

2022

# Q2

**Quarterly  
Report**

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# Q2 2022 Key Figures

Revenue

€ 602m

▲ 16% growth  
10% like for like growth

EBITDA

€ 148m

▲ 6% growth

EBITDA %

24,6%

▼ 2,3 %pt

Monthly e-invoices

19,3m

▲ 25% growth

ARR

€ 1 778m

▲ 18% growth  
13% like for like growth

Operating cash flow

€ 78m

▲ 21% growth

Customers

1,3m

▲ 24% growth

Monthly payslips

10,9m

▲ 13% growth

# Sharpening the focus on software

## Q2 highlights

- Cloud software strategy accelerated through divestment of the IT consulting business
- Revenues increased 16% to EUR 602 million from EUR 520 million in the same quarter last year
- EBITDA increased to EUR 148 million, growing 6% compared to the same period last year
- Annualized Repeatable Revenue reached EUR 1 778 million
- Cash flow from operations (pre tax) grew 21% to EUR 78 million
- 85% of Visma's total revenue came from SaaS and Cloud services, with SaaS revenue growing 28%
- 14 acquisitions closed during the quarter, representing EUR 44 million in annual revenue



## CEO comment

*Merete Hverven*

Visma continued to grow its top and bottom line in the quarter, with an increasing trend throughout the period. The strongest indicators of our long-term performance also did well, with SaaS and cloud services reaching 85% of total revenue, and our Annualised Repeatable Revenue (ARR) growing 18% to EUR 1,8 billion. The rapid digitalisation of European societies is a megatrend that continues to drive Visma's growth both in new and existing markets. Our employee engagement reached a new high, and is within the top 10% of the IT industry.

In Q2 we announced an agreement to divest the consulting-centric part of our Custom Solutions division. This part of our business has become one of the largest IT Consultancy companies in the Nordics. By parting ways, both Visma and the new company can achieve even stronger growth as two separate businesses. For Visma, this means we can focus even more on our core product offering of standardised, mission-critical cloud software for customers of all sizes in the private and public sector.

Our acquisition activity also remained high with 14 new companies, bringing us to a total of 29 companies joining the Visma family so far this year. The divestment of our consulting business will provide us with additional capital to acquire innovative cloud companies with user-friendly products. A great example of such a company is Belgium-based Teamleader, provider of work management software in five continental European countries, which Visma acquired in June.

# Comments on the second quarter

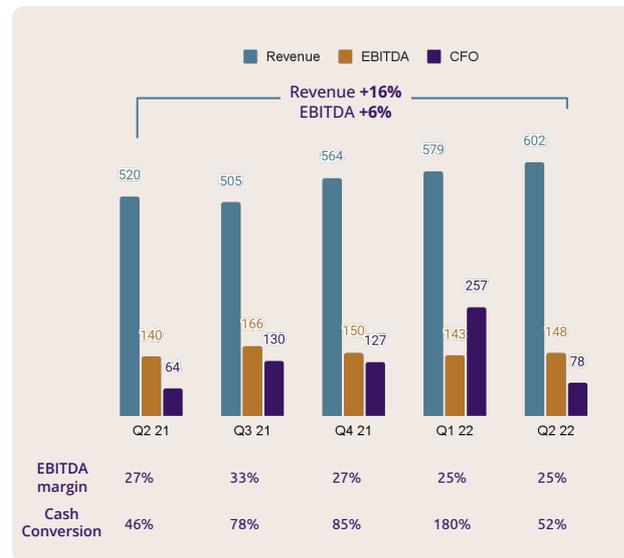
Visma continued the strong development in the second quarter with revenue reaching EUR 602 million, reflecting a growth of 16%. All of Visma's core segments delivered a strong top line development, with the Small Business (SMB) segment displaying particularly strong growth of 25%. Medium & Large Enterprise (MLE) and Public achieved a growth of 18% and 12% respectively.

Annualized Repeatable Revenue (ARR) grew 18% to reach a record level of EUR 1 778 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.

EBITDA amounted to EUR 148 million, growing 6% compared to the same period last year. The EBITDA margin was 24,6% (26,9). The margin decline is partly explained by a normalised cost level after a pandemic-driven reduction seen in parts of 2021, as well as increased investments in R&D and marketing to boost growth in strategic products. Furthermore, over the past 12 months Visma has focused on acquiring fast-growing SaaS companies at an earlier stage in the life cycle than before, thus with negative or lower profit margins than the Visma average. As these rising cloud stars gain access to Visma's infrastructure and group-wide knowledge sharing in key areas, we expect to see significant margin uplift in the years to come.

In June, Visma signed an agreement to divest its IT consulting business to CVC Capital Partners. A successful transaction will further streamline Visma as Europe's leading provider of mission-critical cloud software, focusing on SaaS and standardised products. The transaction is subject to customary regulatory approvals, and is expected to be concluded later this year. Visma will reinvest proceeds from the sale into new growth opportunities, both organic and inorganic. Acquisition activity remained high and we closed 14 acquisitions during the quarter bringing the total to 29 for the first half year.

To reflect the increased strategic focus after the divestment, Visma is introducing new customer-focused reporting segments. Going forward, the new reportable segments will be Small Business (SMB), Medium & Large Enterprise (MLE) and Public. The consulting business is included in the segment overview under "Other" until closing.



# Financial review

Revenue amounted to EUR 602 million (520) and EBITDA to EUR 148 million (140) in the second quarter of 2022. Revenue increased 16% while EBITDA increased by 6% compared to Q2 2021. EBITDA is growing slower than revenue due to recently acquired companies having slightly lower margin than the Visma average, combined with additional investments in R&D and marketing during Q1.

