

## Year-end report

January - December 2016

### Strengthened cash flow despite lower margins

#### SUMMARY FOR JANUARY - DECEMBER 2016

- Net sales SEK 675 M (618)
- Profit before tax SEK 81,9 M (94,7)
- Operating margin 13,1 % (16,3)
- Earnings per share before dilution SEK 2,27 (2,66)
- Cash flow from operations SEK 158,5 M (139,8)
- The board proposes a dividend of SEK 1,00 (0,90) per share

#### SUMMARY FOR OCTOBER - DECEMBER 2016

- Net sales SEK 193 M (170)
- Profit before tax SEK 24,3 M (26,9)
- Operating margin 13,3 % (16,7)
- Earnings per share before dilution SEK 0,71 (0,86)
- Cash flow from operations SEK 34,7 M (33,9)
- Acquisition of Plania AS

### CEO's comments

Vitec continues to grow and is now listed among the mid-sized Swedish companies. The Group's risk diversification across countries and business areas has further improved during the year. Sweden's share of Group sales were 42 percent this year compared to nearly 50 last year.

We made three acquisitions during the year. The latest, Plania AS in Stavanger December 2016, along with the other acquisitions, added approximately 110 million to the Group's turnover and profitability.

From an earnings point of view 2016 was a transitional year, although if cleared for negative currency effects the operating profit was slightly better than last year. Cash flow continues to improve. Fourth quarter results were weaker than last year,

but last year non-recurring items of close to five million flowed into Q4 2015, which partly distorts the comparison between years.

The proportion of recurring revenues decreased slightly to 77% (78%). However, the decline was less than we initially estimated. The business model is strong and well rooted in the Group. It has a momentum

that drives the internal culture and business in the desired direction more powerful than we dared to hope.

The operating margin for the full year was 13.1 percent, which is under our target of 15 percent. Market demand in our niches is sustainable in a long-term perspective, which means that our foundation is strong to continuously strive for improving efficiency and profitability.

The number of active acquisition dialogues remains high and we continue to devote significant resources to maintain and further develop these dialogues. Our financial position and readiness for acquisitions is good, and we see significant opportunities for further acquisition-based growth.

With a clear shift from traditional license sales to subscription of cloud-based systems reduces reliance on individual license sales, which increases our long-term ability to control our business. This, together with our people's great capacity to innovate and integrate acquisitions, provides good conditions for long-term development of our business. With the acquisition of well-established companies and a high proportion of recurring revenues, Vitec continues the path to act in several independent and specialized niches to achieve sustainable profitable growth. As usual, we increase the dividend. Now for the 15th consecutive year.

Lars Stenlund, CEO



## *January - December 2016*

Vitec continues to grow. Plania AS, which will belong to Business Area Real Estate, has been acquired during the last quarter and Tietomitta OY and Futursoft OY were acquired earlier in 2016. Each acquisition allows Vitec to achieve a better balance between various business areas, and the three new acquisitions during the year are helping to even out the distribution of profits and sales. Our product mix is also positively affected through our acquisitions and the software development we do in existing business. Our products are relatively evenly distributed across various phases, from recently launched to mature. For the year as a whole, the Estate Agents, Energy and Health business areas are reporting lower profits than in 2015, whereas the Finance & Insurance, Real Estate and Auto business areas are all reporting higher profits. Business Area Environment has been added during the year and is contributing with a positive impact on profits and Business Area Media was sold in July 2016.

### ***Business Area AUTO***

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Business Area Auto is reporting slightly lower profits during the last quarter compared to the same period in 2015. For the full year, however, both sales and profits are increasing. Erling Brækkan has been recruited as the new business Area Manager for our Norwegian operation. Erling is assuming responsibility for the companies Vitec Autodata AS and Vitec Infoeasy AS. Our business in Denmark are developing according to plan for all product areas. The cloud-based offering from Futursoft has been received positively by the market in Finland.

### ***Business Area ENERGY***

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Business Area Energy has continued to increase the number of new customers in Europe as a result of its intensified investment in marketing during the year. The rise in incoming orders for our GIS system is also worth mentioning. The business area is in a strong position with an operating margin of 28%, even though this is slightly lower than the even stronger 2015.

### ***Business Area REAL ESTATE***

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The Norwegian software company Plania AS was acquired on the 5:th of December,. Plania is an established, mature company that offers software developed in-house for real estate management, operation and maintenance. In Sweden, the business area is growing through upgrades for existing customers, at the same time as achieving high sales to new customers. More and more customers are opting for our cloud service, which is providing our customers with greater benefit from our software at the same time as enabling us to provide an even better level of service. Both sales and profit levels are growing for Business Area Real Estate.

### ***Business Area FINANCE & INSURANCE***

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Sales and profits developed in a positive direction during the fourth quarter. All three countries in which we have operations, Sweden, Norway and Denmark, are developing in line with our expectations. During the period, Fredrik Glifberg has been recruited as the new business area manager for our operation in Sweden. We have seen increased demand for our products in Denmark during the year. Demand is being driven by the fact that we have now launched the latest version of our product, as well as by new regulations in the market such as MiFiD II. In December, a contract was signed with PensionDanmark with an initial value of DKK 8 million.

### ***Business Area HEALTH***

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During the last quarter, Business Area Health has continued to focus on delivery to a couple of major customers. As we have mentioned in previous reports, this is having a negative impact on profitability, although in the long term the business area will be strengthened through increased recurring revenue. The deliveries are continuing according to plan, and we are expecting them to be completed during the first half of 2017. The business area is reporting increased income and falling profits. Recurring income during the year has increased by 12% in local currency.

### ***Business Area MEDIA***

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In July, the operations within Business Area Media were sold to XLENT Consulting Holding AB.

### ***Business Area ESTATE AGENTS***

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Business Area Estate Agents is reporting lower profits and sales for 2016, with various major customers leaving in favor of alternatives developed in-house. While this has been a year with many challenges, we welcome the fact that we are finishing the year with a strong offering. Thanks to our intensive development work, we are the market-leaders and supply the most modern solutions for estate agents in Norway and Sweden. Our products – Next and Express – are fully mobile and suitable for all types of computers, tablets and mobile phones, with open integration options for supplementary systems. 2017 will continue to be an intensive year in terms of development but we are already adjusting so that we can offer our new products to the market at an increasingly rapid rate.

## Financial information

### SALES AND RESULTS

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#### October-December 2016

##### REVENUES

Net sales for the period amounted to SEK 192,6 million (170,1), which represents an increase of 13 %. Recurring revenue for the period increased by 12 % from the previous year and amounted to SEK 140,3 million (125,4), corresponding to 72,9 % (73,7) of net sales. License revenue declined marginally from the previous year and amounted to SEK 9,1 million (7,9). Service revenues increased by 15 % from the previous year and amounted to SEK 37,3 M (32,4). The acquired company Tietomitta OY, which was consolidated from 5<sup>th</sup> of July, contributed during the period with net sales of SEK 9,6 million. Futursoft OY, which was consolidated from 7<sup>th</sup> of September contributed with SEK 12,5 million. Plania AS, which was consolidated from 5<sup>th</sup> of December contributed with SEK 2,2 million.

##### RESULTS

Operating profit amounted to SEK 25,6 million (28,4) with an operating margin of 13,3 % (16,7). Profit after tax amounted to SEK 21,0 million (25,2). Earnings per share before dilution were SEK 0,71 (0,86).

#### January-December 2016

##### REVENUES

Net sales for the period amounted to SEK 675,4 million (618,4), which represents an increase of 9 %. Recurring revenue for the period increased by 8 % from the previous year and amounted to SEK 518,5 million (480,6), corresponding to 76,8 % (77,7) of net sales. License revenue increased by 7 % from the previous year and amounted to SEK 24,8 million (23,1). Service revenues increased by 14 % from the previous year and amounted to SEK 121,1 M (106,2). The acquired company Tietomitta OY, which was consolidated from 5 July contributed during the period with net sales of SEK 18,4 million. Futursoft OY, which was consolidated from September 7<sup>th</sup> contributed with 18,8 million. Plania AS, which was consolidated from December 5<sup>th</sup> contributed with SEK 2,2 million.

##### RESULTS

Operating profit amounted to SEK 88,3 million (100,6) with an operating margin of 13,1 % (16,3). The decline in operating profit is attributable to higher depreciation on intangible assets and unrealized exchange losses. Profit after tax amounted to SEK 66,8 million (78,2). Earnings per share before dilution were SEK 2,27 (2,66).

