015
Prepaid expenses		145 885	87 567
Other short term receivables		15 604	61 071
Prepaid taxes		12 735	2 027
Revenues recognized not invoiced / work in progress		95 768	94 255
Deferred payment discontinued operations	26	266 508	
Total other current receivables		**536 501**	**244 920**

OTHER LONG TERM RECEIVABLES

		2016	2015
Vendor loan note	26	400 000	0
Other long term receivables		18 808	17 252
Total other long term receivables		**418 808**	**17 252**

Vendor loan note and deferred payment disconitnued operations are both related to the sale of the BPO division.
Please refer to note 26 for more information

NOTE 8 - OTHER OPERATING EXPENSES

CONSOLIDATED

(NOK 1,000)	2016	2015 *
Rent	263 872	264 777
Other office expenses	118 161	95 974
Telecom, postage and IT	139 393	108 853
Travel expenses	99 588	80 720
Car expenses incl leasing	36 779	33 482
Sales and marketing	156 365	148 225
Audit, lawyers' fees and other consulting services	177 727	147 701
Bad debts	12 699	14 252
Total other operating expenses	**1 004 583**	**893 984**

* 2015 has been restated to reflect the effect of discontinued operations. Please refer to note 26 for more information

NOTE 9 - FINANCIAL INCOME AND EXPENSES

CONSOLIDATED

(NOK 1,000)	2016	2015 *
Financial income include:		
Dividend/transfer from investments	4 000	4 000
Other interest income	18 330	13 779
Foreign exchange gains*	0	0
Total financial income	**22 330**	**17 779**
Financial expenses include:		
Interest expense	253 580	329 519
Foreign exchange losses **	12 727	3 508
Other financial expenses ***	14 504	19 564
Total financial expenses	**280 811**	**352 591**

* 2015 has been restated to reflect the effect of discontinued operations. Please refer to note 26 for more information

** 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	**2016**	**2015**
Current income tax charge	159 307	25 871
Changes in deferred taxes	48 239	138 608
Income tax expense reported in the statment of profit or loss	**207 546**	**164 479**

Consolidated statement of other comprehensive income (loss)	**2016**	**2015**
Net gain (loss) on financial hedging instruments	(7 298)	(3 949)
Net (gain)/loss on actuarial gains and losses	(829)	(1 780)
Deferred tax charged to OCI	**(8 128)**	**(5 728)**

Below is an explanation of why the tax expense for the year does not make up 25% of the pre-tax profit. 25% is the tax rate of the parent company Visma AS.

	2016	**2015**
Ordinary profit before tax from continuing operations	897 066	614 641
Profit/(loss) before tax from a discontinued operation	3 562 139	211 348
Ordinary profit before tax	4 459 204	825 989
25 % (27%) tax on ordinary profit before tax	1 114 801	223 017
Permanent differences*	(829 766)	13 985
Different tax rate in group companies	(21 132)	(25 751)
Change in tax rates*	(4 896)	(28 506)
Loss (profit) from associated company	78	666
Tax from prior year	0	0
Non taxable dividend received	(1 000)	(1 080)
Recognised previous unrecognised tax loss	0	0
Loss on previous unrecognised deferred tax asset due to tax case***	0	19 852
Tax expense	258 084	202 183
Income tax expense reported in the statement of profit or loss	207 546	173 643
Income tax attributable to a discontinued operation	50 538	28 540
Effective tax rate from continuing operations	23,1 %	32,9 %

*Mainly related to BPO divistment

"** The following countries have changed the corporate tax with effect from 2017 affecting the temporary differences and deferred tax as at 31.12:

- Norway changed corporate tax rate from 25% to 24%"

*** Refer to seperate comments below

DEFERRED TAX AND DEFERRED TAX ASSETS

	Consolidated statement of financial position		**Consolidated income statement**	
	2016	**2015**	**2016**	**2015**
Current assets/liabilities	112 832	123 155	(10 323)	(22 240)
Fixed assets/long term liabilities	713 554	667 308	46 246	148 005
Tax losses carried forward	17	(4 172)	4 189	7 650
Net deferred tax liability / (asset)*	**826 403**	**786 292**	**40 111**	**133 415**

NOTE 10 CONTINUED

Reflected in the statement of financial position as follows:		
Deferred tax asset	61 686	96 094
Deferred tax liability	888 089	882 386
Net deferred tax liability / (asset)	**826 403**	**786 292**

	2016	**2015**
Deferred tax opening balance	**786 292**	**652 876**
Taken to other comprehensive income including currency effects	(8 128)	(5 728)
Change in group contribution related parties	(135 545)	(126 916)
Currency effects		3 390
Recognised loss on deferred tax asset due to tax case***	0	19 852
Changes due to acquisitions	**211 386**	**103 674**
Changes due to disposals*	**(67 713)**	**0**
Taken to profit and loss	**40 111**	**139 144**
Deferred tax closing balance	**826 403**	**786 292**

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.

