



Q2

QUARTERLY
REPORT

2019

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Annualized Cloud Revenue Reaches NOK 10.4 Billion, 8.5 million monthly e-invoices transmitted, and Two New Dutch Acquisitions

HIGHLIGHTS, second quarter 2019

- Revenue of NOK 3 678 million, an increase of 43.6%
- EBITDA of NOK 908 million, an increase of 36.1%
- SaaS customer contracts growth of 36% year-on-year
- Cloud Annualized Revenue reached NOK 10.4 billion, a year-on-year growth of 52%
- The monthly level of e-invoice transactions reached 8.5 million
- Four companies were acquired during the quarter (Norway, Finland and two in the Netherlands)
- The lead sponsorship of the Pro Cycling team Jumbo-Visma having significant impact on awareness in Dutch market

Visma had another strong quarter with excellent top-line revenue and continued profit growth. Total revenue growth was 43.6% while EBITDA grew strongly as well by 36.1% over Q2 2018 to reach NOK 908 million.

Revenues in each of Visma's three largest divisions continued high, double-digit growth year-on-year. The SMB Division grew revenues by 18%, Enterprise grew by an impressive 77%, Custom Solutions achieved 69% growth compared to the second quarter a year ago. SaaS subscriptions and SaaS transactions continue to be the strongest drivers of organic growth in Visma and cloud annualized revenue grew by 52% to reach NOK 10 400m.

Visma continues its proactive and high tempo acquisitions activity completing four acquisitions for the quarter. This included, Provad, a leading Finnish AI company providing market-leading and technologically-advanced, automated customer service platforms. Visma continued its strategic advancement into the Dutch market with the acquisition of Roxit (renamed Visma Roxit). The company is a provider of a broad portfolio of mission critical e-government solutions for most of the Dutch municipalities. The Netherlands market is Visma's largest addressable market and will continue to offer significant organic and acquisition growth opportunities.

KEY FIGURES

Continuing operations (NOK in millions)	2nd quarter			1st half year			Year
	2019 Actual	2018 * Actual	Growth	2019 Actual	2018 * Actual	Growth	2018 * Actual
Revenue	3 678	2 561	43,6 %	7 146	5 065	41,1 %	11389
EBITDA	908	667	36,1 %	1 784	1 351	32,1 %	3 207
<i>EBITDA margin</i>	<i>24,7 %</i>	<i>26,1 %</i>		<i>25,0 %</i>	<i>26,7 %</i>		<i>28,2 %</i>
EBITA	731	565	29,4 %	1 458	1 148	27,0 %	2 648
EBIT	314	313	0,3 %	650	649	0,1 %	1 481
Net profit	147	195	-24,7 %	309	365	-15,4 %	920
Operational cash flow (after tax)	230	186	23,8 %	1 935	1 561	24,0 %	3 047

* 2018 has been restated for the effects of IFRS16.

FINANCIAL REVIEW – GROUP (SECOND QUARTER 2018 IN BRACKETS)

Revenue amounted to NOK 3 678 million (2 561) and EBITDA to NOK 908 million (667) in the second quarter of 2019. Revenue increased 43.6% while EBITDA increased by 36.1% over Q2 2018.

Group EBIT amounted to NOK 314 million in the second quarter (313), whereas net gain from associated companies amounted to NOK 1.3 million (-5.0). Net financial items were NOK -127 million (-60). High M&A activity has increased amortization and interest expenses. Consequently, profit before taxes was NOK 189 million (248). Taxes amounted to NOK 42.1 million (53.7), and net income from continuing operations resulted in NOK 146.5 million (194.5) in the second quarter. Cash flow from continuing operations after tax amounted to NOK 230 million (186) in the second quarter 2019. Cash flow from investments was NOK -1 407 million (172) in the quarter, which is fixed assets and software R&D and investments in acquired businesses. At the end of the second quarter, the cash position of Visma was NOK 5 403 million (3 963).

Equity amounted to NOK 11 019 million at the end of the quarter (7 845), corresponding to an equity ratio of 33.3% (37.4%). Long term interest bearing debt amounted to NOK 11 159 million (6 073). The debt-facilities have maturity dates in the 4th quarter 2021.

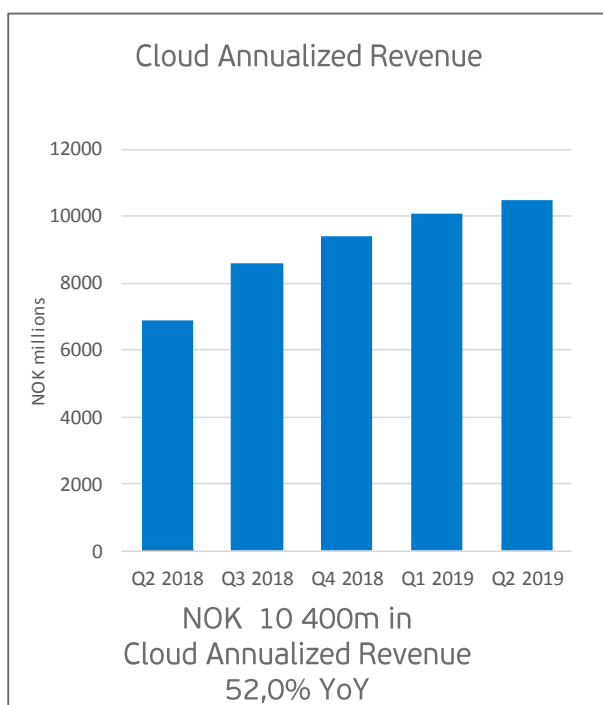


COMMENTS ON SELECTED KPIS

Visma is experiencing good traction on the SaaS product portfolio.

It is impressive that Cloud Annualized Revenue has grown by 52,0% year-on-year in Q2, boosted by the acquisitions of Roxit BV, Provad Oy, Avento AS and Account Software BV. At the end of Q2, revenue from cloud computing saw an annualized run rate reaching NOK 10 400m. Furthermore, SaaS customer contracts have seen a strong, high-growth development. Visma has above 850 000 customer contracts, of which ca. 662 000 are for SaaS products. This is 35,5% higher than SaaS contracts last year, and is a result of both strategic focus in the business units and targeted acquisitions. In addition, Visma has a large number of freemium and trial customers not yet paying for the use of the services.