Group EBIT amounted to EUR 55,5 million in the second quarter (46,9), which is a growth of 18%. Net financial items were -38,9 million (-29,5). Consequently, profit before taxes was EUR 16,5 million (17,4). Taxes amounted to EUR 3,6 million (3,9), and net income from continuing operations resulted in EUR 12,8 million (13,5) in the first quarter.

Cash flow from continuing operations (before tax) amounted to EUR 77,8 million (64,1). Cash flow from investments, which are fixed assets, software R&D and investments in acquired businesses, was EUR -446,5 million (-304,5). At the end of the second quarter, the cash position of Visma was EUR 796,8 million (810,3).

Equity amounted to EUR 1 493,0 million (1 352,5), corresponding to an equity ratio of 24,5% (24,5%). Long term interest bearing debt amounted to EUR 2 653 million (2 410). The debt-facilities have maturity dates in the 4th quarter 2025.

Group	Q2 2022	Q2 2021	Growth
<b>Revenue</b>	<b>602</b>	<b>520</b>	<b>15,7%</b>
SaaS	350	274	27,9%
Cloud Services	160	153	4,4%
On premise software	73	76	-4,1%
Other	18	17	8,2%
<b>Profit</b>			
EBITDA	148	140	5,9%
<i>EBITDA margin</i>	24,6%	26,9%	-2,3%
EBIT	55	47	18,2%
Net profit	13	13	-4,2%
<b>Cash flow and leverage</b>			
Cash Flow from operations	78	64	21,3%
Net Debt / EBITDA	3,8x	3,5x	0,3x
<b>Segment</b>			
<b>Small Business</b>			
Revenue	151	121	25,0%
EBITDA	56	48	17,7%
<i>EBITDA margin</i>	37,0%	39,3%	-2,3%
<b>Medium &amp; Large Enterprise</b>			
Revenue	211	179	17,7%
EBITDA	45	43	3,6%
<i>EBITDA margin</i>	21,2%	24,1%	-2,9%
<b>Public</b>			
Revenue	137	123	11,5%
EBITDA	31	31	1,7%
<i>EBITDA margin</i>	22,7%	24,9%	-2,2%

# M&A highlights Q2 2022

14

acquisitions during Q2

€ 44m

LTM Revenue

25%

EBITDA margin

## Teamleader

- Leading international SaaS scale-up based in Belgium
- Work management software for small and medium sized businesses
- More than 13 000 organisations work with Teamleader and over 10 billion Euros worth of invoices flow through their systems

## INTEMPUS

- Danish time registration system
- The acquisition is the natural evolution of the close cooperation between Intempus and several Visma companies
- More than 27 000 users bring the Intempus app to work in more than 1 300 companies in the SMB market

## DECLARANDO

- Visma broadening its offering within accountancy and tax software for freelancers in Spain
- Fastest-growing accountancy and tax software company for Spanish freelancers

# Tech highlights

## New technology centre in Portugal

Visma is establishing a new technology centre in Porto, Portugal this spring. The launch reinforces the company's leadership in innovation and commitment to create technology for a more efficient and resilient society.

The tech centre will employ around 50 people during its first year and reach 200 employees by 2025. It will serve as one of Visma's main competence hubs, focusing on attracting talent within security, AI, and product design across a wide range of technologies.

After opening a new competence center in Iasi, Romania last year, Visma won the New Entrant of the Year award in Iasi in fierce competition with other leading international technology companies. The award is a result of active collaboration with the local tech community in Iasi, and solidifies our position as a leading tech employer in Romania.

## Several key product announcements

Visma launched several key products during the quarter. Tripletex in Norway announced a new and simplified year-end solution, adding significant value for end customers. Also in Norway, we successfully soft-launched our new, high-performance cloud ERP solution Visma Business Next, which is a modern take on our popular Visma Business product.

In Denmark, our Dinero product successfully launched the Dinero Assistant, an innovative, next-generation AI-based user interface for ERP software. Our Visma.net ERP product added significant performance improvements, allowing customers with very large payment volumes to process payments in a fraction of the time versus other solutions.

In Benelux, we built a new solution that is unique to Europe to make invoice processing safer by using blockchain technology in our Yuki product. Also in the Netherlands, our Ecare product is the first to support patient data exchange according to Dutch standards which will yield large time and cost savings for healthcare professionals while improving the quality of their reports.

# ESG highlights

## Visma joins UN Global Compact

Visma has committed to integrate the ten principles of the United Nations Global Compact (UNGC) initiative as part of its strategy, culture and day-to-day operations.

By joining the UNGC, Visma will be part of a voluntary leadership platform for the development, implementation and disclosure of responsible business practices.

With this announcement, we are proud to join thousands of other companies globally that are committed to taking action to meet our societal goals.

The UNGC is a call to companies to align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. Participating companies are also taking action in support of UN goals and issues embodied in the Sustainable Development Goals (SDGs).

## Diversity & Inclusion Strategy

Visma has committed to become an even more diverse and inclusive organisation through the establishment of the company's first Diversity & Inclusion Strategy.

At Visma we see diversity as a business imperative that will lead to our future success. In order to achieve this, all of our employees need to feel connected and free to be themselves at work. Just as we strive to constantly improve our products and services, we also aim to be even better at taking care of our employees. Visma as a company should reflect the society we operate in, and leverage the benefits of having different opinions taking part in the discussion.

