

2022

Q3

Quarterly
Report

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Expanding our presence in Europe

Q3 highlights

- Entering France through acquisition of cloud accounting software provider Inqom.
- Revenues of EUR 533 million, up 20% from EUR 445 million in the same quarter last year
- EBITDA of EUR 173 million, an increase of 12% compared to third quarter 2021
- Annualized Repeatable Revenue reached EUR 1 855 million, representing organic growth of 14% compared to the same period last year
- 84% of Visma's total revenue came from SaaS and Cloud services, with SaaS revenue growing 27% year over year
- Finalised sale of IT consulting business (part of Visma Custom Solutions), signed agreements to sell CIS-division and Visma Finance Norway



CEO comment

Merete Hverven

In a turbulent environment for business and society as a whole, Visma continued on its track of profitable growth in Q3. Our revenue increased by 20% to EUR 533 million, with SaaS products growing an impressive 27%. More than 84% of Visma's revenue now comes from products delivered through the cloud, and our Annualised Repeatable Revenue (ARR) has reached EUR 1.9 billion. Visma's EBITDA grew 12% to EUR 173 million.

In Q3, Visma announced its first entry in France with the acquisition of accounting software provider Inqom, and finalised the purchase of Swedish cloud accounting provider Bokio. In late September we launched a public offer for the Norwegian SaaS-company House of Control, unanimously recommended by its board and management.

While acquisitions remain a key part of our growth strategy, 2022 is also becoming a year where Visma is more frequently on the sell-side. In Q3 we completed the sales of our IT consulting business, and signed agreements to sell our CIS business and Visma Finance Norway. These divestments of non-core activities are driven by our conviction that the companies will achieve stronger growth and sharper focus as independent units, outside of Visma.

The same reasoning applies for Visma, as we become more streamlined and focused on our core product offering of standardised, mission-critical cloud software. The significant funds released from the divestments, in combination with strong cash generation from a profitable core business, means that we are well positioned to continue our ambitious growth strategy.

Q3 2022 Key Figures*

Revenue

€ 533m

▲ 20% growth
13% organic growth

EBITDA

€ 173m

▲ 12% growth

EBITDA %

32,5%

▼ 2,2% pt

Monthly e-invoices

19,9m

▲ 24% growth

ARR

€ 1 855m

▲ 20% growth
14% organic growth

Operating cash flow

€ 107m

93% cash conversion LTM

Customers

1,4m

▲ 24% growth

Monthly payslips

11,1m

▲ 13% growth

Comments on the third quarter

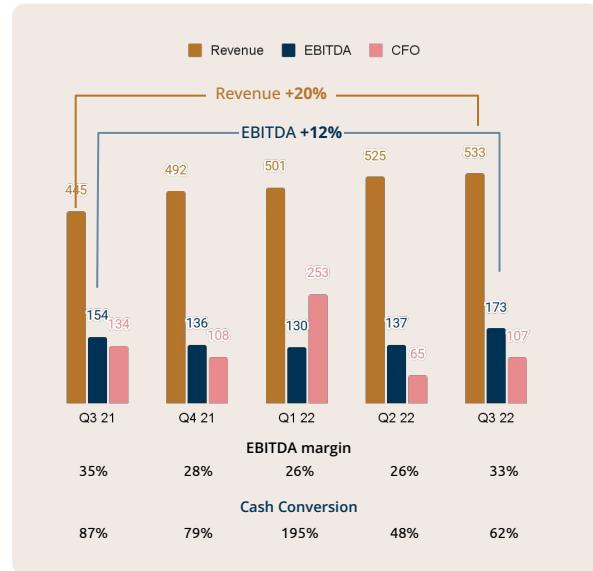
The third quarter saw continued growth for Visma on both top and bottom line. Total revenue was EUR 533m, a growth of 20%, while EBITDA grew 12% to reach EUR 173m.

During the quarter, Visma continued to increase its R&D and marketing spend to further boost our core SaaS offering, resulting in accelerated organic revenue growth. Additionally, Visma has invested in some M&A targets with a margin below the group average, but also strong growth potential. These investments, combined with increased travel and social activities after the pandemic as well as overall high global price inflation, resulted in a margin contraction compared to the third quarter of 2021. In response to the high inflation, we are currently reviewing our pricing and adjusting our subscription packages.

Visma continues to see strong growth both in the number of e-invoices and payslips processed through our systems. The number of monthly e-invoices grew 24% to reach 19,9m, while our customers produced 11,1m payslips in our payroll systems, a growth of 13%. These KPIs are important drivers for activity in our ERP and Payroll ecosystems.

Visma finalised the acquisition of the innovative cloud accounting provider Bokio this quarter. Visma also announced that it has signed an agreement to acquire Inqom, based in France. Inqom offers software that automates accounting processes through artificial intelligence, and employs a team of close to 100 professionals. A successful transaction will constitute Visma's first entry in the French market.