At the end of Q2, Visma reached 8.5 million monthly e-invoices transported through Visma's e-invoicing hubs (28% y-on-y growth). One key objective for Visma's software products and solutions is to make the traditional paper invoice redundant. All Nordic countries are eager to do more SaaS invoicing and we have launched an e-invoicing service for our e-economic customers in Denmark.



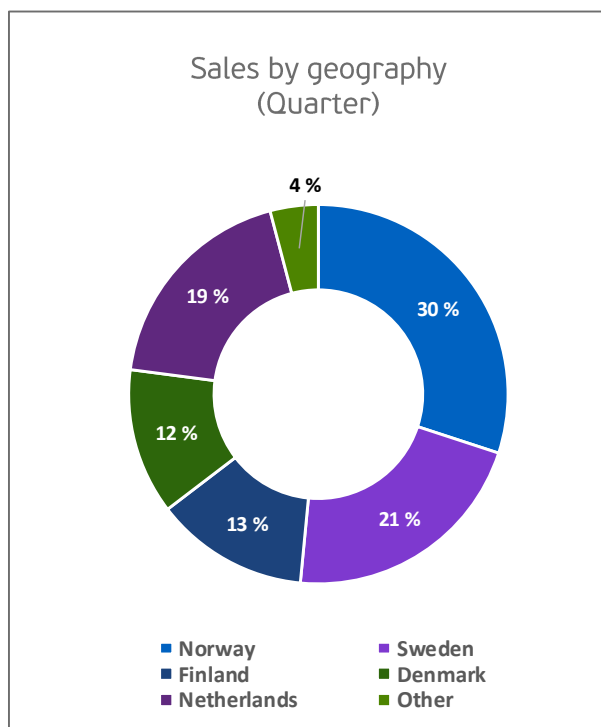
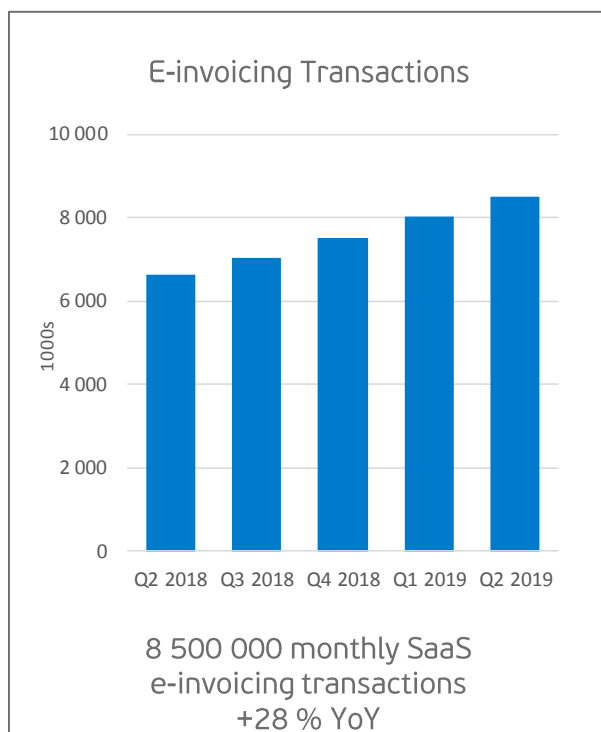
MARKET OUTLOOK

The Nordic markets, where Visma has the vast majority of its revenues, continue to be stable and have above average growth rates compared to Europe overall. The economic development in the markets where Visma operates are generally in good shape, as evident by the increase in interest rates by 25bps in Norway. The Nordic countries are, however, small and open economies, and they are likely to be affected by a potential hard Brexit or an escalation in the ongoing trade-war. Regardless of the macroeconomic environment there are plenty of opportunities that will allow Visma to continue to achieve good organic growth. Visma's core businesses in these markets generally continue to take market shares and show solid growth.

The demand for SaaS services is steadily increasing. Visma continues to invest considerably in SaaS and to lead the transition to SaaS in Visma's core SMB Software products and services. Visma is steadily launching new SaaS products. Services like procurement, accounting, payroll, debt collection and software consultancy are increasingly based on SaaS, and Visma has now come a long way in moving all our activities to a SaaS model. Our customers increasingly prefer subscription type of cost-models vs. large up-front investments, and revenue from licenses is now less than one percent of total revenues.

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

Visma Software SMB is the largest and most diversified business area, contributing 34% of the Revenue and 46% of the EBITDA in the second quarter of 2019.



OWNERSHIP

Six international private investors own Visma. HgCapital and co-investors 63.1 %, GIC 12.8 %, Intermediate Capital Group 7,2 %, Montagu 5.8 % and CPPIB 5.0%. A broad management group holds approximately 6,2 % of the shareholder equity in Visma. In addition to the stability of the principal owners, key shareholders have co-investors comprised of some larger Nordic and international pension funds. Together this contributes to a very stable ownership situation.

RISKS

Visma is exposed to the general economic climate in the countries where the company operates. However, the business risk is limited by the company's diversified customer base and a reasonably priced, high-quality portfolio of products and services.