*** In 2010, local tax authorities in Norway made a ruling that prevented Visma from utilizing tax positions of an acquired business of NOK 393 million. The tax position consisted of tax losses carried forward from periods prior to 2004 and goodwill. Visma had taken the case to court but lost in the Court of Appeal in December 2014. In March 2015 a hearing in the Norwegian Supreme Court did not approve a further promotion of the appeal. As a consequence a NOK 110 million tax expense was recognised in 2014 based on the best information available til the signing date. After the signing of the 2014 financial statement, Visma has been informed on additional tax payment of NOK 19 million relating to this case. So a tax payable of NOK 19 million has been cleared and paid after signing of 2014 financial statemen and this paymeth has been recorded as current year's expenses in the 2015 financial statement. No futher expenses is expected in this case.

NOTE 11 - RELATED PARTY DISCLOSURES

CONSOLIDATED

Visma AS	Registered office	Holding% **	Book value ***
Visma Danmark Holding A/S *	Copenhagen	100,00 %	595 595 816
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 %	1 171 594 732
Visma Sverige Holding AB *	Växjö	100,00 %	6 080 187
Active 24 Holding AS*	Oslo	100,00 %	13 449 939
Visma Latvia Holding SIA*	Riga	100,00 %	53 416 300
Visma Treasury AS	Oslo	100,00 %	5 000 000
Visma VSware Bidco AS *	Oslo	100,00 %	106 508 461
Total (NOK)			**2 362 933 994**

Visma Norge Holding AS			
Visma Software International AS*	Oslo	100,00 %	519 718 353
Visma Software AS	Oslo	100,00 %	517 860 710
Visma Unique AS	Oslo	100,00 %	59 018 636
Visma Retail AS	Baråker	100,00 %	138 032 377
Intime Nordic AS	Baråker	100,00 %	12 000 000
Visma IT & Communications AS	Oslo	100,00 %	66 326 991
Visma Collectors AS*	Trondheim	100,00 %	183 735 963
Agrodata AS	Bergen	100,00 %	44 702 369
Visma Smartskill AS,N	Sarpsborg	100,00 %	120 151 225
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 %	47 010 792
Visma Consulting AS	Oslo	100,00 %	214 663 481
Visma Software Labs AS	Oslo	100,00 %	218 830 845
Instore Technical Services AS	Barkåker	100,00 %	81 612 202
InStore IT Vest AS	Fyllingsdalen	100,00 %	33 678 000
InStore IT Innlandet AS	Furnes	100,00 %	20 936 200
InStore IT Sør AS	Porsgrunn	100,00 %	37 940 243
InStore IT Midt Norge AS	Trondheim	100,00 %	28 870 035
InStore IT Nord AS	Tromsø	100,00 %	16 187 054
Visma Mamut AS*	Oslo	100,00 %	70 017 889
Tripletex AS	Oslo	100,00 %	233 215 250
Gatsoft AS	Porsgrunn	100,00 %	105 275 831
bWise AS	Oslo	60,00 %	65 028 274
Total (NOK)			**2 875 258 414**

NOTE 11 CONTINUED

Visma Sverige Holding AB	**Registered office**	**Holding% ****	**Book value *****
Visma Software AB	Malmø	100,00 %	112 330 042
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 %	130 817 328
Visma Collectors AB	Helsingborg	100,00 %	250 386 195
Visma Advantage AB	Stockholm	100,00 %	30 674 009
Information Factory AB, S	Uppsala	100,00 %	40 144 774
Visma Enterprise AB	Stockholm	100,00 %	433 416 625
Visma IT & Communications AB	Växjö	100,00 %	2 220 000
Visma Commerce AB*	Linkøbing	100,00 %	249 803 610
Spendency AB	Stockholm	50,10 %	11 500 000
Visma Lindhagen AB	Stockholm	100,00 %	3 000 000
Visma Consulting AB*	Kista	100,00 %	250 966 832
Visma Malmö AB	Malmo	100,00 %	1 000 000
Speedledger AB	Gothenburg	100,00 %	216 877 562
Visma Public AB	Stockholm	100,00 %	71 544 524
Abalon AB	Stockholm	100,00 %	60 389 059
Loopia AB	Västerås	100,00 %	527 803 235
Active 24 SRO	Prague	100,00 %	89 541 425
VCWS Sweden AB	Stockholm	100,00 %	17 906 924
Segat AB	Lund	100,00 %	953 186
Visma Heatlthcare Logistics AB *	Malmö	100,00 %	70 421 957
TransPA AB	Munkedal	100,00 %	46 026 000
Visma Vipsen AB *	Växjö	100,00 %	128 439 148
Visma Labs AB	Stockholm	100,00 %	229 436 779
Total (SEK)			**4 177 484 871**

