

2022

Q4

Quarterly
Report

Contents

The quarter in brief

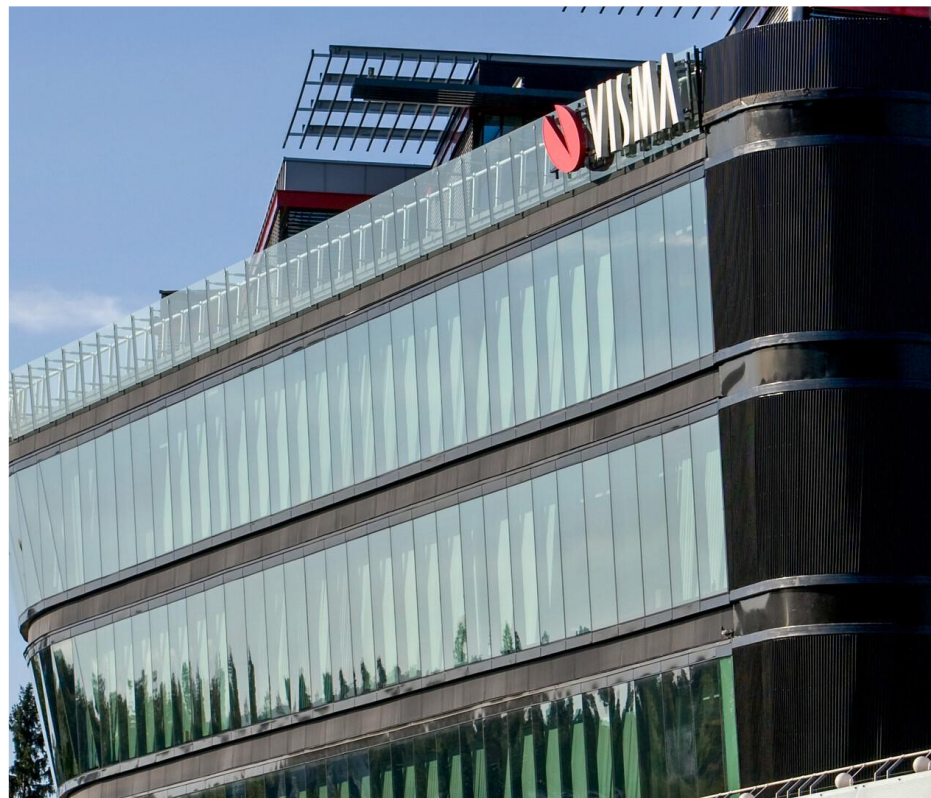
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Strong ARR growth of 23%

Q4 highlights

- Revenue of EUR 558 million, 18% growth year-over-year
- EBITDA of EUR 155 million (134 million), an increase of 16% from Q4 2021
- Annualized Repeatable Revenue reached EUR 1 936 million
- Entered both France and Germany by acquiring Inqom and BuchhaltungsButler. In January 2023 Visma also acquired H&H in Germany.
- Closed 12 acquisitions. Delisted House of Control from the stock exchange in Norway.
- Finalised sale of Cloud Infrastructure Services (CIS) division.



CEO comment

Visma maintained its positive momentum in the final quarter of 2022 with a revenue of EUR 558 million, an increase of 18% compared to Q4 2021. Our EBITDA ended at EUR 155 million, representing an increase of 16%. All our core segments are growing, and we are successfully taking steps to mitigate a rising cost level in our industry.

We continue to acquire great software companies, with complementary products that fit our strategy. At the end of Q4 we acquired our first company in Germany, Buchhaltungsbutler. We also welcomed the Nordic SaaS-providers House of Control and Flex Applications, as well as four Benelux-companies within Govtech and HR. With a healthy core business and proceeds from divestments of non-core assets in 2022, we are in good shape to continue growing both organically and through selective M&A in 2023.

At the same time, we recognise that these are uncertain times. A terrible war is still raging in Europe. Some experts predict that the spillover effects of high inflation and rising interest rates might lead Western economies into a recession in 2023, and many businesses are already struggling. However, as a provider of mission critical software which enables automation, increased efficiency and competitiveness, we have products that represent part of the solution. This makes me confident that Visma is well positioned to navigate rough waters.

Merete Hverven CEO

Q4 2022 Key Figures*

Revenue

€ 558m

▲ 18% growth YoY
13% organic growth YoY

EBITDA

€ 155m

▲ 16% growth YoY

EBITDA %

27.8%

▼ -0.6x pp

Monthly e-invoices

21.7m

▲ 21% growth YoY

ARR

€ 1 936m

▲ 23 % growth YoY
15% organic growth YoY

Operating cash flow

€ 110m

91% cash conversion LTM

Customers

1.4m

▲ 26% growthYoY

Monthly payslips

11.1m

▲ +11 growth YoY

Comments on the fourth quarter

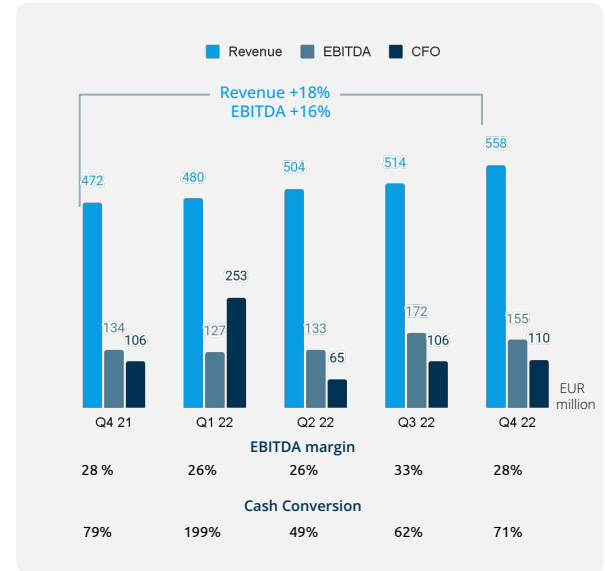
Visma continued the strong development in the fourth quarter. Revenues reached EUR 558 million, reflecting a growth of 18% compared to Q4 2021. EBITDA grew 16%, reaching EUR 155 million.