CYBER SECURITY

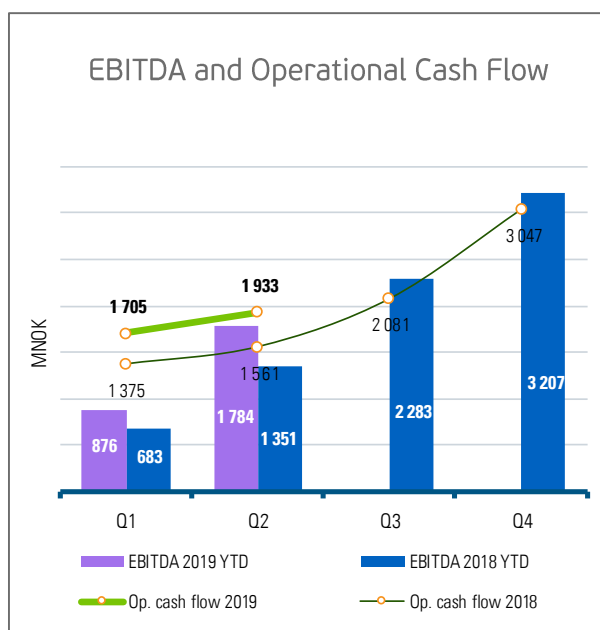
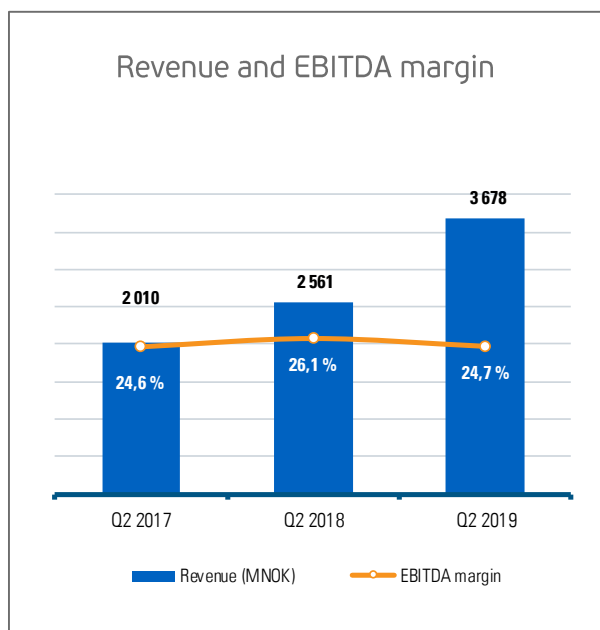
In the first half of 2019 we strengthened the security organisation with more specialised resources to accommodate more advanced prevention, detection, analysis, mitigation and forensics of potential and actual security risks and breaches. We also introduced new security services with some applying machine learning to detect anomalies in our IT infrastructure. Even though there were no security incidents with impact the first 6 months we still had to spend time mitigating the risk of exploits and malware. There is certainly a continuous increase in cyber threat overall and keeping services safe and secure through a competent security organisation and well defined and certified security processes is vital all the way from a strategic level through development, operations and everyday business.

DISCLAIMER

This report contains forward-looking statements that reflect management's current views with respect to future events. All such statements are subject to inherent risks and uncertainties, and many factors can lead to developments deviating from what has been expressed or implied in such statements.

Oslo, July 09, 2019

The Board of Directors of VISMA AS



SMB

Comments on the second quarter

The cloud entry-level solutions that include Dinero, Visma eAccounting, Merit, SpeedLedger, Tripletex, and e-economic acquired over 16,000 net new customers in the quarter and passed 348,000 contracts in total. The large growth is driven by e-economic with over 10,000 new sign ups in Q2. Further, Visma eAccounting passed 10,000 customers in The Netherlands alone, and Tripletex in Norway passed 100,000 users in the quarter.

The cloud mid-range offering of Visma.net had notable growth in customers, with a solid Visma.net Financials and Logistics pipeline. Visma.net Financials is piloting in Denmark in preparation for its full release there later this year, and in The Netherlands Visma.net Project Management launched with its first sales.

With solid growth for all cloud products, and with over 74% of all customer contracts now being for cloud solutions, Visma solidifies its leadership in the SMB cloud segment. Cloud development investment, margins and delivery capability continue to improve through the expansion of development centers in the Baltics and central Europe.

Strategic trends in our segment include automated financing, insurance and collecting services integrated with cloud ERP-systems, automation of manual tasks through machine learning and AI, and mobile mass consumption of payslips and related HRM services.

Operational focus has been on on-boarding and implementation of Net Promoter Score customer satisfaction measurements for the latest acquisitions, including Merit Tarkvara in Estonia, Saldeo SMART in Poland and, most recently, ProLøn in Denmark.

Segment at a glance

Target market:

- Small & medium sized businesses
- Accounting Offices

Management:

- Steffen Torp, Director SMB Division

Share of Group



34 %

Operating revenue



46 %

EBITDA

Quarterly Key Figures

Revenue	1 267	MNOK
Growth, YoY	18, 2	%
EBITDA	415	MNOK
EBITDA margin	32, 8	%
FTE	2 909	
Headcount	3 103	

Products and services:

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

Enterprise

Comments on the second quarter

In the second quarter, Enterprise Product Development made several steps to launch new cloud offerings and improve our existing ones. In the Netherlands, we launched several new features and UX improvements for our customers. We started rolling out a next-generation technology for dealing with large-volume complex approval authorizations and patterns in Visma|Ræet's new cloud product. This functionality is important for large enterprises. The technology is more flexible, faster and future-proof than other solutions in the market, and it will save our clients significant time and costs over the coming years.

In Norway, new products and milestones were reached. We launched a new iOS and Android app for employees to our Bluegarden solutions for large enterprises. The app has been well-received and is already in production use with some of our customers. Usage is expected to significantly increase in the next quarter. In the workforce management area, a record-breaking 350,000 Norwegian employees were planned in our solutions. This implies that every 4th employee in Norway is planned through our platforms, manifesting our position as the leading provider of WFM solutions in Norway.

In Denmark, we launched a new analytics offering in our Visma Løn product for the Enterprise segments. The solution was highly sought after by our customers and developed in just two months. In Latvia, we successfully launched a cloud service for our Horizon product, meaning customers no longer need to host the solution themselves while ensuring that the high security requirements of these customers are fulfilled. In Finland we launched new mobile apps for kindergarten administration and travel expense claims, with a native, modern design and user experience. In Sweden, we made significant progress in transitioning away from legacy database solutions and technologies in our Procurement offerings. In addition, we launched new, intuitive task planning functions in our Medvind workforce management app.