For 2022 we have selected two main priorities for the Visma Group: closing the gender gap and embracing our uniqueness (measured by Inclusion Index in our Employee Engagement Survey). The work will be carried out through all areas of the employment relationship, from attracting and recruiting to retaining talents.

To increase our knowledge and become more aware, we have monthly focus areas where we dive into different topics. For 2022, these include neurodiversity, LGBTQIA+, multicultural diversity and mental health.

## Small Business

# Growth accelerating to 25%

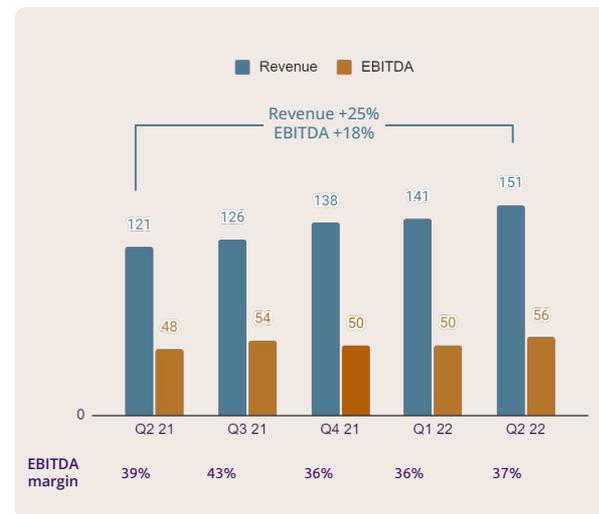
Total revenue in the Small Business (SMB) segment amounted to EUR 151 million (121), reflecting a growth of 25%. The growth in the segment continues to accelerate, driven by an increasing customer base while we also see existing customers upgrading their subscriptions to reap efficiency benefits. The SMB segment also sees a strong increase from transaction-based revenues (payslips and invoices) as our clients grow in volume.

ARR grew by 26%, with the strong growth primarily driven by strong customer intake. Multiple products are seeing accelerated SaaS growth, with notable mentions to Poweroffice and Yuki, both growing above 40%.

EBITDA grew 25%, reaching EUR 59 million (48) while the EBITDA margin ended at 37% (39%). The decline from the same period last year is attributable to last year's lower costs level due to Covid savings, and the fact that the SMB segment has made significant investments in marketing and R&D in its core ERP products during H1. In addition, the strategy of acquiring fast growing SaaS stars at an earlier stage in the life cycle, thus with lower margin than the Visma average, is particularly visible in SMB. We expect significant margin uplift from these stars in the years to come.

Acquisition activity was high with 5 new companies joining the segment during the quarter. Among key acquisitions was Declarando, the fastest growing accountancy and tax software company for Spanish freelancers, boosting Visma's expansion in Spain. Another highlight was the acquisition of the time registration system Intempus, further strengthening Visma's offering in the Danish SMB market.

The overall market demand continues to be strong despite the challenging macroeconomic situation, and SMB companies and accounting offices continue moving to the cloud at a rapid pace.



ARR growth **26%**

ARPC **€ 530**

**1 090 000** customers

## Medium & Large Enterprise

# Cloud ERP and Payroll driving growth

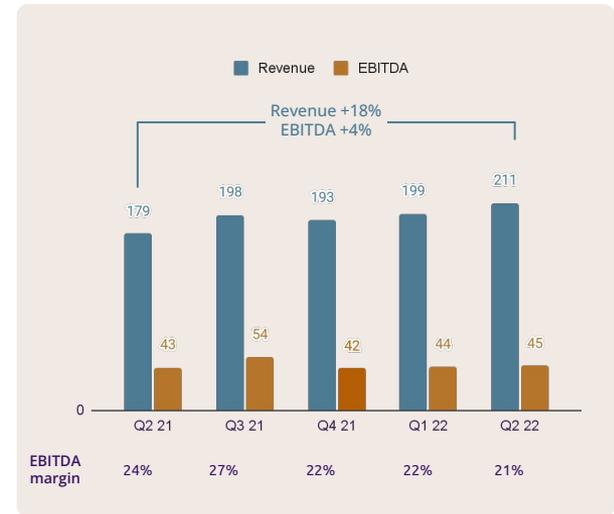
Total revenue in the Medium & Large Enterprise (MLE) segment amounted to EUR 211 million (179), growing 18%. The solid growth is primarily driven by good traction on SaaS revenue from on-premises migration and strong organic growth in our pure cloud companies.

The segment's ARR growth is accelerating, reaching 16% as an increasing number of our customers reap efficiency benefits by utilising the continuously expanding cloud software ecosystem.

EBITDA ended at 45 million (43), growing 4%. Margin was 21% (24%) a decline compared to the same period last year. The decline is mainly due to a lower cost level last year as a result of Covid related savings, as well as increased R&D investments.

M&A activity remained high also in the MLE segment, closing 5 acquisitions during the quarter. Through the acquisition of Teamleader, Visma expands its work management software offering in the Benelux enabling clients to focus on their core business by simplifying and automating business processes.

Our Cloud ERP and Payroll ecosystems are performing particularly well. These solutions are sold via our partner network of implementation specialists and independent software vendors. We see a trend that the Visma partners are growing in size. Those that are focusing on Visma's cloud products outgrow the market, and the partner market is now being increasingly consolidated, both within each country and also recently across borders.



