



Interim report January–March 2022

This is Vitec

Vitec is the Nordic market leader in Vertical Market Software. We develop and deliver standardized software for various functions in society. They can be found at the heart of a variety of businesses and activities, including pharmacies, banks, car repair shops, property management, health care and education. Our products enable us to help our customers achieve greater efficiency and to generate societal benefit. The Group's overall processes, combined with the in-depth knowledge of our employees regarding our customers' operations, create the conditions for improvement, continuous innovation and sustainable product development. Vitec is listed on Nasdaq Stockholm.

GROWTH – REFINE AND ACQUIRE

Vitec is an industry player with a long-term outlook. Our growth mainly occurs through corporate acquisitions, but also organically. Our strong cash flow enables us to both reinvest in products and make acquisitions. The continued refinement of our products is crucial to ensure that our offering will remain relevant in the future.

RECURRING REVENUES

Our business model is based on a high percentage of recurring revenues. This provides us with stable and predictable cash flows that create the prerequisites for a long-term approach. It also makes the Group less sensitive to temporary declines within individual business units.

VALUE-DRIVEN ORGANIZATION

Within the framework of our decentralized organization, the corporate culture plays a significant role in corporate governance and is important for our long-term success. Our values, brand promise and Code of Conduct are the three cornerstones of our corporate culture. Through an array of forums,

we create conditions for employees and leaders to become part of our corporate culture.

VITEC'S BUSINESS CONCEPT

To contribute to the success of our customers by developing and providing standardized and niche business-critical software.

VITEC'S BRAND PROMISE

To rely on – today and tomorrow

SUSTAINABILITY

Sustainability is integral to our business model and culture. To structure our work, we have defined four focus areas: Enabling products, Empowered people, Reduced footprint and Responsible growth. These are specified based on where and how our business has the greatest impact on the world around us, as well as areas where we believe we can make the greatest difference. Read more in our sustainability report.

22,300

customers

1,701

MSEK proforma net sales

85%

proforma recurring revenues, ARR

1,050

employees

32

business units

5

countries

Summary of interim period, January–March 2022

- Net sales SEK 447 million (373), an increase of 20%
- Recurring revenues SEK 378 million (313), an increase of 21% including 8% organic
- EBITA was SEK 130 million (96), an increase of 36%
- EBITA margin 29% (26)
- Operating profit was SEK 83 million (56), an increase of 50%
- Operating margin 19% (15)
- Earnings per share before dilution SEK 1.76 (1.21)
- Cash flow from operating activities SEK 445 million (310)
- Acquisition DocuBizz ApS



Increased marketing activities, development initiatives and continued good growth

The year is off to a good start, with continued robust organic growth, +8% for our recurring revenues on a full-year basis. Total growth for the quarter compared with the corresponding year-earlier period is up +20%, EBITA rose 36% and operating profit grew an impressive 50% for the period. Margins also increased to 29% (26) for EBITA and 19% (15) for operating profit.

At the beginning of the year, we were able to adjust prices based on the index clauses included in many agreements; in recent years, this adjustment has not resulted in such large increases, but it now follows the general rising price trend in each market. Of course, there is also a corresponding increase on the expense side, mainly for our personnel costs, but this trend has not yet fully taken effect.

Cash flow is strong, which is in line with the seasonal pattern in which a high proportion of the recurring revenues for the year are paid in advance during the first quarter. These circumstances, along with continuous improvement in earnings,

give us a strong financial position from which we are well prepared for future acquisitions.

We have also had a high level of activity in our product development, as well as a quarter with few holidays and vacations. A gradual return to the offices after the pandemic for both us and our customers has resulted in an increase in marketing activities, customer meetings and long-awaited creative and spontaneous meetings with colleagues.

At the beginning of the year we welcomed DocuBizz to the Vitec family, a Danish company who with their software streamlines and simplifies the management of supplier invoices for their customers in the automotive industry. During the period, the work with acquisition candidates has continued, and we see good opportunities for future acquisitions.

Olle Backman, CEO, Vitec Software Group



"Cash flow is strong, which is in line with the seasonal pattern in which a high proportion of the recurring revenues for the year are paid in advance during the first quarter. These circumstances, along with continuous improvement in earnings, give us a strong financial position from which we are well prepared for future acquisitions. "

Olle Backman, CEO, Vitec Software Group

Group financial information

NET SALES AND EARNINGS

January–March 2022

Net sales

Net sales for the period totaled SEK 446.6 million (373.4) and included recurring revenues of SEK 378.3 million (313.5), license revenues of SEK 7.4 million (6.9), service revenues of SEK 52.0 million (47.8) and other revenues of SEK 9.0 million (5.1).

Comments on sales

Net sales rose a total of 20% for the period and recurring revenues rose 21%, including 8% organically. Other revenues totaled SEK 9.0 million, which is an increase of 75% compared with the corresponding period last year. Licensing increased by 6%. Service revenues gained 9%, compared with the corresponding period in 2021. Recurring revenues accounted for 85% of net sales, compared with 84% for the corresponding period in 2021. During the year acquired companies contributed SEK 7.5 million in net sales.

Earnings

EBITA was SEK 130.4 million (96.1), with an EBITA margin of 29% (26). Operating profit was SEK 83.4 million (55.7), with an operating margin of 19% (15). Profit after tax for the period amounted to SEK 61.8 million (40.0). Earnings per share before dilution totaled SEK 1.76 (1.21).

