

EARNINGS PER SHARE UP 85 %

SUMMARY FOR JANUARY-MARCH 2015

- Net sales SEK 143,4 M (101,0)
- Profit before tax SEK 21,6 M (12,0)
- Operating margin 16 % (12)
- Earnings per share before dilution SEK 2,93 (1,58)
- Cash flow from operations SEK 73,5 M (64,3)
- Acquisition of Norwegian Fox Publish AS

CEO'S COMMENTS - VITEC 30 YEARS

"Hey, man," Olov said as we stood in line at Snabben, the lunch place at Universum in Umeå, "I've got an idea." Is that so, I thought, my mind mostly on which variation of beef stew was on the menu this fall day of 1984. "Yeah," he continued. "You can program, of course, and I can come up with the money for one of those new PCs! Then you can teach me programming, and at the same time maybe we can put together some program that somebody will want to buy."

No sooner said than done. I needed a hobby aside from research and the same went for Olov. Pretty soon a beige Ericsson PC stood on my desktop at home and another the following week at Olov's. We developed in Turbo Pascal – the world's fastest development environment crammed into an inconceivable 39 kB on a floppy disk.

The program we developed stemmed from Olov's idea about property owners' need for a better way to check on their energy consumption and the fact that modern tools were needed for this. The mission was clear as day! By programming at the hobbyist level in Turbo Pascal, we'd save Sweden from the energy crisis that arose in the aftermath of the 1970's oil crisis. Yep!

The hobby project proceeded at turbo speed, and in the spring of 1985 there was interest out in the market to "do business" with us and, in fact, to buy the revolutionary system that we'd developed. Several screenshots were ready, though the functionality behind them was a little iffy. Most of the buttons you clicked on caused the data to freeze. But it looked nice – and surely you had to allow for some bugs and teething problems, right? In any case, we needed to start a company so that we could get out the program and save Sweden from the energy crisis.

That's how Vitec was started in May 1985, and it's the reason we are celebrating our 30th anniversary today, with cake for all of our colleagues and stockholders coming to the annual meeting.
You are most welcome!

If you want to know the results of our first quarter in 2015, you'll find them in the 23 pages that follow!

After these personal reflections, the Letter from the CEO will revert to the usual format with the next report.

Lars Stenlund, CEO



January-March 2015

The Vitec Group proceeded with its conversion to a business model characterized by a greater percentage of recurring contractual income (78 % for the first quarter of 2015). The deliberate transition at the mature units was reinforced by newly acquired businesses with a high percentage of recurring software as a service (SaaS) income. The combination of cost savings and an increased percentage of contractual income continued to boost operating profit, which topped the group's annual target in the first quarter alone.

As the result of streamlining efforts and a successful rollout of the industry's most advanced system, both sales and earnings at the Real Estate Broker business unit were better than the first quarter of 2014. The unit's offering of online products, OnBroker (Norway) and Express (Sweden), was in great demand. The number of Swedish users of the online Vitec Express system rose rapidly to 1,960. Many brokers who have switched to Vitec Express report that the new offering both facilitates and streamlines the work they do.

Operating profit at the Property Management business unit shot up by 106 % from the first quarter of 2014, while organic growth was 8 %. The improvement stemmed from successful sales of renewable contracts along with a rapid rollout of the unit's SaaS offering. Sales to new customers were robust, accounting for almost one-third of systems delivered. Recurring income rose further to more than 57 % of the total. The unit is focusing on ongoing sales of its new real estate offering, its order book at the end of the quarter was stronger than ever.

Due primarily to high nonrecurring license sales in the first quarter of 2014, income at the Media business unit was lower this year. Demand by existing customers was vigorous while recurring income rose to 36 % of the total, helping to generate a 32 % operating margin.

Even though two major user meetings were planned and held during the quarter, organic sales increased by 10% and operating profit by 140 % at the Energy business unit. Recurring income was stable at a high level. The organization will be strengthened by the addition of sales reps and a product specialist this coming fall. Owing to greater demand for product-related hourly assistance, service income was somewhat higher than 2014.

The Health business unit is in an intensive development and delivery phase involving a large upgrade project of its standard software for the Finnish Student Health Service. Recurring income at the business unit accounted for 73 % of the total. Considering that earnings are now affected by depreciation and intra-group expenses, the 11 % operating margin for the first quarter was in line with previous years.

The Auto (Norway) business unit, which sells business systems for spare parts and accessories to the automotive industry, reported sales of SEK 10.3 million and an operating margin of 7 %. Because the business unit was consolidated as of April 24, 2014, no comparative figures are available. Income, which is directly linked to customer activity and is 94 % recurring, is subject to seasonal variations such that the third and fourth quarters are normally the strongest.

Sales rose substantially at the Finance and Insurance business unit now that it includes Vitec Aloc A/S in Denmark. The Swedish business concentrated on partial deliveries of the new insurance application to Länsförsäkringar Alliance during the first quarter. The Danish business carried out a major technology upgrade of its product platform, which borrowed capacity available for services. The operating margin was 10 %.

FINANCIAL INFORMATION

Sales and results

January-March 2015

Revenues

Net sales for the period amounted to SEK 143,4 million (101,0), which represents an increase of 42 %. License revenue declined 45 % from the previous year and amounted to SEK 4,6 million (8,4). Recurring revenue for the period increased by 59 % from the previous year and amounted to SEK 111,2 million (69,9), corresponding to 78 % (69) of net sales. Service revenues increased by 21 % from the previous year and amounted to SEK 26,3 M (21,8). Fox Publish AS and ADservice Scandinavia AB were consolidated from March 2 and contributed during the period with net sales of SEK 2,8 million.