ARR growth **16%**

ARPC € **4000**

**188 000** customers

## Public

# Strong demand for digitalisation in local government

In the Public segment revenue amounted to EUR 137 million (123), a solid growth of 11,5% with SaaS revenue growing 28%. ARR growth in the Public segment is accelerating, reaching a growth of 13%. This is driven by customer demand for recurring subscription models, rather than large, one-time implementation projects, giving customers a predictable cost level.

EBITDA was EUR 31 million (31), reaching a margin of 23% (25%). Visma continues to invest in innovative SaaS products, helping local government digitalise administrative processes to better serve their inhabitants.

In Norway, Visma won an important tender for the Værnes region. The win came as a result of a joint cooperation between Fremstik and Visma Enterprise, and there is a possible upside with new municipalities in the contract.

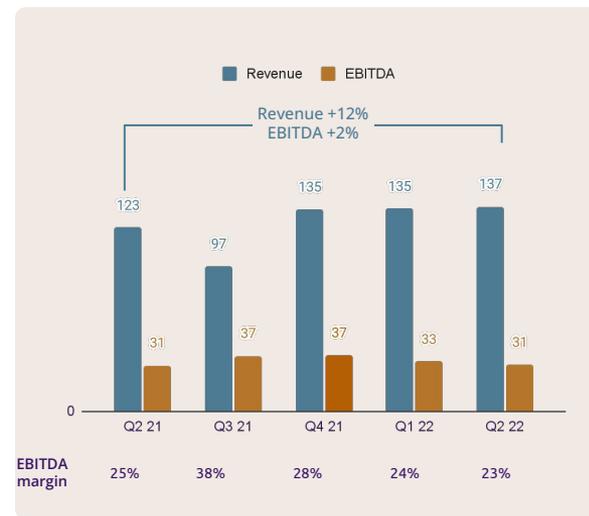
During the quarter, Visma strengthened its offering in the Netherlands with the acquisition of Genetics, a GovTech specialist providing SaaS solutions that simplify the permit process for municipalities, provinces, water boards and environmental organisations.

In June, Kasper Lyhr was appointed as the first pan Nordic director for Vismas Public segment, underlying its strong growth and increasing importance for the group.

ARR growth **13%**

ARPC € **24 000**

**18 500** customers



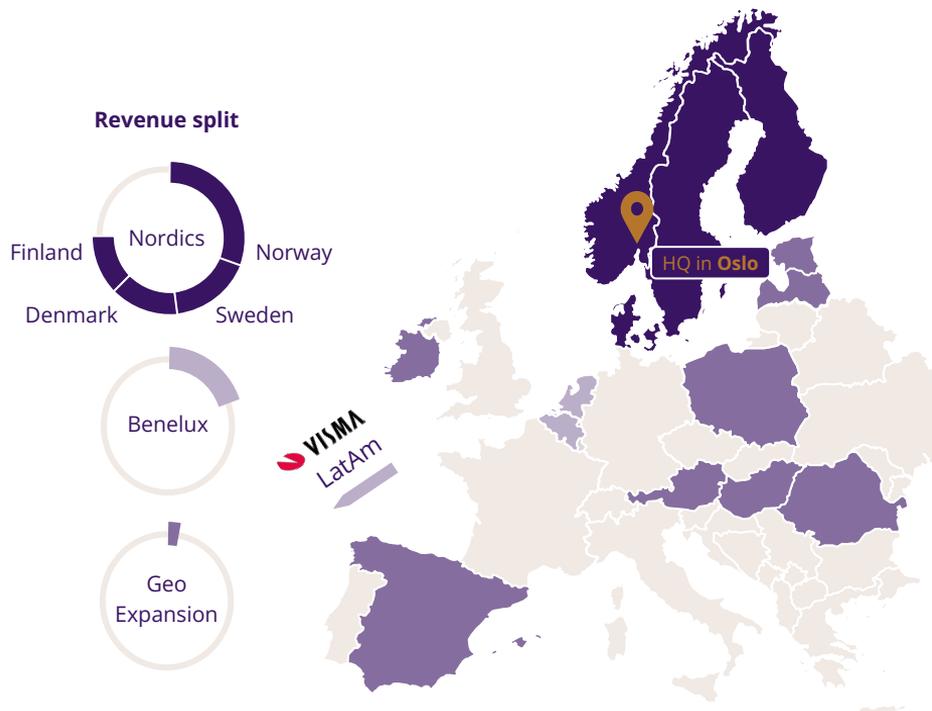
# Market outlook

The challenging macroeconomic climate continued in the second quarter, with the war in Ukraine, rising interest rates and fears of a global recession being the primary concerns. The central banks are in a difficult position, weighing to aggressively increase interest rates to fight off inflation while being mindful not to stifle economic growth.

In addition, the pressure on global supply chains continues as several major cities in China implemented extensive restrictions and lockdown measures during the winter and into the spring, due to a rising number of Covid-19 cases. The risk of new restrictions may continue to impact the global economy.

Despite the global uncertainty, Visma's core markets remain strong. Both the Nordic and Benelux regions show healthy development with solid economic activity. Our clients continue to invest in cloud software to modernise and further automate their business processes to increase efficiency. A diversified customer base, coupled with mission-critical software deliveries and a high degree of repeatable revenue makes Visma resilient towards a potential weaker development in the global economy.

Visma continues to expand and see substantial growth opportunities in both new and current core regions, and expects to maintain an active M&A agenda also in the second half of the year.



# 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 limited 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 economic environment globally. Visma has hedged around 50% of its interest exposure and maintains a solid financial position.

The company is actively reviewing the impact of inflation and adjusting prices towards customers to reflect the rising cost levels as appropriate

# Cyber security

Second quarter passed without material security or privacy incidents with customer impact.