Visma closed the divestment of its IT consulting business, previously a part of the Custom Solutions division, during the quarter. Visma also signed agreements to sell its Cloud Infrastructure Services division (CIS) and finance venture Visma Finance Norway. These divestments entail a sharpened strategic focus for Visma as Europe's leading provider of mission-critical, standardised cloud software.



Financial review

Revenue amounted to EUR 533 million (445) and EBITDA to EUR 173 million (154) in the third quarter of 2022. Revenue increased 20% while EBITDA increased 12% compared to Q3 2021. EBITDA is growing slower than revenue due to recently acquired companies having lower margin than the Visma average, combined with additional investments in R&D and marketing and the high inflation seen globally.

Group EBIT amounted to EUR 81 million in the third quarter (69), which is a growth of 19%. Net financial items were -26 million (-26). Consequently, profit before taxes was EUR 56 million (43). Taxes amounted to EUR 10,3 million (10,5), and net income from continuing operations resulted in EUR 45,5 million (32,2) in the third quarter.

Cash flow from continuing operations (before tax) amounted to EUR 107 million (130). There is some change in the seasonality in cash flow as an increasing portion of the revenue is coming from SaaS products with shorter billing cycles compared to the annual or bi-annual invoicing cycles common in the on-premises world.

Cash flow from investments related to business combinations was EUR -62,9 million (-65,9). Net cash flow from investments, including discontinued operations, was EUR 711,9 (-69,2). At the end of the third quarter, the cash position of Visma was EUR 1 466 million (880).

Equity amounted to EUR 2 073 million (1 391), corresponding to an equity ratio of 31,9% (25,2%). The gain on sale of the consulting business is driving a strong equity ratio improvement in Q3 . Long term interest bearing debt amounted to EUR 2 626 million (2 404). The debt facilities have maturity dates in the 4th quarter of 2025.

Group	Q3 2022	Q3 2021	Growth
Revenue	533	445	19,7%
SaaS	357	281	27,3%
Cloud Services	90	78	15,9%
On premises software	69	73	-5,5%
Other	17	14	20,7%
Profit			
EBITDA	173	154	12,3%
<i>EBITDA margin</i>	32,5%	34,7%	-2,2%
EBIT	81	69	18,8%
Net profit	609	37	1560,6%
Cash flow and leverage			
Operating cash flow	107	134	-20,1%
Net Debt / EBITDA	2,7x	3,3x	-0,6x
Segment			
Small Business			
Revenue	172	126	36,1%
EBITDA	64	54	20,1%
<i>EBITDA margin</i>	37,5%	42,5%	-5,0%
Medium & Large Enterprise			
Revenue	201	175	14,5%
EBITDA	57	52	9,2%
<i>EBITDA margin</i>	28,5%	29,9%	-1,4%
Public			
Revenue	139	120	16,1%
EBITDA	41	38	9,3%
<i>EBITDA margin</i>	29,8%	31,7%	-1,8%

M&A highlights

28

acquisitions closed ytd*

€ 97m

LTM Revenue

12,1%

EBITDA margin



Acquisition of Bokio

- Deal closed during Q3
- Software and fintech company offering accounting software using artificial intelligence
- Payment institution authorised by the financial supervisory authority in Sweden, enabling them to provide their customers with state-of-the-art fintech solutions
- Approximately 80 employees



First footprint in France

- Deal announced in Q3, expected closing early Q4
- First entry in France – in line with Visma's ambitious growth strategy
- Cloud software that automates accounting processes through artificial intelligence
- Employs a team of close to 100 professionals

Key attraction for Visma

- Fits the strategic direction
- First foothold in France
- Leading market position

Strategic divestments

- Divestment of the consulting business closed in Q3. This is a key strategic move, further streamlining Visma as Europe's leading provider of mission-critical cloud software
- Announced sale of Cloud Infrastructure Services Division. At the end of the quarter, the transaction was awaiting regulatory approval and is expected to close in Q4
- Letter of intent to sell Visma Finance Norway to Aprila

Tech highlights

Several key product announcements

In the Netherlands, Visma launched a game-changing automation monitor in the Yuki product. This functionality allows users to dive into automation figures for all of their clients. The solution not only gives our customers an overview allowing them to drill deep into how well they are automating, but it goes further and suggests how their automation level can be improved.

The Visma.net Financials product had five new releases in the quarter with more than 100 new cases, launching several modernisations of older modules. In Norway, we went on a weekly release schedule of our next-generation Business NXT ERP product and made significant user experience improvements. In Sweden, we launched a new invoicing solution and we are currently recruiting pilot customers through our partner channel.

Additionally, several products saw releases of modernised older modules and our security performance improved from an already high level. We also made several new innovations within AI technology, which are under implementation in several Visma products. This will add significant smart functionality to our products over the next year.



ESG highlights

Introducing the Sustainability Board

Visma continues to strengthen its commitment to sustainability by improving the way we are organised around this topic. This quarter, Visma has introduced a Sustainability Board to ensure we go from plan to action. The purpose of the board is to provide our companies with concrete tools, methods and support in their sustainability work. Examples include digital tools, best practices, new information, data insights, market insights and so on. The Sustainability Board meets once a month.