All of Visma's core segments contributed to the continued growth year-over-year. The Small Business segment (SMB) displayed a particularly strong revenue growth of 27% and a 10% growth in EBITDA. Medium & Large Enterprise (MLE) and Public achieved a revenue growth of 13% and 17% respectively, and an EBITDA growth of 32% and 12%.

Annualized Repeatable Revenue (ARR) grew 23% compared to Q4 2021 to reach a record high level of EUR 1 936 million. This forward looking metric is a strong indicator of the development in the most strategic portion of Visma's revenue, and is a key driver of growth within all segments. Therefore, it is positive to note that the growth in ARR remains higher than the total revenue growth for Visma.

Visma finalised the divestment of the Cloud Infrastructure Service (CIS) businesses. After the divestment of CIS and the IT consulting businesses in Q3, Visma is even more focused on mission-critical cloud software, mainly through SaaS and standardised products. Visma will reinvest proceeds from these sales into new growth opportunities, both organic and inorganic.

In Q4 Visma closed 12 acquisitions, bringing the total to 42 for 2022. In Q4 Visma entered both France and Germany with the acquisitions of Inqom and BuchhaltungsButler, further strengthening Vismas presence in Europe. In Norway, Visma acquired among others House of Control and delisted the company from Oslo Stock exchange. In Sweden, a key acquisition was HRM software provider Flex Applications.



Financial review

Revenue amounted to EUR 558 million (472 million) and EBITDA to EUR 155 million (134 million) in the last quarter of 2022. Revenue increased 18% while EBITDA increased 16% compared to Q4 2021. EBITDA is growing slower than revenue due to recently acquired companies having lower margin than the Visma average. However, the group saw a positive margin development on an organic basis, adjusted for M&A and capitalized R&D, versus fourth quarter last year.

The high inflation is causing the group's cost level to rise. As a response to this, Visma has adjusted prices to ensure that we have room to continue the high pace on product development in our leading SaaS products, so that our customers can continue to enjoy modern and market leading solutions.

Group EBIT amounted to EUR 63 million (46 million), a growth of 38% YoY. Net financial items were 19 million (-38 million). Consequently, profit before taxes was EUR 82 million (8 million). Taxes amounted to EUR 1.1 million (0.3 million), and net income from continuing operations resulted in EUR 80.4 million (7.8 million) in the fourth quarter.

Cash flow from continuing operations (before tax) amounted to EUR 110 million (106 million). This equals to a 91% yearly cash conversion for 2022.

Cash flow from investments related to business combinations was EUR -287 million (-110 million). At the end of the fourth quarter, the cash position of Visma was EUR 1 071 million (958 million).

Equity amounted to EUR 2 158 million (1 414 million), corresponding to an equity ratio of 33,6% (24,8%). The gain on sale of the divestments is driving a strong equity ratio improvement compared to last year. Long term interest bearing debt amounted to EUR 2 623 million (2 701 million). The debt facilities have maturity dates in the 4th quarter of 2025.

Group (EUR million)	Q4 2022	Q4 2021	Growth
Revenue	558	472	18,3%
SaaS	381	304	25,2%
Cloud Services	97	85	14,7%
On premises software	67	74	-8,3%
Other	13	10	33,8%
Profit			
EBITDA	155	134	15,7%
EBITDA margin	27,8%	28,4%	-0,6%
EBIT	63	46	37,6%
Net profit	16	8	107,3%
Cash flow and leverage			
Operating cash flow	110	106	3,8%
Net Debt / EBITDA	2,7x	3,3x	-0,7x
Segment			
Small Business			
Revenue	183	144	26,9%
EBITDA	57	52	9,6%
EBITDA margin	31,4%	36,3%	-4,9%
Medium & Large Enterprise			
Revenue	216	191	13,0%
EBITDA	52	39	32,2%
EBITDA margin	24,2%	20,6%	3,5%
Public			
Revenue	155	132	17,4%
EBITDA	41	36	12,0%
EBITDA margin	26,1%	27,4%	-1,3%

M&A highlights

12

acquisitions closed Q4

42

acquisitions closed ytd*

€57m

LTM Revenue
Acquisitions in Q4

3%

LTM EBITDA margin
Acquisitions in Q4



HOUSE OF
CONTROL

- Develops software as a service (SaaS) solutions for contract management and IFRS 16 compliance to customers across the Nordics.
- Delisted from Oslo Euronext Growth.
- Employs a team of around 120 professionals and has around 3 000 customers.



- Provider of HRM software to Nordic businesses.
- Offers user friendly and cloud based products for resource planning, time recording, travel expenses and HR-processes tailored to the Nordic markets.
- Headquartered in Örebro, Sweden and has 140 employees.



- Visma took its first step into the German market with the acquisition of Buchhaltungsbutler.
- The SaaS company develops software for financial management with a high focus on accounting automation.
- Buchhaltungsbutler has close to 3 000 SME customers.
- In January 2023 Visma closed its second deal in Germany with the acquisition of H&H.

*Related to continuing operations



Visma appoints new CTO

Alexander Lystad is Visma's new Chief Technology Officer

Lystad joined Visma as a software developer in 2012. Since 2021 he has held the position as Director of Cloud & Engineering, advising Visma-companies on areas like software architecture and cloud technology.

As one of the architects behind Visma's methodology for technical due diligence, he has led more than 100 such processes related to Visma's acquisitions in recent years. Lystad also serves as a board member of several Visma companies, including Beeple, Therapieland and Visma Real Estate.

"I'm thrilled to take on the role of CTO at Visma. We are a leading cloud software company, and I believe Visma is perfectly set up for continued success in this rapidly changing world. I'm looking forward to working with my talented and passionate colleagues to ensure that we translate our advantages into innovative products that have a positive impact on society", Lystad says.