Visma Danmark Holding A/S			
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 %	2 000 000
e-conomic International A/S *	Copenhagen	100,00 %	1 016 000 000
Mind4IT A/S	Copenhagen	100,00 %	78 133 270
Visma Labs A/S	Copenhagen	100,00 %	95 861 928
Sproom Solutions A/S	Copenhagen	100,00 %	40 433 118
Doneco ApS	Copenhagen	100,00 %	12 307 716
Dinero Regnskab ApS	Copenhagen	100,00 %	122 674 943
Visma Consulting A/S	Copenhagen	100,00 %	171 425 155
Total (DKK)			**1 598 282 428**

NOTE 11 CONTINUED

Visma Finland Holding OY	**Registered office**	**Holding% ****	**Book value *****
Visma Duetto Oy	Turku	100,00 %	3 323 671
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
Numeron Oy	Tampere	100,00 %	8 048 799
Visma Consulting OY	Helsinki	100,00 %	10 251 334
Digital Illustrated Finland Oy	Helsinki	100,00 %	4 748 194
Visma Solutions Oy	Lappeenranta	100,00 %	45 355 874
Visma Passeli Oy	Pori	100,00 %	20 334 663
Soumen Onlineallekijoitus Oy	Helsinki	100,00 %	1 587 069
Cox Consulting Oy	Espoo	100,00 %	3 567 972
Movenium Oy *	Espoo	100,00 %	9 378 731
ValueFrame Oy	Helsinki	100,00 %	9 398 064
Total (EUR)			**196 980 926**
Visma Nederland BV			
Visma Software BV*	Schiphol-Rijk	100,00 %	118 972 772
Visma Teleboekhouden BV,NL	Schiphol-Rijk	100,00 %	5 223 625
Easycruit Ltd	Luton, UK	100 %	1
Total (EUR)			**124 196 397**
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**

NOTE 11 CONTINUED

Visma VSware Bidco AS *	Registered office	Holding% **	Book value ***
School Thing Ltd	Dublin	100,00 %	81 772 601
Total (NOK)			**81 772 601**
Active 24 Holding AS			
Active 24 Norway AS	Oslo	100,00 %	2 300 000
Active 24 BV	Amsterdam	100,00 %	600 000
Total (NOK)			**2 900 000**

* 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	12 648	8 958	2 425	315	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 2016, 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 5 866 935 (TNOK 2 915 318 in 2015).
Of this, restricted cash amounts to TNOK 159 659 (TNOK 207 486 in 2015), whereof TNOK 113 369 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 February 2016. 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.

		Interest			Interest	Nominal value	Due in		
(NOK 1 000)	Interest*	margin	Interest		accrued	31.12.2016	2017	2018	2019
Senior Visma AS	1,28 %	3,25 %	4,53 %	NOK	5 420	368 132	100 000	100 000	168 132
Senior Visma Sverige Holding AB	-0,35 %	3,25 %	2,90 %	SEK	22 021	2 337 300	0	0	2 337 300
Senior Visma Finland Holding OY	-0,19 %	3,25 %	3,06 %	EUR	1 061	106 822	0	0	106 822
Senior Visma Danmark Holding AS	-0,04 %	3,25 %	3,21 %	DKK	10 433	1 000 000	0	0	1 000 000
Senior Visma Nederland AS	-0,19 %	3,25 %	3,06 %	EUR	341	34 306	0	0	34 306
RCF Visma Nederland BV	-0,19 %	3,25 %	3,06 %	EUR	179	18 000	0	0	18 000
Total Visma group translated to NOK				**NOK**	**53 482**	**5 259 457**	**100 000**	**100 000**	**5 059 457**
Expected interests to be paid				NOK			233 659	228 428	223 835
Interest swap Visma Sverige Holding AB				SEK	651	400 000			
Interest swap Visma Sverige Holding AB				SEK	9 199	700 000			
Interest swap Visma Finland Holding OY				EUR	358	50 000			
Interest swap Visma Danmark Holding A/S				DKK	1 495	460 000			
Interest swap Visma Nederland BV				EUR	223	26 000			
Total Visma group translated to NOK				**NOK**	**16 477**	**2 299 091**			

*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	**2016**	**2015**
Interest bearing deposits	0,42 %	0,61 %
Revolving credit facility	3,06 %	3,58 %
Acquisition facility	3,06 %	3,58 %
Loan secured by mortgage	4,44 %	4,84 %

Acquisition financing Visma AS	
Acquisition financing national holding companies	4 995 903
Capitalised borrowing cost	(18 025)
Other non interest bearing long term borrowings	276 557
Total	**5 254 436**

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 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 2015	**(157 003)**	**110 355**	**37 299**	**(9 349)**
Changes in 2015	11 239	203 318	6 308	220 865
At 31 December 2015	**(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**

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. The net liability recognised based on the defined benefit scheme in the Group (Visma Consulting AB Sweden) amounts to NOK 9.3 million as of year end 2016.