We see increased risk for DDOS-attacks towards Visma sites as these are now priced and packaged on the dark web like any other legitimate service one can buy by the hour. Visma has staffed up its monitoring and security analytics to mitigate this risk and prepare for any scenario.

# 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, 12 July 2022, The Board of Directors of VISMA AS*

# Condensed interim financial information

## Consolidated statement of income

(EUR in thousands)	2nd quarter		1st half year		Year
	2022	2021	2022	2021	2021
<b>CONTINUING OPERATIONS</b>					
<b>OPERATING REVENUE</b>					
Sales revenue	601 514	520 109	1 180 537	1 011 554	2 080 984
<b>Total operating revenue</b>	<b>601 514</b>	<b>520 109</b>	<b>1 180 537</b>	<b>1 011 554</b>	<b>2 080 984</b>
<b>OPERATING EXPENSES</b>					
Sales and distribution costs (COGS)	94 885	85 873	187 969	167 163	332 854
<b>Gross profit</b>	<b>506 629</b>	<b>434 235</b>	<b>992 568</b>	<b>844 391</b>	<b>1 748 130</b>
Payroll and personnel expenses	293 876	249 991	575 050	484 085	965 855
Bad debts	651	684	849	1 117	3 517
Other operating expenses	63 005	41 925	123 940	82 773	183 983
<b>Total operating expenses</b>	<b>357 532</b>	<b>292 599</b>	<b>699 839</b>	<b>567 975</b>	<b>1 153 355</b>
<b>EBITDA before M&amp;A expenses</b>	<b>149 098</b>	<b>141 636</b>	<b>292 729</b>	<b>276 416</b>	<b>594 775</b>
M&A expenses	964	1 822	2 089	2 210	4 917
<b>EBITDA</b>	<b>148 133</b>	<b>139 815</b>	<b>290 641</b>	<b>274 205</b>	<b>589 857</b>
Depreciation tangible assets and capitalised R&D	8 500	8 646	16 465	16 300	34 731
Depreciation right of use assets	14 005	12 233	21 950	23 917	50 507
<b>EBITA</b>	<b>125 628</b>	<b>118 936</b>	<b>252 225</b>	<b>233 988</b>	<b>504 620</b>
Amortisation intangible assets	70 179	72 009	137 374	140 199	283 585
<b>Operating profit EBIT</b>	<b>55 450</b>	<b>46 926</b>	<b>114 851</b>	<b>93 789</b>	<b>221 035</b>
<b>Result from associated companies</b>	<b>(67)</b>	<b>0</b>	<b>(135)</b>	<b>0</b>	<b>0</b>
<b>FINANCIAL ITEMS</b>					
Financial income	7 501	2 462	37 215	3 873	23 518
Financial expenses	(46 389)	(31 986)	(92 826)	(55 172)	(137 627)
<b>Net financial items</b>	<b>(38 888)</b>	<b>(29 524)</b>	<b>(55 611)</b>	<b>(51 299)</b>	<b>(114 109)</b>
<b>Profit before taxes</b>	<b>16 495</b>	<b>17 403</b>	<b>59 105</b>	<b>42 490</b>	<b>106 925</b>
Taxes	3 644	3 916	13 033	9 560	25 703
<b>Net income from continuing operations</b>	<b>12 851</b>	<b>13 487</b>	<b>46 072</b>	<b>32 930</b>	<b>81 222</b>
<b>Net income</b>	<b>12 851</b>	<b>13 487</b>	<b>46 072</b>	<b>32 930</b>	<b>81 222</b>
<b>ATTRIBUTABLE TO:</b>					
Equity holders of Visma AS	12 851	13 567	46 105	33 055	81 683
Non-controlling interests	(0)	(80)	(33)	(125)	(461)
<b>EARNINGS PR SHARE</b>					
Basic earnings per share (EUR)	0,006	0,007	0,023	0,017	0,041
Diluted earnings per share (EUR)	0,006	0,007	0,023	0,017	0,041
EBITDA margin	24,6 %	26,9 %	24,6 %	27,1 %	28,3 %

## Consolidated statement of comprehensive income

(EUR in thousands)	2nd quarter		1st half year		Year
	2022	2021	2022	2021	2021
Net income	12 851	13 487	46 072	32 930	81 222
Net gain (loss) on financial hedging instruments, net of tax	23 392	2 610	54 531	9 622	18 708
Exchange differences on translation of foreign operations, net of tax	(25 946)	1 696	(20 966)	5 210	7 056
<b>Other comprehensive income (loss) for the period, net of tax</b>	<b>(2 554)</b>	<b>4 305</b>	<b>33 565</b>	<b>14 832</b>	<b>25 765</b>
Total comprehensive income for the period	10 297	17 792	79 637	47 762	106 987
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>					
Equity holders of Visma AS	10 298	17 873	79 671	47 887	107 448
Non-controlling interests	(0)	(80)	(33)	(125)	(461)