### LIQUIDITY AND FINANCIAL STATUS

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The Group's cash and cash equivalents, including short-term investments, at end of period amounted to SEK 80,9 million (60,3). In addition to these cash and cash equivalents, was a bank overdraft facility of SEK 20 million, and SEK 5,0 million in an unused credit facility of SEK 250 million. During the period, SEK 168,5 million was used to finance acquisitions. Cash flow from operating activities was SEK 158,5 million (139,8). Investments totaled SEK 82,3 million in capitalized work, SEK 1,5 million in other intangible assets and SEK 9,0 million in tangible assets.

Total interest-bearing liabilities amounted on December 31, 2016 to SEK 383,5 million (241,1) distributed on long term debt SEK 339,4 million (207,2) and short-term interest-bearing liabilities SEK 44,1 million (33,9). During the period the convertible loan was reclassified from long- to short-term debt since when due date is in November 2017.

Equity attributable to Vitec's shareholders amounted to SEK 334,2 million (271,5). The equity ratio was 30 % (31). Paid dividend amounts to SEK 0,90 per share, totaling SEK 26,5 million.

## Operations

Vitec Group operations are controlled and organized in seven segments (business areas). For more information on each business area, refer to [www.vitecsoftware.com](http://www.vitecsoftware.com). The business areas are; Auto, Energy, Real Estate, Finance & Insurance, Health, Media, Environment and Estate Agent.

BUSINESS AREAS	Auto		Energy		Real Estate		Finance & Insurance		Health		Media		Environment		Estate Agent	
	2016 Jan- Dec	2015 Jan- Dec														
Recurring revenues	96,8	60,0	18,4	17,3	89,2	82,0	99,7	77,2	54,6	48,3	2,7	4,6	11,6	-	145,1	191,1
License revenue	3,0	0,5	0,0	0,0	11,5	9,2	6,1	6,8	0,0	0,3	0,0	0,8	2,4	-	1,8	5,6
Services revenue	14,1	7,1	7,4	6,6	55,2	49,3	20,3	16,5	11,2	12,1	1,9	5,2	3,1	-	7,8	9,2
Other income	5,2	3,4	0,1	0,2	2,5	2,0	0,6	0,8	0,3	0,8	0,0	0,0	1,4	-	0,5	1,1
Net sales	119,2	71,1	25,9	24,1	158,4	142,6	126,6	101,2	66,2	61,5	4,6	10,5	18,4	-	155,3	207,0
Recurring revenue as a percentage of net sales	81%	84%	71%	72%	56%	58%	79%	76%	83%	79%	58%	44%	63%	-	93%	92%
Operating profit	19,2	14,9	7,3	8,8	29,8	24,9	20,3	13,9	1,9	5,7	1,0	2,4	2,4	-	11,1	33,2
Operating margin	16%	21%	28%	37%	19%	17%	16%	14%	3%	9%	21%	23%	13%	-	7%	16%

### Business Area AUTO

The segment consists of Vitec AutoData AS, Vitec Datamann A/S, Vitec Infoeasy AS and Futursoft OY. The business area offers software specialized for

the unique needs of the automotive and the machinery industries. Datamann and Infoeasy were consolidated as of July 1 and 2, 2015 and Futursoft was consolidated as of September 7 2016.

### Business Area ENERGY

The segment consists of Vitec Energy AB. The business area offers business systems for forecasting wind power, electricity and heating needs, as well as

for the technical management and maintenance of distribution networks.

### Business Area REAL ESTATE

The segment consists of Vitec Fastighetssystem AB, Vitec Förvaltningssystem AB, Vitec Capifast AB, Vitec Software AB and Vitec Plania AS. The

business area offers business systems for construction and real estate companies. Plania was consolidated as of December 5, 2016.

### Business Area FINANCE & INSURANCE

The segment consists of Vitec Capitex AB, the Group Alloc A / S and Vitec Nice AS. The business area offers business systems for the finance and

insurance industry, as well as standardized software for tax calculations, pension calculations and housing calculations.

### Business Area HEALTH

The segment consists of the Group Acuvitec Oy. The business area offers business systems for elec-

tronic handling of medical records for healthcare.

### Business Area MEDIA

During the period, the Group Vitec Veribas was sold. Remaining in the segment is 3L Media AB. Net sales and profit for the period includes the Group Vitec

Veriba before date of sale. The business area offers business systems for newspaper publishers and companies supplying special solutions within distribution.

### Business Area ENVIRONMENT

The segment consists of Tietomitta OY, which was acquired July 5, 2016. The business area offers a product, which is an ERP system for waste management companies. It manages the entire chain of waste

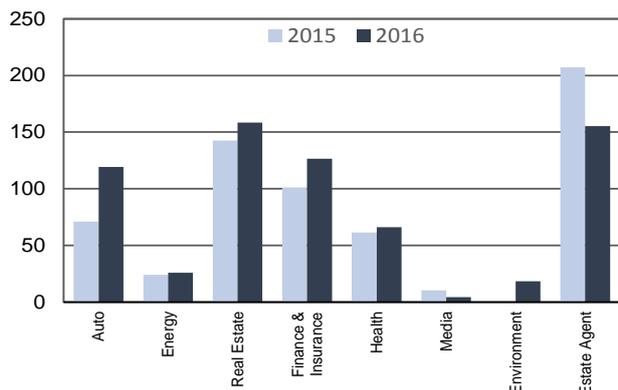
management, from pick-up to billing, accounting and reporting.

### Business Area ESTATE AGENTS

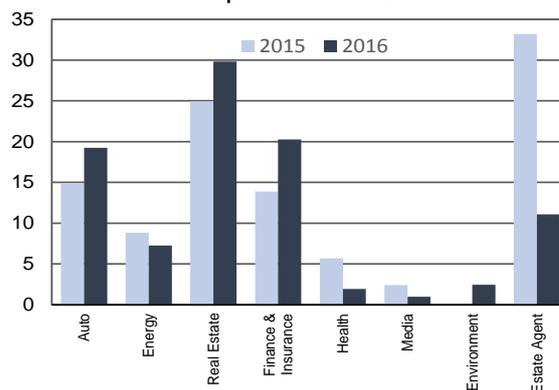
The segment consists of Vitec Mäklarsystem AB, Capitex AB, Vitec IT-Makeriet AS, the Group Vitec Megler AS, Vitec Fox AS and ADservice Scandinavia

AB. The business area offers business systems for real estate agents.

Net sales Jan-Dec (MSEK)



Operating profit Jan-Dec (MSEK) before acquisition related costs



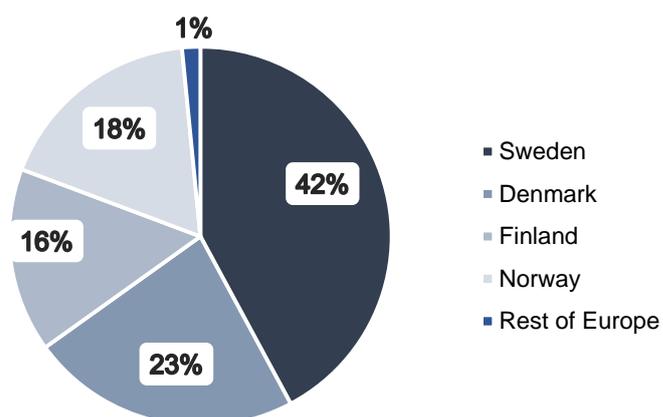
## RESULT OVERVIEW FOR SEGMENTS

BUSINESS AREA	NET SALES (MSEK)				PROFIT BEFORE ACQUISITION RELATED COSTS (MSEK)			
	2016		2015		2016		2015	
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Auto	40,1	26,1	119,2	71,1	6,6	7,8	19,2	14,9
Energy	6,7	6,8	25,9	24,1	1,3	3,0	7,3	8,8
Real Estate	47,3	41,0	158,4	142,6	9,6	6,8	29,8	24,9
Finance & Insurance	34,6	26,9	126,6	101,2	6,6	3,1	20,3	13,9
Health	19,5	15,4	66,2	61,5	1,2	-0,2	1,9	5,7
Media	0,2	2,3	4,6	10,5	0,2	0,2	1,0	2,4
Environment	9,7	0,0	18,4	0,0	1,3	0,0	2,4	0,0
Estate Agent	34,3	51,5	155,3	207,0	-0,1	8,6	11,1	33,2
Shared	0,3	0,0	1,0	0,4	-	-	-	-
<b>Vitec Group</b>	<b>192,6</b>	<b>170,1</b>	<b>675,4</b>	<b>618,4</b>	<b>26,6</b>	<b>29,2</b>	<b>93,1</b>	<b>103,9</b>
Acquisition-related costs					-1,0	-0,8	-4,8	-3,2
<b>Operating profit after acquisition-related costs</b>					<b>25,6</b>	<b>28,4</b>	<b>88,3</b>	<b>100,6</b>
Net financial income/expense					-1,2	-1,5	-6,4	-5,9
<b>Profit before tax</b>					<b>24,3</b>	<b>26,9</b>	<b>81,9</b>	<b>94,7</b>

## SALES BY GEOGRAPHY

Vitec is a Nordic software company and our customers are mainly in Sweden, Denmark, Finland and Norway, we also have a number of customers in other parts of the world. The following table and pie chart shows the Group's revenue based on where the customer is established.

