

2023

Q1

**Quarterly
Report**

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A strong start to the new year

Q1 highlights

- Revenue of EUR 571 million, 19% growth year-over-year
- EBITDA of EUR 148 million, a 17% growth year-over-year
- Annualized Repeatable Revenue reached EUR 2 019 million
- Increasing presence in Germany by closing the acquisition of H&H
- Entering the software market in Portugal through the acquisition of Moloni
- Closed ten acquisitions during the quarter



CEO comment

Visma has made a strong start to 2023, growing revenue by 19% to EUR 571 million in the first quarter. Our EBITDA was EUR 148 million, increasing by 17% compared to the same period last year. Demand for mission critical software continues to show resilience through an uncertain period for the global economy, and we are seeing a healthy contribution of sales growth from both existing and new customers.

Our Annual Repeatable Revenue (ARR) increased by 24% to a new all-time high of EUR 2 billion. With Visma's strategic focus on subscription-based software delivered through the cloud, I'm especially pleased to see that contribution from SaaS-products has now surpassed 70 percent of Group revenue for the first time, taking our cloud revenue share above 85 percent. This gives us a stable and predictable revenue stream from a highly diversified group of customers. In a period when many tech companies are forced to downsize and cut back on investments, we are in a position to keep our foot on the gas pedal.

Visma made ten acquisitions in five countries during Q1, including our first venture into the Portuguese software market with Moloni. In Norway, we strengthened our offering of ESG reporting tools with Sonya and Meet Dottie. Two great examples of how business software can help companies track their progress on areas like environmental impact, diversity and inclusion in an efficient and compliant manner.

Q1 2023 Key Figures

Revenue

€ 571m

▲ 19% growth YoY
15% organic growth YoY

EBITDA

€ 148m

▲ 17% growth YoY

EBITDA %

26%

▼ -0,6 pp YoY

Monthly e-invoices

21,5m

▲ 19% growth YoY

ARR

€ 2 019m

▲ 24 % growth YoY
17% organic growth YoY

Operating cash flow

€ 314m

98% cash conversion LTM

Customers

1,5m

▲ 21% growth YoY

Monthly payslips

11,1m

▲ +8% growth YoY

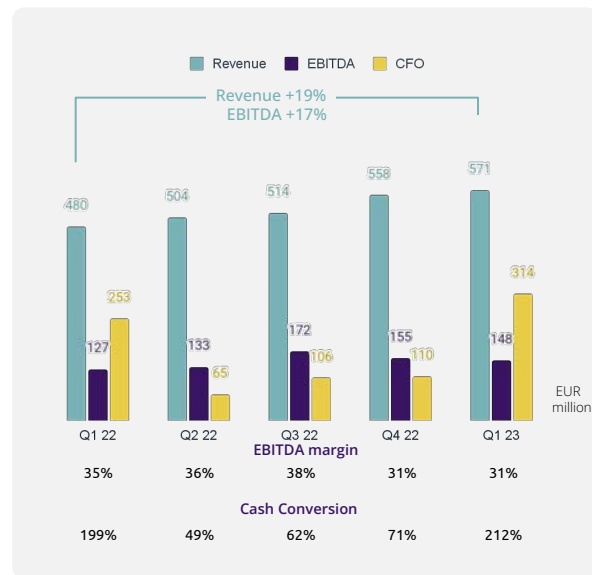
Comments on the first quarter

Visma achieved revenue of EUR 571 million in the first quarter of 2023, reflecting a growth of 19% compared to Q1 2022. EBITDA grew by 17% to reach EUR 148 million.

Visma has in the first quarter of 2023 reached an important milestone of Annualized Repeatable Revenue (ARR) surpassing EUR 2 billion. ARR grew 24% compared to Q1 2022 to reach a record high level of EUR 2 019 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.

Visma remains focused on delivering mission-critical cloud software to the private and public sectors, and will continue to explore growth opportunities both organically and through acquisitions.

In Q1, Visma closed ten acquisitions. The acquisition of H&H was closed in January 2023, increasing Visma's presence in Germany. With the acquisition of Moloni, Visma has entered the software market in Portugal. Other acquisitions include Identum and BX software in Norway.