Results

Operating profit amounted to SEK 23,1 million (12,5) with an operating margin of 16 % (12). Profit after tax amounted to SEK 17,2 million (8,4). Earnings per share before dilution were SEK 2,93 (1,58).

Liquidity and financial status

The Group's cash and cash equivalents, including short-term investments, at end of period amounted to SEK 85,8 million (74,0). In addition to these cash and cash equivalents, was a bank overdraft facility of SEK 20 million. Cash flow from operating activities was SEK 73,5 million (64,3). Investments totaled SEK 17,6 million in intangible assets including capitalized work and SEK 2,6 million in tangible assets. Through the acquisition of Fox Publish AS and ADservice Scandinavia AB SEK 27,4 million was added in product rights, trademarks, customer contracts and goodwill.

Total interest-bearing liabilities amounted on March 31, 2015 to SEK 191,3 million (121,3) distributed on long term debt SEK 140,6 million (93,1) and short-term interest-bearing liabilities SEK 50,7 million (28,2). During the period one new loan from Norrlandsfonden was signed totaling SEK 25,0 million. In connection to the new loan a convertible loan from Norrlandsfonden was resolved to the amount of SEK 36,8 million.

Equity attributable to Vitec's shareholders amounted to SEK 250,3 million (180,0). The equity ratio was 33 % (32). The proposed dividend amounts to SEK 3,35 kronor per share, totaling SEK 19,7 million.

SIGNIFICANT EVENTS DURING THE FIRST QUARTER

January 26: Vitec reduces dilution by redeemed convertible

Vitec redeems the convertible debenture as Norrlandsfonden signed in 2008. The loan amounted to SEK 10 million, fixed rate of 3,9 % and a conversion price of SEK 35. Upon full conversion it would have resulted in a dilution of approximately 4,6 % of the capital and approximately 2,1 % of the votes in Vitec. Vitec now pays 37,1 million in cash on redemption. Norrlandsfonden has also granted a loan of SEK 25 million which runs for six years with straight-line amortization that will partly finance the repurchase.

February 2: Vitec signs multiannual contract with Länsförsäkringar

Vitec has signed an agreement with Länsförsäkringar Fondliv for the supply and maintenance of a new pension and insurance schemes. The contract is worth approximately SEK 8.5 million during the first three years. The new software includes functions for calculations of retirement, disability and survivor benefits. In addition to Sweden's public pension system is also supports a dozen occupational pension agreements.

February 2: Vitec launches electronic signing of lease agreements

Vitec Business Area Property launches as the first supplier of software for facility management systems electronic signing of lease. The first application offered in collaboration with Scribe enables tenants to sign and terminate contracts online.

March 2: Vitec acquires Norwegian Fox Publish AS

Vitec Software Group AB (publ) has on March 2 agreed to acquire 100% stake in the software company Fox Publish AS and its Swedish sister company ADservice Scandinavia AB. The two companies offer a publishing system for real estate agents. Together they had sales in 2014 of approximately SEK 28 million with a common result of approximately SEK 4 million. The Norwegian market accounts for about 80 percent of sales. Payment is in cash by MNOK 14,2 at completion. A maximum additional purchase price of approximately MNOK 8 may apply. Vitec will take possession immediately. The acquisition is expected to directly result in an increase in earnings per share of Vitec.

March 26: Notice of Annual General Meeting

Shareholders of Vitec Software Group AB (publ) are hereby invited to attend the Annual General Meeting on Wednesday, 6 May 2015, at 5:30 p.m., at Väven (Norra entrén), Storgatan 46A, in Umeå. The meeting will be held in Swedish. After the AGM, a buffet will be served.

March 30: New Daily Leader for Business Estate Agents in Norway

Svein Roger Westengen, current director of the Vitec Business Auto in Norway will from April, also be head of the Vitec Business Estate Agents in Norway. Svein Roger succeeds Erik Hansen.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD**April 15: Vitec annual report for 2014 has been published**

Vitec today publishes the annual report for 2014 in Swedish on www.vitecsoftware.com, with information about the Group's development. The annual report describes how Vitec during the year grew further and, with increased sales, improved operating margins and increased earnings per share the full year 2014 was Vitec strongest year so far.

April 17: Residential Cluster are connected to Boplats Sverige

In a unique partnership, eight major housing companies in the north-west of Skåne in Sweden invests in connecting to the nationwide marketplace Boplats Sverige which started in 2014 on the initiative of Vitec. With a common marketplace housing companies can both simplify and speed up the search process for available rental apartments.

April 22: Cost-cutting program in Estate Agents Division

As a consequence of Swedbank Fastighetsbyrå AB having announced its successive transition to a proprietary estate agent system, Vitec is adjusting its organization. A cost-cutting program has been initiated affecting the Estate Agents Sweden Division. Fully implemented, the program will reduce annual costs by approximately SEK 15 million, and is expected to have its full effect from the fourth quarter 2015. The ongoing rollout of the SaaS-based estate agents system Vitec Express continues as planned.

OPERATIONS

Result overview for segments, TSEK

Vitec Group operations are controlled and organized in seven business units. For more information on each business unit, refer to www.vitecsoftware.com. The business units are; Estate Agent, Real Estate, Media, Energy, Health, Auto and Finance & Insurance.