Tech highlights

Key product announcements

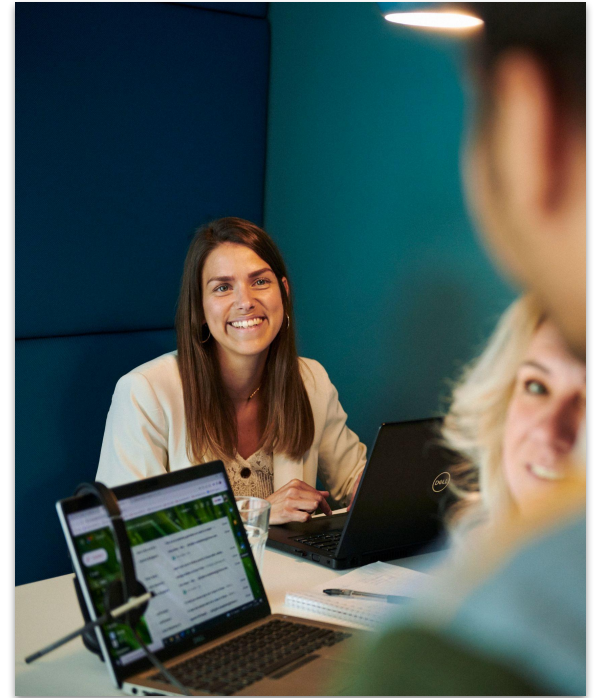
In the last quarter of the year, Visma released several new products. Visma Flyt Barnevern was launched in Norway, a cloud solution for the child care sector that enables improved efficiency, communication and quality of services.

In Sweden, Visma launched a free payment card that helps entrepreneurs take a first step towards fully automated receipt processing. Visma also introduced a new climate report feature to Visma eAccounting, helping small businesses measure, report and reduce their climate footprint by calculating climate impact from accounting data.

In Benelux, Visma launched CRMHub, an offering that makes life easier for accounting firms. CRMHub can process CRM changes automatically, thus reducing errors and saving time that can be spent adding value for customers.

Furthermore, Visma launched a new Inventory Optimization API that helps companies manage their inventory efficiently, by generating sales forecasts, purchase order suggestions and inventory classifications.

In November, Visma.net Financials surpassed 2 billion incoming API calls. In 2022 Visma products processed over 105 million documents with Smartscan – that's a 75% increase compared to last year for our ML-based document data capture service.



Continued growth - High market potential

Total revenue in the Small Business (SMB) segment amounted to EUR 183 million (144 million), reflecting a solid growth of 27% compared to Q4 2021. Growth in the segment continues to accelerate, driven by an increasing customer base and subscription upgrades among existing customers.

EBITDA grew 10% YoY, reaching EUR 57 million (50 million). EBITDA is growing slower than revenues due to the fact that several fast-growing SaaS stars are acquired at an early stage. These companies have a strong revenue growth, but often have a lower margin than the Visma average. We expect a margin improvement from these companies in the following years.

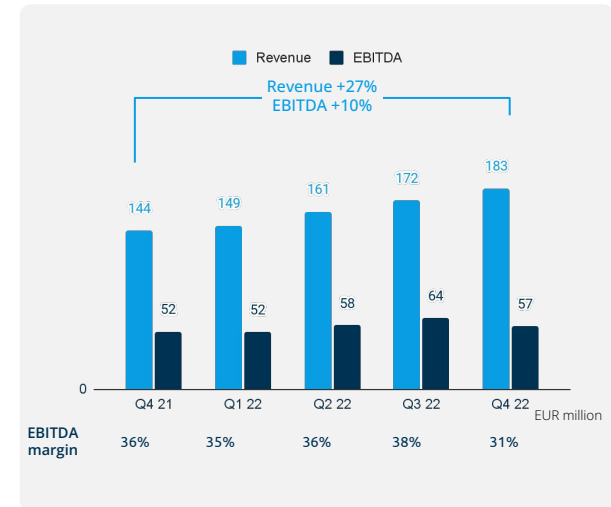
Some of the companies that show an impressive growth in this segment are Tripletex, Visma e-economic, Yuki and PowerOffice. During the fourth quarter, the small business segment has welcomed several new acquisitions, including Visma's first entry in France through Inqom, and in Germany through BuchhaltungsButler.

The Small Business market is a market with high potential, both from expanding the offering to our growing customer base in existing core markets as well as from entering new markets. Outside the Nordic countries, we observe that transition to SaaS is still in an early stage for small businesses, and Visma is the provider of the market leading product in several of these countries.

ARR growth **32%**

ARPC **€ 535**

1.243.000 customers



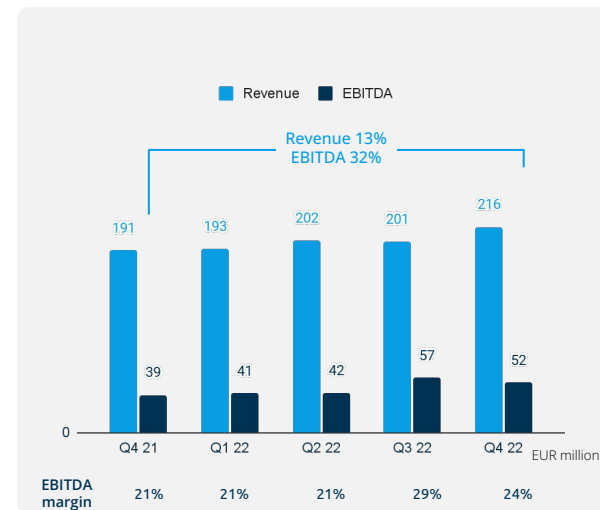
Medium & Large Enterprise

Strong margin improvement

In the Medium & Large Enterprise segment, revenue amounted to EUR 216 million (191 million), growing 13% YoY. The steady growth is primarily driven by organic growth, of which half is coming from satisfied customers buying more modules and products from Visma, and the other half from customers won from competition. EBITDA ended at 52 million (39 million), a growth of 32% compared to the same period last year, while the margin was 24% (21%).