MARKET	NET SALES (MSEK)			
	2016 Jan-Dec	%	2015 Jan-Dec	%
Sweden	284,7	42,2%	308,1	49,8%
Denmark	154,6	22,9%	99,8	16,1%
Finland	106,0	15,7%	64,1	10,4%
Norway	119,5	17,7%	142,1	23,0%
Rest of Europe	10,4	1,5%	4,1	0,7%
Rest of world	0,2	0,0%	0,1	0,0%
<b>SUM</b>	<b>675,4</b>	<b>100,0%</b>	<b>618,4</b>	<b>100,0%</b>



## *Significant events during the fourth quarter*

### DECEMBER 2: PensionDanmark chooses PORTMAN from Vitec

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Vitec Aloc A/S has entered into an agreement with PensionDanmark, that PensionDanmark will use PORTMAN as their Portfolio Management system to manage PensionDanmarks investment portfolio of 194 Billion Danish Kroner. The signed deal has a revenue at approx. 8 MDKK, and a continuing annual subscription agreement.

PensionDanmark found that Vitec's software solution is a perfect match to the demands and needs defined by a company as PensionDanmark, which gives them the possibility to handle multiple assets in one system

### JULY 5: Vitec acquires Plania AS in Norway

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Vitec Software Group AB (publ) has on December 5 agreed to acquire 100 % of the shares in the Norwegian software company Plania AS, specialized in software for real estate administration, facility management and property maintenance. The company is expected to report sales of 28.5 MNOK for the fiscal year of 2016, with approximately 48 % recurring revenue and

an EBITDA of 6.6 MNOK.

Payment is in cash at closing. Acquisition is expected to directly result in an increase in earnings per share for Vitec. Consolidation is from December 5. The acquired company will be included in the Vitec business segment "Real Estate".

## *Significant events after the end of the period*

### JANUARI 3: Vitec moves from Small Cap to Mid Cap on Nasdaq Stockholm

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Vitec Software Group AB's class B share (VIT B) has moved from the Small Cap segment to the Mid Cap segment of Nasdaq Stockholm as a result of Nasdaq's annual review of market cap values on the Nordic markets. The Vitec shares

trades in the Mid Cap segment as of January 2, 2017. The Mid Cap segment includes companies with a market capitalization between EUR 150 million and EUR 1 billion.

## *Risks and uncertainties*

Vitec's significant risks and uncertainties are described in the Directors' Report in the Annual Report for 2015 under the heading "Risks and Uncertainties" on pages 32-33, in note 1 under "Assumptions and estimates" on page 50 and in note 20, "Financial risks and their management" on pages 63-65. No significant changes have occurred since then.

## *The Parent Company*

Net sales amounted to SEK 98,3 million (100,4) and consisted primarily of sales to subsidiaries for services rendered. Profit after tax amounted to SEK 56,9 million (54,4). The value of shares in subsidiaries was during the period adjusted down by SEK 1,5 million and SEK 21,2 million relating to downward adjustments of contingent considerations for Fox Publish AS and Acuvitec OY. Short-term non-interest-bearing liabilities decreased correspondingly. The Parent Company is exposed to the same risks and uncertainties as the group in general, see above under section Risks and uncertainties.

## *Transactions with related parties*

No significant related party transactions have occurred in the Group and Parent Company during the period.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

<b>SEK (thousands)</b>	<b>2016 Oct-Dec</b>	<b>2015 Oct-Dec</b>	<b>2016 Jan-Dec</b>	<b>2015 Jan-Dec</b>
<b>OPERATING REVENUE</b>				
Recurring revenues	140 319	125 395	518 512	480 552
License revenues	9 079	7 890	24 789	23 098
Service revenues	37 260	32 392	121 116	106 191
Other revenues	5 926	4 390	10 997	8 544
<b>NET SALES</b>	<b>192 584</b>	<b>170 067</b>	<b>675 414</b>	<b>618 385</b>
Capitalized development costs	25 935	17 039	82 262	65 533
Reversal of additional purchase price	-	-	22 695	11 213
<b>SUM</b>	<b>218 519</b>	<b>187 106</b>	<b>780 371</b>	<b>695 131</b>
<b>OPERATING EXPENSES</b>				
Goods for resale	-3 729	-2 088	-12 284	-6 835
Subcontractors and subscriptions	-26 593	-20 989	-82 024	-82 890
Other external expenses	-31 354	-26 498	-92 927	-84 967
Staff costs	-105 573	-88 839	-380 023	-336 133
Depreciation of tangible assets	-2 474	-2 909	-10 195	-11 233
Depreciation of intangible assets	-22 282	-20 422	-81 366	-63 392
Impairment of goodwill	-	-	-22 695	-11 213
Unrealized exchange gains and losses	40	3 853	-5 798	5 383
<b>TOTAL COSTS</b>	<b>-191 965</b>	<b>-157 892</b>	<b>-687 312</b>	<b>-591 280</b>
<b>OPERATING PROFIT BEFORE ACQUISITION-RELATED COSTS</b>	<b>26 554</b>	<b>29 214</b>	<b>93 059</b>	<b>103 851</b>
Acquisition-related costs	-995	-841	-4 754	-3 244
<b>OPERATING PROFIT AFTER ACQUISITION-RELATED COSTS</b>	<b>25 559</b>	<b>28 373</b>	<b>88 305</b>	<b>100 607</b>
Financial income	449	535	773	826
Financial expense	-1 690	-1 999	-7 136	-6 747
<b>TOTAL FINANCIAL ITEMS</b>	<b>-1 241</b>	<b>-1 464</b>	<b>-6 363</b>	<b>-5 921</b>
<b>PROFIT BEFORE TAX</b>	<b>24 318</b>	<b>26 909</b>	<b>81 942</b>	<b>94 686</b>
Tax	-3 302	-1 728	-15 128	-16 495
<b>NET PROFIT</b>	<b>21 016</b>	<b>25 181</b>	<b>66 814</b>	<b>78 191</b>
<b>OTHER COMPREHENSIVE INCOME, ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS</b>				
Currency translation differences	-3 548	-10 355	22 318	-19 942
<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-3 548</b>	<b>-10 355</b>	<b>22 318</b>	<b>-19 942</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>17 468</b>	<b>14 826</b>	<b>89 132</b>	<b>58 249</b>
<b>PROFIT FOR THE PERIOD ATTRIBUTABLE TO</b>				
-Shareholders of the Parent Company	21 016	25 181	66 814	78 191
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO</b>				
-Shareholders of the Parent Company	17 468	14 826	89 132	58 249
<b>EARNINGS PER SHARE</b>				
-Before dilution (SEK)	0,71	0,86	2,27	2,66
-After dilution (SEK)	0,70	0,84	2,25	2,64
Average number of shares	29 396 690	29 396 690	29 396 690	29 396 690
Number of shares after dilution	29 838 900	29 838 900	29 838 900	29 788 016