Finally, our Visma.net HRM offerings within payroll and recruitment show strong growth in their markets. We are working on new functionality that will offer a highly improved user experience of these solutions

Segment at a glance

Target market:

- Central and local government, institutions and organizations providing education, welfare services and healthcare services. Non-profit and non-government organizations.
- Large enterprises

Management:

- Nils Vold, Division Director Enterprise

Share of Group



33 %

Operating revenue



28 %

EBITDA

Quarterly Key Figures

Revenue	1 222	MNOK
Growth, YoY	77, 2	%
EBITDA	252	MNOK
EBITDA margin	20, 6	%
FTE	3 671	
Headcount	3 977	

Products and services:

- HRM - Human Resource Management
- FMS - Financial Management Systems
- Procurement administration and notification
- Cloud Solutions for schools, childcare and welfare
- Business intelligence and dashboards for municipalities and large accounts
- Internet of Things for access control systems

Custom Solutions

Comments on the second quarter

Custom Solutions delivered yet another quarter with strong performance. External revenue was 706 MNOK and EBITDA 158 MNOK with a profit margin of 22,4%. The division has performed very well – especially Norway, Finland and the new market in The Netherlands have all performed with strong results: YTD revenue is 1 268 MNOK and EBITDA at 292 MNOK.

Recent acquisitions are performing well. The acquired company Visma Connect BV (former EBPI) joined Visma in February and is delivering strong results with a high degree of recurring revenue. Custom Solutions closed another 3 acquisitions during Q2. Companies in Finland (Provad Oy), Norway (Avento AS) and another addition from The Netherlands (Roxit Group BV) all joined Visma Custom Solutions during Q2. All acquisitions support the strategy of Visma Custom Solutions by delivering e-government cloud solutions and premium services increasing margins and recurring revenue.

Visma Custom Solutions signed several important deals during Q2 highlighted by a big win for Visma Consulting Norway winning a place in the framework agreement for Statnett estimated at a total value of NOKm 500. Visma Consulting DK succeeded in continuing to be able to deliver on the important SKI contracts for the Danish public authorities. Visma Consulting Oy won an agreement with Espericare one of the largest private hospitals in Finland. The contract will deliver workforce optimisation to +5.000 nurses and doctors and we will use this as a case for increasing sales in AI and optimisation. Visma Connect in the Netherlands won additional contracts for the Dutch Chambers of Commerce and tax authorities. Visma Connect is also moving into new areas and started working closely with Visma Raet and other Dutch Visma companies. Visma Roxit are continuously building more business on the new Rx.Mission platform. A new SaaS version of the current platform will propel and consolidate Visma Roxit's leadership position in the e-government municipality market.

Segment at a glance

Target market:

- Central and local government, institutions and organizations
- Large enterprises

Management:

- Carsten B. Møller, Division Director Custom Solutions

Share of Group



Operating revenue



EBITDA

Quarterly Key Figures

Revenue	706	MNOK
Growth, YoY	68,6	%
EBITDA	158	MNOK
EBITDA margin	22,4	%
FTE	1 657	
Headcount	1 690	

Products and services:

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

Commerce Solutions

Comments on the second quarter

The Visma Commerce Solutions Division continues its strong revenue growth path. Szamlazz in Hungary and InExchange in Sweden are the strongest contributors to growth, both in revenues and EBITDA..

The division distributed more than 17,3 mill invoices in Q2, which is significantly higher than the same period last year. We expect the strong growth in invoice volumes to continue in the second half of 2019, and further strengthen the reminders- and debt collection growth figures.

There were no new acquisitions closed in Q2, but we closed one acquisitions in July and have other targets in the pipeline. Successful and efficient on-boarding of new units will be a priority in the third quarter.

Commerce Solutions continues its work towards developing financial services as a part of the customer journey, mainly within the ERPs. Through building embedded, fully automated and easily available financial services, Visma seeks to fulfill small companies' short-term financing needs. The running initiatives, mainly through partner banks/financial institutions, are mostly using invoicing processes to capture the customers at entry point of the financial ecosystem. These initiatives have seen good uptake throughout Q2, which seems to prove that SMBs seek increased liquidity in their daily business - a great indicator that this is a business area where Visma should keep up the momentum. Visma's own initiative, Visma Finance AB, continues to build a state-of-the-art platform in order to supply SMBs with attractive financing solutions. Visma Finance AB is planning to launch its first financing product in H2 2019.

Segment at a glance

Target market:

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

Management:

- Eivind Gundersen, Division Director Commerce Solutions

Share of Group



Operating revenue



EBITDA

Quarterly Key Figures

Revenue	279	MNOK
Growth, YoY	15,6	%
EBITDA	68	MNOK
EBITDA margin	24,4	%
FTE	543	
Headcount	577	

Products and services:

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

CONDENSED INTERIM FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF INCOME

(NOK in thousands)	2nd quarter		1st half year		Year
	2019	2018 *	2019	2018 *	2018 *
CONTINUING OPERATIONS					
OPERATING REVENUE					
Sales revenue	3 678 096	2 561 115	7 146 131	5 064 593	11 389 313
Total operating revenue	3 678 096	2 561 115	7 146 131	5 064 593	11 389 313
OPERATING EXPENSES					
Sales and distribution costs (COGS)	580 442	376 903	1 101 856	742 635	1 738 317
Gross profit	3 097 655	2 184 212	6 044 275	4 321 959	9 650 995
Payroll and personnel expenses	1 805 752	1 252 018	3 499 838	2 465 367	5 321 171
Bad debts	9 048	4 582	16 530	8 928	17 214
Other operating expenses	351 336	258 794	713 547	494 648	1 081 100
Total operating expenses	2 166 136	1 515 394	4 229 915	2 968 943	6 419 485
EBITDA before M&A expenses	931 518	668 818	1 814 360	1 353 016	3 231 510
M&A expenses	23 249	1 641	30 515	2 415	24 015
EBITDA	908 269	667 177	1 783 845	1 350 601	3 207 495
Depreciation tangible assets and capitalised R&D	78 249	29 355	138 787	64 826	204 855
Depreciation right of use assets	99 424	73 025	186 797	137 452	354 225
EBITA	730 596	564 797	1 458 261	1 148 323	2 648 415
Amortisation intangible assets	416 498	251 559	808 171	499 156	1 167 005
Operating profit EBIT	314 099	313 238	650 090	649 167	1 481 410
Result from associated companies	1 347	(5 041)	686	(6 090)	(3 050)
FINANCIAL ITEMS					
Financial income	17 474	23 027	30 570	25 737	82 501
Financial expenses	(144 272)	(83 051)	(283 373)	(200 027)	(444 959)
Net financial items	(126 798)	(60 024)	(252 804)	(174 290)	(362 458)
Profit before taxes from continuing operations	188 648	248 173	397 973	468 788	1 115 902
Taxes	42 143	53 668	89 389	104 019	195 906
Net income from continuing operations	146 505	194 505	308 583	364 769	919 995
DISCONTINUED OPERATIONS					
Net income from discontinued operations	0	546 409	13 268	539 076	660 496
Net income from continuing and discontinued operations	146 505	740 914	321 851	903 845	1 580 491
ATTRIBUTABLE TO:					
Equity holders of Visma AS	146 580	740 637	322 165	903 253	1 578 217
Non-controlling interests	(75)	277	(314)	592	2 274
EARNINGS PR SHARE					
Basic earnings per share (NOK in thousands)	146 580	740 637	322 165	903 253	1 578 217
Diluted earnings per share (NOK in thousands)	146 580	740 637	322 165	903 253	1 578 217
EBITDA margin	24,7 %	26,1 %	25,0 %	26,7 %	28,2 %