Segment Mäklare (BU Estate Agent):

The segment consists of Vitec Mäklarsystem AB, Capitex AB, Vitec IT-Makeriet AS, the Group Vitec Midas AS and from March 2 Fox Publish AS and ADservice Scandinavia AB. The business unit provides software for real estate agents.

Segment Fastighet (BU Real Estate):

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

The business unit offers software applications for building owners, construction and management companies, property managers and real estate developers.

Segment Media (BU Media):

The segment consists of 3L Media AB, Vitec Veriba AB and Retail i Linköping AB. The business unit offers software for newspaper companies and a few managed solutions for distribution and retail.

Segment Energi (BU Energy):

The segment consists of Vitec Energy AB. The business unit offers a forecasting software system of electricity and heat demand, wind power, and software supporting the technical management and maintenance of the energy distribution networks.

Segment Hälsa (BU Health):

The segment consists of the Group AcuVitec FDS Oy and IMHO Holding Oy. The business unit offers software for electronic medical records used for health care in Finland. The companies were acquired February 28 2014.

Segment Auto (BU Auto):

The segment consists of Vitec AutoData Norge AS. The business area offers industry specific business applications for the Norwegian automotive sector with support for sales, purchasing, inventory control, billing, accounting and salary. Its customers include importers, wholesalers, retailers, distributors and retailers but also workshops. The company was acquired April 24 2014.

Segment Finans & Försäkring (BU Finance & Insurance):

The segment Consists of Vitec Capitex AB and the Group Aloc A / S. The business area offers systems for tax calculations, pension calculations and housing calculations and operational systems for the Nordic financial and insurance sector. The group Aloc A/S was acquired June 30 2014.

Segment reporting*

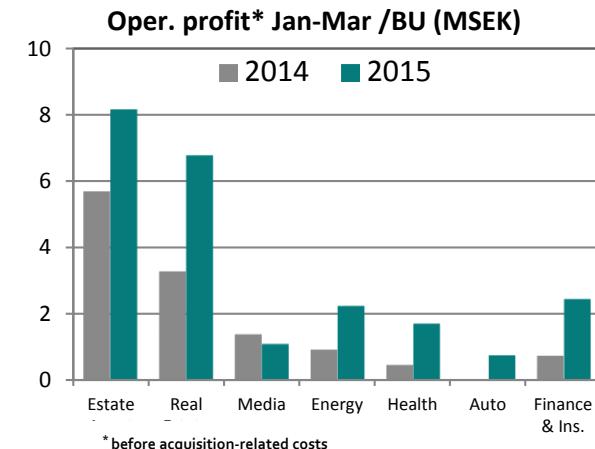
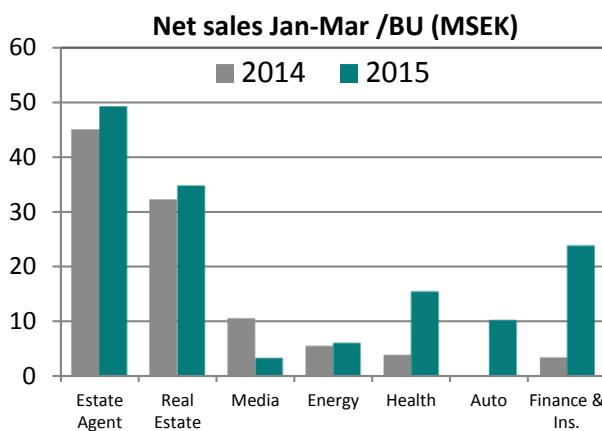
SEGMENT	NET SALES (SEK THOUSANDS)			PROFIT BEFORE ACQUISITION-RELATED COSTS (SEK)		
	2015 jan-mar	2014 jan-mar	2014 jan-dec	2015 jan-mar	2014 jan-mar	2014 jan-dec
BU Estate Agent	49 223	44 924	185 750	8 150	5 669	29 442
BU Real Estate	34 806	32 182	134 315	6 778	3 285	20 529
BU Media	3 438	10 601	21 759	1 110	1 397	1 722
BU Energy	6 181	5 614	22 672	2 258	939	6 966
BU Health	15 536	3 978	43 627	1 720	478	3 812
BU Auto	10 292	-	28 302	766	-	3 903
BU Finance & Insurance	23 905	3 483	55 004	2 465	753	6 276
Shared	32	192	527	0	0	0
Vitec Group	143 413	100 974	491 956	23 247	12 521	72 650
Acquisition-related costs				-114	-	-4 058
Operating profit after acquisition-related costs				23 133	12 521	68 592
Net financial income/expence				-1 513	-557	-4 047
Profit before tax				21 620	11 964	64 545

Non-recurring acquisition-related costs makes progress in the business areas difficult to follow. For this reason, the operating profit has been divided into operating profit before and after acquisition-related expenses.

Sales by per geography

The table below shows the Group's net sales translated to SEK based on the customer's location.

MARKET	NET SALES (MSEK)					
	2015		2014		2014 jan-dec	
	jan-mar	%	jan-mar	%	jan-dec	%
Sweden	74,7	52,1%	78,3	77,5%	298,2	60,6%
Norway	33,0	23,0%	16,9	16,7%	106,1	21,6%
Finland	16,3	11,4%	5,1	5,0%	46,9	9,5%
Denmark	18,5	12,9%	-	-	37,3	7,6%
Other Europe	0,7	0,5%	0,6	0,6%	2,9	0,6%
Rest of world	0,2	0,1%	0,1	0,1%	0,6	0,1%
SUM	143,4	100,0%	101,0	100,0%	492,0	100,0%



Business Area Estate Agent, January-March 2015

Total revenues amounted to SEK 49,2 million (44,9), an increase of 10 %. License revenues were unchanged and amounted to SEK 0,6 million. Recurring revenue increased by 16 % to SEK 46,1 million. Service revenue declined 45 % to SEK 2,5 million. Recurring revenue as a percentage of net sales was 94 % (88). Operating margin improved to 17 % (13). As of March 2 operations in Fox Publish AS and ADservice Scandinavia AB were consolidated in the business area.