Financial review

Revenue amounted to EUR 571 million (481 million) and EBITDA to EUR 148 million (127 million) in the first quarter of 2023. Revenue increased 19% while EBITDA increased 17% compared to Q1 2022. Recently acquired companies will typically have a lower margin than the Visma average, causing the EBITDA to grow a bit slower than revenue. However, the group continues to see a positive margin development on an organic basis, adjusted for M&A and capitalized R&D, versus first quarter last year.

The high inflation is still causing the group's cost level to rise in the first quarter of 2023. Visma is closely monitoring our cost base, while ensuring 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 59 million (49 million), a growth of 21% YoY. Net financial items were EUR -20 million (-15 million). Consequently, profit before taxes was EUR 39 million (34 million). Taxes amounted to EUR 9 million (9 million), and net income from continuing operations resulted in EUR 30,4 million (25,4 million) in the first quarter.

Cash flow from continuing operations (before tax) amounted to EUR 314 million (258 million). This equals to a 97,8% yearly cash conversion.

Cash flow from investments related to business combinations was EUR -122 million (-149 million). At the end of the first quarter, the cash position of Visma was EUR 1 126 million (1 158 million).

Equity amounted to EUR 2 155 million (1 483 million), corresponding to an equity ratio of 33,6% (24,7%). Long term interest bearing debt amounted to EUR 2 558 million (2 713 million). The debt facilities have maturity dates in the 4th quarter of 2025.

Group	Q1 2023	Q1 2022	Growth
Revenue	571	481	18,8%
SaaS	403	316	27,6%
Cloud Services	86	86	1,0%
On premises software	69	68	0,8%
Other	13	11	16,5%
Profit			
EBITDA	148	128	16,1%
EBITDA margin	26,0%	26,6%	-0,6%
EBIT	59	49	20,6%
Net profit	30	33	-8,6%
Cash flow and leverage			
Operating cash flow	314	258	21,4%
Net Debt / EBITDA	2,6x	2,7x	-0,1x

Segment*

Small Business

Revenue	180	139	29,9%
EBITDA	56	49	14,5%
EBITDA margin	31,3%	35,5%	-4,2%

Medium & Large Enterprise

Revenue	222	186	19,6%
EBITDA	49	44	12,8%
EBITDA margin	22,2%	23,6%	-1,4%

Public

Revenue	155	132	17,6%
EBITDA	38	31	21,5%
EBITDA margin	24,1%	23,4%	0,8%



*Not including the segment "Other"

Selected M&A highlights

10*

acquisitions closed Q1

€27m

LTM Revenue
Acquisitions in Q1



- Norwegian warehouse management software provider
- Strengthening Visma's offer to the logistics sector



- Increasing Visma's presence in Germany
- Leading software provider to municipalities in Germany
- ERP software provider, covering the needs of more than 800 public administrations



- Entering the software market in Portugal through the acquisition of Moloni
- Cloud software solutions for invoicing and point of sale to small and medium sized enterprises



IDENTUM

- Cloud based systems for identity management and access
- Further expanding Visma's public SaaS offering

*8 business combinations, 1 asset purchase, 1 minority purchase

Tech highlights

Key product announcements

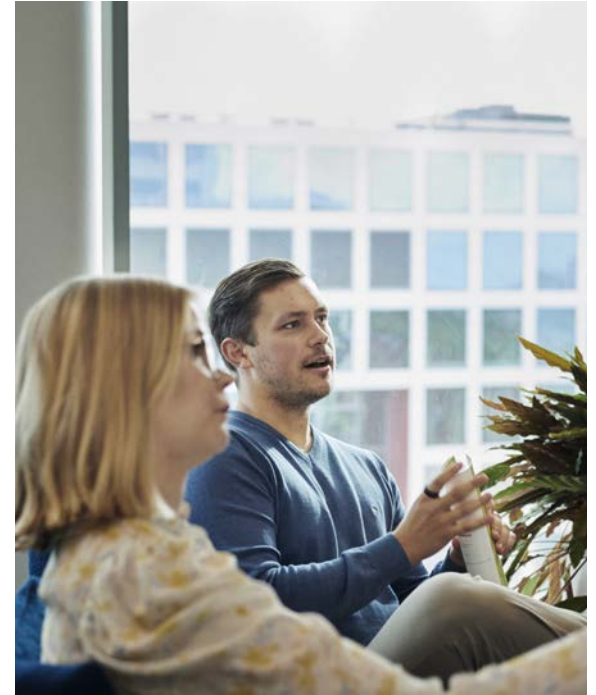
In Norway, Visma Business NXT has successfully concluded its pilot phase and is preparing for launch in May. Visma Business NXT is the next generation of Visma Business, the most used ERP system in Norway.