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK (thousands)	2016-12-31	2015-12-31
<b>ASSETS</b>		
<b>FIXED ASSETS</b>		
<i>Intangibles assets</i>	809 612	615 327
<i>Tangible fixed assets</i>	34 267	29 377
<i>Finacial assets</i>	950	835
<i>Deferred tax</i>	4 185	5 952
<b>TOTAL FIXED ASSETS</b>	<b>849 014</b>	<b>651 491</b>
<b>CURRENT ASSETS</b>		
<i>Inventories</i>	1 031	399
<i>Receivables</i>	165 726	159 861
<i>Short-term investments</i>	43	-
<i>Cash and equivalents</i>	80 877	60 268
<b>TOTAL CURRENT ASSETS</b>	<b>247 677</b>	<b>220 528</b>
<b>TOTAL ASSETS</b>	<b>1 096 691</b>	<b>872 019</b>
<b>EQUITY AND LIABILITIES</b>		
<i>Equity</i>	334 213	271 538
<i>Long-term liabilities, interest bearing</i>	339 395	207 222
<i>Long-term liabilities, non-interest bearing</i>	157 129	102 559
<i>Short-term liabilities, interest bearing</i>	44 126	33 845
<i>Short-term liabilities, non-interest bearing</i>	221 828	256 855
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 096 691</b>	<b>872 019</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK (thousands)	2016 Oct-Dec	2015 Oct-Dec	2016 Jan-Dec	2015 Jan-Dec
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY</b>				
At beginning of period	316 745	256 713	271 538	260 130
Conversion bonds	-	-	-	-27 145
Dividend	-	-	-26 457	-19 696
Total comprehensive income for the period	17 468	14 826	89 132	58 249
<b>AT END OF PERIOD</b>	<b>334 213</b>	<b>271 538</b>	<b>334 213</b>	<b>271 538</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

<b>SEK (thousands)</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Oct-Dec</b>	<b>Oct-Dec</b>	<b>Jan-Dec</b>	<b>Jan-Dec</b>
<b>OPERATING ACTIVITIES</b>				
Operating profit	25 559	28 373	88 305	100 607
<i>Adjustments for items not included in cash flow</i>				
Other operating income	-	-	-22 695	-11 213
Depreciation/amortisation and impairment	24 756	23 331	114 256	85 838
Unrealized exchange gains/losses*	-40	-3 832	5 798	-5 383
	<b>50 275</b>	<b>47 872</b>	<b>185 664</b>	<b>169 849</b>
Interest received	448	535	117	826
Interest paid	-966	-1 999	-5 553	-6 747
Tax paid	-12 750	-9 148	-27 471	-14 177
<b>CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL</b>				
	<b>37 007</b>	<b>37 260</b>	<b>152 757</b>	<b>149 751</b>
<i>Changes in working capital</i>				
Change in inventories	47	-41	95	51
Change in accounts receivables*	-56 744	-66 762	2 659	-6 115
Change in operating receivables	11 836	12 966	1 265	1 333
Change in accounts payable*	1 727	1 398	3 534	-2 641
Change in operating liabilities	40 845	49 123	-1 860	-2 587
<b>CASH FLOW FROM CURRENT OPERATIONS</b>				
	<b>34 718</b>	<b>33 944</b>	<b>158 450</b>	<b>139 792</b>
<b>INVESTMENT ACTIVITIES</b>				
Acquisition of subsidiaries, net**	-53 759	-18 183	-156 112	-85 580
Sale of subsidiaries	-	-	4 217	-
Acquisition of intangible assets and capitalized development costs	-22 677	-21 680	-83 763	-70 174
Acquisition of tangible assets	-6 280	-3 616	-9 046	-11 821
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>				
	<b>-82 716</b>	<b>-43 479</b>	<b>-244 704</b>	<b>-167 575</b>
<b>FINANCING ACTIVITIES</b>				
Dividend	-	-	-26 457	-19 696
Redemption convertible loan	-	-	-	-36 781
New loans	52 889	21 762	185 466	102 901
Amortisation of loans	-10 407	-9 130	-49 865	-34 478
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>				
	<b>42 482</b>	<b>12 632</b>	<b>109 144</b>	<b>11 946</b>
<b>CASH FLOW FOR THE PERIOD</b>				
	<b>-5 516</b>	<b>3 097</b>	<b>22 890</b>	<b>-15 837</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>				
	86 467	55 416	60 268	71 114
Exchange-rate differences in cash and cash equivalents	-31	1 755	-2 238	4 991
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>				
	<b>80 920</b>	<b>60 268</b>	<b>80 920</b>	<b>60 268</b>

\*Change in accounts receivable and change in accounts payable are from 2016 reported separately. The adjustments for items not included in cash flow includes unrealized foreign exchange differences. Comparative figures have been restated for this, see table on next page.

\*\* Payment for acquisition of subsidiaries in 2016 consisted of proceeds for Tietomitta OY, Futursoft OY and Plania AS. Net cash outflow amounted to SEK 141,2 million. All acquisitions related to the entire outstanding share capital and meant that control was obtained in all companies. Additional payments for the acquisition of Fox Publish AS SEK 2,9 million and Acuvitec OY SEK 11,9 million were also made. The payments did not result in any changes in share capital or control.

Payment for acquisition of subsidiaries in 2015 consisted of proceeds for Fox Publish AS, ADservice Scandinavia AB, Datamann A/S, Infoeasy AS and Nice AS. Net cash outflow amounted to SEK 80,6 million. All acquisitions related to the entire outstanding share capital and meant that control was obtained in all companies. During the period an additional payment was made for the acquisition of Alloc A/S SEK 4,9 million. The payment did not result in any changes in share capital or control.

## RESTATEMENT OF COMPARATIVE FIGURES OCTOBER-DECEMBER 2015

SEK (thousands)	Previously Reported Value 2015 Oct-Dec	Adjustment Operating liabilities and cash flow	Adjustment Operating receivables and cash flow	Reported Value 2015 Oct-Dec
Unrealized exchange gains/losses	0	-3 832		-3 832
Tax Paid	1 070	-10 218		-9 148
<b>Cash flow from operating activities before changes in working capital</b>	<b>51 310</b>	<b>-14 050</b>		<b>37 260</b>
Change in accounts receivables	0		-66 762	-66 762
Change in operating receivables	-53 819		66 785	12 966
Change in accounts payable	0	1 398		1 398
Change in operating liabilities	36 471	12 652		49 123
<b>Cash flow from current operations</b>	<b>33 921</b>	<b>0</b>	<b>23</b>	<b>33 944</b>
Change in long-term receivables	23		-23	0
<b>Cash flow from investment activities</b>	<b>-43 456</b>		<b>-23</b>	<b>-43 479</b>

## RESTATEMENT OF COMPARATIVE FIGURES JANUARY-DECEMBER 2015

SEK (thousands)	Previously Reported Value 2015 Jan-Dec	Adjustment Operating liabilities and cash flow	Adjustment Operating receivables and cash flow	Reported Value 2015 Jan-Dec
Unrealized exchange gains/losses	0	-5383		-5383
Tax Paid	-14 177	0		-14 177
<b>Cash flow from operating activities before changes in working capital</b>	<b>155 134</b>	<b>-5 383</b>		<b>149 751</b>
Change in accounts receivables	0		-6 115	-6 115
Change in operating receivables	-4 281		5 614	1 333
Change in accounts payable	0	-2 641		-2 641
Change in operating liabilities	-10 611	8 024		-2 587
<b>Cash flow from current operations</b>	<b>140 293</b>	<b>0</b>	<b>-501</b>	<b>139 792</b>
Change in long-term receivables	-501		501	0
<b>Cash flow from investment activities</b>	<b>-168 076</b>		<b>501</b>	<b>-167 575</b>

**INCOME STATEMENT, PARENT COMPANY**

SEK (thousands)	2016 Oct-Dec	2015 Oct-Dec	2016 Jan-Dec	2015 Jan-Dec
<b>NET SALES</b>	<b>34 887</b>	<b>32 249</b>	<b>98 337</b>	<b>100 426</b>
Operating costs	-30 104	-20 846	-101 864	-75 494
<b>OPERATING RESULT</b>	<b>4 783</b>	<b>11 403</b>	<b>-3 527</b>	<b>24 932</b>
<b>RESULT FROM FINANCIAL INVESTMENTS</b>				
Income from shares in group companies	56 811	39 907	58 335	39 907
Financial income	615	-161	738	516
Financial expense	-1 757	-1 718	-6 382	-6 235
<b>PROFIT AFTER FINANCIAL NET</b>	<b>60 452</b>	<b>49 431</b>	<b>49 164</b>	<b>59 120</b>
Appropriations	7 781	-822	7 781	-822
<b>PROFIT BEFORE TAX</b>	<b>68 233</b>	<b>48 609</b>	<b>56 945</b>	<b>58 298</b>
Tax	-9	-1 737	-9	-3 869
<b>NET PROFIT</b>	<b>68 224</b>	<b>46 872</b>	<b>56 936</b>	<b>54 429</b>

The results of the period are consistent with the total comprehensive income.