Our Cloud ERP and Payroll ecosystems are strong contributors to both revenue and ARR growth in Q4. Both Visma.net Payroll and Visma.net Financials had an impressive growth. Visma.net Payroll surpassed an ARR of €12m during the quarter, growing by 117% YoY in December, and Visma.net Financials growing its ARR by 47% YoY. The growth of Visma.net Payroll also positively contributes to the growth in Visma.net Expense and AutoPay. In addition, the Invoice Lifecycle Management business continues to deliver strong growth in revenue, number of transactions and invoice volume.

Acquisition activity was high with 5 new companies acquired in this segment during the fourth quarter. Among these are House of Control, a Norwegian SaaS company delivering contract management and IFRS 16-reporting solutions, the latter being a new product in the Visma family. Another key acquisition was the HR and salary software provider Flex Applications in Sweden. Visma expects to be a key contributor to expanding their solutions in the Nordics.



ARR growth **22%**

ARPC € **5 081**

160 000 customers

Public

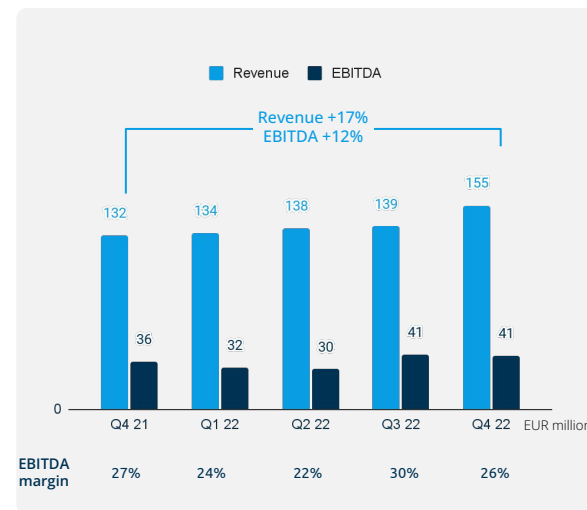
Solid growth in the Public segment

Total revenue in the Public segment amounted to EUR 155 million (135 million), reflecting a growth of 17% YoY, with SaaS revenue growing 19%. We continue to see a strong growth in this segment, both organically and through acquisitions.

EBITDA was 41 million (36 million), reaching a margin of 26% (27%). Cost base is still a challenge in the fourth quarter for the public sector, as this segment has more long term contracts with fixed price, and thus fewer tools to respond to the increasing costs caused by inflation. At the same time, this segment continues to deliver strong growth in revenue and thus also a growth in EBITDA.

Important tenders were won in the quarter, amongst others a big win in Norway with Helse Sør Øst. We still observe a willingness to invest in technology that improves efficiency and processes within local government.

During the fourth quarter, Visma has further strengthened its offering in the Netherlands through the acquisition of Datapas, an education software provider, and P8, a provider of software to local government.



ARR growth **15%**

ARPC € **29 667**

19 100 customers

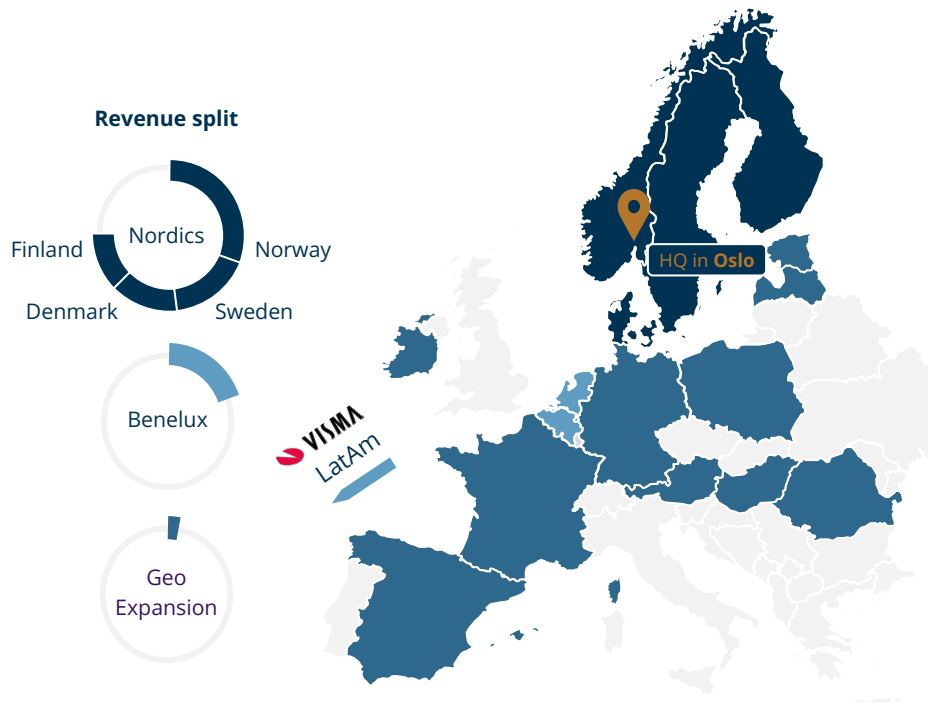
Market outlook

The macroeconomic climate remained challenging in the fourth quarter. The war in Ukraine and subsequent energy crisis, which has triggered rising inflation and rapidly increasing interest rates, are the primary concerns. Forecasts for key markets indicate that inflation will likely come down from this year's peak, but still remain above the central bank's targets for 2023.

Visma, as most companies, is affected by the high inflation rates. Visma's cost levels and operational efficiency are closely monitored by management, and pricing and subscription packages are reviewed for their appropriateness given the current situation.

Economic growth in the Nordics and the Benelux is expected to slow down in the coming year. Visma is well positioned ahead of a potential economic slowdown due to our strategy of delivering mission-critical software, coupled with a diversified customer base. In addition, our clients continue to invest in automation of business processes to improve their efficiency. This, combined with a high degree of repeatable revenue, ensures Visma's strong growth and enables a continued focus on expansion.