In Denmark, our AI powered Dinero Assistant has graduated from beta to production and is pro-actively helping Dinero Pro customers manage their bookkeeping by pointing out what needs to be done and making it happen with a single click.

In Finland, we launched Wilma Links, a service that combines teachers, students, admins together with edtech partners to provide an easier weekday and save time in classrooms.

In Benelux, we made several improvements to our Ecare product that will reduce the time nurses need to spend on administrative work. As an example, new speech to text functionality saves nurses 4 minutes per report and reduces grammatical errors by 70%.

Finally, we also saw an acceleration of AI initiatives across Visma in Q1 as we take advantage of generative AI and large language models for efficiency gains and quality improvements in internal functions as well as better interfaces and smarter automation within our products. More than 75% of Visma developers who have experience using AI assistance for coding say that it helps them be more productive.



ESG highlights

Visma releases 2022 Sustainability Report

The report describes Visma's progress in sustainability work, and milestones reached in the year that passed. During 2022, Visma became a proud participant of the UN Global Compact, committing the company to embedding the UN Global Compact's ten principles in its day-to-day operations.

IT hardware, business travel and heating our office facilities remains the biggest sources of emissions for Visma. In 2022, we've further assessed the impact our emissions has, and looked at how we can use 2022 as the baseline year for setting goals to reduce emissions in the years and decades to come.

Visma also launched its first Diversity & Inclusion strategy in 2022, moving us closer to our goal to be the most inspiring and engaging place to work. Visma is currently placed in the top 5% in the tech industry based on our employee engagement score (eNPS), and this is a position we want to both maintain and build further on.

Read the 2022 Sustainability Report in full on visma.com



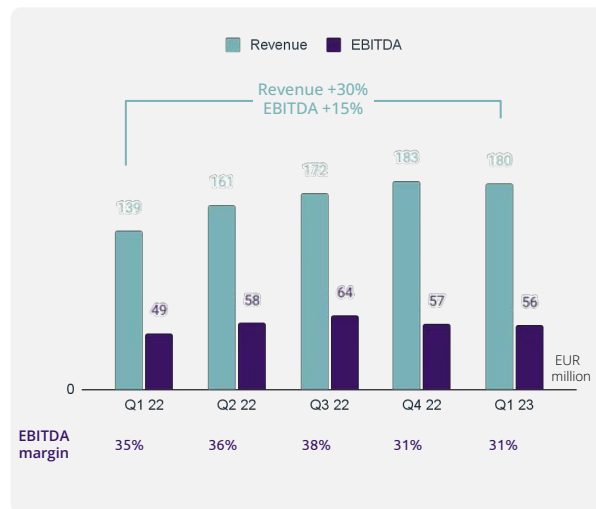
Small Business

Continued growth - High market potential

The Small Business segment had a revenue growth of 30% in Q1 2023 versus the same quarter last year, with a revenue of EUR 180 million (139 million). A first market entry in Portugal was secured by acquiring the accounting software provider Moloni. Visma's Small Business segment offers cloud accounting, payroll and invoicing solutions for small businesses in 16 European countries, with local teams and products. After receiving feedback from 46 000 customers, we see that our customer satisfaction continues to improve, and is at all-time high levels.

EBITDA amounted to EUR 56 million (49 million). Total EBITDA growth for Q1 was 15%, reflecting that Visma in recent years has acquired several fast-growing SaaS startups and scaleups. These companies have 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. On an organic basis, EBITDA is growing at a much faster pace.

We see a strong growth potential by expanding the offering to our growing customer base in existing markets, as well as expanding into new markets.