Business Area Real Estate, January-March 2015

Total revenues amounted to SEK 34,8 million (32,2), an increase of 8 %. License revenues declined by 16 % and amounted to SEK 2,2 million. Recurring revenue increased 8 % to SEK 19,8 million. Services revenue increased by 14 % to SEK 12,8 million. Recurring revenue as a percentage of net sales was 57% (57). Operating margin increased to 19 % (10).

Business Area Media, January-March 2015

The total revenue amounted to SEK 3,4 million (10,6), a decrease of 68%. License revenue declined 89 % to SEK 0,6 million. The comparative period includes a one-time sale of a software license to Eniro. Recurring revenue declined 42 % to SEK 1,3 million. Services revenue declined 54 % to SEK 1,3 million. Recurring revenue as a percentage of net sales was 36 % (20). Operating margin increased and amounted to 32 % (13).

Business Area Energy, January-March 2015

The total revenue amounted to SEK 6,2 million (5,6), an increase of 10 %. Recurring revenue increased 9 % to SEK 4,2 million. Service revenue increased 6 % to SEK 1,9 million. Recurring revenue as a percentage of net sales was 68 % (69). Operating margin increased to 37 % (17).

Business Area Health, January-March 2015

Total revenues for the period amounted to SEK 15,5 million. License revenues amounted to SEK 0,1 million. Recurring revenue amounted to SEK 11,3 million and services to SEK 3,8 million. Comparative figures are not available. Recurring revenue as a percentage of net sales was 73 %. The operating margin was 11 %.

Business Area Auto, January-March 2014

The total revenues amounted to SEK 10,3 million. Comparative figures are not available. Recurring revenue amounted to SEK 9,6 million, services to SEK 0,3 million and other SEK 0,4 million. Recurring revenue as a percentage of net sales was 94 %. Operating margin was 7 %.

Business Area Finance & Insurance, January-March 2015

The total income amounted to SEK 23,9 million (3,5), an increase of 586 %. License revenues increased 100 % to SEK 1,2 million. Recurring revenue increased by 644 % to SEK 19,0 million. Service revenues increased by 271 % to SEK 3,5

million. Recurring revenue as a percentage of net sales was 79 % (73). Operating margin decreased to 10 % (22). Operations in Aloc A / S was consolidated in the business area as of June 30 2014 and is the reason for the strong growth.

Risks and uncertainties

Vitec significant risks and uncertainties are described in the Directors' Report in the Annual Report for 2014 under the heading "Risks and Uncertainties" on pages 36-37, note 1 under "Assumptions and estimates" on page 54 and Note 20, "Financial risks and their management" on pages 67-68. No significant changes have occurred since then.

The Parent Company

Net sales amounted to SEK 22,4 million (11,7) and consisted primarily of sales to subsidiaries for services rendered. Profit after tax amounted to SEK 3,9 million SEK (-0,7). The Parent Company is exposed to the same risks and uncertainties that 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

SEK (thousands)	jan-mar 2015	jan-mar 2014	jan-dec 2014
OPERATING REVENUE			
License revenues	4 648	8 385	24 928
Recurring revenues	111 236	69 874	372 838
Service revenues	26 347	21 768	87 997
Other revenues	1 182	947	6 193
NET SALES	143 413	100 974	491 956
Capitalized development costs	17 047	9 200	46 261
Other operating income	1 874	94	2 809
Sum	162 334	110 268	541 026
OPERATING EXPENSES			
Goods for resale	-1 584	-1 038	-2 786
Subcontractors and subscriptions	-19 090	-11 375	-66 546
Other external expenses	-18 029	-13 413	-63 983
Staff costs	-82 726	-57 913	-275 665
Depreciation/amortisation and impairment of tangible and intangible assets	-15 519	-13 619	-56 319
Other operating expenses	-2 109	-389	-3 077
TOTAL COSTS	-139 057	-97 747	-468 376
OPERATING PROFIT BEFORE ACQUISITION-RELATED COSTS			
COSTS	23 277	12 521	72 650
Acquisition-related costs	-144	-	-4 058
OPERATING PROFIT AFTER ACQUISITION-RELATED COSTS	23 133	12 521	68 592
Income from financial investments			
Financial income	121	90	1 547
Financial expense	-1 634	-647	-5 594
TOTAL FINANCIAL ITEMS	-1 513	-557	-4 047
PROFIT BEFORE TAX	21 620	11 964	64 545
Tax	-4 375	-3 587	-15 480
NET PROFIT	17 245	8 377	49 065
OTHER COMPREHENSIVE INCOME, ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS			
Currency translation differences	105	1 999	1 324
TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD	105	1 999	1 324
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	17 350	10 376	50 389
PROFIT FOR THE PERIOD ATTRIBUTABLE TO			
-Shareholders of the Parent Company	17 245	8 377	49 065
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO			
-Shareholders of the Parent Company	17 350	10 376	50 389
EARNING PER SHARE			
-Before dilution (SEK)	2,93	1,58	8,76
-After dilution (SEK)	2,92	1,48	8,39
Average number of shares	5 879 338	5 308 327	5 600 681
Number of shares after dilution	5 927 490	5 715 086	5 886 395