The board is made up of the Group Sustainability team, Sustainability Leads (representing the regional level), and representatives for environmental and social aspects. Going forward, each Sustainability Lead will meet with the sustainability coordinators from every Visma company in their region once a quarter. They will provide a link between Visma companies and the Group Sustainability function, while also acting as a sounding board for ideas, which can be discussed with the Board.



Small Business

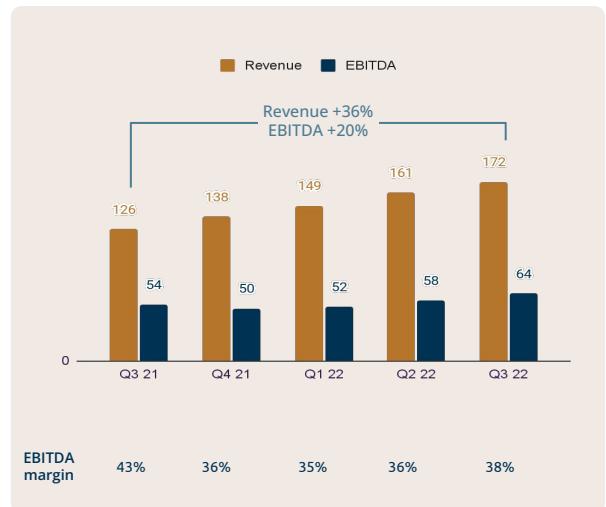
Revenue Growth accelerating to 36%

Total revenue in the Small Business (SMB) segment amounted to EUR 172 million (126), reflecting a growth of 36%. Visma continued to enjoy accelerated growth in this segment in the third quarter driven by a continued growth in the customer base, combined with existing customers upgrading their subscriptions to reap efficiency benefits.

EBITDA grew 20%, reaching EUR 64 million (54) while the EBITDA margin was 38% (43%). As several of the fast-growing SaaS stars are acquired at an early stage of the life cycle, they tend to deliver lower margin than the Visma average. This is particularly visible in the margin development in the Small segment. The SaaS stars are delivering very strong top line growth, and we expect a significant increase in margin from these stars in the years to come.

During the quarter, Bokio Group was acquired, further strengthening Visma's offering towards SMEs in Europe. Bokio is a software and fintech company offering automated and AI-driven accounting software to SMEs and the self-employed, a perfect fit for Visma's growth strategy in the Small Businesses segment.

The market trend of SMB and accounting offices shifting to the cloud continues even in an uncertain macroeconomic environment, keeping market demand strong.



ARR growth **31%**

ARPC **€ 560**

1 193 000 customers

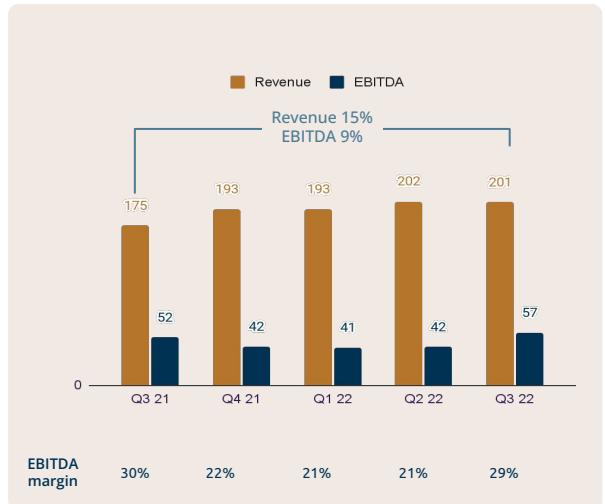
Medium & Large Enterprise

Steady growth in the third quarter

Total revenue in the Medium & Large Enterprise (MLE) segment amounted to EUR 201 million (175), growing 15%. 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 57 million (52), a growth of 9% compared to the same period last year, while the margin was 29% (30%).

Our Cloud ERP and Payroll ecosystems are strong contributors to both revenue and ARR growth, which ended at 16% for the quarter. These solutions are sold through our partner network. In addition, the Invoice Lifecycle Management business continues to deliver strong growth in revenue and number of transactions and invoice volume. We reached an important milestone in Visma.net Payroll which surpassed an ARR of €10m during the quarter, growing more than 70% year on year.

The ARPC in the Medium and Large Enterprise segment continues to improve, driven by expanding ecosystems in the segment and the ARPC passed €5 000 in Q3



ARR growth **16%**

ARPC **€ 5000**

148 000 customers

Public

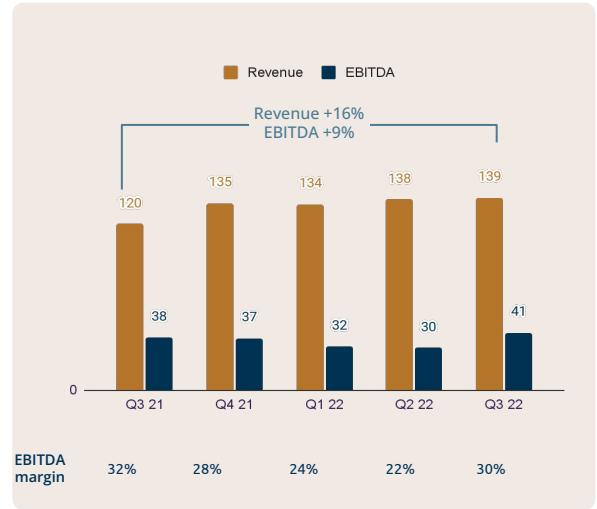
Strong revenue growth in the Public segment