ARR growth **33%**

ARPC **€ 550**

1 263 000 customers

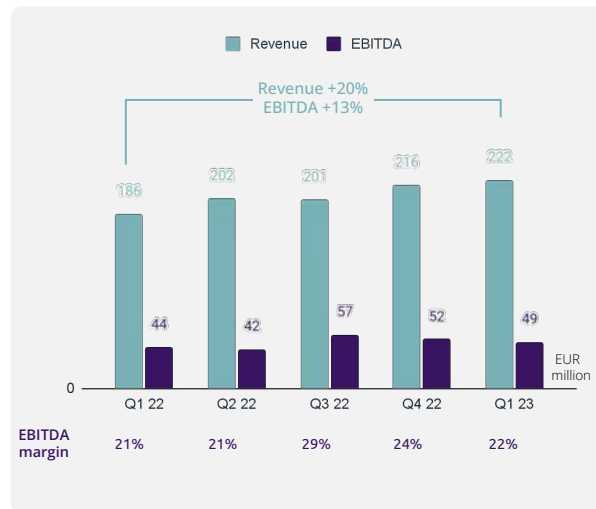
Medium & Large Enterprise

Strong margin improvement

In the Medium & Large Enterprise segment, revenue amounted to EUR 222 million (186 million), growing 20% YoY. The steady growth is primarily driven by organic growth, of which approximately half is coming from satisfied customers buying more modules and products from Visma, and the other half from new customers joining Visma. EBITDA ended at EUR 49 million (44 million), a growth of 13% compared to the same period last year.

In the first quarter, we see margin improvement in the MLE segment, as we have maintained strong and stable revenue growth across the segment. This growth is coming at the same time as our cost base growth is decelerating, leading to improved margins, a development that is forecasted to continue in the coming quarter.

Acquisition activity was high with four new companies acquired in this segment during the first quarter: three Norwegian companies and one from Argentina. In Norway we acquired Sonya, a Norwegian expense management system focused on climate and emissions, BxSoftware, a provider of warehousing and logistics solutions, and Arealstatistikk, delivering statistics and data to Commercial Real Estate actors. In Argentina we acquired Xubio, a modern Cloud ERP solution provider.



ARR growth **24%**

ARPC € **3 475**

229 000 customers

Public

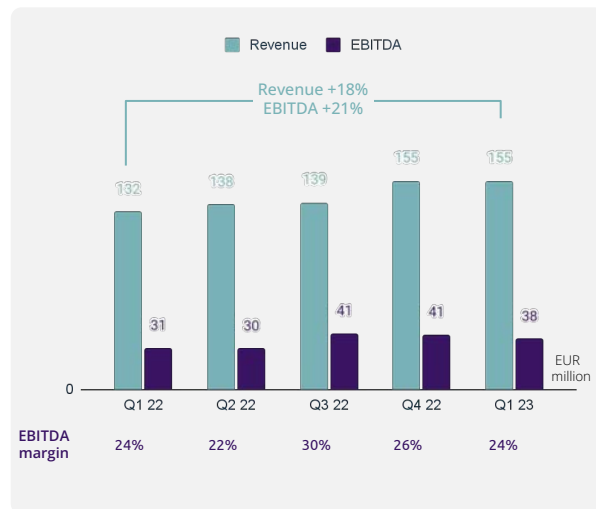
Solid growth in the Public segment

Total revenue in the Public segment amounted to EUR 155 million (132 million), reflecting a growth of 18% YoY, with SaaS revenue growing 19%. We continue to see a strong growth in this segment, both organically and through acquisitions.

EBITDA was EUR 38 million (31 million), reaching a margin of 24% (23%). The cost base is still a challenge in the first quarter for the public sector, as this segment has more long term contracts with fixed prices, and thus fewer tools to respond to the increasing costs caused by inflation. Cost pressures notwithstanding, this segment continues to deliver strong growth in revenue and thus also a strong growth in EBITDA.

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

During the first quarter, Visma has further strengthened its offering in Norway and the Netherlands through the acquisition of Identum, a Identity and Access Management (IAM) software provider, and eBenefits, a provider of communication portals of pension products, respectively. In addition, we have entered the German market in the public segment through the acquisition of H&H, an ERP provider to local government.