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK (thousands)	2015-03-31	2014-03-31	2014-12-31
ASSETS			
FIXED ASSETS			
<i>Intangible assets</i>			
Goodwill	199 146	152 380	190 902
Capitalized development costs	87 221	53 694	76 562
Software	3 555	2 406	3 226
Brands	8 110	4 085	7 752
Product rights	200 961	144 919	197 815
Customer agreements	52 712	30 292	47 884
<i>Tangible fixed assets</i>			
Buildings	9 102	8 875	9 115
Equipment	20 803	11 283	19 674
<i>Finansiella anläggningstillgångar</i>			
Other long-term receivables	-	142	-
<i>Deferred tax</i>	5 843	-	6 001
TOTAL FIXED ASSETS	587 453	408 076	558 931
CURRENT ASSETS			
<i>Inventories</i>	285	14	339
<i>Receivables</i>	96 649	79 983	142 517
<i>Short-term investments</i>	60 000	-	-
<i>Cash and equivalents</i>	25 811	74 014	71 114
TOTAL CURRENT ASSETS	182 745	154 011	213 970
TOTAL ASSETS	770 198	562 087	772 901
EQUITY AND LIABILITIES			
EQUITY			
LONG-TERM LIABILITIES, INTEREST BEARING			
LONG-TERM LIABILITIES, NON-INTEREST BEARING			
SHORT-TERM LIABILITIES, INTEREST BEARING			
SHORT-TERM LIABILITIES, NON-INTEREST BEARING			
TOTAL EQUITY AND LIABILITIES	770 198	562 087	772 901

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK (thousands)	2015 jan-mar	2014 jan-mar	2014 jan-dec
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY			
At beginning of period	260 130	169 607	169 607
Option element convertible bond	-	-	865
Conversion bonds	-	-	8 035
Redemption bonds	-27 145	-	-
Issue of new shares after issue costs*	-	-	45 832
Dividend	-	-	-14 598
Total comprehensive income for the period	17 350	10 376	50 389
At end of period	250 335	179 983	260 130

* The issue expenses amounted to SEK 1 418 thousand.

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK (thousands)	jan-mar 2014	jan-mar 2014	jan-dec 2014
OPERATING ACTIVITIES			
Operating profit	23 133	12 521	68 592
<i>Adjustments for items not included in cash flow</i>			
Depreciation/amortisation and impairment	15 519	13 619	56 319
	38 652	26 140	124 911
Interest received	121	90	1 547
Interest paid	-1 634	-647	-5 594
Tax paid	-4 775	5 211	2 356
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL	32 364	30 794	123 220
<i>Changes in working capital</i>			
Change in inventories	54	-	-59
Change in operating receivables	50 754	6 426	-28 653
Change in operating liabilities	-9 627	27 078	34 820
CASH FLOW FROM CURRENT OPERATIONS	73 545	64 298	129 328
Investment activities			
Increase in long-term receivables	-	-58	-
Acquisition of subsidiaries, net	-14 392	-29 994	-148 522
Acquisition of intangible assets and capitalized development costs	-17 617	-9 912	-49 815
Acquisition of tangible assets	-2 558	-1 592	-10 783
CASH FLOW FROM INVESTMENT ACTIVITIES	-34 567	-41 556	-209 120
FINANCING ACTIVITIES			
Dividend	-	-	-14 598
Redemption convertible loan	-36 781	-	-
New loans	25 000	45 000	162 224
Amortisation of loans	-12 725	-15 378	-63 907
Issue of new shares	-	-	45 832
CASH FLOW FROM FINANCING ACTIVITIES	-24 506	29 622	129 551
CASH FLOW FOR THE PERIOD	14 472	52 364	49 759
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	71 114	21 319	21 319
EXCHANGE-RATE DIFFERENCES IN CASH AND CASH EQUIVALENTS	225	331	36
CASH AND CASH EQUIVALENTS AT END OF PERIOD	85 811	74 014	71 114

* Payment for acquisition of subsidiaries in 2015 consisted of proceeds for Fox Publish AS and ADservice Scandinavia AB.

Payment for acquisition of subsidiaries in 2014 consisted of proceeds for Acute, Autodata and Aloc. All acquisitions related to the entire outstanding share capital and meant that control was obtained in all companies.

INCOME STATEMENT, PARENT COMPANY

SEK (thousands)	jan-mar 2015	jan-mar 2014	jan-dec 2014
NETE SALES	22 427	11 707	57 334
Operating costs	-15 945	-11 781	-61 673
OPERATING RESULT	6 482	-74	-4 339
RESULT FROM FINANCIAL INVESTMENTS			
Income from shares in group companies	-	-	31 459
Financial income	89	49	912
Financial expense	-1 613	-629	-4 991
PROFIT AFTER FINANCIAL NET	4 958	-654	23 041
Appropriations	-	-	8 309
PROFIT BEFORE TAX	4 958	-654	31 350
Tax	-1 091	-	143
NET PROFIT	3 867	-654	31 493