In the Public segment, revenue amounted to EUR 139 million (120), a strong year on year growth of 16%, with SaaS revenue growing 21%. In line with previous years, Q3 saw slightly lower activity on cloud services such as implementation and managed services in the summer months compared to other quarters. ARR grew 13% driven by customer demand for recurring subscription models, rather than large, one-time implementation projects, giving customers a predictable cost level. Particularly the Nordics are generating a strong revenue growth, and the Public segment is increasingly important for the group.

EBITDA was EUR 41 million (38), reaching a margin of 30% (32%). The cost base has increased, driven by both inflation and Visma's continued investment in innovative SaaS products enhancing digitalisation in local government.

In Norway, Visma won important tenders for Haugesund, Troms & Finnmark Fk, and Helse Vest among others. We continue to see a strong demand for digitalisation within local government.

In Denmark, an agreement was closed with the Nordic Council of Ministers, which entails that all ministers in Scandinavia will use Visma's meeting solution Prepare.



ARR growth **13%**

ARPC € **24 300**

18 600 customers

Market outlook

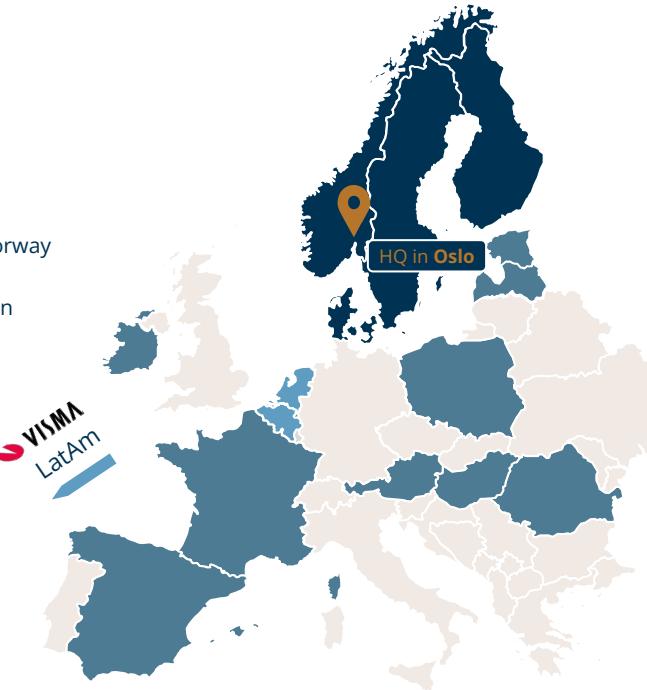
The challenging macroeconomic climate continued in the third quarter. The war in Ukraine, rising interest rates as a response to increasing inflation, and fears of a global recession are the primary concerns.

The high inflation has a significant impact on Visma's cost level. Visma is closely monitoring operational efficiency, and reviewing pricing and subscription packages as appropriate.

The economies of Nordics and the Benelux, contributing over 90% of Visma's total revenue, remain relatively strong despite the global economic turmoil, supported by strong governments. However, a slowdown in economic activity would be expected also in these markets in the time to come.

Visma is well positioned ahead of a potential economic slowdown due to our strategy of delivering mission-critical software, along with a diversified customer base. These factors have proven to provide resilience in past recessions. 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 development and enables a continued focus on expansion.

Visma expects to maintain an active M&A agenda also going forward, and observe substantial growth opportunities in both new and current core regions. After the divestment of the Consulting business, Visma has a strong cash balance and is well positioned to capitalize on interesting M&A opportunities in the current market turbulence.



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 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 and maintains a solid financial position.

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.

Cyber security

The third quarter passed without any material security or privacy incidents impacting customers.

There is a global trend where cyber attacks are increasingly being financed by organised crime. Such professionalisation of cyber criminals underlines the importance of a strong security regime like the one we have invested in at Visma. With external financing of attacks, and the accompanying principles such as return on investment, attackers are more cynically targeting entities with less advanced security organisations.

Visma has staffed up its monitoring and security analytics to mitigate this risk and prepare for any scenario. We do not see a particular spike at present, but continue to monitor developments resulting from the geopolitical situation.