# Condensed interim financial information

Consolidated statement of financial position

(EUR in thousands)	30 June 2022	30 June 2021	31 March 2022	31 December 2021	(EUR in thousands)	30 June 2022	30 June 2021	31 March 2022	31 December 2021
<b>ASSETS</b>					<b>EQUITY AND LIABILITIES</b>				
Deferred tax assets	10 587	11 910	8 847	9 318	Paid-in capital	588 615	627 692	588 615	588 615
Patents and other intangible assets	537 305	544 026	498 244	487 274	Other reserves	75 993	31 496	78 547	42 428
Capitalised R&D cost own software	66 266	64 077	62 532	59 987	Retained earnings	824 477	690 667	811 626	778 372
Contracts and customer relationships	741 167	752 281	650 831	642 363	<b>Equity attributable to equity holders of Visma AS</b>	<b>1 489 086</b>	<b>1 349 855</b>	<b>1 478 788</b>	<b>1 409 415</b>
Goodwill	3 234 234	2 724 907	3 032 988	2 916 018	Non-controlling interests	3 926	2 604	4 118	4 180
Property, land and buildings	7 051	7 321	7 408	7 425	<b>Total equity</b>	<b>1 493 012</b>	<b>1 352 459</b>	<b>1 482 906</b>	<b>1 413 595</b>
Machinery and equipment	33 570	25 023	32 443	34 316	Deferred tax liability	364 193	347 969	313 227	283 462
Financial assets/Shares	3 661	2 755	3 182	3 109	Financial hedging Instruments	(58 935)	22 701	(28 945)	10 977
Investment in associated companies	1 032	0	1 100	0	Long-term interest bearing bank loans	2 652 533	2 410 340	2 713 803	2 701 126
Other long-term receivables	61 852	55 203	63 974	59 714	Accrued funding fees	(6 134)	(3 389)	(6 360)	(5 852)
Right of use assets	204 823	216 188	203 351	189 396	Long-term lease liabilities	170 713	164 585	171 513	150 823
Net Investment in subleases	3 847	2 075	4 279	1 794	Other long-term non interest bearing liabilities	363 782	229 137	300 708	267 675
<b>Total non-current assets</b>	<b>4 905 396</b>	<b>4 405 765</b>	<b>4 569 179</b>	<b>4 410 714</b>	<b>Total non-current liabilities</b>	<b>3 486 152</b>	<b>3 171 343</b>	<b>3 463 946</b>	<b>3 408 211</b>
Inventory	9 032	7 940	8 487	7 437	Bank overdraft	244 990	123 143	80 893	(0)
Accounts receivables	240 703	203 331	238 196	238 904	Short-term interest bearing bank loans	9 319	9 890	9 674	9 756
Other current receivables	123 875	99 413	137 767	79 220	Trade creditors	86 324	68 901	81 503	96 904
Cash and cash equivalents	796 826	810 343	1 058 385	958 114	Public duties payable	93 132	85 806	126 762	98 062
<b>Total current assets</b>	<b>1 170 436</b>	<b>1 121 026</b>	<b>1 442 835</b>	<b>1 283 676</b>	Tax payable	14 763	7 715	23 729	46 099
<b>TOTAL ASSETS</b>	<b>6 075 832</b>	<b>5 526 791</b>	<b>6 012 015</b>	<b>5 694 390</b>	Deferred revenue	293 365	251 794	354 928	206 696
					Short-term lease liabilities	48 698	57 066	46 414	54 666
					Other current liabilities	306 078	398 673	341 260	360 400
					<b>Total current liabilities</b>	<b>1 096 669</b>	<b>1 002 990</b>	<b>1 065 163</b>	<b>872 584</b>
					<b>Total liabilities</b>	<b>4 582 820</b>	<b>4 174 332</b>	<b>4 529 109</b>	<b>4 280 795</b>
					<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6 075 832</b>	<b>5 526 791</b>	<b>6 012 015</b>	<b>5 694 390</b>