BALANCE SHEET, PARENT COMPANY

SEK (thousands)	2015-03-31	2014-03-31	2014-12-21
ASSETS			
FIXED ASSETS			
Intangible assets	3 765	3 000	3 699
Tangible assets	13 817	9 910	13 660
Financial assets	597 489	455 006	583 045
TOTAL FIXED ASSEST	615 071	467 916	600 404
CURRENT ASSETS			
Receivables	56 231	32 772	44 056
Kortfristiga placeringar	60 000	-	-
Cash and equivalents	25 811	61 964	65 839
TOTAL CURRENT ASSETS	142 042	94 736	109 895
TOTAL ASSETS	757 113	562 652	710 299
EQUITY AND LIABILITIES			
EQUITY			
241 464	191 370	263 652	
UNTAXED RESERVES	2 500	2 076	2 500
LONG-TERM LIABILITIES	144 856	131 148	153 644
SHORT-TERM LIABILITIES	368 293	238 058	290 503
TOTAL EQUITY AND LIABILITIES	757 113	562 652	710 299

ANNOTATIONS

ANN 1 ACCOUNTING AND VALUATION PRINCIPLES AND OTHER COMMENTS

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 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 2014, 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 2014.

The report's headline division has changed in two points since March 31. In the consolidated statement of income, operating income is given before and after acquisition-related expenses. In the consolidated balance sheet, non-current and current liabilities are divided into interest-bearing and non-interest-bearing liabilities. In presenting segments the profit is given before acquisition-related expenses. Comparable figures are restated in the same way.

Financial instruments - fair value

The fair value regarding most financial assets and liabilities is close to the reported book values. However there is some difference in two cases regarding additional purchase price.

- The additional purchase price in the acquisition of AcuVitec Oy is deemed to have a fair value of SEK 45 494 thousand on March 31, 2015, compared with the liability's carrying value as at the same date amounted to SEK 45 801 thousand.
- The additional purchase price in the acquisition of Fox Publish AS is deemed to have a fair value of SEK 8 431 thousand on March 31, 2015, compared with the liability's carrying value as at the same date amounted to SEK 8 544 thousand.

Acquisition Fox Publish AS and ADservice Scandinavia AB

On March 2, 2015 Vitec acquired all the shares in Fox Publish AS and ADservice Scandinavia AB for a cash payment of NOK 13,8 million respectively SEK 400 thousand. The company develops and provides a publication system for real estate agents. Adservice Scandinavia is a sales company for the Swedish market. The companies are consolidated as of the acquisition date. The goodwill is not deductible for tax purposes and is considered to be attributable to the expected profitability, complementary expertise and synergies expected in the form of joint development of the Group's products. The acquisition increases Vitec's presence on the Norwegian software market. The maximum purchase price is NOK 21,8 million. The acquisition-related expenses amounted March 31 to SEK 114 thousand and are reported as other external costs of comprehensive income. From the acquisition date until March 31 the revenues amounts to SEK 2,8 million. If consolidation occurred at the beginning of the year, the companies had brought the Group an additional approximately 5.0 million in revenue. The following purchase price allocation is preliminary.

Preliminary purchase price allocation (SEK thousands)	Fox Publish AS	Fair value adjustment	Fair value recognized in the Group
Brands	-	434	434
Product Rights	-	11 120	11 120
Customer Agreement	-	6 875	6 875
Intangible fixt assets	123	-	123
Tangible fixed assets	366	-	366
Financial fixed assets	5	-	5
Current receivables	4 887	-	4 887
Cash and cash equivalents	983	-	983
Deferred tax liabilities	-	-4 966	-4 966
Current liabilities	-4 706	-	-4 706
Net identifiable assets and liabilities	1 658	13 463	15 121
Goodwill on consolidation			8 936
Total			24 057
The Group's acquisition value			24 057
Calculation of net cash outflow			Fair value
Group's acquisition value			-24 057
Debt additional purchase price			8 682
Cash acquired			983
Net cash outflow			-14 392

NOTE 2 INVESTMENTS

Investments amounted to SEK 17,4 million in intangible assets, including capitalised work and SEK 2,6 million in tangible assets. Through the acquisition of Fox Publish AS and ADservice Scandinavia AB SEK 27,4 million was added in product rights, trademarks, customer contracts and goodwill.

NOTE 3 LONG-TERM DEBT

Long-term interest-bearing debt consists of bank loans SEK 122 334 thousands, a convertible loan SEK 13 275 thousands and a vendor note regarding Aloc A / S SEK 4 974 thousands. Long-term non-interest bearing liabilities consist of deferred taxes SEK 77 180 thousands, pension liability SEK 12 422 thousands, a non-current portion of additional purchase price Fox Publish 4 272 thousands and other long-term liabilities SEK 301 thousands.

NOTE 4 CONVERTIBLE DEBENTURE

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

- Loan 1501 (long-term debt interest bearing liabilities, staff). SEK 13 275 thousand. Duration of the loan is January 1, 2015 - December 31, 2017. The interest rate is Stibor 180. The conversion price is SEK 159 SEK. Conversion may be requested 1 November to 30 November 2017. The share capital may upon conversion increase by a maximum of 44 221 SEK. At full conversion the dilution of about 1.5% of the share capital and 0.7% of the votes. The convertible program is registered by the Swedish Companies Registration Office February 11, 2015.

NOTE 5 EQUITY

Consolidated shareholders' equity as of March 31, 2015 was SEK 250 335 thousands. The registered shares amounted to 800 000 A-shares with voting rights 10 (ten) and 5 079 338 Series B-shares with voting rights 1 (one).