NOTE 14 - SHARE CAPITAL AND SHAREHOLDER ISSUES

CONSOLIDATED

At 31.12.2016, the company's share capital consists of 1 share with a nominal value of NOK 181,700,313 fully paid.
One share entitles the holder to one vote. No changes to the number of shares has taken place in 2016.

Shareholders at 31.12.2016	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:	0,01 %
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)	0,10 %
Total	**1,57 %**

METATRON AS

Shareholder/Nominee	Ordinary A-shares	Preference B-shares	Total # Shares	%
Chamuel Cayman Ltd - KKR funds	16 231 560	4 041 658 428	4 057 889 988	28,6 %
Hg Metatron Ltd - Hg Capital funds	16 231 560	4 041 658 428	4 057 889 988	28,6 %
Philomelos S.a.r.l - Cinven funds	16 231 560	4 041 658 428	4 057 889 988	28,6 %
e-conomic international Topco S.a.r.l - Hg Capital funds	4 319 662	1 075 595 833	1 079 915 495	7,6 %
Lumesse International S.a.r.l. - Hg Capital Funds	196 180	48 849 004	49 045 184	0,3 %
VMIN 2 AS	7 770 750	676 033 360	683 804 110	4,8 %
Other management	5 771 859	215 630 826	221 402 685	1,6 %
Total	**66 753 131**	**14 141 084 307**	**14 207 837 438**	**100,0 %**

Only ordinary A-shares have voting rights.

During 2016, there were two share issues in Metatron AS. Shares were issued to VMIN AS (80 293 919 shares) and Lumesse International S.a.r.l. (49 045 184 shares)

NOTE 16 - COMPENSATION OF KEY MANAGEMENT PERSONNEL OF THE GROUP

CONSOLIDATED

(NOK 1,000)	2016	2015
CEO SALARY AND OTHER REMUNERATION		
Salaries and benefits in kind	5 850	5 730
Bonus	6 300	6 000
Other	273	160
Total remuneration	**12 423**	**11 890**

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 48 693 in 2016.

(NOK 1,000)	2016	2015
REMUNERATION TO THE MANAGEMENT (does not include CEO)		
Salaries and benefits in kind	18 440	16 464
Bonus	7 703	6 240
Other	1 045	512
Total remuneration	**27 188**	**23 216**

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 EBITDA.
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 2016 to TNOK 17 compared to TNOK 39 in 2015.

Remuneration to the board of directors

The Board will propose to the general meeting that the Board's remuneration for 2016 is set at TNOK 650 (TNOK 650) to the chairman of the Board.

REMUNERATION TO THE AUDITORS	2016 *				2015 *			
(NOK 1,000)	**Visma AS**	**Other Group companies**	**Other Auditors**	**Total**	**Visma AS**	**Other Group companies**	**Other Auditors**	**Total**
Audit services	722	10 673	1 334	12 729	582	8 617	193	9 392
Other attestation services	715	1 049	0	1 764	51	479	0	530
Tax services	231	695	0	926	184	484	0	669
Other services	10 195	775	0	10 970	4 518	3 461	42	8 020
Total	11 863	13 192	1 334	26 389	5 335	13 040	236	18 611
Total	**5 335**	**15 364**	**236**	**20 935**	**5 335**	**15 364**	**236**	**20 935**

All fees are exclusive of VAT

* 2016 exludes the fees to discontinued operations. 2015 has been restated to reflect the effect of discontinued operations. Please refer to note 26 for more information

NOTE 17 - SECURED DEBT AND GUARANTEE LIABILITIES

CONSOLIDATED

Debtor	Actual guarantee debtor	Creditor	Type of guarantee		Guarantee limit
Visma AS	Visma Finland Holding OY, FI	Exillion Rel Estate I Ky, Helsinki, FI	lease of premises	TEUR	25 238
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 Danmark Holding AS	Visma Consulting A/S, DK	PFA Eiendomme A/S	lease of premises	TDKK	5,0
Visma Danmark Holding AS	Azets Insight A/S, DK	Eiendomsselskabet Mileparken 38 ApS, Herlev	lease of premises	TDKK	4,5
Visma Norge Holding AS	Instore IT Sør 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 Norge Holding AS, NO	Fram Eiendom AS, Oslo	lease of premises	TNOK	68 136
Visma Norge Holding AS	Azets Insight AS, NO	Thon Ski AS	lease of premises	TNOK	700
Visma Norge Holding AS	Azets Insight AS, NO	GMN 53 AS, Trondheim	lease of premises	TNOK	6,0
Visma Norge Holding AS	Visma Software AS, NO	Aditro Holding AB	lease of premises	TNOK	1,0
Visma Norge Holding AS	Visma Software International AS, NO	Dikeveien 54 Eiendom AS	lease of premises	TNOK	5,8
Visma Norge Holding AS	Visma Unique AS, NO	A/S Thor Dahl, Sandefjord	lease of premises	TNOK	0,6
Visma Sverige Holding AS	SF4 Progress AB, SE	Lunds Kommun, SE	liability	TSEK	900
Visma Sverige Holding AS	Visma Retail AB, SE	IBM Svenska AB, SE	liability	TSEK	2,5
Visma Sverige Holding AS	Visma Labs AB, SE	3 Step IT AB, SE	liability	TSEK	0,2
Visma Sverige Holding AS	Visma Retail AB, SE	ApoPharm AB, SE	liability	TSEK	5 000
Visma Sverige Holding AS	Visma Retail AB, SE	Coop Butiker & Stormaknader AB, SE	liability	TSEK	2 400
Visma Sverige Holding AS	Visma EssCom AB	Gårdsfogdevägen 5-7, Bromma, SE	lease of premises	TSEK	1,5
Visma Sverige Holding AS	Visma Retail AB, SE	Apoteket Hjärtat AB	liability	TSEK	105 000
Total guarantees				**TNOK**	**708 256**