* 2018 has been restated for the effects of IFRS16.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(NOK in thousands)	2nd quarter		1st half year		Year
	2019	2018	2019	2018	2018
Net income from continuing and discontinued operations	146 505	740 914	321 851	903 845	1 580 491
Net gain (loss) on financial hedging instruments, net of tax	(43 661)	(9 278)	(14 749)	13 914	(713)
Exchange differences on translation of foreign operations, net of tax	18 712	(59 911)	(147 887)	(158 507)	66 554
Net gain (loss) on defined benefit plan, net of tax	0	0	0	0	0
Other comprehensive income (loss) for the period, net of tax	(24 949)	(69 189)	(162 636)	(144 594)	65 841
Total comprehensive income for the period	121 556	671 725	159 215	759 251	1 646 332
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Equity holders of Visma AS	121 631	671 448	159 529	758 659	1 644 058
Non-controlling interests	(75)	277	(314)	592	2 274

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(NOK in thousands)	30 June 2019	30 June 2018	31 March 2 019	31 December 2018
ASSETS				
Deferred tax assets	56 606	73 224	44 671	52 863
Patents and other intangible assets	3 363 621	1 922 616	3 232 288	3 175 755
Capitalised R&D cost own software	635 646	356 861	641 010	677 784
Contracts and customer relationships	5 615 353	2 490 869	5 385 177	5 357 476
Goodwill	12 997 911	8 249 537	12 262 394	12 043 842
Property, land and buildings	24 014	23 827	24 014	24 063
Machinery and equipment	231 136	122 316	178 868	169 327
Financial assets/Shares	46 482	42 648	46 237	42 967
Investment in associated companies	73 712	69 987	72 365	73 026
Other long-term receivables	502 123	473 011	493 978	488 699
Right of use assets	1 647 443	1 280 241	1 625 990	1 384 682
Net Investment in subleases	19 481	5 083	20 915	9 994
Total non-current assets	25 213 529	15 110 221	24 027 908	23 500 477
Inventory	42 728	51 999	40 912	29 136
Accounts receivables	1 694 465	1 270 652	1 743 950	1 867 982
Other current receivables	717 762	550 197	706 816	493 753
Cash and cash equivalents	5 402 512	3 963 302	5 801 320	5 148 003
Total current assets	7 857 467	5 836 151	8 292 998	7 538 874
TOTAL ASSETS	33 070 996	20 946 371	32 320 907	31 039 351
EQUITY AND LIABILITIES				
Paid-in capital	3 241 978	627 952	1 827 977	1 769 512
Other reserves	355 789	307 991	380 738	518 426
Retained earnings	7 456 861	6 897 575	7 312 125	7 572 540
Equity attributable to equity holders of Visma AS	11 054 628	7 833 518	9 520 841	9 860 477
Non-controlling interests	0	11 245	499	1 058
Total equity	11 054 628	7 844 762	9 521 339	9 861 535
Pension liabilities	0	0	0	(0)
Deferred tax liability	2 337 265	1 230 432	2 132 643	2 141 734
Financial hedging Instruments	102 843	64 938	46 506	83 812
Long-term interest bearing bank loans	11 159 419	6 072 527	11 145 951	9 329 003
Accrued funding fees	(14 740)	(12 044)	(17 857)	(8 030)
Long-term lease liabilities	1 385 279	1 112 556	1 381 213	1 162 746
Other long-term non interest bearing liabilities	1 077 474	416 717	2 607 206	2 444 003
Total non-current liabilities	16 047 540	8 885 126	17 295 663	15 153 268
Bank overdraft	969 380	237 788	0	1 442 504
Short-term interest bearing bank loans	91 770	100 000	92 890	97 010
Trade creditors	603 742	485 478	555 807	614 475
Public duties payable	554 509	373 636	834 619	621 632
Tax payable	26 944	18 131	52 885	123 647
Deferred revenue	1 934 184	1 598 820	2 322 850	1 489 302
Deferred revenue	388 855	259 908	366 149	328 678
Other current liabilities	1 399 442	1 142 723	1 278 705	1 307 302
Total current liabilities	5 968 827	4 216 483	5 503 905	6 024 549
Total liabilities	22 016 368	13 101 610	22 799 567	21 177 817
TOTAL EQUITY AND LIABILITIES	33 070 996	20 946 372	32 320 907	31 039 351