**BALANCE SHEET, PARENT COMPANY**

SEK (thousands)	2016-12-31	2015-12-31
<b>ASSETS</b>		
<b>FIXED ASSETS</b>		
Intangible assets	3 941	3 827
Tangible assets	12 015	13 179
Financial assets	873 802	694 898
<b>TOTAL FIXED ASSETS</b>	<b>889 758</b>	<b>711 904</b>
<b>CURRENT ASSETS</b>		
Receivables	82 710	43 394
Cash and equivalents	60 557	45 306
<b>TOTAL CURRENT ASSETS</b>	<b>143 267</b>	<b>88 700</b>
<b>TOTAL ASSETS</b>	<b>1 033 025</b>	<b>800 604</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>	301 718	271 240
<b>UNTAXED RESERVES</b>	2 341	2 222
<b>LONG-TERM LIABILITIES</b>	367 706	212 001
<b>SHORT-TERM LIABILITIES</b>	361 260	315 141
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 033 025</b>	<b>800 604</b>

## Annotations

### ACCOUNTING AND VALUATION PRINCIPLES AND OTHER COMMENTS

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This report has been prepared in accordance with IAS 34 Interim Financial Reporting. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, IFRS, as adopted by the EU and the Swedish Annual Accounts Act. The parent company's financial statements have been prepared in accordance with the Annual Accounts Act and recommendation RFR 2 Accounting for Legal Entities. The new standards, amendments and interpretations to existing standards that have entered into force in 2016, has had no impact on the consolidated financial position or financial reports. The accounting policies and calculation methods are unchanged from the one described in the Annual Report for 2015 with the exception of the calculation of hedge investments in foreign operations.

The Group has taken out loans in foreign currencies (EUR, NOK and DKK) to hedge investments in foreign subsidiaries. The loans are valued at the exchange rate on the balance sheet date. The Group recognizes exchange rate differences directly to equity, after adjustment for tax element. Any ineffective element of the exchange rate difference is recognized directly in the income statement as a financial item.

As of July 1, 2016 the hedge accounting has been expanded to include the company's bank accounts in foreign currency. The accounts has a negative balance, and can be seen as an overdraft facility. The balance of the accounts are valued at the exchange rate on the balance sheet date, and the exchange rate difference is recognized directly to equity, after adjustment for tax element. Prior to July 1, 2016 that exchange rate difference was recognized in the operating profit. For the period July to December, SEK 2,9 million moved from operating profit to equity and other comprehensive income. If the change had occurred from the beginning of the year, SEK 7,2 million would have moved from operating profit to other comprehensive income.

The additional purchase prices for Fox Publish AS and Acuvitec OY has during the period been adjusted down by SEK 1,5 million and SEK 21,2 million. The corrections have been recognized as revenue in accordance with IFRS 3:58, and as impairment of intangible assets. The corrections have no effect on reported profit.

### TAXES

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Tax for the year amounted to SEK 14,6 million (22,4). Deferred tax amounted to SEK 0,6 million (-5,9). Paid tax for the year amounted to SEK 27,4 million (14,2). The difference from the previous year is partly explained by paid residual taxes for 2014, partly by newly acquired Finnish companies who pay their taxes in current year, but mainly by improved operating results between 2014 and 2015.

### INVESTMENTS

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Investments amounted to SEK 82,3 million in capitalized work, SEK 1,5 million in other intangible assets and SEK 9,0 million in tangible assets.

### LONG-TERM DEBT

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Long-term interest-bearing debt consists of bank loans SEK 339,4 million. Long-term non-interest bearing liabilities consist of deferred taxes SEK 120,7 million, pension liability SEK 7,8 million, non-current portion of additional purchase price Fox Publish SEK 2,8 million, non-current portion of additional purchase price for Futursoft SEK 23,9 million and a promissory note signed in connection with the acquisition of Nice AS SEK 2,1 million.

## CONVERTIBLE DEBENTURE

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Convertible debentures are included in short-term interest bearing liabilities:

- Loan 1501 (long-term debt interest bearing liabilities, staff). SEK 13,8 million. Duration of the loan is January 1, 2015 - December 31, 2017. The interest rate is Stibor 180. The conversion price is SEK 31,80. Conversion may be requested 1 November to 30 November 2017. The share capital may upon conversion increase by a maximum of SEK 44 221. At full conversion the dilution of about 1.5% of the share capital and 0.7% of the votes. The convertible program was registered by the Swedish Companies Registration Office February 11, 2015.

## EQUITY

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Consolidated shareholders' equity as of December 31, 2016 was SEK 334,2 million.

## FINANCIAL INSTRUMENTS

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### Classification and valuation

Financial instruments are initially recognized at their acquisition value corresponding to the instrument's fair value plus transaction costs. A financial instrument is classified when recognized for the first time, including on the basis of the purpose for which the instrument was acquired. Vitec has financial instrument in the categories loans receivable and accounts receivable, financial liabilities valued at fair value, and financial liabilities valued at their accrued acquisition value.

### Financial liabilities valued at fair value

According to IFRS 7, information must be provided about the fair value of each financial asset and financial liability, irrespective of whether they are reported in the balance sheet or not. Vitec judges that the fair value of the financial assets/liabilities is close to the reported book value.

All of the company's financial instruments that are subject to valuation at fair value are classified at level 3. The change for the period in respect of financial instruments at level 3 refers primarily to additional purchase prices for acquisitions. Conditional purchase prices are valued at fair value base on available data, such as contractual terms, as well as relevant assessments in respect of anticipated fulfillment of conditions. When calculating fair value, an assumed interest rate of 0,9% has been used. As the difference between fair value and book value is marginal, no correction has taken place.

The following table shows the difference between fair value and booked value.

### **Recurring valuations at fair value, as at 31 December 2016**

	Level 1	level 2	Level 3	Book value
Additional purchase price Fox Publish AS			2 710	2 740
Additional purchase price Futursoft AS			23 651	23 917

For all other financial assets and liabilities, booked value is consistent with fair value.

## ACQUISITIONS AND SALES

### Sale of business area Media

On July 1, all shares of Vitec Veriba AB were sold. The sale constitutes most of the Vitec Media business. Since the business area is only a small part of the group, the sale is not material enough to be reported as assets for sale in accordance with IFRS 5.

Booked values for assets and liabilities at date of sales	Veriba AB	Fair value adjustment	Fair value recognized in the Group
Intangible fixed assets	588	-	588
Current receivables	1 507	-	1 507
Cash and cash equivalents	3 076	-	3 076
Current liabilities	-1 752	-	-1 752
<b>Net identifiable assets and liabilities</b>	<b>3 419</b>	<b>0</b>	<b>3 419</b>
Goodwill on consolidation			4 529
<b>Total</b>			<b>7 948</b>
<b>Booked value sold net assets</b>			<b>7 948</b>
Calculation of net cash flow			Fair value
Consideration received			7 293
Cash disposed			-3 076
<b>Net Cash flow</b>			<b>4 217</b>
Information about the sale			Fair value
Consideration received			7 293
Booked value sold net assets			-7 948
<b>Income/loss from sale</b>			<b>-655</b>

The Group Vitec Veriba earnings until date of sales amounted to SEK 0,2 million and is included in operating profit for business area Media.

### Acquisition of Tietomitta OY

On July 5, all shares in the Finnish software company Tietomitta OY were acquired. The company's product is an industry-specific software for the waste-management in Finland.

The company is consolidated as from the acquisition date. The goodwill is not tax-deductible and is deemed to be attributable to the expected profitability, complementary expertise as well as anticipated synergies in the form of the joint development of our products. The acquisition adds a new business area, we believe that the Group's new composition reduces the overall industry and market-related risks. The acquisition-related expenses amounted on December 31 to SEK 1,7 million, and are recognized as other external cost in the consolidated statement of comprehensive income. From the acquisition date up to and including the 31 December, the revenues of the acquired company amount to SEK 18,4 Million. If consolidation had occurred at the beginning of the year, the company would have brought the Group a further approx. SEK 14,9 million in revenue and approx. SEK -1,7 Million in net profit. The following purchase price allocation in preliminary until twelve months have passed since the acquisition date. The items that may be revalued are brands, product rights, customer agreements and goodwill.

Preliminary purchase price allocation (SEK thousands)	Tietomitta OY	Fair value adjustment	Fair value recognized in the Group
Brands	-	470	470
Product Rights	-	18 061	18 061
Customer Agreement	-	4 936	4 936
Intangible fixed assets	1 316	-	1 316
Tangible fixed assets	107	-	107
Inventories	312	-	312
Current receivables	5 672	-	5 672
Cash and cash equivalents	15 915	-	15 915
Deferred tax liabilities	-	-4 693	-4 693
Current liabilities	-5 331	-	-5 331
<b>Net identifiable assets and liabilities</b>	<b>17 991</b>	<b>18 774</b>	<b>36 765</b>
Goodwill on consolidation			8 380
<b>Total</b>			<b>45 145</b>
<b>The Group's acquisition value</b>			<b>45 145</b>
Calculation of net cash outflow			Fair value
Group's acquisition value			-45 145
Cash acquired			15 915
<b>Net cash outflow</b>			<b>-29 230</b>

## Acquisition Futursoft OY

On September 7, all shares in the Finnish software company Futursoft OY were acquired. The company has specialized software for the automotive and machinery industries.