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.

In accordance with the audit exemption granted to Easycruit Ltd, the parent company Visma Nederland B.V guarantees all outstanding liabilities of the subsidiary company Easycruit Ltd at the year end 31 December 2016.

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 31.12.2016, 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:

	2016	2015 *
Within one year	303 453	304 493
After one year but no more than four years	910 358	913 480
More than five years	279 640	310 711

* 2015 has been restated to reflect the effect of discontinued operations. Please refer to note 26 for more information

NOTE 19 - INFORMATION ON CALCULATION OF EARNINGS PER SHARE

CONSOLIDATED

The calculation is based on the following information:	2016	2015
Majority's share of the Group's profit/loss for the year (NOK 1,000)		
– Continuing operations	689 157	449 555
– Discontinued operations	3 511 600	173 643
Majority's share of the Group's profit/loss for the year (NOK 1,000)	**4 200 757**	**623 198**
Time-weighted average number of shares 31 December	1,00	1,00
Earnings per share (NOK)	**7 200 757 070**	**623 197 756**
Effect of dilution:		
Share options	-	-
Time-weighted average number of shares 31.12 including options	1,00	1,00
Diluted earnings per share (NOK)	**4 200 757 070**	**623 197 756**

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.

To calculate the earnings per share for discontinued operations (Note 26), the weighted average number of ordinary shares for both the basic and diluted EPS is as per the table above. The following table provides the profit/(loss) amount used:

	2016	2015 *
Profitt/(loss) loss attributable to ordinary equity holders of the parent from discontinued operations for the basic and diluted EPS calculations	3 511 600	173 643

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.

NOTE 20 CONTINUED

	Adjustment in interest rates	Effect on profit before tax, TNOK
2016	± 50bps	± 14 802
2015	± 50bps	± 15 810

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 %	NOK	400 000	(2 254,3)
Visma Sverige Holding AB from 05.09.13 to 05.12.19	3,69 %	SEK	700 000	(55 508,8)
Visma Finland Holding OY from 07.09.15 to 05.12.19	2,01 %	EUR	50 000	(28 825,8)
Visma Danmark Holding A/S from 07.09.15 to 05.12.19	0,96 %	DKK	460 000	(14 494,3)
Visma Nederland BV 07.09.15 to 05.12.19	2,45 %	EUR	26 000	(18 076,7)
Total				**(119 159,8)**

* Fair value adjustment as market to market value at year end 2016, 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
2016	± 5 %	± 23 578
2015	± 5 %	± 24 048

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.

	2016	2015
Interest-bearing debt	5 259 457	4 780 448
Less cash and cash equivalents	5 866 935	2 915 318
Net debt	**-607 478**	**1 865 130**
Majority's equity	8 229 942	4 157 832
Total equity and net debt	**7 622 464**	**6 022 962**
Debt ratio	-8 %	31 %

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.

	2016		2015	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	5 866 935	5 866 935	2 915 318	2 915 318
Trade receivables	1 102 192	1 102 192	1 108 007	1 108 007
Available-for-sale investments	39 675	39 675	44 011	44 011
Other non-current assets	418 808	418 808	17 252	17 252
Financial liabilities				
Revolving credit facility	163 553	163 553	529 352	529 352
Short-term interest bearing bank loans	100 000	100 000	100 000	100 000
Trade and other payables	425 319	425 319	317 495	317 495
Financial hedging instruments	119 160	119 160	191 795	191 795
Interest-bearing loans and borrowings:				
Bank loans	4 995 903	4 995 903	4 792 652	4 792 652

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 2016, the Group held the following financial instruments measured at fair value:

	31 Dec. 2016	Level 1	Level 2	Level 3
Assets measured at fair value				
Available-for-sale investments	39 675			39 675
Liabilities measured at fair value				
Financial hedging instruments	119 160		119 160	