Oslo, 28 October 2022, The Board of Directors of VISMA AS

Condensed interim financial information

Consolidated statement of income

(EUR in thousands)	3rd quarter 2022		First three quarters 2022		Year 2021*
	2022	2021*	2022	2021*	
CONTINUING OPERATIONS					
OPERATING REVENUE					
Sales revenue	532 850	445 026	1 558 475	1 313 833	1 805 888
Total operating revenue	532 850	445 026	1 558 475	1 313 833	1 805 888
OPERATING EXPENSES					
Sales and distribution costs (COGS)	63 493	68 826	229 038	209 187	286 603
Gross profit	469 357	376 200	1 329 437	1 104 646	1 519 286
Payroll and personnel expenses	231 902	179 853	708 560	579 822	801 005
Bad debts	1 030	1 063	2 024	2 234	3 499
Other operating expenses	62 496	40 202	176 302	116 860	171 086
Total operating expenses	295 428	221 118	886 886	698 917	975 590
EBITDA before M&A expenses	173 929	155 082	442 551	405 729	543 696
M&A expenses	639	714	2 727	2 924	4 917
EBITDA	173 291	154 368	439 824	402 805	538 778
Depreciation tangible assets and capitalised R&D	8 424	7 674	24 337	23 449	33 626
Depreciation right of use assets	16 618	10 450	37 305	31 346	44 747
EBITA	148 249	136 244	378 182	348 010	460 406
Amortisation intangible assets	66 824	67 731	197 910	199 894	267 498
Operating profit EBIT	81 425	68 513	180 273	148 116	192 908
Result from associated companies	(53)	0	(188)	0	0
FINANCIAL ITEMS					
Financial income	32 217	677	69 250	3 782	22 480
Financial expenses	(57,810)	(26,462)	(148 193)	(80 193)	(134 808)
Net financial items	(25,593)	(25,785)	(78 943)	(76 410)	(112 329)
Profit before taxes	55 779	42 728	101 141	71 706	80 579
Taxes	10 254	10 522	22 293	18 975	20 177
Net income from continuing operations	45 525	32 207	78 849	52 731	60 402
DISCONTINUED OPERATIONS					
Net income from discontinued operations (excl. gain on sale)	2 528	4 475	15 276	16 880	20 820
Net gain on sale of discontinued operations	561 055	0	561 055	0	0
Net income from discontinued operations	563 584	4 475	576 331	16 880	20 820
Net income	609 108	36 681	655 180	69 611	81 222
ATTRIBUTABLE TO:					
Equity holders of Visma AS	609 408	36 809	655 514	69 864	81 683
Non-controlling interests	(300)	(128)	(333)	(253)	(461)
EARNINGS PER SHARE					
Basic earnings per share (EUR)	0.305	0.018	0.328	0.035	0.041
Diluted earnings per share (EUR)	0.305	0.018	0.328	0.035	0.041
EBITDA margin	32.5 %	34.7 %	28.2 %	30.7 %	29.8 %

Consolidated statement of comprehensive income

(EUR in thousands)	3rd quarter 2022		First three quarters 2022		Year 2021
	2022	2021	2022	2021	
Net income					
Net gain (loss) on financial hedging instruments, net of tax	609 108	36 681	655 180	69 611	81 222
Exchange differences on translation of foreign operations, net of tax	19 989	2 899	74 520	12 521	18 708
(13,803)	(2,587)	(34 769)	2 624	7 056	
Other comprehensive income (loss) for the period, net of tax	6 186	312	39 752	15 144	25 765
Total comprehensive income for the period	615 295	36 994	694 932	84 756	106 987
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Equity holders of Visma AS	615 595	37 121	695 265	85 009	107 448
Non-controlling interests	(300)	(128)	(333)	(253)	(461)