ARR growth **18%**

ARPC € **23 883**

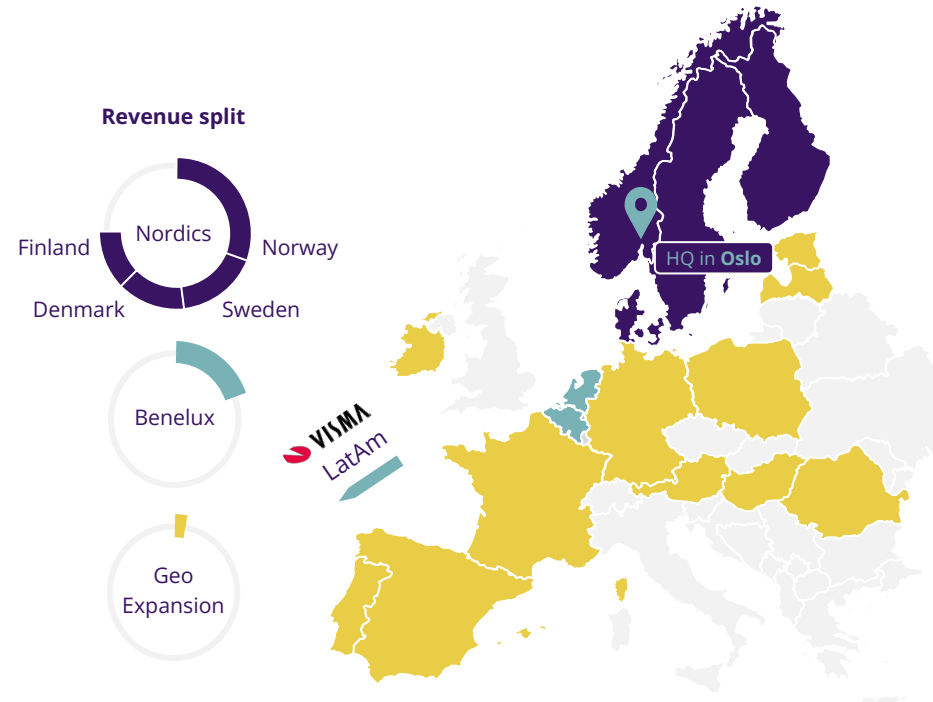
19 100 customers

Market outlook

Macroeconomic conditions remained challenging in the first quarter. High inflation, rising interest rates and the war in Ukraine remain the key points of concern for businesses and consumers, and economic growth in the Eurozone is expected to slow down markedly in 2023. However, with energy prices dropping from extremely high levels during Q1, the European Central Bank (ECB) now expects a modest recovery in economic activity from 2024 and onwards.

Despite numerous uncertainties facing the global economy, Visma still experiences healthy demand for mission critical software across its key markets. High inflation is mainly affecting the Group through increased personnel costs, while higher energy prices are also indirectly driving up costs related to purchase of cloud services from data centers. Visma is managing this margin pressure through operational prudence and strict cost control.

In the long term, Visma expects that organisations will continue to invest in digitalisation and efficiency-driving automation, both to stay competitive and meet the expectations of their key stakeholders. With its business model based on locally adapted, user-friendly software delivered with modern cloud technology, Visma is well positioned to capture future growth both in existing and new markets.



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 still affecting the economic environment globally, and Visma is continuously monitoring the situation. 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 its solid financial health. Visma is investing to stay part of the forefront on compliance trends, including the various upcoming legislation related to transparency on business operations. For more details please refer to 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 normal during Q1.

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, 24 April 2023, The Board of Directors of VISMA AS



Condensed interim financial information

Consolidated statement of income*

(EUR in thousands)	1st quarter		Year
	2023	2022	2022
CONTINUING OPERATIONS			
OPERATING REVENUE			
Sales revenue	570 883	480 573	2 056 475
Total operating revenue	570 883	480 573	2 056 475
OPERATING EXPENSES			
Sales and distribution costs (COGS)	79 541	74 121	282 908
Gross profit	491 342	406 453	1 773 567
Payroll and personnel expenses	273 521	223 548	942 452
Bad debts	859	266	2 879
Other operating expenses	66 845	54 265	237 331
Total operating expenses	341 225	278 079	1 182 661
EBITDA before M&A expenses	150 117	128 374	590 905
M&A expenses	1 754	1 124	4 162
EBITDA	148 363	127 249	586 743
Depreciation tangible assets and capitalised R&D	8 693	7 600	34 120
Depreciation right of use assets	11 609	6 838	48 530
EBITA	128 061	112 811	504 093
Amortisation intangible assets	68 803	63 674	260 541
Operating profit EBIT	59 258	49 137	243 552
Result from associated companies	109	(68)	(242)
FINANCIAL ITEMS			
Financial income	61 904	29 535	98 471
Financial expenses	(82 214)	(44 169)	(155 199)
Net financial items	(20 310)	(14 635)	(56 727)
Profit before taxes	39 057	34 435	186 583
Taxes	8 568	8 936	25 867
Net income from continuing operations	30 488	25 499	160 716
DISCONTINUED OPERATIONS			
Net income from discontinued operations (excl. gain on sale)	0	7 722	17 393
Net gain on sale of discontinued operations	5 848	0	570 198
Net income from discontinued operations	5 848	7 722	587 591
Net income	36 336	33 221	748 307
ATTRIBUTABLE TO:			
Equity holders of Visma AS	36 279	33 254	748 704
Non-controlling interests	57	(33)	(397)
EARNINGS PR SHARE			
Basic earnings per share (EUR)	0.018	0.017	0.374
Diluted earnings per share (EUR)	0.018	0.017	0.374
EBITDA margin	26.0 %	26.5 %	28.5 %