Visma expects to maintain an active M&A agenda. There is substantial growth opportunities in both new and current core regions. Visma has a strong cash balance and is well positioned to capitalize on interesting M&A opportunities that fit the company's strategy and profile.



Shareholders

Hg Capital and co-investors 54,8%

GIC 18,1%

CPPIB 6,1%

Warburg Pincus 4,7%

ICG 3,3%

TPG 3,1%

General Atlantic 1,7%

Folketrygdfondet 0,6%

Aeternum Capital 0,6%

Vind 0,4%

Management 6,5%

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Risks

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

Inflation and rising interest rates are currently affecting the economic environment globally. Visma has hedged around 50% of its interest exposure. The group also has a very strong cash position after the sale of non-core business as well as good operational cash inflow and as such retains solid financial health entering into 2023. Visma is investing to stay part of the forefront on compliance trends, including ESG.

For more details please read the Directors' Report in the Annual report.

Security

Security and Privacy related incidents in the reporting period was stable compared to last reporting period. No incidents with material impact, only local short term impact observed.

Threat actor activity was consistent during Q4. Our intelligence suggest that organised crime gets more heavily involved in cyber. Most likely due to its international nature and its profitability.

The global trend where cyber attacks are increasingly being financed and run by organised crime continues and Visma monitors this development closely. Visma continues our collaboration with the police and national security authorities in our markets to help managing cyber crime.

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, 25 January 2023, The Board of Directors of VISMA AS



Condensed interim financial information

Consolidated statement of income*

(EUR in thousands)	4th quarter		Year	
	2022	2021	2022	2021
CONTINUING OPERATIONS				
OPERATING REVENUE				
Sales revenue	558 136	471 787	2 056 515	1 726 146
Total operating revenue	558 136	471 787	2 056 515	1 726 146
OPERATING EXPENSES				
Sales and distribution costs (COGS)	79 475	68 996	282 895	250 739
Gross profit	478 661	402 791	1 773 620	1 475 407
Payroll and personnel expenses	256 516	212 828	942 343	771 570
Bad debts	815	1 174	2 814	3 400
Other operating expenses	64 908	52 792	237 321	166 117
Total operating expenses	322 240	266 793	1 182 477	941 088
EBITDA before M&A expenses	156 421	135 998	591 142	534 319
M&A expenses	1 420	1 993	4 147	4 917
EBITDA	155 001	134 005	586 995	529 402
Depreciation tangible assets and capitalised R&D	10 067	10 087	34 128	33 313
Depreciation right of use assets	14 335	10 916	49 127	41 960
EBITA	130 600	113 002	503 740	454 129
Amortisation intangible assets	68 033	67 188	264 828	266 287
Operating profit EBIT	62 567	45 814	238 912	187 842
Result from associated companies	(53)	0	(242)	0
FINANCIAL ITEMS				
Financial income	29 371	18 646	98 471	22 341
Financial expenses	(10,370)	(56,325)	(157 227)	(132 923)
Net financial items	19 001	(37,679)	(58 756)	(110 582)
Profit before taxes	81 515	8 135	179 915	77 260
Taxes	1 122	334	23 650	19 460
Net income from continuing operations	80 393	7 801	156 265	57 800
DISCONTINUED OPERATIONS				
Net income from discontinued operations (excl. gain on sale)	(798)	3 810	17 393	23 422
Net gain on sale of discontinued operations	9 081	0	570 198	0
Net income from discontinued operations	8 283	3 810	587 591	23 422
Net income	88 676	11 611	743 856	81 222
ATTRIBUTABLE TO:				
Equity holders of Visma AS	88 739	11 819	744 253	81 683
Non-controlling interests	(64)	(208)	(397)	(461)
EARNINGS PR SHARE				
Basic earnings per share (EUR)	0.044	0.006	0.372	0.041
Diluted earnings per share (EUR)	0.044	0.006	0.372	0.041
EBITDA margin	27.8 %	28.4 %	28.5 %	30.7 %

Consolidated statement of comprehensive income*

(EUR in thousands)	4th quarter		Year	
	2022	2021	2022	2021
Net income	88 676	11 611	743 856	81 222
Net gain (loss) on financial hedging instruments, net of tax	(1,642)	6 187	72 879	18 708
Exchange differences on translation of foreign operations, net of tax	(1,835)	4 433	(36 604)	7 056
Other comprehensive income (loss) for the period, net of tax	(3,477)	10 620	36 275	25 765
Total comprehensive income for the period	85 199	22 231	780 131	106 987
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Equity holders of Visma AS	85 263	22 439	780 528	107 448
Non-controlling interests	(64)	(208)	(397)	(461)

*2021 has been restated to reflect the sale of the Consulting business and Cloud Infrastructure Services



Condensed interim financial information

Consolidated statement of financial position

(EUR in thousands)	31 December 2022	30 September 2022	31 December 2021
ASSETS			
Deferred tax assets	12 962	10 402	9 318
Patents and other intangible assets	516 016	498 569	487 274
Capitalised R&D cost own software	70 168	61 395	59 987
Contracts and customer relationships	690 343	675 068	642 363
Goodwill	3 399 397	3 167 689	2 916 018
Property, land and buildings	6 770	6 888	7 425
Machinery and equipment	31 260	30 770	34 316
Financial assets/Shares	3 705	3 614	3 109
Investment in associated companies	926	979	0
Other long-term receivables	4 775	60 422	59 714
Right of use assets	185 860	182 709	189 396
Net Investment in subleases	7 555	10 441	1 794
Total non-current assets	4 929 735	4 708 946	4 410 714
Inventory	1 052	10 001	7 437
Accounts receivables	237 644	198 435	238 904
Other current receivables	190 583	116 658	79 220
Cash and cash equivalents	1 071 512	1 466 523	958 114
Total current assets	1 500 791	1 791 617	1 283 676
TOTAL ASSETS	6 430 525	6 500 563	5 694 390