SIGNATURES

Umeå, May 6 2015,

Lars Stenlund

(CEO)

INFORMATION

Publication

The information in this report is such that Vitec Software Group AB (publ.) is obliged to publish under the Securities Market Act and/or the Financial Instruments Trading Act. The information was released for publication on May 6, 2015 at 13:00 CET.

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E-post: ir@vitec.se

Financial information is published on www.vitecsoftware.com immediately after publication.

Financial calendar

2015-07-13 Interim Report January-June 2015 (≈08:30 CET)
2015-10-21 Interim Report January-September 2015 (≈08:30 CET)

This report has not been audited by the auditors.

Corporate registration

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

KEY FIGURE DEFINITIONS

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/JEK

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.

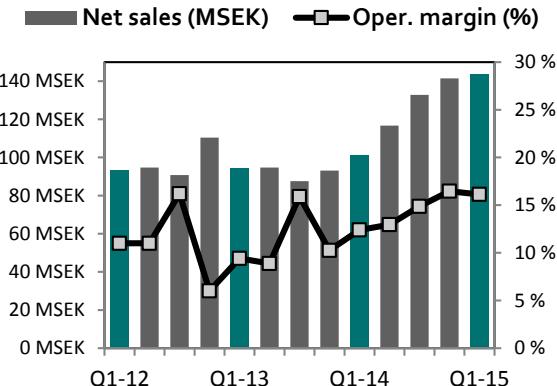
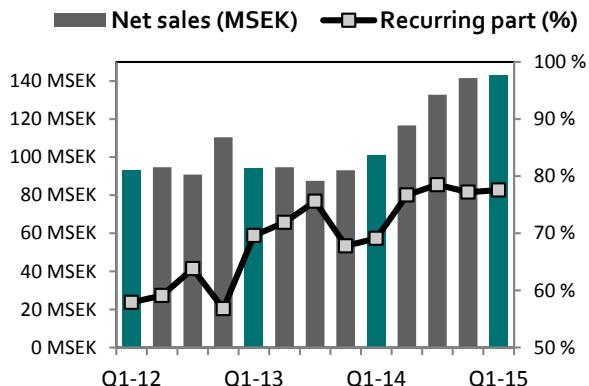
Debt ratio

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

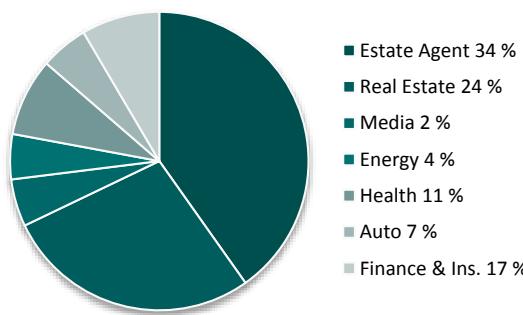
Profit margin

Net profit after tax through the net turnover.

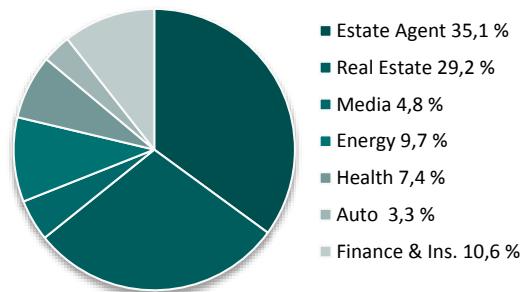
DIAGRAMS



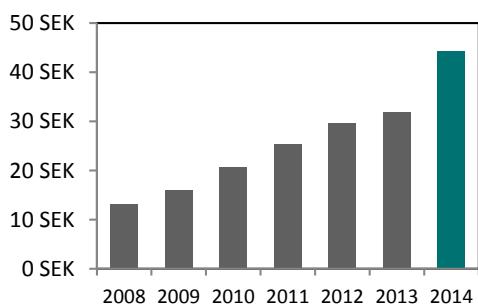
Distribution Net Sales Jan-Mar 2015



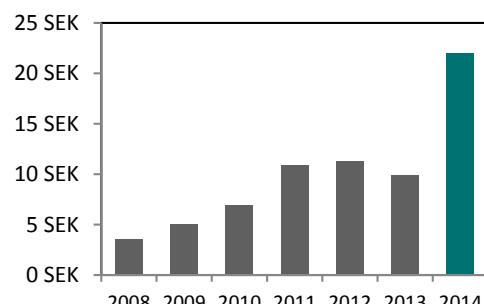
Distribution Profit Jan-Mar 2015



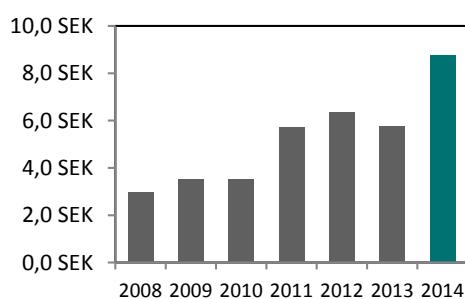
JEK per share (SEK)



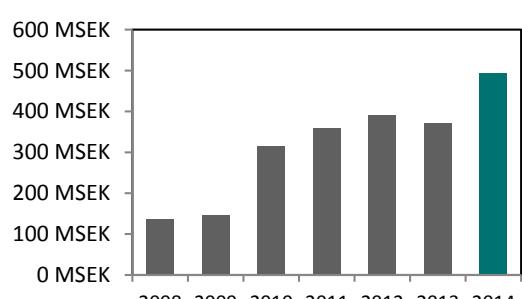
Cash flow per share (SEK)



Profit per share (SEK/share)



Net sales (MSEK)



A SOFTWARE COMPANY IN GROWTH

VERTICAL MARKET SOFTWARE

Vitec is a software company that offers industry specific business solutions to the Nordic market. The company, with operations in Sweden, Norway, Finland and Denmark is growing in the mature part of the software industry by consolidating vertical software segments. Its clients include property management companies, construction and real estate companies, banks and insurance companies, energy companies, health companies, companies dealing with car parts and newspaper companies. Group turnover has an annual capacity of 575 million SEK and has approximately 400 employees. Vitec Software Group AB (publ.) is listed on Nasdaq OMX Stockholm.