# Condensed interim financial information

## Consolidated statement of cash flows

(EUR in thousands)	2nd quarter		1st half year		Year
	2022	2021	2022	2021	2021
<b>Ordinary profit before tax</b>	<b>16 495</b>	<b>17 403</b>	<b>59 105</b>	<b>42 490</b>	<b>106 925</b>
Depreciation right of use assets	14 005	12 233	21 950	23 917	50 507
Depreciation tangible assets	3 268	3 101	6 446	5 819	12 972
Depreciation capitalised R&D cost	5 232	5 545	10 019	10 481	21 759
Amortisation patents and other intangible assets	31 456	35 460	62 315	69 436	141 466
Amortisation contracts and customer relationships	38 723	36 549	75 059	70 763	142 119
Changes in debtors	(2 507)	369	(1 799)	(8 366)	(43 940)
Changes in inventory and trade creditors	4 276	5 682	(12 175)	2 633	31 139
Changes in public duties payable	(33 630)	(31 056)	(4 930)	(3 342)	8 914
Changes in deferred revenue	(61 563)	(50 370)	86 669	88 084	42 986
Changes in other accruals	62 007	29 204	31 999	(1 709)	41 944
<b>Net cash flow from operations (before tax)</b>	<b>77 762</b>	<b>64 119</b>	<b>334 659</b>	<b>300 206</b>	<b>556 791</b>
Tax paid	(17 797)	(18 418)	(46 968)	(44 268)	(59 937)
<b>Net cash flow from operations (after tax)</b>	<b>59 965</b>	<b>45 701</b>	<b>287 691</b>	<b>255 937</b>	<b>496 854</b>
Investment in tangible fixed assets related to business comb.	(1 137)	(2 222)	(1 443)	(3 217)	(9 294)
Investment in R&D software related to business combinations	(9 942)	(7 916)	(13 025)	(10 446)	(8 774)
Investment in businesses	(430 487)	(291 843)	(576 123)	(472 105)	(643 092)
Sale of (investment in) shares	(479)	(571)	(551)	(956)	(1 311)
<b>Net cash flow from investments related to business combinations</b>	<b>(442 044)</b>	<b>(302 552)</b>	<b>(591 142)</b>	<b>(488 724)</b>	<b>(662 471)</b>
Net proceeds from divestiture of discontinued operations	0	0	0	14 948	14 948
Cash inflow from dividends	0	1 026	0	1 026	1 013
Sale of (investment in) tangible fixed assets	(3 258)	(1 761)	(5 572)	(5 609)	(10 646)
Sale of (investment in) R&D own software	(1 193)	(1 168)	(2 238)	(2 283)	(4 881)
<b>Net cash flow from investments</b>	<b>(446 495)</b>	<b>(304 455)</b>	<b>(598 953)</b>	<b>(478 642)</b>	<b>(662 037)</b>
Repayments of interest bearing loans	0	0	(5 149)	(5 002)	(9 921)
Net proceeds from interest bearing loans	0	0	0	0	288 336
Changes in bank overdraft	166 000	123 143	246 792	123 143	0
Cashflow from leases	(14 375)	(15 870)	(24 655)	(30 802)	(61 881)
Changes in long term receivables	3 075	830	(223)	1 805	188
Net cash flow from share issues	0	1 966	0	1 966	1 966
Cash inflow from interest	422	552	510	1 092	710
Cash outflow from interest and fees	(4 259)	(12 913)	(49 735)	(54 912)	(96 502)
<b>Net cash flow from financing activities</b>	<b>150 863</b>	<b>97 708</b>	<b>167 540</b>	<b>37 290</b>	<b>122 896</b>
<b>Net cash flow from financing activities, continuing operations</b>	<b>150 863</b>	<b>97 708</b>	<b>167 540</b>	<b>37 290</b>	<b>122 896</b>
Cash flow from financing activities, discontinued operations	0	0	0	0	0
<b>Net cash flow</b>	<b>(235 667)</b>	<b>(161 045)</b>	<b>(143 722)</b>	<b>(185 414)</b>	<b>(42 288)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>1 058 385</b>	<b>975 521</b>	<b>958 114</b>	<b>987 357</b>	<b>987 357</b>
Net foreign exchange differences	(25 892)	(4 133)	(17 566)	8 400	13 045
<b>Cash and cash equivalents, end of period</b>	<b>796 826</b>	<b>810 343</b>	<b>796 826</b>	<b>810 343</b>	<b>958 114</b>
Net cash flow from operations (before tax) to EBITDA	52.5 %	45.9 %	115.1 %	109.5 %	94.4 %

## 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
<b>Equity as at 01.01.2021</b>	<b>625 726</b>	<b>16 663</b>	<b>657 612</b>	<b>1 300 001</b>	<b>2 730</b>	<b>1 302 731</b>
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
<b>Total comprehensive income for the period</b>		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
<b>Equity as at 31.12.2021</b>	<b>588 615</b>	<b>42 427</b>	<b>778 372</b>	<b>1 409 414</b>	<b>4 180</b>	<b>1 413 595</b>
<b>Equity as at 01.01.2022</b>	<b>588 615</b>	<b>42 427</b>	<b>778 372</b>	<b>1 409 414</b>	<b>4 180</b>	<b>1 413 595</b>
Issue of share capital	0			0		0
Profit for the period			46 105	46 105	(33)	46 072
Net gain (loss) on financial hedging instruments, net of tax		54 531		54 531		54 531
Exchange differences on translation of foreign operations, net of tax		(20 966)	0	(20 966)		(20 966)
<b>Total comprehensive income for the period</b>		33 565	46 105	79 671	(33)	79 637
Changes to non-controlling interest; acquisition and arising on business combination					(221)	(221)
<b>Equity at end of period</b>	<b>588 615</b>	<b>75 993</b>	<b>824 477</b>	<b>1 489 085</b>	<b>3 926</b>	<b>1 493 011</b>

# 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 1<sup>st</sup>

Visma's condensed interim financial statements for the second quarter of 2022 were authorised for issue by the board of directors on 12 July 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, Consulting and Cloud Infrastructure Services are reported as other. These aggregations has its 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 segments profit is Net operating income. Deferred tax assets, pension assets and non-current financial assets are not allocated to the segments.