Consolidated statement of comprehensive income*

(EUR in thousands)	1st quarter		Year
	2023	2022	2022
Net income	36 336	33 221	748 307
Net gain (loss) on financial hedging instruments, net of tax	(11 879)	31 139	72 879
Exchange differences on translation of foreign operations, net of tax	(31 652)	4 980	(36 635)
Other comprehensive income (loss) for the period, net of tax	(43 532)	36 119	36 244
Total comprehensive income for the period	(7 196)	69 340	784 551
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of Visma AS	(7 253)	69 373	784 948
Non-controlling interests	57	(33)	(397)

*2022 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 March 2023	31 March 2022	31 December 2022
ASSETS			
Deferred tax assets	11 480	8 847	13 014
Patents and other intangible assets	495 795	498 244	519 713
Capitalised R&D cost own software	63 918	62 532	70 168
Contracts and customer relationships	636 504	650 831	642 041
Goodwill	3 447 538	3 032 988	3 439 291
Property, land and buildings	6 513	7 408	6 770
Machinery and equipment	30 476	32 443	31 268
Financial assets/Shares	6 659	3 182	3 705
Investment in associated companies	1 035	1 100	926
Other long-term receivables	5 017	63 974	4 775
Right of use assets	172 772	203 351	181 298
Net investment in subleases	7 250	4 279	7 555
Total non-current assets	4 884 957	4 569 179	4 920 524
Inventory	1 100	8 487	1 052
Accounts receivables	227 219	238 196	237 579
Other current receivables	183 838	137 767	170 279
Cash and cash equivalents	1 126 146	1 058 385	1 071 512
Total current assets	1 538 303	1 442 835	1 480 422
TOTAL ASSETS	6 423 260	6 012 015	6 400 946

(EUR in thousands)	31 March 2023	31 March 2022	31 December 2022
EQUITY AND LIABILITIES			
Paid-in capital	588 615	588 615	588 615
Other reserves	78 885	78 547	78 885
Retained earnings	1 484 393	811 626	1 491 646
Equity attributable to equity holders of Visma AS	2 151 893	1 478 788	2 159 146
Non-controlling interests	3 391	4 118	3 349
Total equity	2 155 283	1 482 906	2 162 495
Deferred tax liability	318 310	313 227	311 175
Financial hedging Instruments	(67 228)	(28 945)	(82 458)
Long-term interest bearing bank loans	2 558 504	2 713 803	2 623 286
Accrued funding fees	(3 992)	(5 480)	(4 364)
Long-term lease liabilities	141 848	171 513	149 328
Other long-term non interest bearing liabilities	429 307	299 829	401 131
Total non-current liabilities	3 376 749	3 463 946	3 398 098
Bank overdraft	0	80 893	0
Short-term interest bearing bank loans	8 865	9 674	8 991
Trade creditors	63 240	81 503	85 672
Public duties payable	118 449	126 762	95 862
Tax payable	35 312	23 729	47 096
Deferred revenue	385 352	354 928	242 400
Short-term lease liabilities	48 724	46 414	51 273
Other current liabilities	231 283	341 260	309 058
Total current liabilities	891 226	1 065 163	840 353
Total liabilities	4 267 975	4 529 109	4 238 451
TOTAL EQUITY AND LIABILITIES	6 423 258	6 012 015	6 400 946