CONSOLIDATED STATEMENT OF CASH FLOWS

(NOK in thousands)	2nd quarter		1st half year		Year
	2019	2018	2019	2018	2018
Ordinary profit before tax from continuing and discontinued operations	188 648	248 173	397 973	468 788	1 115 902
Depreciation right of use assets	99 424	73 025	186 797	137 452	354 225
Depreciation tangible assets	32 255	11 367	51 110	25 817	60 724
Depreciation capitalised R&D cost	45 994	17 979	87 676	42 476	144 131
Amortisation patents and other intangible assets	176 620	111 116	349 349	225 821	508 524
Amortisation contracts and customer relationships	239 878	132 480	458 822	281 784	658 480
Amortisation Goodwill	0	0	0	0	0
Tax paid	(52 733)	(40 294)	(154 851)	(100 542)	(226 501)
Changes in debtors	49 485	61 516	173 517	82 454	(514 876)
Changes in inventory and trade creditors	46 119	45 243	(24 325)	25 240	177 100
Changes in public duties payable	(280 110)	(250 968)	(67 122)	(57 456)	190 540
Changes in deferred revenue	(388 666)	(489 427)	444 882	255 427	145 909
Changes in other accruals	72 939	262 583	30 881	199 548	448 752
Net cash flow from continuing and discontinued operations	229 853	182 793	1 934 709	1 586 809	3 062 910
Net cash flow from continuing operations	229 853	185 627	1 934 709	1 560 625	3 046 665
Net cash flow from discontinued operations	0	(2 833)	0	26 184	16 245
Sale of (investment in) tangible fixed assets	(24 102)	(5 144)	(54 084)	(37 193)	(82 124)
Sale of (investment in) R&D own software	(19 559)	(17 075)	(35 130)	(41 090)	(103 441)
Net cash flow from investments	(43 661)	(22 220)	(89 214)	(78 283)	(185 565)
Investment in tangible fixed assets related to business combinations	(25 351)	(5 860)	(44 363)	(6 988)	(36 558)
Investment in R&D software related to business combinations	(19 264)	(751)	(45 974)	(751)	(379 351)
Sale of (investment in) businesses	(1 364 219)	(613 613)	(2 142 716)	(936 005)	(4 901 418)
Sale of (investment in) shares	(246)	(3 310)	(3 515)	994	675
Net proceeds from divestiture of discontinued operations	0	795 255	13 268	795 255	1 224 101
Net cash flow from investments related to business combinations	(1 409 080)	171 721	(2 223 301)	(147 496)	(4 092 551)
Repayments of interest bearing loans	0	0	(297 000)	(218 018)	(268 018)
Net proceeds from interest bearing loans	0	0	2 428 621	772 040	3 602 014
Changes in bank overdraft	965 030	237 533	(450 649)	(538 388)	626 651
Cashflow from leases	(131 722)	(107 931)	(219 634)	(216 614)	(426 780)
Changes in long term receivables/payables	(2 142)	(4 178)	353	(3 676)	(3 732)
Payment of Group contribution	0	(8 967)	(507 767)	(494 252)	(494 252)
Cash inflow from dividends	6 000	5 000	6 000	5 000	5 000
Net cash flow from share issues	0	0	0	0	0
Cash inflow from interest	5 471	3 370	10 793	6 807	14 255
Cash outflow from interest and fees	(6 151)	(56 204)	(197 869)	(211 917)	(313 334)
Net cash flow from financing activities	836 486	68 623	772 848	(899 015)	2 741 807
Net cash flow	(386 402)	400 918	395 043	462 015	1 526 601
Cash and cash equivalents, beginning of period	5 801 320	3 646 170	5 148 003	3 665 241	3 665 241
Net foreign exchange differences	(12 406)	(83 786)	(140 534)	(163 955)	(43 840)
Cash and cash equivalents, end of period	5 402 512	3 963 302	5 402 512	3 963 302	5 148 003
EBITDA to net cash flow from operations	25,3 %	27,8 %	108,5 %	115,6 %	95,0 %

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(NOK in thousands)	Attributable to equity holders of Visma AS					
	Paid-in share capital	Other reserves	Retained earnings	Majority's share of equity	Non-controlling interests	Total equity
Equity as at 01.01.2018	627 952	452 585	6 369 884	7 517 819	16 244	7 534 063
Issue of share capital	1 141 560		0	1 141 560		1 141 560
Profit for the period			1 578 217	1 578 217		1 578 217
<i>Net gain (loss) on financial hedging instruments, net of tax</i>		(713)		(713)		(713)
<i>Exchange differences on translation of foreign operations, net of tax</i>		66 554		66 554		66 554
<i>Net gain (loss) on defined benefit plan, net of tax</i>		0		0		0
Total comprehensive income for the period		65 841	1 578 217	1 644 058	0	1 644 058
Group contribution			(375 631)	(375 631)		(375 631)
Changes to non-controlling interest; acquisition and arising on business combination			69	69	(15 186)	(15 117)
Equity at end of period	1 769 512	518 426	7 572 539	9 860 477	1 058	9 861 535
Equity as at 01.01.2019	1 769 512	518 426	7 572 539	9 860 477	1 058	9 861 535
Issue of share capital	1 411 605		0	1 411 605		1 411 605
Profit for the period			322 165	322 165	(314)	321 851
<i>Net gain (loss) on financial hedging instruments, net of tax</i>		(14 749)		(14 749)		(14 749)
<i>Exchange differences on translation of foreign operations, net of tax</i>		(147 887)		(147 887)		(147 887)
<i>Net gain (loss) on defined benefit plan, net of tax</i>				0		0
Total comprehensive income for the period		(162 636)	322 165	159 529	(314)	159 215
Group contribution	60 861		(437 843)	(376 982)		(376 982)
Changes to non-controlling interest; acquisition and arising on business combination			0	0	(744)	(744)
Equity at end of period	3 241 978	355 789	7 456 861	11 054 628	0	11 054 628

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

NOTE 1 – ORGANISATION AND BASIS OF PREPARATION

General information and organisation

Visma (the Group) consists of Visma AS (the Company) and its subsidiaries. Visma AS is a limited liability company, incorporated in Norway. The address of its registered office is Karenslyst allé 56, N-0214 Oslo, Norway.

Visma's condensed interim financial statements for the second quarter of 2019 were authorised for issue by the board of directors on 09 July 2019.

Basis of preparation

These condensed interim financial statements are prepared in accordance with International Reporting Standard IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU). The condensed interim financial statements do not include all the information and disclosures required by Financial Reporting Standards (IFRSs) for a complete set of financial statements, and these condensed interim financial statements should be read in conjunction with the Visma annual financial statements. A description of the significant accounting policies applied is included in the Visma annual financial statements for 2018 and applies to these condensed interim financial statements, except for the adoption of new standards and interpretations as of 1 January 2019.