The company is consolidated as from the acquisition date. The goodwill is not tax-deductible and is deemed to be attributable to the expected profitability, complementary expertise as well as anticipated synergies in the form of the joint development of our products. The acquisition-related expenses amounted on December 31 to SEK 2,2 million, and are recognized as other external cost in the consolidated statement of comprehensive income. From the acquisition date up to and including the 31 December, the revenues of the acquired company amount to SEK 18,8 Million. If consolidation had occurred at the beginning of the year, the company would have brought the Group a further approx. SEK 32,5 million in revenue and approx. SEK 6,9 Million in net profit. The following purchase price allocation in preliminary until twelve months have passed since the acquisition date. The items that may be revalued are brands, product rights, customer agreements and goodwill.

Since the previous report, intangible assets and goodwill have been reclassified. The corrected acquisition analysis presents a more accurate picture of the acquired company's assets. Earlier values was; brands SEK 1,9 million, product right SEK 47,2 million, customer agreements SEK 23,8 million, goodwill SEK 35,6 million and deferred taxes SEK -14,6 million. The short-term portion of debt for additional purchase price has been paid out and reduced the value with SEK 11,5 million. The short-term portion of the additional purchase price was at time of payment higher than the original estimate. The residual of SEK 0,7 million have increased goodwill and the acquisition value of the company.

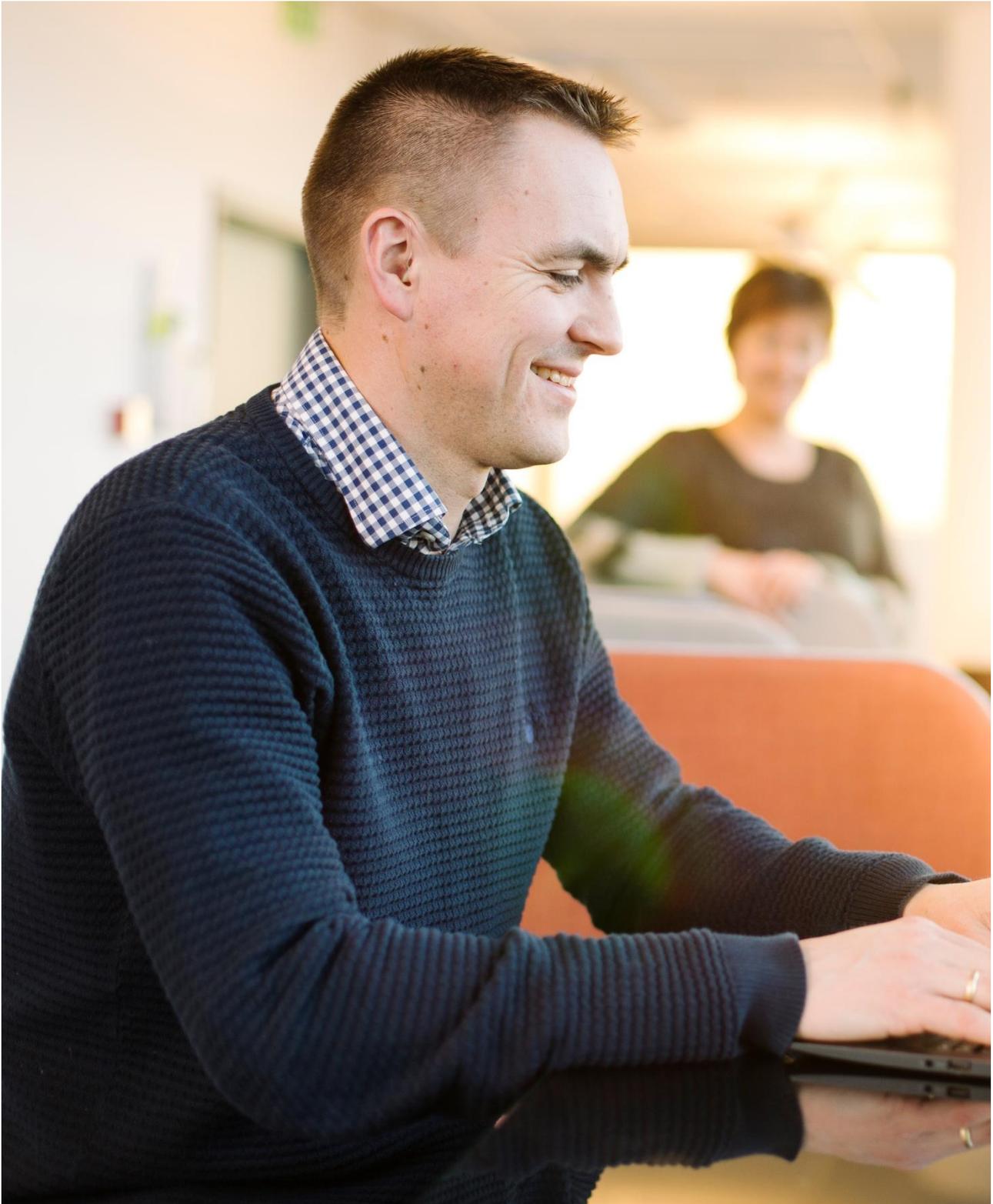
Preliminary purchase price allocation (SEK thousands)	Futursoft OY	Fair value adjustment	Fair value recognized in the Group
Brands	-	41 317	41 317
Product Rights	-	21 377	21 377
Customer Agreement	-	14 277	14 277
Tangible fixed assets	1 774	-	1 774
Inventories	414	-	414
Current receivables	2 428	-	2 428
Cash and cash equivalents	13 138	-	13 138
Deferred tax liabilities	-	-15 394	-15 394
Current liabilities	-5 273	-	-5 273
<b>Net identifiable assets and liabilities</b>	<b>12 481</b>	<b>61 576</b>	<b>74 057</b>
Goodwill on consolidation			33 064
<b>Total</b>			<b>107 121</b>
<b>The Group's acquisition value</b>			<b>107 121</b>
Calculation of net cash outflow			Fair value
Group's acquisition value			-107 121
Debt additional purchase price			23 501
Cash acquired			13 138
<b>Net cash outflow</b>			<b>-70 482</b>

## Acquisition Plania AS

On December 5, all shares in the Norwegian software company Plania AS were acquired. The company is specialized in software for real estate administration, facility management and property maintenance.

The company is consolidated as from the acquisition date. The goodwill is not tax-deductible and is deemed to be attributable to the expected profitability, complementary expertise as well as anticipated synergies in the form of the joint development of our products.. The acquisition-related expenses amounted on December 31 to SEK 1,3 million, and are recognized as other external cost in the consolidated statement of comprehensive income. From the acquisition date up to and including the 31 December, the revenues of the acquired company amount to SEK 2,2 Million. If consolidation had occurred at the beginning of the year, the company would have brought the Group a further approx. SEK 27,6 million in revenue and approx. SEK 5,0 Million in net profit. The following purchase price allocation in preliminary until twelve months have passed since the acquisition date. The items that may be revalued are brands, product rights, customer agreements and goodwill.

Preliminary purchase price allocation (SEK thousands)	Plania AS	Fair value adjustment	Fair value recognized in the Group
Brands	-	17 865	17 865
Product Rights	-	15 822	15 822
Customer Agreement	-	6 761	6 761
Tangible fixed assets	652	-	652
Current receivables	3 313	-	3 313
Cash and cash equivalents	12 457	-	12 457
Deferred tax liabilities	-37	-9 708	-9 744
Current liabilities	-6 723	-	-6 723
<b>Net identifiable assets and liabilities</b>	<b>9 663</b>	<b>30 740</b>	<b>40 403</b>
Goodwill on consolidation			13 577
<b>Total</b>			<b>53 980</b>
Köpeskilling (koncernens anskaffningsvärde)			53 980
<b>The Group's acquisition value</b>			<b>53 980</b>
Calculation of net cash outflow			Fair value
Group's acquisition value			-53 980
Cash acquired			12 457
<b>Net cash outflow</b>			<b>-41 523</b>



## Signatures

### ASSURANCE OF THE BOARD

The Board of Directors and President hereby assure that the year-end report provides a fair and true view of the company's and the Group's operation, financial position and earnings, and describes the significant risks and uncertainties facing the company and the companies included in the Group.