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 01.01.2016 IFRS	Additions and reductions	2016
Shares unlisted			
Project X International Ltd	38 723	0	38 723
Other	5 288	(4 336)	952
Total	**44 011**	**(4 336)**	**39 675**

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	2016	2015
Deferred revenue	1 084 335	1 095 766
Accrued interests	69 960	90 060
Deferred payment	75 258	7 735
Other short-term liabilities	749 858	742 882
Total other current liabilities	**1 979 410**	**1 936 442**

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 6 cash generating units (CGU) for impairment testing as follows:

1 Software
2 BPO Accounting & Payroll
3 Commerce Solutions
4 Retail
5 Consulting
6 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 2017 approved by management. For the period 2018-2020, 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 % (2015: 6.1 %) and cash flows beyond year 2021 are extrapolated using a 1 % growth rate (2015: 0 %). 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)	2016	2015
Software CGU	4 356 037	3 987 033
BPO CGU (sold during 2016, please refer to note 26 for more information)	0	725 379
Commerce Solutions CGU	398 159	386 776
Retail CGU	491 170	484 766
Consulting CGU	615 445	521 522
Hosting CGU	239 777	274 409
Total	**6 100 589**	**6 379 886**

The recoverable amounts for the different cash generating units are higher than the carrying amounts and no impairment loss is recognised in 2016. 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 31.12.2015	Investments and reductions	Net profit (loss) 2016*	Carrying amount 31.12.2016	Fair value
SuperInvest AS - Group	Norway	Oslo	22,2 %	84 228	0	-311	83 917	83 917
Total				**84 228**	**0**	**-311**	**83 917**	**83 917**

* Adjusted for changes in the company's earnings in 2015, 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 *	775 755	389 697	386 057	364 667	12 447
Total	**775 755**	**389 697**	**386 057**	**364 667**	**12 447**

* Unaudited numbers 2016

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 2017 acquired the following companies: Optivasys AB, LogBuy ApS, PPG Oy, Trollweb Solutions AS, Davilex Software BV and Mystore.no AS. Please refer to note 1 for more information.

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

NOTE 26 - DISCONTINUED OPERATIONS

CONSOLIDATED

On December 1st 2016, Visma sold its BPO division to HgCapital. Visma BPO is the leading provider of outsourced accounting, payroll and HR services to 20 000 businesses in the Nordic region. BPO consists of the following legal units: Visma Services Norge AS (with subsidiary Visma Services VAT), Visma Personnel AS, Visma Personnel Management AS, Visma Employee Management AS, Kollektor AS, Visma Services AB, Visma Employee Management AB, S4F Progress AB, Finland Kollektor Oy, Visma Services Oy, Visma Employee Management Oy, Visma Services Romania Srl, Visma Services Danmark A/S, Visma Services Public A/S and Visma Employee Management A/S. The BPO division will continue to operate under the new ownership with the brand name Azets.

The net consideration for the sale vas NOK 4 394,6million, of which NOK 266,5m is payable in March 2017 and recognized in the balance sheet under other current assets and NOK 400m is paid in kind though a vendor loan note at 7 % interest and recognized in the balance sheet under other long term receivables. Remaining consideration was paid in cash upon closing.

In Visma AS' consolidated financial statement, the gain from the sale is 3 337,1 million. The BPO division is presented in the consolidated financial statement under discontinued operations.

Condensed Statement of Income from discontinued operations (NOK 1,000)	**2016**	**2015**
TOTAL REVENUE	**2 137 200**	**2 117 734**
Revenue between continuing and discontinued operations	196 010	164 185
Total external revenue	**1 941 190**	**1 953 549**
Total operating expenses	1 698 360	1 709 626
Depreciation tangible assets and capitalised R&D	12 454	14 003
Amortisation intangible assets	6 392	22 336
Operating profit EBIT	**223 984**	**207 584**
Net financial items	1 078	3 763
Profit before taxes from discontinued operations	**225 063**	**211 348**
Taxes	50 538	37 704
Profit for the year from discontinued operations	**174 524**	**173 643**
Net gain on sale of discontinued operations	3 337 076	
Net income from discontinued operations	**3 511 600**	**173 643**

Condensed Statement of Income from discontinued operations	**2016**	**2015**
Operating	235 611	256 258
Investing	(1 141)	(1 278)
Financing	1 078	3 763
Net Cash (outflow)/inflow	**235 549**	**258 744**

NOTE 26 - CONTINUED

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

(NOK 1,000)	**01/12/2016**
ASSETS	
Deferred tax assets	4 892
Shares	2 372
Other intangible assets	756 596
Machinery and equipment	27 279
Property	0
Other long-term receivables	444
Inventories	23
Trade receivables	289 742
Other short term receivables	32 209
Cash and cash equivalents	425 586
Assets	**1 539 143**
LIABILITIES	
Other long-term liabilities	1 602
Deferred tax liability	52 811
Bank overdraft	0
Trade creditors	33 983
Public duties payable	139 260
Tax payable	55 158
Other current liabilities	198 789
Liabilities	**481 604**
Value of net assets	**1 057 539**
Net consideration	4 394 615
Gain on sale BPO division	**3 337 076**