The condensed interim financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the financial position, results of operations and cash flows for the dates and interim periods presented. Interim period results are not necessarily indicative of results of operations or cash flows for an annual period. Certain amounts in the comparable periods have been restated to conform to current period presentation.

The condensed interim financial statements are unaudited.

Changes to significant accounting policies in the current period

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

Use of estimates

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis, considering the current and expected future market conditions. A change in an accounting estimates is recognised in the period in which the estimate is revised if the revision affect only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

NOTE 2 — SEGMENT INFORMATION

Visma reports its business through six reporting segments, Small and Medium Business (SMB), Enterprise, Custom Solutions, Commerce Solutions, and Group HQ + IT + CIS. These aggregations has its basis in similar economic characteristics, the nature of products, services and the type and class of customers and the market their customer operates in.

Transfer prices between segments are set at an arm's length basis in a manner similar to transactions with third parties. Visma AS and national holding companies are disclosed under Group HQ.

NOTE 2 — SEGMENT INFORMATION continued

Segment data for the second quarter of 2019 and 2018 are presented below. The measurement basis of segments profit is Net operating income. Deferred tax assets, pension assets and non-current financial assets are not allocated to the segments.

OPERATING SEGMENTS

(NOK in thousands)	2019						2018					
	SMB	Enterprise	Custom Solutions	Commerce Solutions	Group HQ + IT + CIS	TOTAL	SMB	Enterprise	Custom Solutions	Commerce Solutions	Group HQ + IT + CIS	TOTAL
Revenue												
Total segment revenue	1 493 545	1 543 547	764 613	289 164	389 716	4 480 584	1 295 679	918 865	476 744	253 221	246 306	3 190 816
Internal revenue	226 052	321 103	58 123	10 238	186 971	802 487	223 240	228 995	57 679	11 959	107 829	629 701
External revenue on each group of similar products and services												
On-premises software	430 672	337 554	151 589	0	0	919 815	436 182	304 849	122 487	0	168	863 687
New software licences	10 518	7 934	14 008	0	0	32 460	11 142	12 614	13 604	0	168	37 528
Annual agreements	385 283	227 936	54 191	0	0	667 410	387 334	199 719	16 778	0	0	603 831
Software Consulting and Implementation	34 871	101 685	83 390	0	0	219 946	37 706	92 516	92 106	0	0	222 328
Cloud Computing	789 461	694 308	474 713	277 171	152 346	2 387 999	611 546	355 184	292 314	239 929	117 895	1 616 869
SaaS Subscriptions	554 466	290 811	103 581	60 964	4 066	1 013 889	437 872	197 536	37 346	44 236	882	717 871
SaaS Transactions and sign up fees	213 588	326 001	15 126	35 604	2 276	592 595	151 105	83 922	3 226	30 045	0	268 297
Cloud Infrastructure and Hosting Services	1 642	3 340	50 156	0	146 004	201 142	563	14 043	446	0	104 757	119 809
Software Consulting and Implementation on SaaS	18 100	73 195	311 442	8 055	0	410 792	22 007	56 088	251 296	5 581	10 551	345 523
FinTech Services and debt collection	1 666	961	(5 593)	172 548	0	169 581	0	3 596	0	160 068	1 706	165 369
Other	47 360	190 582	80 188	1 755	50 398	370 282	24 711	29 837	4 264	1 333	20 414	80 559
External revenue	1 267 493	1 222 444	706 490	278 925	202 744	3 678 096	1 072 439	689 871	419 065	241 262	138 478	2 561 115
Actual growth (external) %	18,2 %	77,2 %	68,6 %	15,6 %	46,4 %	43,6 %						
EBITDA	415 337	252 426	157 950	68 097	14 459	908 269	353 031	142 799	83 514	61 763	26 071	667 177
EBITDA margin	32,8 %	20,6 %	22,4 %	24,4 %	7,1 %	24,7 %	32,9 %	20,7 %	19,9 %	25,6 %	18,8 %	26,1 %

(NOK in thousands)	2019						2018					
	SMB	Enterprise	Custom Solutions	Commerce Solutions	Group HQ + IT + CIS	TOTAL	SMB	Enterprise	Custom Solutions	Commerce Solutions	Group HQ + IT + CIS	TOTAL
Revenue												
Total segment revenue	2 944 726	3 071 579	1 399 239	560 867	750 566	8 726 977	2 553 319	1 818 703	922 389	499 090	490 954	6 284 455
Internal revenue	446 172	627 447	112 452	20 520	374 256	1 580 846	431 941	441 677	110 563	21 873	213 807	1 219 861
External revenue on each group of similar products and services												
On-premises software	866 572	685 568	262 970	0	0	1 815 111	875 943	602 392	248 670	0	570	1 727 575
New software licences	24 629	18 183	23 424	0	0	66 236	25 275	27 715	23 865	0	570	77 424
Annual agreements	773 276	457 880	74 844	0	0	1 306 000	779 924	399 929	35 221	0	0	1 215 074
Software Consulting and Implementation	68 667	209 506	164 702	0	0	442 875	70 744	174 748	189 585	0	0	435 077
Cloud Computing	1 543 617	1 381 492	864 650	538 301	301 808	4 629 869	1 196 078	709 396	555 587	473 791	206 943	3 141 795
SaaS Subscriptions	1 089 176	574 303	168 843	119 614	8 071	1 960 008	857 773	393 132	62 979	86 840	1 713	1 402 437
SaaS Transactions and sign up fees	414 194	643 825	20 094	67 347	4 536	1 149 996	296 650	172 978	5 900	57 630	0	533 158
Cloud Infrastructure and Hosting Services	2 711	6 070	85 327	0	289 201	383 309	1 100	25 299	904	0	181 830	209 133
Software Consulting and Implementation on SaaS	34 233	153 661	591 527	14 409	0	793 830	40 556	110 622	485 804	10 757	19 934	667 673
FinTech Services and debt collection	3 303	3 633	(1 141)	336 931	0	342 727	0	7 365	0	318 564	3 466	329 395
Other	88 365	377 072	159 167	2 046	74 502	701 151	49 357	65 238	7 569	3 426	69 633	195 223
External revenue	2 498 554	2 444 132	1 286 787	540 347	376 310	7 146 131	2 121 378	1 377 026	811 826	477 216	277 147	5 064 593
Actual growth (external) %	17,8 %	77,5 %	58,5 %	13,2 %	35,8 %	41,1 %						
EBITDA	822 508	512 332	292 015	122 483	34 506	1 783 845	704 660	312 904	166 847	116 123	50 068	1 350 601
EBITDA margin	32,9 %	21,0 %	22,7 %	22,7 %	9,2 %	25,0 %	33,2 %	22,7 %	20,6 %	24,3 %	18,1 %	26,7 %