Condensed interim financial information

Consolidated statement of cash flows

(EUR in thousands)	1st quarter 2023	2022	Year 2022
Ordinary profit before tax	39 057	34 435	186 583
Depreciation right of use assets	11 609	7 945	48 530
Depreciation tangible assets	2 973	3 178	11 979
Depreciation capitalised R&D cost	5 720	4 787	22 141
Amortisation patents and other intangible assets	31 374	30 859	119 089
Amortisation contracts and customer relationships	37 430	36 336	141 452
Amortisation Goodwill	0	0	0
Changes in debtors	10 360	708	1 325
Changes in inventory and trade creditors	(22 480)	(16 451)	(4 847)
Changes in public duties payable	22 587	28 699	(2 200)
Changes in deferred revenue	142 952	148 232	35 704
Changes in other accruals	32 024	(21 833)	(17 445)
Net cash flow from operations (before tax)	313 604	256 896	542 311
Net cash flow from continuing operations (before tax)	313 604	258 218	534 052
Net cash flow from discontinued operations (before tax)	0	33 569	44 587
Tax paid	(20 894)	(29 171)	(84 453)
Net cash flow from operations (after tax)	292 711	227 725	457 858
Net cash flow from continuing operations	292 711	227 734	454 980
Net cash flow from operations, discontinued operations	0	(9)	2 878
Investment in tangible fixed assets related to business comb.	358	(306)	(2 504)
Investment in R&D software related to business combinations	(144)	(3 083)	(30 301)
Investment in businesses	(119 746)	(145 636)	(908 544)
Sale of (investment in) shares	(2 955)	(73)	(5 955)
Net cash flow from investments related to business combination:	(122 486)	(149 098)	(941 844)
Net proceeds from divestiture of discontinued operations	5 792	0	830 737
Cash inflow from dividends	0	0	0
Sale of (investment in) tangible fixed assets	(2 081)	(2 314)	(11 197)
Sale of (investment in) R&D own software	(1 612)	(1 045)	(6 063)
Net cash flow from investments	(120 387)	(152 457)	(128 467)
Repayments of interest bearing loans	(4 556)	(5 149)	(9 873)
Net proceeds from interest bearing loans	0	0	0
Changes in bank overdraft	0	80 792	0
Cashflow from leases	(12 666)	(10 280)	(51 942)
Changes in long term receivables	(242)	(3 298)	1 967
Repayment of Share premium reserve	0	0	(35 430)
Net cash flow from share issues	0	0	0
Cash inflow from interest	11 944	88	5 994
Cash outflow from interest and fees	(66 176)	(45 475)	(103 329)
Net cash flow from financing activities	(71 696)	16 677	(192 613)
Net cash flow from financing activities, continuing operations	(71 696)	22 358	(182 617)
Cash flow from financing activities, discontinued operations	0	(5 681)	(9 997)
Net cash flow	100 628	91 945	136 777
Cash and cash equivalents, beginning of period	1 071 512	958 114	958 114
Net foreign exchange differences	(45,994)	8 326	(23 379)

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 interest	Total equity
Equity as at 01.01.2022	588 615	42 428	778 372	1 409 415	4 180	1 413 595
Issue of share capital	0			0		0
Share based compensation Fully owned subsidiary		214		214		214
Profit for the period			748 704	748 704	(397)	748 307
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		(36 635)		(36 635)		(36 635)
Total comprehensive income for the period		36 244	748 704	784 948	(397)	784 551
Repayment of Share premium reserve			(35 430)	(35 430)		(35 430)
Changes to non-controlling interest; acquisition and arising on business combination			0	0	(434)	(434)
Equity as at 31.12.2022	588 615	78 885	1 491 646	2 159 146	3 349	2 162 495
Equity as at 01.01.2023	588 615	78 885	1 491 646	2 159 146	3 349	2 162 495
Issue of share capital	0			0		0
Profit for the period			36 279	36 279	57	36 336
Net gain (loss) on financial hedging instruments, net of tax		(11 879)		(11 879)		(11 879)
Exchange differences on translation of foreign operations, net of tax		(31 652)	0	(31 652)		(31 652)
Total comprehensive income for the period		(43 532)	36 279	(7 253)	57	(7 196)
Repayment of Share premium reserve			0	0		0
Changes to non-controlling interest; acquisition and arising on business combination					(16)	(16)
Equity at end of period	588 615	35 354	1 527 924	2 151 893	3 391	2 155 283

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 first quarter of 2023 were authorised for issue by the board of directors on 24 April 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 2022 and applies to these condensed interim financial statements, except for the adoption of new standards and interpretations as of 1 January 2023.