Umeå, February 16 2017,

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Crister Stjernfelt (Chairman)

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Kaj Sandart

---

Birgitta Johansson-Hedberg

---

Jan Friedman

---

Anna Valtonen

---

Lars Stenlund (CEO)



*The board: Crister Stjernfelt, Kaj Sandart, Anna Valtonen, Birgitta Johansson-Hedberg and Jan Friedman.*

# Information

## PUBLICATION

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The information in this report is such a kind that Vitec Software Group AB (publ.) is legally required to disclose pursuant to the EU's Market Abuse Regulation and the Swedish Securities Market Act. The information was released for publication on February 16, 2017 at 08:30 CET.

## CONTACT

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[maria.kroger@vitec.se](mailto:maria.kroger@vitec.se)

## FINANCIAL INFORMATION

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Can be ordered from:

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Phone: +46 90-15 49 00

E-mail: [ir@vitec.se](mailto:ir@vitec.se)

Financial information is published on [www.vitecsoftware.com](http://www.vitecsoftware.com) immediately after publication.

The annual report will be available at the company headquarters and on our website no later than on April 4 2017.

## FINANCIAL CALENDAR

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2017-04-25	Interim Report January-March 2017 (≈13:00 CET)
2017-04-25	Annual general meeting 2016 (≈17:30 CET)
2017-07-13	Interim Report January-June 2017 (≈08:30 CET)
2017-10-20	Interim Report January-September 2017 (≈08:30 CET)

This English version of the report is a translation of the original Swedish version; in the event of variances, the Swedish version shall take precedence over the English translation.

The auditors have not audited this report.

## CORPORATE REGISTRATION

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Vitec Software Group AB (publ.), Org.no. 556258-4804

## Key figure definitions

In this interim report, we refer to non-IFRS measures that Vitec and other parties use in evaluating the Company's results. These measures provide management and investors with meaningful information to analyze trends in the Company's business. These non-IFRS measure is intended to supplement, not replace, the financial measures presented in accordance with IFRS. Non-IFRS measures presented on the last page of this report are defined as follows.

### RETURN ON CAPITAL EMPLOYED

---

Operating profit as a percentage of average capital employed attributable to parent company shareholders.

### RETURN ON EQUITY

---

Profit/loss for the period, attributable to parent company shareholders, as a percentage of average shareholders' equity, attributable to parent company shareholders.

### VALUE ADDED PER EMPLOYEE

---

Operating income plus depreciation and staff costs relative to the average number of employees.

### ADJUSTED EQUITY PER SHARE

---

Equity attributable to shareholders in proportion to the number of shares issued at the closing-day.

### CASH FLOW FROM OPERATING ACTIVITIES PER SHARE

---

Cash flow from operating activities divided by the average number of shares on the market during the period.

### SALES PER EMPLOYEE

---

Net revenue, including other operating income in relation to average number of employees.

### P/E RATIO

---

Share price at year-end divided by earnings per share.

### P/ADJUSTED EQUITY PER SHARE

---

The share price at the balance sheet date multiplied by the number of shares issued on the closing date in relation to the equity attributable to the parent company's shareholders.

### P/S

---

The share price at the balance sheet date multiplied by the average number of shares in relation to net sales.

### EARNINGS PER SHARE

---

Profit/loss for the period, attributable to parent company shareholders, divided by the average number of shares on the market attributable to parent company shareholders.

### OPERATING PROFIT

---

Operating profit as a percentage of net sales.

### SOLIDITY

---

Shareholders' equity, including equity attributable to non-controlling interests in relation to total assets.

### DEBT RATIO

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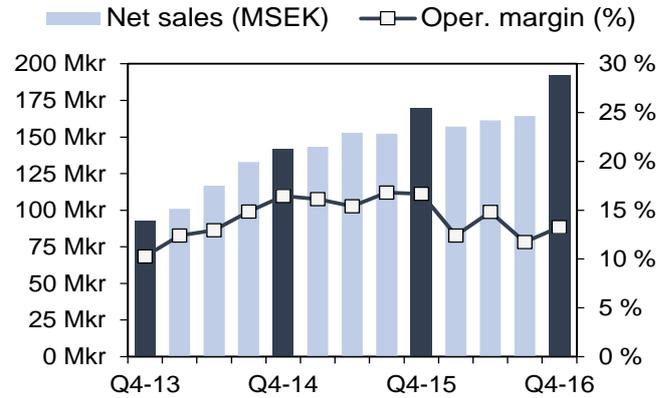
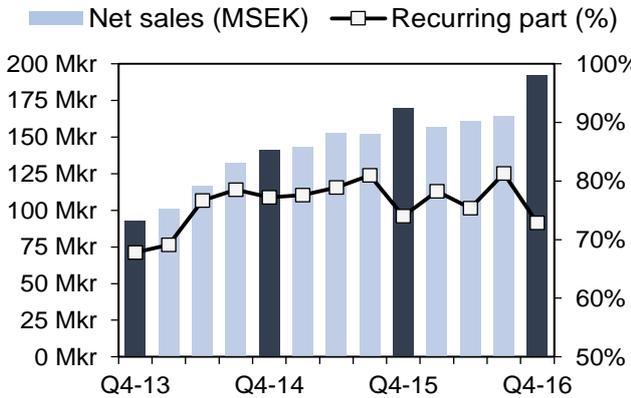
Average liabilities in relation to average shareholders' equity and non-controlling interests.

### PROFIT MARGIN

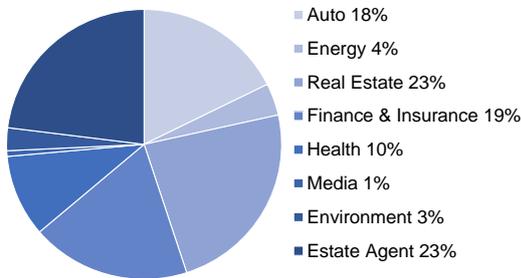
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Net profit after tax through the net turnover.

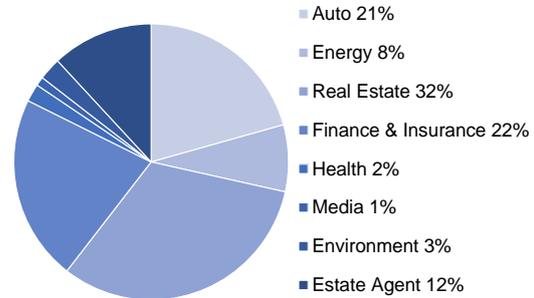
# Graphs



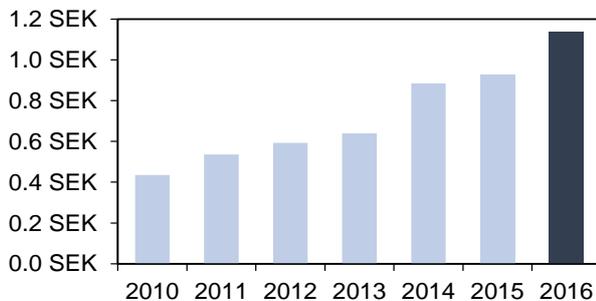
Net Sales Jan-Dec 2016



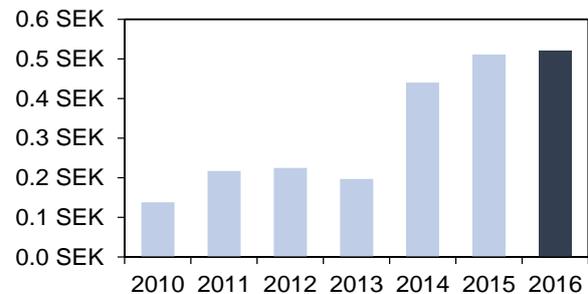
Operating profit Jan-Dec 2016



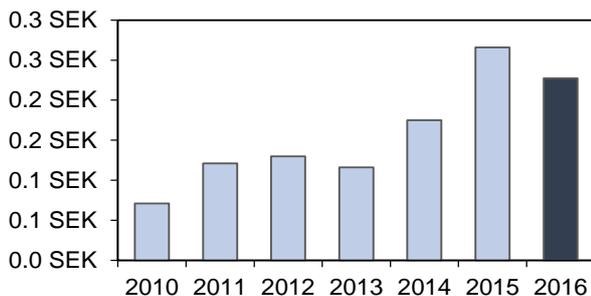
JEK per share (SEK)



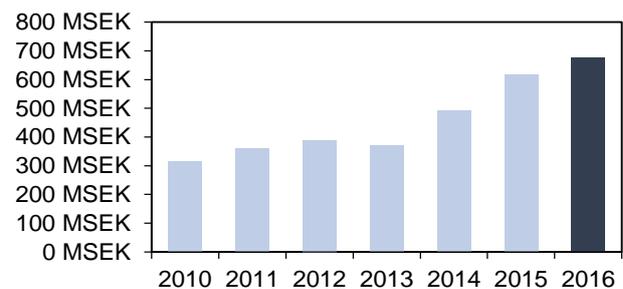
Cash flow per share (SEK)



Profit per share (SEK/share)



Net Sales (MSEK)



## Vitec at a glance

### INDUSTRY-SPECIFIC BUSINESS SYSTEMS

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Vitec develops and supplies business-critical standardised software to satisfy industry-specific needs. Our growth is taking place through the acquisition of mature software companies in the Nordic region.