(EUR in thousands)	31 December 2022	30 September 2022	31 December 2021
EQUITY AND LIABILITIES			
Paid-in capital	588 615	588 615	588 615
Other reserves	78 916	82 265	42 428
Retained earnings	1 487 195	1 398 455	778 372
Equity attributable to equity holders of Visma AS	2 154 726	2 069 335	1 409 415
Non-controlling interests	3 349	3 566	4 180
Total equity	2 158 075	2 072 901	1 413 595
Deferred tax liability	322 726	360 113	283 462
Financial hedging Instruments	(82,458)	(84 562)	10 977
Long-term interest bearing bank loans	2 623 286	2 625 894	2 701 126
Accrued funding fees	(4,364)	(4 736)	(5 852)
Long-term lease liabilities	152 942	155 979	150 823
Other long-term non interest bearing liabilities	387 621	378 864	267 675
Total non-current liabilities	3 399 753	3 431 552	3 408 211
Bank overdraft	0	244 345	(0)
Short-term interest bearing bank loans	8 991	9 175	9 756
Trade creditors	85 675	65 257	96 904
Public duties payable	96 128	86 932	98 062
Tax payable	45 585	10 338	46 099
Deferred revenue	242 375	252 341	206 696
Short-term lease liabilities	51 288	48 695	54 666
Other current liabilities	342 654	279 026	360 400
Total current liabilities	872 697	996 109	872 584
Total liabilities	4 272 450	4 427 662	4 280 795
TOTAL EQUITY AND LIABILITIES	6 430 525	6 500 563	5 694 390

Condensed interim financial information

Consolidated statement of cash flows

(EUR in thousands)	4th quarter		Year	
	2022	2021	2022	2021
Ordinary profit before tax	81 515	17 104	179 915	106 925
Depreciation right of use assets	11 823	14 751	49 127	50 507
Depreciation tangible assets	2 868	4 148	11 987	12 972
Depreciation capitalised R&D cost	6 923	6 345	22 141	21 759
Amortisation patents and other intangible assets	30 109	36 170	118 956	141 466
Amortisation contracts and customer relationships	36 810	35 193	145 873	142 119
Changes in debtors	(39 208)	(26 442)	1 261	(43 940)
Changes in inventory and trade creditors	29 368	26 519	(4 844)	31 139
Changes in public duties payable	9 195	3 157	(1 935)	8 914
Changes in deferred revenue	(9 966)	(14 487)	35 679	42 986
Changes in other accruals	(49 386)	24 552	(16 898)	41 944
Net cash flow from operations (before tax)	110 049	127 009	541 261	556 791
Net cash flow from continuing operations (before tax)	110 049	106 369	535 424	503 868
Net cash flow from discontinued operations (before tax)	0	19 393	5 837	55 896
Tax paid	(23 417)	(4 243)	(83 854)	(59 937)
Net cash flow from operations (after tax)	86 632	122 766	457 407	496 854
Net cash flow from continuing operations	86 632	109 298	454 529	449 312
Net cash flow from operations, discontinued operations	0	13 468	2 878	47 542
Investment in tangible fixed assets related to business comb.	(1 018)	(5 697)	(2 504)	(9 294)
Investment in R&D software related to business combinations	(17 264)	1 695	(30 301)	(8 774)
Investment in businesses	(269 050)	(105 447)	(908 104)	(643 092)
Sale of (investment in) shares	(90)	(431)	(595)	(1 311)
Net cash flow from investments related to business combinations	(287 422)	(109 880)	(941 504)	(662 471)
Net proceeds from divestiture of discontinued operations	52 445	0	830 737	14 948
Cash inflow from dividends	0	0	0	1 013
Sale of (investment in) tangible fixed assets	(3 620)	(3 141)	(11 196)	(10 646)
Sale of (investment in) R&D own software	(2 335)	(1 206)	(6 063)	(4 881)
Net cash flow from investments	(240 932)	(114 226)	(128 025)	(662 037)
Repayments of interest bearing loans	0	0	(9 873)	(9 921)
Net proceeds from interest bearing loans	0	288 336	0	288 336
Changes in bank overdraft	(246 792)	(199 143)	0	0
Cashflow from leases	(13 056)	(15 172)	(51 934)	(61 881)
Changes in long term receivables	766	(1 412)	1 967	188
Repayment of Share premium reserve	0	0	(35 430)	0
Net cash flow from share issues	0	0	0	1 966
Cash inflow from interest	4 345	(174)	5 994	710
Cash outflow from interest and fees	(6 795)	(7 729)	(103 329)	(96 502)
Net cash flow from financing activities	(261 531)	64 705	(192 605)	122 896
Net cash flow from financing activities, continuing operations	(261 531)	67 387	(182 608)	138 910
Cash flow from financing activities, discontinued operations	0	(2 682)	(9 997)	(16 015)
Net cash flow	(415 831)	73 246	136 777	(42 288)
Cash and cash equivalents, beginning of period	1 466 523	880 165	958 114	987 357
Net foreign exchange differences	20 821	4 703	(23 379)	13 045
Cash and cash equivalents, end of period	1 071 512	958 114	1 071 512	958 114
Net cash flow from operations (before tax) to EBITDA	71.0 %	79.4 %	91.2 %	95.2 %

Consolidated statement of changes in equity

(EUR 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 01.01.2021	625 726	16 663	657 612	1 300 001	2 730	1 302 731
Issue of share capital	1 966			1 966		1 966
Profit for the period			81 683	81 683	(461)	81 222
Merger Visma AS and Visma Group Holding AS	(39 077)		39 077	0		0
Net gain (loss) on financial hedging instruments, net of tax		18 708		18 708		18 708
Exchange differences on translation of foreign operations, net of tax		7 056		7 056		7 056
Total comprehensive income for the period	25 764		120 760	146 524	(461)	106 986
Changes to non-controlling interest; acquisition and arising on business combination				0	1 912	1 912
Equity as at 31.12.2021	588 615	42 427	778 372	1 409 414	4 180	1 413 595
Equity as at 01.01.2022	588 615	42 427	778 372	1 409 414	4 180	1 413 595
Issue of share capital	0			0		0
Share based compensation (Bokio Group AB)		214		214		214
Profit for the period			744 253	744 253	(397)	743 856
Net gain (loss) on financial hedging instruments, net of tax		72 879		72 879		72 879
Exchange differences on translation of foreign operations, net of tax		(36 604)	0	(36 604)		(36 604)
Total comprehensive income for the period	36 275		744 253	780 528	(397)	780 131
Repayment of Share premium reserve			(35 430)	(35 430)		(35 430)
Changes to non-controlling interest; acquisition and arising on business combination					(434)	(434)
Equity at end of period	588 615	78 916	1 487 195	2 154 725	3 350	2 158 075

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 fiscal year follows the calendar year and starts on January 1st.