*2021 has been restated to reflect the sale of the Consulting business

Condensed interim financial information

Consolidated statement of financial position

(EUR in thousands)	30 September 2022	30 September 2021	30 June 2022	31 December 2021	(EUR in thousands)	30 September 2022	30 September 2021	30 June 2022	31 December 2021
ASSETS									
Deferred tax assets	10 402	11 260	10 587	9 318	Paid-in capital	588 615	627 692	588 615	588 615
Patents and other intangible assets	498 569	488 972	537 305	487 274	Other reserves	82 265	31 808	75 993	42 428
Capitalised R&D cost own software	61 395	60 517	66 266	59 987	Retained earnings	1 398 455	727 476	824 477	778 372
Contracts and customer relationships	675 068	660 181	741 167	642 363	Equity attributable to equity holders of Visma AS	2 069 335	1 386 976	1 489 086	1 409 415
Goodwill	3 167 689	2 819 799	3 234 234	2 916 018	Non-controlling interests	3 566	4 062	3 926	4 180
Property, land and buildings	6 888	7 255	7 051	7 425	Total equity	2 072 901	1 391 038	1 493 012	1 413 595
Machinery and equipment	30 770	24 752	33 570	34 316	Deferred tax liability	360 113	335 261	364 193	283 462
Financial assets/shares	3 614	2 678	3 661	3 109	Financial hedging Instruments	(84,562)	18 960	(58 935)	10 977
Investment in associated companies	979	0	1 032	0	Long-term interest bearing bank loans	2 625 894	2 403 687	2 652 533	2 701 126
Other long-term receivables	60 422	56 382	61 852	59 714	Accrued funding fees	(5,908)	(3,235)	(6 134)	(5 852)
Right of use assets	182 709	205 403	204 823	189 396	Long-term lease liabilities	155 979	155 448	170 713	150 823
Net investment in subleases	10 441	1 836	3 847	1 794	Other long-term non interest bearing liabilities	380 037	235 891	363 782	267 675
Total non-current assets	4 708 946	4 339 037	4 905 396	4 410 714	Total non-current liabilities	3 431 552	3 146 014	3 486 152	3 408 211
Inventory	10 001	7 076	9 032	7 437	Bank overdraft	244 345	199 238	244 990	(0)
Accounts receivables	198 435	212 462	240 703	238 904	Short-term interest bearing bank loans	9 175	9 835	9 319	9 756
Other current receivables	116 658	87 457	123 875	79 220	Trade creditors	65 257	70 024	86 324	96 904
Cash and cash equivalents	1 466 523	880 165	796 826	958 114	Public duties payable	86 932	94 905	93 132	98 062
Total current assets	1 791 617	1 187 161	1 170 436	1 283 676	Tax payable	10 338	257	14 763	46 099
TOTAL ASSETS	6 500 563	5 526 198	6 075 832	5 694 390	Deferred revenue	252 341	221 183	293 365	206 696
					Short-term lease liabilities	48 695	55 714	48 698	54 666
					Other current liabilities	279 026	337 991	306 078	360 400
					Total current liabilities	996 109	989 146	1 096 669	872 584
					Total liabilities	4 427 662	4 135 160	4 582 820	4 280 795
					TOTAL EQUITY AND LIABILITIES	6 500 563	5 526 198	6 075 832	5 694 390

Condensed interim financial information

Consolidated statement of cash flows

	3rd quarter 2022		First three quarters 2022		Year 2021
	2022	2021	2022	2021	
Ordinary profit before tax	55 779	47 331	101 141	89 821	106 925
Depreciation right of use assets	15 354	11 838	37 305	35 756	50 507
Depreciation tangible assets	2 673	3 005	9 119	8 824	12 972
Depreciation capitalised R&D cost	5 198	4 934	15 218	15 414	21 759
Amortisation patents and other intangible assets	26 532	35 861	88 847	105 296	141 466
Amortisation contracts and customer relationships	34 004	36 163	109 063	106 926	142 119
Changes in debtors	42 268	(9 131)	40 469	(17 498)	(43 940)
Changes in inventory and trade creditors	(22 036)	1 986	(34 211)	4 620	31 139
Changes in public debts payable	(6 200)	9 099	(11 130)	5 757	8 914
Changes in deferred revenue	(41 024)	(30 611)	45 645	57 473	42 986
Changes in other accruals	(15 995)	19 102	29 747	17 393	41 944
Net cash flow from operations (before tax)	96 553	129 576	431 212	429 782	556 791
Net cash flow from continuing operations (before tax)	106 798	133 740	425 375	393 279	500 895
Net cash flow from discontinued operations (before tax)	(10 245)	(4 164)	5 837	36 503	55 896
Tax paid	(13 468)	(11 426)	(60 437)	(55 694)	(59 937)
Net cash flow from operations (after tax)	83 085	118 150	370 775	374 087	496 854
Net cash flow from continuing operations	93 506	122 105	366 399	335 794	446 639
Net cash flow from operations, discontinued operations	(10,422)	(3,955)	4 376	38 293	50 515
Investment in tangible fixed assets related to business comb.	(43)	(380)	(1 486)	(3 597)	(9 294)
Investment in R&D software related to business combinations	(12)	(24)	(13 037)	(10 470)	(8 774)
Investment in businesses	(62 931)	(65 540)	(639 054)	(537 645)	(643 092)
Sale of (investment in) shares	46	76	(505)	(880)	(1 311)
Net cash flow from investments related to business combinations	(62 940)	(65 867)	(654 082)	(552 591)	(662 471)
Net proceeds from divestiture of discontinued operations	778 292	0	778 292	14 948	14 948
Cash inflow from dividends	0	(13)	0	1 013	1 013
Sale of (investment in) tangible fixed assets	(2 003)	(1 896)	(7 575)	(7 505)	(10 646)
Sale of (investment in) R&D own software	(1 489)	(1 393)	(3 728)	(3 675)	(4 881)
Net cash flow from investments	711 860	(69 170)	112 907	(547 811)	(662 037)
Rewpayments of interest bearing loans	(4 724)	(4 919)	(9 873)	(9 921)	(9 921)
Net proceeds from interest bearing loans	0	0	0	0	288 336
Changes in bank overdraft	0	76 000	246 792	199 143	0
Cashflow from leases	(14 223)	(15 908)	(38 878)	(46 710)	(61 881)
Changes in long term receivables	1 425	(205)	1 201	1 600	188
Repayment of Share premium reserve	(35 430)	0	(35 430)	0	0
Net cash flow from share issues	0	0	0	1 966	1 966
Cash inflow from interest	1 139	(209)	1 648	884	710
Cash outflow From interest and fees	(46 799)	(33 860)	(96 534)	(88 773)	(96 502)
Net cash flow from financing activities	(98 614)	20 900	68 927	58 190	122 896
Net cash flow from financing activities, continuing operations	(100 279)	23 120	68 927	63 940	130 209
Cash flow from financing activities, discontinued operations	1 666	(2 220)	0	(5 750)	(7 313)
Net cash flow	696 331	69 880	552 609	(115 534)	(42 288)
Cash and cash equivalents, beginning of period	796 826	810 343	958 114	987 357	987 357
Net foreign exchange differences	(26,634)	(58)	(44 200)	8 342	13 045
Cash and cash equivalents, end of period	1 466 523	880 165	1 466 523	880 165	958 114
Net cash flow from operations (before tax) to EBITDA	61.6 %	86.6 %	96.7 %	97.6 %	93.0 %