Reconciliation	2nd quarter		1st half year
	2019	2018	2019
Profit before taxes	188 648	248 173	397 973
Net financial items	126 798	60 024	252 804
Result from associated companies	(1 347)	5 041	(686)
Depreciations and amortisations	594 170	353 940	1 133 755
EBITDA	908 269	667 177	1 783 845
EBITDA in operating segments	908 269	667 177	1 783 845

* 2018 has been restated the effects of IFRS16.

GEOGRAPHICAL AREAS

(NOK in thousands)	2019			2018		
	Net sales	%	Long lived assets	Net sales	%	Long lived assets
Norway	2 369 578	33,2 %	5 899 881	1 723 890	34,0 %	4 030 966
Sweden	1 594 037	22,3 %	2 233 381	1 615 004	31,9 %	2 602 473
Denmark	895 948	12,5 %	3 393 757	784 535	15,5 %	3 618 633
Finland	1 069 089	15,0 %	2 237 877	771 964	15,2 %	2 002 122
Netherlands	1 217 478	17,0 %	8 847 636	169 200	3,3 %	765 689
Total	7 146 131	100,0 %	22 612 531	5 064 593	100,0 %	13 019 883

NOTE 3 — BUSINESS COMBINATIONS

During the second quarter of 2019, Visma had a net cash outflow from investment in businesses of NOK 1 364m.

Custom Solutions

Custom Solutions expanded their offering with three new acquisitions in the second quarter. In the Netherlands, they acquired the Roxit Group, which delivers e-government solutions in the Netherlands. They also strengthened their position in the Nordics through the acquisitions of Avento AS, a Norwegian IT consultancy firm, and Provad OY, a Finnish provider of AI customer service platforms.

SMB

SMB improved their ERP offering in the Dutch SMB market through the acquisition of Account Software BV. Account Software BV is the largest Visma Expert Center in the region and has been a partner of Visma for 30 years.

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

	Roxit Groep BV	Avento AS	Provad OY	Account Software BV
(NOK in thousands)	02.04.19	02.04.19	02.04.19	12.06.19
Deferred tax assets	0	27	0	0
Shares	0	1 060	0	0
Other intangible assets	14 977	1 365	2 903	0
Machinery and equipment	18 084	67	852	6 966
Property	0	0	4 053	0
Other long-term receivables	0	0	0	13
Inventories	0	0	137	0
Trade receivables	64 315	12 073	5 180	1 630
Other short term receivables	3 016	1 104	9 131	4 636
Cash and cash equivalents	7 311	15 943	4 586	4 804
Assets	107 702	31 638	26 842	18 049
Other long-term liabilities	(2)	0	0	0
Deferred tax liability	3 639	0	0	0
Bank overdraft	0	0	4 405	0
Trade creditors	11 785	2 046	2 019	504
Public duties payable	7 906	10 232	1 559	2 812
Tax payable	681	0	0	192
Other current liabilities	85 843	721	25 679	6 852
Liabilities	109 852	13 000	33 662	10 360
Fair value of net assets	-2 150	18 638	-6 820	7 689
Non-controlling interests	0	0	0	0
Goodwill arising on acquisition	686 293	41 054	47 583	14 842
Other intangible assets	485 861	0	19 598	10 320
Contracts and customer relationship arising	61 937	28 738	27 437	14 448
Deferred tax liability	(133 200)	(6 322)	(9 407)	(6 019)
Total acquisition cost	1 100 923	82 108	78 390	41 280
Net cash acquired with the subsidiary	(7 311)	(15 943)	(4 586)	(4 804)
Cash paid	1 100 923	57 620	31 518	41 280
Net cash outflow	1 093 613	41 677	26 932	36 476
Payment-in-Kind	0	0	0	0
Deferred payment	0	24 488	46 872	0

ALTERNATIVE PERFORMANCE MEASURES

General information

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

EBITDA / EBITA / EBIT

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

EBITDA growth is presented for the current quarter, defined as the percentage growth over EBITDA in the same quarter last year. EBITDA growth is also presented on a year-to-date basis, defined as the percentage growth over EBITDA for the corresponding period last year.

Cloud Annualized Revenue

Revenue from Software-as-a-Service ("SaaS") solutions and other cloud computing is an important growth area for Visma. Unlike traditional on-premises solutions that are locally installed, SaaS Solutions are centrally installed in datacentres run by either Visma or third party providers, and made accessible to the customer through a "thin client" such as a web browser or mobile app. Cloud computing includes SaaS solutions as well as related services such as consulting and implementation on SaaS solutions, cloud infrastructure services and Fin-tech services.

Cloud Annualized revenue measures the run rate of revenue derived from cloud computing. It is a forward looking indicator of future revenue from cloud computing. The monthly revenue generated from cloud computing at the end of the quarter is multiplied by 12 to arrive at an annualized value.

Customer Contracts

The number of customers that have a support, subscription or maintenance agreement. A customer may be counted several times between licensing systems, due to acquisitions.

Number of e-invoicing transactions

The number of e-invoicing transactions processed through Visma's e-invoicing hubs. SaaS e-invoices is an important growth area for Visma. To account for seasonal variations, monthly e-invoices is measured as the last twelve month average.

On-premises software

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

Cloud Computing

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

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