Visma's condensed interim financial statements for the fourth quarter of 2022 were authorised for issue by the board of directors on 25 January 2023.

Basis of preparation

These condensed interim financial statements are prepared in accordance with International Reporting Standard 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 2021 and applies to these condensed interim financial statements, except for the adoption of new standards and interpretations as of 1 January 2022.

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.

Use of estimates

The preparation of financial statements in conformity with IFRS 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 three core business areas: Small Business, Medium & Large Enterprise, and Public. Group HQ are reported as other. These aggregations have their basis in similar characteristics, the nature of products, services and the type and class of customers. Transfer prices between segments are set at an arm's length basis in a manner similar to transactions with third parties. The measurement basis of these segments' profit is Net operating income. Deferred tax assets, pension assets and non-current financial assets are not allocated to the segments.

4th quarter	2022					2021					4th quarter			Year	
	Small business	Medium & Large Enterprise	Public	Other	TOTAL	Small business	Medium & Large Enterprise	Public	Other	TOTAL	2022	2021	2022		
(EUR in thousands)															
Revenue											Profit before taxes	81 518	8 135	179 915	
Total segment revenue	190 676	231 099	157 656	73 690	653 122	152 590	200 774	134 836	71 383	559 583	Net financial items	(19 001)	37 679	58 756	
Internal revenue	7 849	15 071	2 449	69 616	94 986	8 554	9 635	2 605	67 002	87 796	Depreciations and amortisations	92 435	88 191	348 083	
External revenue											Result from associated companies	53		242	
SaaS	153 123	139 985	87 284	249	380 641	114 655	117 873	71 002	138	303 669	EBITDA	155 001	134 005	586 995	
Cloud Services	7 679	46 697	39 079	3 728	97 184	6 040	42 602	32 724	3 601	84 967	EBITDA in operating segments	155 001	134 005	586 995	
On premise software	19 944	26 132	21 277	0	67 353	21 767	27 861	23 873	0	73 501					
Other	2 080	3 214	7 566	96	12 957	1 573	2 802	4 632	642	9 650	GEOGRAPHICAL AREAS				
External revenue	182 827	216 028	155 207	4 074	558 136	144 032	191 139	132 231	4 381	471 787	(EUR in thousands)	Net sales	%	Long lived assets	
Actual growth (external) %	26.9 %	13.0 %	17.4 %	-7.0 %	18.3 %	126 350	166 442	104 974	3 787	401 553	Norway	598 756	29.1 %	998 268	
Repeatable revenue	175,462	182,518	119,868	3,665	481,513						Sweden	371 124	18.0 %	690 842	
EBITDA	57 102	52 220	40 602	5 078	155 001	52 349	39 455	36 217	5 984	134 005	Denmark	231 466	11.3 %	454 387	
EBITDA margin	31.2 %	24.2 %	26.2 %	124.6 %	27.8 %	36.3 %	20.6 %	27.4 %	136.6 %	28.4 %	Finland	258 631	12.6 %	235 119	
Year											Netherlands	455 794	22.2 %	1 618 342	
(EUR in thousands)											Geo Expansion	140 744	6.8 %	678 964	
Revenue											Total	2 056 515	100.0 %	4 675 923	
Total segment revenue	694 032	867 603	573 512	294 918	2 430 064	562 085	768 302	525 868	203 275	2 059 530					
Internal revenue	29 319	56 299	7 358	280 573	373 550	30 702	69 120	45 854	187 707	333 384	(EUR in thousands)	Net sales	%	Long lived assets	
External revenue											Norway	501 794	29.1 %	1 016 634	
SaaS	548 543	521 020	329 791	612	1 399 966	418 945	407 766	276 480	502	1 103 693	Sweden	334 014	19.4 %	511 332	
Cloud Services	28 751	169 599	126 337	13 204	337 891	19 551	156 805	108 938	12 401	297 695	Denmark	185 773	10.8 %	494 961	
On premise software	81 157	109 471	87 591	0	278 220	87 447	121 100	84 020	33	292 600	Finland	211 136	12.2 %	266 819	
Other	6 262	11 213	22 434	529	40 438	5 439	13 512	10 576	2 631	32 157	Netherlands	409 440	23.7 %	1 494 187	
External revenue	664 713	811 304	566 159	14 345	2 056 515	531 383	699 182	480 015	15 567	1 726 146	Geo Expansion	83 990	-4.9 %	321 708	
Actual growth (external) %	25.1 %	16.0 %	17.9 %	-7.9 %	19.1 %	512 826	622 471	399 536	11 918	1 546 750	Total	1 726 146	100.0 %	4 105 641	
Repeatable revenue	640,744	730 381	461 884	12 729 355	14 562 364										
EBITDA	231 404	191 995	144 057	19 539	586 995	211 178	156 594	134 784	26 846	529 402					
EBITDA margin	34.8 %	23.7 %	25.4 %	136.2 %	28.5 %	39.7 %	22.4 %	28.1 %	172.5 %	30.7 %					

*2021 has been restated to reflect the sale of the Consulting business and Cloud Infrastructure Services



NOTE 3 — Business Combinations

During the fourth quarter of 2022, the Visma Group had a net cash outflow from investment related to Business Combinations of EUR 287m. Most of the acquisitions during the fourth quarter were not significant in their own right, with the exception of the acquisition of Flex Applications in Sweden. The acquisition is included in the total preliminary PPA in this quarterly report. All preliminary fair value of the identifiable assets and liabilities in the acquisitions during the quarter, as at the date of acquisition, are presented in aggregate in the table to the right.