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

VISMA AS

(NOK 1,000)	Note	NGAAP 2016	NGAAP 2015
OPERATING REVENUE			
Other revenue	1	128 700	110 717
Total operating revenue		**128 700**	**110 717**
OPERATING EXPENSES			
Cost of goods sold	1	32 000	26 000
Payroll and personnel expenses	2	62 465	54 285
Depreciation and amortisation expenses		779	1 000
Other operating expenses	3	27 292	28 735
Total operating expenses		**122 536**	**110 020**
Operating profit		**6 164**	**697**
FINANCIAL ITEMS			
Financial income	4	1 026 446	636 753
Financial expenses	4	(104 011)	(100 729)
Net financial items		**922 435**	**536 024**
Profit before taxes		**928 599**	**536 721**
Taxes	**5**	**138 154**	**143 716**
Profit for the year		**790 445**	**393 005**
Transfers and allocations			
Allocated to dividend			
Transferred to / (from) retained earnings		790 445	393 005
Total transfers and allocations	**6**	**790 445**	**393 005**
Group contribution paid (net after tax)		1 897 758	343 143

BALANCE SHEET – 31 DEC

VISMA AS

(NOK 1,000)	Note	NGAAP 2016	NGAAP 2015
ASSETS			
Non-current assets			
Intangible assets			
Deferred tax assets	5	0	0
Total intangible assets		**0**	**0**
Tangible fixed assets			
Property		21 151	18 976
Machinery and equipment		1 780	2 559
Total tangible fixed assets		**22 931**	**21 535**
Financial assets			
Shares in subsidiaries	8	2 362 934	4 453 553
Investment in associated companies	8	100 723	100 723
Total financial fixed assets		**2 463 657**	**4 554 276**
Total non-current assets		**2 486 588**	**4 575 811**
Current assets			
Inter-company receivables		2 102 650	748 012
Other current receivables	8	1 242	91
Total receivables		**2 103 893**	**748 103**
Cash and cash equivalents		131 590	63 072
Total current assets		**2 235 483**	**811 175**
TOTAL ASSETS		**4 722 071**	**5 386 986**

(NOK 1,000)	Note	NGAAP 2016	NGAAP 2015
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Paid-in capital			
Share capital		181 700	171 700
Share premium reserve		0	1 209 935
Other paid-in capital		352 251	394 394
Total paid-in capital	**6**	**533 952**	**1 776 029**
Retained earnings			
Retained earnings		1 641 312	1 257 500
Total equity	**6**	**2 175 263**	**3 033 529**
Non-current liabilities			
Deferred tax liability	5	2 106	2 079
Other long-term interest bearing loans and borrowings		318 864	1 568 737
Total non-current liabilities		**320 971**	**1 570 816**
Current liabilities			
Short-term bank loans		100 000	100 000
Bank overdraft		0	58 060
Short term liabilities to group companies		2 086 644	573 937
Trade creditors		3 230	1 175
Public duties payable		2 501	1 499
Other current liabilities		33 462	47 969
Total current liabilities		**2 225 837**	**782 641**
Total liabilities		**2 546 808**	**2 353 457**
TOTAL EQUITY AND LIABILITIES		**4 722 071**	**5 386 986**
Secured liabilities and guarantees	**8**		

Oslo, 18 May 2017

GUNNAR BJØRKAVÅG
Chairman of the Board

JEAN BAPTISTE VINCENT ROGER ROBERT BRIAN
Director

DAVID ROBERT BARKER
Director

CHRISTOPHER JAMES GOOD
Director

STANISLAS DE JOUSSINEAU
Director

NICHOLAS JAMES HUMPHRIES
Director

ANDERS BENGT MARTIN BORG
Director

ØYSTEIN MOAN
CEO

CASH FLOW STATEMENT - 1 JAN. - 31 DEC.