Consolidated statement of changes in equity

	Attributable to equity holders of Visma AS				
	Paid-in share capital	Other reserves	Retained earnings	Majority's share of controlling equity	Non- controlling interests
(EUR in thousands)					
Equity as at 01.01.2021	625 726	16 663	657 612	1 300 001	2 730
Issue of share capital	1 966			1 966	1 966
Profit for the period				81 683	81 683
Merger Visma AS and Visma Group Holding AS				(39 077)	(461)
Net gain (loss) on financial hedging instruments, net of tax				39 077	0
Exchange differences on translation of foreign operations, net of tax				18 708	18 708
Total comprehensive income for the period				7 056	7 056
Changes to non-controlling interest; acquisition and arising on business combination				25 764	120 760
Equity as at 31.12.2021	588 615	42 427	778 372	1 409 414	4 180
Equity as at 01.01.2022	588 615	42 427	778 372	1 409 414	4 180
Issue of share capital	0			0	0
Share based compensation (Bokio Group AB)				85	85
Profit for the period				655 514	655 514
Net gain (loss) on financial hedging instruments, net of tax				74 520	74 520
Exchange differences on translation of foreign operations, net of tax				(34 769)	(34 769)
Total comprehensive income for the period				39 752	695 265
Repayment of Share premium reserve				(35 430)	(35 430)
Changes to non-controlling interest; acquisition and arising on business combination				(281)	(281)
Equity at end of period	588 615	82 264	1 398 455	2 069 334	3 566

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 Karenlyst 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 third quarter of 2022 were authorised for issue by the board of directors on 28 October 2022.

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 and Cloud Infrastructure Services 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.

3rd quarter		2022					2021					Reconciliation			3rd quarter 2022		First three quarters 2022	
(EUR in thousands)		Small business	Medium & Large Enterprise	Public	Other	TOTAL	Small business	Medium & Large Enterprise	Public	Other	TOTAL				2022	2021		
Revenue																		
Total segment revenue		179 338	223 791	150 790	69 017	622 937	134 032	177 409	134 418	69 882	515 741	Profit before taxes	55 779	42 728	101 141			
Internal revenue		7 527	23 132	11 699	47 729	90 087	7 813	2 233	14 573	46 095	70 714	Net financial items	25 593	25 785	78 943			
External revenue												Depreciations and amortisations	91 866	85 855	259 551			
SaaS		143 218	131 058	83 353	(236)	357 392	102 794	107 644	69 100	1 306	280 844	Result from associated companies	53		188			
Cloud Services		7 148	39 292	28 701	15 122	90 263	4 068	35 077	24 089	14 640	77 874	EBITDA	173 291	154 368	439 824			
On premise software		20 003	27 218	21 358	0	68 579	18 509	30 845	23 184	4	72 543	EBITDA in operating segments	173 291	154 368	439 824			
Other		1 443	3 091	5 680	6 403	16 617	847	1 610	3 472	7 837	13 766							
External revenue		171 811	200 659	139 091	21 289	532 850	126 218	175 176	119 845	23 787	445 026							
Actual growth (external) %		36.1 %	14.5 %	16.1 %	-10.5 %	19.7 %	122 867	161 674	101 841	10 451	396 832							
Repeatable revenue		183,366	164,280	116,676	10,530	474,851						GEOGRAPHICAL AREAS						
EBITDA		64 464	57 221	41 482	10 124	173 291	53 669	52 416	37 943	10 339	154 368							
EBITDA margin		37.5 %	28.5 %	29.8 %	47.6 %	32.5 %	42.5 %	29.9 %	31.7 %	43.5 %	34.7 %	(EUR in thousands)	Net sales	%	Long lived assets			
First three quarters		2022					2021											
(EUR in thousands)		Small business	Medium & Large Enterprise	Public	Other	TOTAL	Small business	Medium & Large Enterprise	Public	Other	TOTAL	(EUR in thousands)	Net sales	%	Long lived assets			
Revenue												Norway	487 246	31.3 %	956 581			
Total segment revenue		504 376	663 394	458 457	210 870	1 837 097	385 876	591 069	369 735	213 691	1 560 371	Sweden	286 974	18.4 %	578 533			
Internal revenue		22 490	68 118	47 511	140 503	278 622	22 889	51 009	34 063	138 577	246 538	Denmark	167 018	10.7 %	454 021			
External revenue												Finland	187 527	12.0 %	234 800			
SaaS		395 419	381 036	242 507	361	1 019 323	291 856	312 074	193 053	3 700	800 683	Netherlands	331 824	21.3 %	1 594 754			
Cloud Services		21 071	122 902	87 258	46 782	278 013	13 123	112 405	76 528	45 171	247 228	Geo Expansion	97 885	6.3 %	584 032			
On premise software		61 213	83 339	66 314	0	210 866	53 849	105 070	60 147	33	219 099	Total	1 558 475	100.0 %	4 402 721			
Other		4 182	7 999	14 867	23 223	50 272	4 159	10 511	5 943	26 210	46 823							
External revenue		481 886	595 276	410 946	70 367	1 558 475	362 887	540 060	335 672	75 114	1 313 833							
Actual growth (external) %		32.8 %	10.2 %	22.4 %	-6.3 %	18.6 %												
Repeatable revenue		465,282	535 588	342 016	32 227	1 375 113	350 189	486 420	281 579	31 272	1 149 461							
EBITDA		174 302	139 775	103 455	22 291	439 824	148 434	137 614	94 618	22 140	402 805							
EBITDA margin		36.2 %	23.5 %	25.2 %	31.7 %	28.2 %	40.9 %	25.5 %	28.2 %	29.5 %	30.7 %							