- 6 October: Beeple, provider of Workforce management software in Belgium
- 7 October: Clento, KYC software provider in Finland
- 13 October: Outsmart International, provider of field service management software based in the Netherlands
- 14 October: Datapas, provides software to the education sector
- 25 October: Inqom, cloud software provider in France, automates accounting processes through A.I.
- 1 November: Flex Applications, Swedish HRM software provider
- 3 November: Agree2 Sweden, provider of Purchase-to-pay software
- 11 November: Pensopay, provider of e-commerce payment solutions in Denmark
- 11 November: P8 Software, software provider for government organizations in the Netherlands
- 15 November: House of Control, provides contract management software, based in Norway
- 1 December: BuchhaltungsButler, develops financial management software, based in Germany
- 2 December: Fordonskontroll, Swedish provider of vehicle administration software

(EUR in thousands)	Q4 2022
Total acquisition cost	389 350
Consideration transferred	335 119
Deferred payment	0
Contingent payment	76 934
Net cash acquired	(38 155)
Net assets before identified excess value	26 331
Technology	41 700
Brand	9 597
Contracts and customer relationships	55 674
Deferred taxes	(9 728)
Fair value of net assets	123 575
Goodwill	265 776

NOTE 4 — Discontinued Operations

On September 30th 2022, Visma sold the consulting business part of the Custom Solutions division to CVC Capital Partners. The net consideration for the sale was EUR 781 million. On October 31st, Visma completed the sale of its Cloud Infrastructure Services business to the Norwegian investment company Aars. The net consideration for this sale was EUR 53 million.

These divestments allows Visma to focus its business on its core strategy of delivering mission critical software.

Preliminary fair value and net gain on sale is presented below.

In Visma AS' consolidated financial statement, the gain from the sale of its consulting business is EUR 561 million, and the gain on the sale of Cloud Infrastructure services is 6.9 million. The divested companies are presented under discontinued operations in the consolidated financial statement.

Condensed Statement of Income from discontinued operations

(EUR in thousands)	2022	Full year 2021
Revenue	302,518	79,742
Total operating expenses	260,257	70,365
Depreciation tangible assets, capitalised R&D and RoU assets	5,887	3,100
Amortisation intangible assets	10,655	1,211
Operating profit EBIT	25,720	5,066
Net financial items	-2,385	-1,747
Profit before taxes from discontinued operations	23,334	3,319
Taxes	4,730	716
Profit for the year from discontinued operations	17,392	2,603
Net gain on sale of discontinued operations	570,198	0
Net income from discontinued operations	587,590	2,603

Condensed Statement of Cash Flows from discontinued operations

	2022	2021
Operating before tax	6,064	8,949
Operating after tax	3,528	496,854
Investing	1,462	513
Financing	(1,777)	(4,543)
Net Cash (outflow)/inflow	3,213	501,773
Earnings per share	2022	2021
Basic, profit/(loss) for the year from discontinued operations (EUR)	0.294	0.001
Diluted, profit/(loss) for the year from discontinued operations (EUR)	0.294	0.001

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

(EUR in thousands)	2022
ASSETS	
Deferred tax assets	594
Patents and other intangible assets	11,938
Capitalised R&D cost own software	553
Contracts and customer relationships	30,798
Goodwill	192,732
Property, land and buildings	292
Machinery and equipment	3,097
Financial assets/Shares	9
Other long-term receivables	382
Right of use assets	19,351
Inventory	8,820
Accounts receivables	57,216
Other current receivables	12,765
Cash and cash equivalents	28,963
Assets	367,510
LIABILITIES	
Deferred tax liability	9,025
Long-term lease liabilities	14,707
Other long-term non interest bearing liabilities	3,846
Trade creditors	17,006
Public duties payable	17,352
Tax payable	4,759
Deferred revenue	9,187
Short-term lease liabilities	6,155
Other current liabilities	23,930
Liabilities	105,967

Value of net assets

	261,543
Pre-close capital increase	4,955
Attributable to equity holders of Visma AS	261,543
Non controlling interests	0
Net sales proceeds	835,692
Net assets	266,498
Net gain on sale	569,194
Profit for the year from discontinued operations	17,392
Net income discontinued operations	587,590



KPIs & Alternative performance measures

Organic growth

Comparing against historical periods on constant currency, acquired companies included fully in the reporting period as well as in historical comparative periods.

LTM Revenue

Last twelve months Revenue.

Cash Conversion

Cash conversion is the ratio of net cash flow from continuing operations (before tax) to EBITDA.

Annualized Repeatable Revenue (ARR)

Annualized Repeatable Revenue measures the run rate of revenue derived from customer relationships that are contractually recurring (subscription revenue) or structurally repeatable by nature, such as revenue derived from a per payslip or per e-invoice charge (repeatable transactions revenue). Recurring agreements are valued at the monthly recurring revenue base at the end of the quarter multiplied by 12. The revenue base for repeatable transactions are valued on a last 12 month basis.

Customers

The number of customers that have a support, subscription or maintenance agreement and receives an invoice from a Visma company for their service.

e-invoices

The average number of monthly e-Invoices sent through Visma e-Invoicing hubs over the last twelve months. The metric measures only e-invoices at the point they are sent. Invoices received by an invoice handling system are not included.

Number of monthly payslips

The average number of monthly payslips generated across Visma's payroll systems over the last twelve months. The metric is an important measure of the economic value going through Visma's ecosystem.

Average Revenue Per Customer (ARPC)

The ARR in the segment divided by the total number of customers in the segment.

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.

Description of main revenue classes

SaaS Revenue

Software revenue derived from cloud products, either as a fixed monthly fee or based on the transaction volumes within a given period.

Cloud Services Revenue

Revenue derived from value-added services such as customer success packages, implementation, invoice lifecycle management and managed services

On-premises Software Revenue

Revenue derived from maintenance agreements and licenses from on-premises software

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