VISMA AS

(NOK 1,000)	NGAAP 2016	NGAAP 2015
Ordinary profit / loss before tax	**928 599**	**536 721**
Depreciation and amortisation expenses	779	1 000
Cash inflow from interest	(4 414)	(3 020)
Cash outflow from interest	93 656	99 981
Group contribution received	(587 578)	(629 733)
Dividend/transfer from investments	(4 000)	(4 000)
Write-down of shares	9 911	0
Gain on sales of shares	(71 815)	0
Cash flow from operations	**365 137**	**949**
Changes in debtors	2 055	1 168
Changes in public duties payable	1 002	(19)
Non-cash related financial items	445	748
Change in intercompany receivables/payables	(158 068)	(191 232)
Change in other accruals	(217 677)	181 232
Net cash flow from operations	**(7 106)**	**(7 155)**
Investment in tangible fixed assets	0	1 865
Sale of (investment in) businesses	1 027 900	(787 732)
Sale of (investment in) shares	0	(6 245)
Net cash flow from investments	**1 027 900**	**(792 112)**
Net cash flow from share issues	215 697	50 671
Received dividend/group contribution	748 012	802 404
Payment of dividend/group contribution	(573 937)	(710 777)
Cash in (outflow) from refinancing	0	608 060
Repayments of interest bearing loans	(1 307 933)	0
Cash inflow from interest	4 414	3 020
Cash outflow from interest	(38 084)	(87 517)
Net cash flow from financing activities	**(951 831)**	**665 861**
Net cash flow for the year	**68 963**	**(133 406)**
Cash and cash equivalents 1.1	63 072	197 226
Net foreign exchange difference	(445)	(748)
Cash and cash equivalents 31.12	**131 590**	**63 072**

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 2016.

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 caxn 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 27 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)	2016
Management service fee invoiced to group companies*	96 700
Invoiced marketing/branding expenses to group companies**	32 000
Total	**128 700**

*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)	2016	2015
Salaries	41 293	38 735
Salaries to employees other group units*	13 873	8 965
Employer's national insurance contributions	5 595	5 036
Pension expenses	570	504
Other personnel expenses	1 134	1 045
Total	**62 465**	**54 285**
Average number of man-years	**13**	**11**

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)	2016	2015
Rent	4 052	11 992
Other office expenses	9 756	8 964
Telecom, postage and IT	153	197
Travel expenses	1 234	1 041
Car expenses incl leasing	261	465
Sales and marketing	1 413	1 137
Audit, lawyers' fees and other consulting services	10 423	4 938
Total other operating expenses	**27 292**	**28 735**

NOTE 4 - FINANCIAL INCOME AND EXPENSES

VISMA AS

(NOK 1,000)	2016	2015
Financial income includes the following items:		
Dividend/transfer from investments and asscociated companies	4 000	4 000
Dividend from group companies	358 638	0
Gain on sale of shares *	71 815	0
Other interest income	4 414	3 020
Foreign exchange gains	0	0
Group contribution	587 578	629 733
Total financial income	**1 026 446**	**636 753**
Financial expenses include:		
Interest expense	38 084	90 537
Write-down of shares	9 911	0
Foreign exchange losses	445	748
Other financial expenses	55 571	9 444
Total financial expenses	**104 011**	**100 729**

* Gain on sale of shares relates to the intra-group sale of e-conomic International A/S from Visma AS to Visma Danmark Holding A/S

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)	2016	2015
Tax payable (tax effect of Group contribution)	138 127	141 407
Changes in deferred taxes	27	2 310
Income tax expense	**138 154**	**143 716**

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

(NOK 1,000)	2016	2015
Current assets/liabilities	9 783	9 263
Fixed assets/long term liabilities	(1 007)	(946)
Net temporary differences	**8 776**	**8 317**

NOTE 5 CONTINUED

Net deferred tax liability / (asset)	2 106	2 079

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

(NOK 1,000)	**2016**	**2015**
Ordinary profit before tax	928 599	536 721
Permanent differences	(13 113)	57
Change in temporary differences	(460)	(9 170)
Non taxable dividend received from subsidiaries	(358 638)	
Non taxable dividend received from Norwegian associated companies	(3 880)	(3 880)
Net taxable group contribution received / (paid)	(552 508)	(523 728)
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)	**2016**	**2015**
Ordinary profit before tax	928 599	536 721
25% (27%) tax on ordinary profit before tax	232 150	144 915
Adjustments in respect of current income tax of previous years	0	0
Permanent differences	(4 248)	15
Effect change in corporate tax	(87)	(166)
Non taxable dividend received from Norwegian subsidiaries	(89 661)	(1 048)
Tax expense	**138 154**	**143 716**
Effective tax rate	**15 %**	**27 %**

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 01.01.2016	**171 700**	**1 209 935**	**394 394**	**1 257 500**	**3 033 529**
Profit (loss) for the period				790 445	790 445
Group contribution from/(to) parent company		(1 415 632)	(42 143)	(406 634)	(1 864 409)
Issue of share capital	10 000	205 697			215 697
Equity as at 31.12.2016	**181 700**	**0**	**352 251**	**1 641 312**	**2 175 263**

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 22.2m

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

(NOK 1,000)	2016	2015
Within one year	22 150	21 438
After one year but no more than four years	66 451	85 752
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
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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 2016, 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 2016, 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 2016, and of its financial performance and its cash flows 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 2016 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 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 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.

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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.

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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, 23 May 2017
ERNST & YOUNG AS

Thomas Embretsen
State Authorised Public Accountant (Norway)

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OUR PRESENCE

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Designed by: Design Container

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