### LONG-TERM CUSTOMER RELATIONS

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We adopt a long-term approach, focusing on our customers' security. We create value through our supportive product offering, which facilitates development and increased profitability for our customers.

### BUSINESS MODEL WITH RECURRING REVENUE

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Our business model is based on a high proportion of recurring revenue. This creates the conditions to act in the long-term, as we are less sensitive to temporary downturns within individual companies.

### GROWTH THROUGH ACQUISITIONS

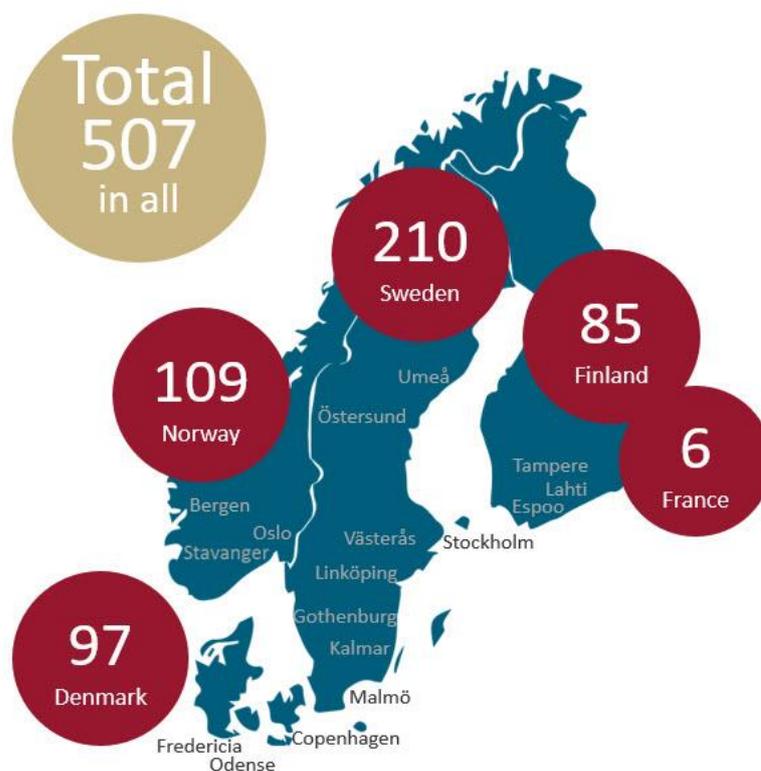
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Vitec has a pronounced acquisition-based growth strategy, with considerable focus on profitability and stable cash flows. By focusing on strong cash flows, we are creating the financial conditions for continued acquisition-driven growth.

### HISTORY

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Vitec was established in 1985 as a spin-off company from the University of Umeå, and since 1998 it has been a public company based on software. During our 30-year history, we have experienced continuous growth and have recorded a profit every year. Vitec is now a Nordic software Group with approx. 500 employees.





## Key figures

		2016	2015	2014	2013	2012	2011
Net sales	(TSEK)	675 414	618 385	491 956	371 631	389 200	359 598
Business Area Auto	(TSEK)	119 171	71 082	28 302	-	-	-
Business Area Energy	(TSEK)	25 872	24 114	22 672	19 849	21 327	19 286
Business Area Real Estate	(TSEK)	158 357	142 557	134 315	130 718	120 086	120 140
Business Area Finance & Insurance	(TSEK)	126 567	101 219	55 004	13 704	12 950	14 208
Business Area Health	(TSEK)	66 203	61 492	43 627	-	-	-
Business Area Media	(TSEK)	4 570	10 547	21 759	26 128	65 233	70 583
Business Area Environment	(TSEK)	18 420	-	-	-	-	-
Business Area Estate Agent	(TSEK)	155 285	207 011	185 750	181 152	168 785	135 306
Shared	(TSEK)	969	363	527	80	819	75
Growth	(%)	9%	26%	32%	-5%	8%	15%
Profit after financial items	(TSEK)	81 942	94 686	64 545	38 069	40 130	35 693
Profit after tax	(TSEK)	66 814	78 191	49 065	30 229	31 984	26 061
Profit after tax attributable to owners of the parent	(TSEK)	66 814	78 191	49 065	30 229	31 183	24 654
Profit growth attributable to owners of the parent	(%)	-15%	59%	62%	-3%	26%	75%
Profit margin	(%)	10%	13%	10%	8%	8%	7%
Operating margin	(%)	13%	16%	14%	11%	11%	11%
Total assets	(tkr)	1 096 691	872 019	772 901	387 981	429 133	327 743
Solidity	(%)	30%	31%	34%	44%	36%	40%
Equity ratio after full conversion	(%)	32%	33%	37%	48%	41%	49%
Degree of indebtedness	(times)	2,25	2,09	1,70	1,53	1,66	1,60
Return on capital employed*	(%)	14%	21%	18%	16%	20%	21%
Return on equity*	(%)	22%	29%	23%	19%	24%	25%
Sales per employee	(TSEK)	1 445	1 465	1 430	1 332	1 297	1 236
Value added per employee	(TSEK)	1 198	1 212	1 164	1 052	985	915
Personnel expenses per employee	(TSEK)	813	797	801	793	732	706
Average numbers of employees	(number)	467	422	344	279	300	291
Adjusted shareholders' equity per share (JEK)**	(SEK)	11,37	9,24	8,85	6,39	5,92	5,36
Earnings per share**	(SEK)	2,27	2,66	1,75	1,16	1,30	1,21
Earnings per share after dilution**	(SEK)	2,25	2,64	1,68	1,09	1,16	1,04
Paid dividends per share**	(SEK)	0,90	0,67	0,55	0,50	0,40	0,25
Cash flow per share**	(SEK)	5,20	5,09	4,40	1,97	2,25	2,17
P/E**		33,22	28,20	15,12	15,31	10,89	9,75
P/JEK**		6,64	8,12	2,99	2,77	2,33	2,08
P/S**		3,29	3,57	1,58	1,26	0,91	0,68
<b>Calculation bases:</b>							
Results used for the calculation of earnings per share	(TSEK)	66 814	78 191	49 065	30 229	31 183	24 654
Cash flow for the calculation of cash flow per share***	(TSEK)	152 757	149 751	123 220	51 505	55 243	46 787
Average number of shares (weighted average)**	(psc)	29 396 690	29 396 690	28 003 405	26 141 635	24 604 375	21 546 315
The number of shares after dilution**	(psc)	29 838 900	29 788 016	29 431 975	28 175 425	27 338 170	24 172 025
The number of shares issued on the closing date**	(psc)	29 396 690	29 396 690	29 396 690	26 541 635	25 741 635	21 835 375
Share price at end of period**	(SEK)	75,50	75,00	26,50	17,70	13,80	11,16

\* Values for rolling 12 months.

\*\* Number of shares and key figures related to shares have been recalculated due to split.

\*\*\* Cash flow from operating activities before changes in working capital has been corrected in the comparative figures as unrealized foreign exchange differences have been reclassified.

Vitec Software Group AB (publ) is a Nordic software company that develops and delivers standardised software for industry specific needs. The Group has operations in Sweden, Denmark, Finland and Norway and grows in the mature part of the software industry by consolidating vertical software segments. Our customers include facility management companies, construction and real estate companies, banks and insurance companies, utilities and energy traders, healthcare companies, car spare part dealers and newspaper companies. The Group has approx. 500 employees and had 2016 a turnover of SEK 675 million. Vitec is listed on Nasdaq Stockholm.