2nd quarter	2022					2021				
	Small businesses	Medium & Large Enterprises	Public	Other	TOTAL	Small businesses	Medium & Large Enterprises	Public	Other	TOTAL
(EUR in thousands)										
<b>Revenue</b>										
Total segment revenue	158 636	233 669	148 518	162 127	702 950	128 005	203 479	132 628	152 347	616 459
Internal revenue	7 527	23 132	11 699	59 078	101 435	7 117	24 630	9 888	54 717	96 351
<b>External revenue</b>										
SaaS	126 462	134 349	80 953	8 558	350 321	96 813	105 372	68 377	3 361	273 923
Cloud Services	6 364	41 911	29 121	82 339	159 736	4 642	31 563	35 136	81 657	152 998
On premise software	16 954	31 628	22 288	2 508	73 378	17 777	37 400	18 582	2 681	76 481
Other	1 330	2 649	4 456	9 644	18 079	1 656	4 475	645	9 931	16 708
<b>External revenue</b>	<b>151 110</b>	<b>210 537</b>	<b>136 819</b>	<b>103 049</b>	<b>601 514</b>	<b>120 889</b>	<b>178 849</b>	<b>122 740</b>	<b>97 631</b>	<b>520 109</b>
Actual growth (external) %	25,0 %	17,7 %	11,5 %	5,5 %	15,7 %					
Repeatable revenue	146 212	191 306	113 861	17 685	469 064	116 451	159 437	102 946	46 595	425 430
<b>EBITDA</b>	<b>55 933</b>	<b>44 730</b>	<b>31 060</b>	<b>16 410</b>	<b>148 133</b>	<b>47 506</b>	<b>43 183</b>	<b>30 545</b>	<b>18 581</b>	<b>139 815</b>
EBITDA margin	37,0 %	21,2 %	22,7 %	15,9 %	24,6 %	39,3 %	24,1 %	24,9 %	19,0 %	26,9 %
<b>1st half year</b>										
(EUR in thousands)										
<b>Revenue</b>										
Total segment revenue	306 941	455 345	294 795	322 480	1 379 561	251 845	390 636	258 340	302 157	1 202 979
Internal revenue	14 884	45 419	22 687	116 033	199 023	15 076	48 775	19 490	108 083	191 425
<b>External revenue</b>										
SaaS	242 561	258 320	159 154	15 836	675 870	189 062	196 805	131 578	12 048	529 493
Cloud Services	12 658	83 465	58 810	167 245	322 179	9 056	61 934	67 833	156 905	295 728
On premise software	34 232	63 099	44 956	4 858	147 146	35 340	74 220	36 968	5 353	151 881
Other	2 606	5 041	9 187	18 508	35 343	3 311	8 901	2 471	19 768	34 452
<b>External revenue</b>	<b>292 057</b>	<b>409 925</b>	<b>272 108</b>	<b>206 447</b>	<b>1 180 537</b>	<b>236 769</b>	<b>341 861</b>	<b>238 850</b>	<b>194 074</b>	<b>1 011 554</b>
Actual growth (external) %	23,4 %	19,9 %	13,9 %	6,4 %	16,7 %					
Repeatable revenue	281 598	370 967	226 000	96 272	974 836	227 322	305 085	199 399	98 037	829 843
<b>EBITDA</b>	<b>106 242</b>	<b>88 467</b>	<b>64 063</b>	<b>31 869</b>	<b>290 641</b>	<b>94 765</b>	<b>84 096</b>	<b>57 775</b>	<b>37 569</b>	<b>274 205</b>
EBITDA margin	36,4 %	21,6 %	23,5 %	15,4 %	24,6 %	40,0 %	24,6 %	24,2 %	19,4 %	27,1 %

Reconciliation	2nd quarter		1st half year
	2022	2021	2022
<b>Profit before taxes</b>	<b>16 495</b>	<b>17 403</b>	<b>59 105</b>
Net financial items	38 888	29 524	55 611
Depreciations and amortisations	92 683	92 888	175 789
<b>EBITDA</b>	<b>148 134</b>	<b>139 815</b>	<b>290 573</b>
<b>EBITDA in operating segments</b>	<b>148 133</b>	<b>139 815</b>	<b>290 641</b>

### GEOGRAPHICAL AREAS

(EUR in thousands)	2022		%	Long lived assets
	Net sales			
Norway	368 389	31,2 %		1 028 630
Sweden	210 418	17,8 %		484 626
Denmark	162 649	13,8 %		534 864
Finland	162 155	13,7 %		301 862
Netherlands	217 114	18,4 %		1 631 311
Geo Expansion	59 812	5,1 %		597 678
<b>Total</b>	<b>1 180 537</b>	<b>100,0 %</b>		<b>4 578 972</b>
(EUR in thousands)	2021		%	Long lived assets
	Net sales			
Norway	314 538	31,1 %		1 016 375
Sweden	190 501	18,8 %		520 585
Denmark	134 412	13,3 %		424 675
Finland	138 433	13,7 %		234 372
Netherlands	196 637	19,4 %		1 523 143
Geo Expansion	37 033	3,7 %		366 141
<b>Total</b>	<b>1 011 554</b>	<b>100,0 %</b>		<b>4 085 291</b>

## NOTE 3 — Business Combinations

During the second quarter of 2022, the Visma Group had a net cash outflow from investment related to business combinations of EUR 442m. Below is the full list of acquisitions closed during the quarter. None of the acquired companies are significant in their own right, and 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.

- 1 April: IonProjects is a provider of ERP SaaS solution in Belgium
- 1 April: UHPO Procurement pooling provider in Sweden
- 4 April: Festum Software, building management software in Finland
- 12 April: Declarando a provider of Cloud accounting software in Spain
- 20 April: Genetics a eGov software provider in the Netherlands
- 22 April: Woffu a Time and Workforce Management software provider in Spain
- 3 May: Intempus, a Danish Time and Workforce Management provider
- 5 May: Contagram, Management Systems in Argentina
- 13 May: SmartTrackers, management system for sustainability tracking
- 17 May: Mandü, employee engagement and performance management in Peru
- 1 June: OWS Finland Oy, EDI messaging
- 1 June: Zilliz, Healthcare ERP provider in the Netherlands
- 6 June: Solidabis, software development company in Finland
- 21 June: Teamleader, PSA software in Benelux

(EUR in thousands)	Q2 2022
<b>Total acquisition cost</b>	<b>430 911</b>
Consideration transferred	333 276
Deferred payment	0
Contingent payment	108 543
Net cash acquired	(10 927)
Net assets before identified excess value	(11 796)
Technology	50 203
Brand	47 917
Contracts and customer relationships	119 595
Deferred taxes	(52 544)
<b>Fair value of net assets</b>	<b>153 376</b>
<b>Goodwill</b>	<b>277 535</b>

## KPIs

### Like for like 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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