*2021 has been restated to reflect the sale of the Consulting business

NOTE 3 — Business Combinations

During the third quarter of 2022, the Visma Group had a net cash outflow from investment related to Business Combinations of EUR 152m. On 20 July, Bokio Group AB was acquired, which was the only acquisition in the third quarter. Bokio Group develops and markets accounting software that provides bookkeeping, invoicing, and payroll services using artificial intelligence. The preliminary fair value of the identifiable assets and liabilities, as at the date of acquisition, are presented in aggregate in the table to the right.

(EUR in thousands)	Q3 2022
Total acquisition cost	146 351
Consideration transferred	69 087
Deferred payment	0
Contingent payment	86 357
Net cash acquired	(5 645)
Net assets before identified excess value	3 394
Technology	13 110
Brand	4 875
Contracts and customer relationships	2 037
Deferred taxes	(4 123)
Fair value of net assets	19 294
Goodwill	127 057

NOTE 4 — Discontinued Operations

On 30 September 2022, Visma sold the consulting-centric part of the Custom Solutions division to CVC Capital Partners. The net consideration for the sale was EUR 781 million.

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

In Visma AS' consolidated financial statement, the gain from the sale is EUR 561 million. The companies are presented in the consolidated financial statement under discontinued operations.

Condensed Statement of Income from discontinued operations

(EUR in thousands)	2022	Full year 2021
Revenue	197,369	276,934
Total operating expenses	167,770	225,855
Depreciation tangible assets, capitalised R&D and RoU assets	2,445	6,865
Amortisation intangible assets	8,391	16,087
Operating profit EBIT	18,763	28,127
Net financial items	-2,226	-1,781
Profit before taxes from discontinued operations	16,537	26,346
Taxes	1,261	5,526
Profit for the year from discontinued operations	15,276	20,820
Net gain on sale of discontinued operations	561,055	0
Net income from discontinued operations	576,331	20,820

<u>Condensed Statement of Cash Flows from discontinued operations</u>	2022	2021
Operating before tax	5,837	55,896
Operating after tax	4,376	50,515
Investing	1,130	989
Financing	(2,133)	(7,313)
Net Cash (outflow)/inflow	3,373	100,087
Earnings per share	2022	2021
Basic, profit/(loss) for the year from discontinued operations (EUR)	576,331.487	20,819.662
Diluted, profit/(loss) for the year from discontinued operations (EUR)	576,331.487	20,819.662

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

(EUR in thousands)	
ASSETS	
Deferred tax assets	144
Patents and other intangible assets	11,184
Capitalised R&D cost own software	534
Contracts and customer relationships	28,923
Goodwill	162,771
Property, land and buildings	292
Machinery and equipment	2,085
Financial assets/Shares	9
Other long-term receivables	367
Right of use assets	9,679
Inventory	15
Accounts receivables	45,703
Other current receivables	10,689
Cash and cash equivalents	30,100
Assets	302,495
LIABILITIES	
Deferred tax liability	8,596
Long-term lease liabilities	7,739
Other long-term non interest bearing liabilities	3,846
Trade creditors	13,476
Public duties payable	13,708
Tax payable	4,953
Deferred revenue	8,328
Short-term lease liabilities	2,762
Other current liabilities	19,125
Liabilities	82,532
Value of net assets	
Attributable to equity holders of Visma AS	219,964
Non controlling interests	0
Net sales proceeds	781,019
Net assets	219,964
Net gain on sale	561,055
Profit for the year from discontinued operations	15,276
Net income discontinued operations	576,331

KPIs

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.

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.

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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