Our mission is to provide industry-specific business solutions where our strategy is to focus on niches where there are needs that not as cost-effective can be met by general ERP-systems. In these niches we strive for a leading position. Our offer includes:

- proprietary software
- SaaS (Software as a Service), support and maintenance
- specialist services

The current market is made up to 55 % of Sweden, 19 % in Denmark, 14 % in Norway, 11 % of Finland.

LONG CUSTOMER RELATIONSHIPS

Vitec formed in 1985 and has since 1998 been a public company based on software solutions. With our products and related services, we act in the long term, build trust and create confidence among our customers. We create value for customers through a customer-focused approach and a well-tailored program offering that supports, develops and increases the profitability of our customers' daily work processes.

BUSINESS MODEL WITH RECURRING REVENUE

Recurring contract revenues are a central part of the Vitecs business model. Recurring contract revenue includes recurring revenues for the use of our software, access to our customer service and new refined versions of our software. Technology trend today is for a more modern model in which the functionality of the software is delivered over the Internet. This movement means that our offer is extended to include the operation of the software and the data storage. This increases the proportion of recurring revenue contracts, which gives us a stable, predictable and recurring revenue volume while providing our customers with a secure overall offering. A business model with a high proportion of recurring revenue also gives us a good annual operating capital and reduces sensitivity to economic downturns. High proportion of recurring revenue contracts also provide strong cash flows, which is an important prerequisite for continued growth.

PROFITABLE GROWTH

Vitec has a pronounced growth strategy with a combination of acquisitions and organic growth. Growth is important because it gives us energy and creates new opportunities. Acquisitions are also important to achieve cost and volume advantages and are also strategically important for the expansion to new markets and niches. Our acquisitions were initially made in Sweden in the niches in which we first appeared, but has gradually expanded to include new niches and new markets. Today we are a software company that offers specific business throughout the Nordic market and our business is established in Sweden, Norway, Finland and Denmark. We identify and evaluates acquisition targets in all Nordic countries. During our long history, we have been in constant growth and every year improved our results. We have, however, held fast to our strategy to operate within specialized software niches to create sustainable and profitable growth.

KEY FIGURES

		2015	2014	2014
		jan-mar	jan-mar	jan-dec
Net sales	(TSEK)	143 413	100 974	491 956
Business Area Estate Agent	(TSEK)	49 223	44 924	185 750
Business Area Real Estate	(TSEK)	34 806	32 182	134 315
Business Area Energy	(TSEK)	6 181	5 614	22 672
Business Area Media	(TSEK)	3 438	10 601	21 759
Business Area Health	(TSEK)	15 536	3 978	43 627
Business Area Auto	(TSEK)	10 292	-	28 302
Business Area Finance & Insurance	(TSEK)	23 905	3 483	55 004
Shared	(TSEK)	32	192	527
Growth	(%)	42%	7%	32%
Profit after financial items	(TSEK)	21 620	11 964	64 545
Profit after tax	(TSEK)	17 245	8 377	49 065
Profit after tax attributable to owners of the parent	(TSEK)	17 245	8 377	49 065
Profit growth attributable to owners of the parent	(%)	106%	39%	62%
Profit margin	(%)	12%	8%	10%
Operating margin	(%)	16%	12%	14%
Total assets	(tkr)	770 198	562 087	772 901
Solidity	(%)	33%	32%	34%
Equity ratio after full conversion	(%)	34%	35%	37%
Degree of indebtedness	(times)	2,10	1,72	1,7
Return on capital employed	(%)	22%	20%	18%
Return on equity	(%)	27%	20%	23%
Sales per employee	(TSEK)	362	378	1 430
Value added per employee	(TSEK)	306	274	1 164
Personnel expenses per employee	(TSEK)	209	217	801
Average numbers of employees	(number)	397	267	344
Adjusted shareholders' equity per share (JEK)	(SEK)	42,58	33,91	44,24
Earnings per share	(SEK)	2,93	1,58	8,76
Earnings per share after dilution	(SEK)	2,92	1,48	8,39
Paid dividends per share*	(SEK)	-	-	2,75
Cash flow per share	(SEK)	5,50	5,80	22,00
P/E		19,7	14,4	15,1
P/JEK		4,56	2,6	3,0
P/S		2,13	1,24	1,51
Calculation bases:				
Results used for the calculation of earnings per share	(TSEK)	17 245	8 377	49 065
Cash flow for the calculation of cash flow per share	(TSEK)	32 364	30 794	123 220
Average number of shares (weighted average)	(psc)	5 879 338	5 308 327	5 600 681
The number of shares after dilution	(psc)	5 927 490	5 715 086	5 886 395
The number of shares issued on the closing date	(psc)	5 879 338	5 308 327	5 879 338
Share price at end of period	(SEK)	194,00	88,25	132,50

* Proposed dividend amounts to SEK 3,35 per share

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