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.

1st quarter	2023					2022				
	Small business	Medium & Large Enterprise	Public	Other	TOTAL	Small business	Medium & Large Enterprise	Public	Other	TOTAL
(EUR in thousands)										
Revenue										
Total segment revenue	187 642	236 160	157 628	104 478	685 909	146 081	199 082	133 689	88 150	567 002
Internal revenue	7 309	14 182	2 199	91 336	115 026	7 290	13 514	1 471	64 151	86 427
External revenue										
SaaS	156 397	149 736	93 183	3 659	402 975	117 224	120 684	77 701	284	315 893
Cloud Services	7 784	39 235	33 237	6 243	86 499	3 203	36 632	29 155	16 665	85 655
On premise software	15 175	30 122	23 385	0	68 682	17 070	27 917	22 668	450	68 105
Other	977	2 886	5 624	3 240	12 726	1 294	334	2 694	6 599	10 921
External revenue	180 333	221 979	155 429	13 142	570 883	138 790	185 568	132 217	23 998	480 574
Actual growth (external) %	29.9 %	19.6 %	17.6 %	-45.2 %	18.8 %					
Repeatable revenue	175,135	202,666	129,476	6,739	514,016	142 965	172 561	111 630	3 878	431 034
EBITDA	56 378	49 341	37 527	5 116	148 363	49 222	43 754	30 890	3 974	127 839
EBITDA margin	31.3 %	22.2 %	24.1 %	38.9 %	26.0 %	35.5 %	23.6 %	23.4 %	16.6 %	26.6 %

Reconciliation	1st quarter		Year 2023
	2023	2022	
Profit before taxes	39 057	34 435	39 057
Net financial items	(20 310)	(14 635)	(20 310)
Depreciations and amortisations	89 105	78 112	89 105
Result from associated companies	109	(68)	109
EBITDA	148 363	127 249	148 363
EBITDA in operating segments	148 363	127 839	148 363

GEOGRAPHICAL AREAS

(EUR in thousands)	2023		
	Net sales	%	Long lived assets
Norway	154 242	27.0 %	936 029
Sweden	100 861	17.7 %	677 378
Denmark	64 288	11.3 %	445 807
Finland	74 047	13.0 %	231 618
Netherlands	139 324	24.4 %	1 625 706
Geo Expansion	38 121	6.7 %	727 217
Total	570 883	100.0 %	4 643 755
(EUR in thousands)	2022		
	Net sales	%	Long lived assets
Norway	143 582	29.9 %	1 110 687
Sweden	90 421	18.8 %	502 212
Denmark	53 092	11.0 %	525 446
Finland	59 300	12.3 %	262 943
Netherlands	106 860	22.2 %	1 511 521
Geo Expansion	27 319	5.7 %	331 787
Total	480 573	100.0 %	4 244 595

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



NOTE 3 — Business Combinations

During the first quarter of 2023, the Visma Group had a net cash outflow from investment related to Business Combinations of EUR 122M. None of the acquisitions during the fourth quarter were not significant in their own right. 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.

2 January: H&H Data, provider of ERP software to German municipalities

2 January: eBenefits, provider of software products for the pension and insurance market, based in the Netherlands

18 January: Moloni, Portuguese provider of cloud software solutions

23 January: Xubio, ERP solutions based in Argentina

10 February: Sonya, Norwegian provider of ESG tracking software

17 February: Identum, Norwegian provider of access management software

3 March, Arealstatistikk, provider of statistics and data within the commercial real estate industry in Norway

10 March, BX Software, Norwegian provider of warehouse management software

(EUR in thousands)	Q1 2023
Total acquisition cost	134 690
Consideration transferred	109 156
Deferred payment	0
Contingent payment	32 197
Net cash acquired	(10 111)
Net assets before identified excess value	3 632
Technology	11 220
Brand	1 265
Contracts and customer relationships	41 910
Deferred taxes	(14 737)
Fair value of net assets	43 290
Goodwill	91 400

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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