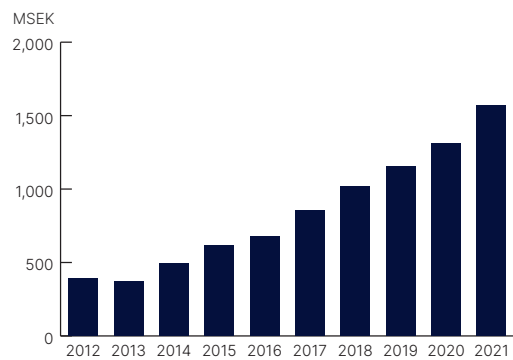
Comments on earnings

EBITA gained 36%, compared with the corresponding period in 2021. The impact of IFRS 16 on leases amounts to SEK 12 million (7) in operating profit, and to SEK -11 million (-11) in depreciation. The net of capitalized development costs and amortization and impairment losses on intangible fixed assets had a positive effect on operating profit of SEK 0.9 million, compared with SEK 3.2 million the corresponding period last year.

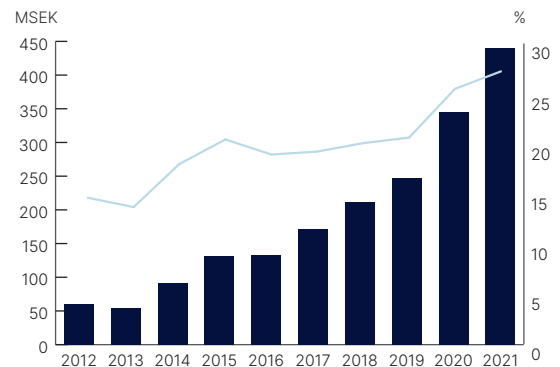
	2022 Jan–Mar	2021 Jan–Mar	Change
Net sales, SEK million	447	373	20%
Recurring share of net sales, %	85%	84%	
EBITA, SEK million	130	96	36%
EBITA margin, %	29%	26%	
Operating profit/loss, SEK million	83	56	50%
Operating margin, %	19%	15%	
Net profit/loss for the period, SEK million	62	40	55%
Earnings per share, SEK	1.76	1.21	

Diagrams on Group trends

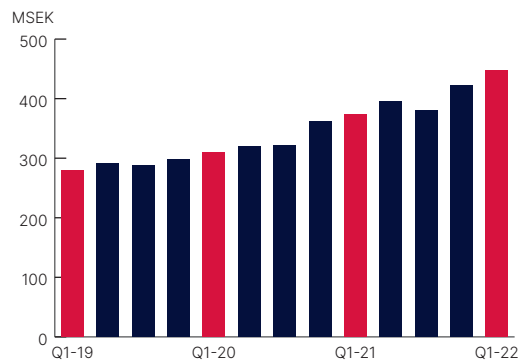
Sales



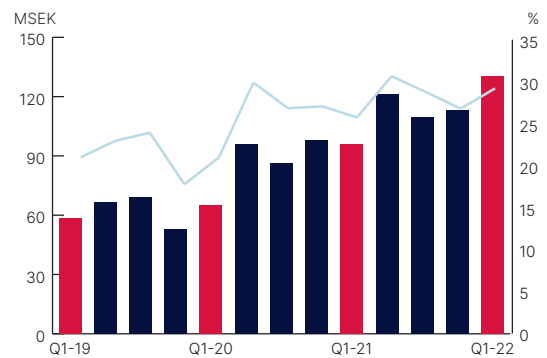
EBITA and EBITA margin



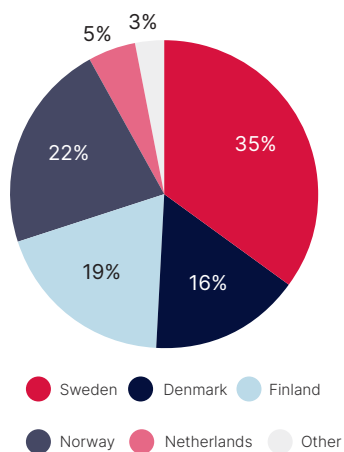
Sales by quarter



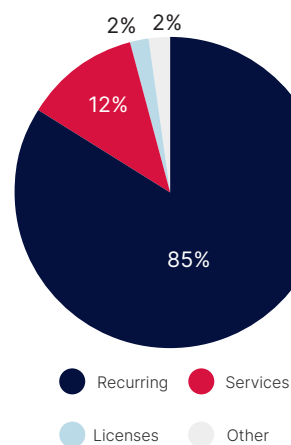
EBITA and EBITA margin by quarter



Sales by market, January–March 2022



Breakdown of revenue, January–March 2022



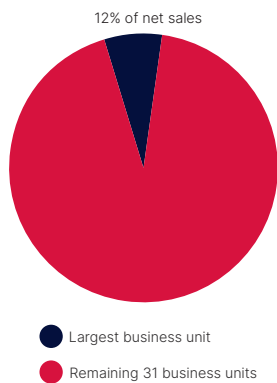
Sales broken down by business unit and customer

Because we operate in a number of niche markets and countries, we have good diversification of revenue in terms of both geography and area of operation. Although we operate in several niche markets, we still engage in essentially the same business. We develop and deliver standardized software to meet the various needs of our customers. Some of our software products comprise complete enterprise systems, while

others provide support for specific aspects of our customers' operations. We serve a large number of customers with our products. No individual customer accounts for more than 1.35% of the Group's total revenues. As we continue to acquire profitable vertical software companies, we expect the distribution of risk to continue in a positive direction.

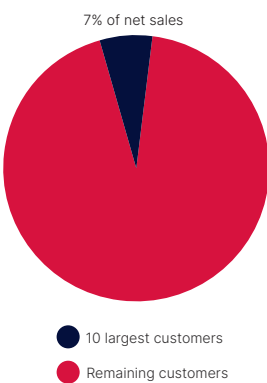
BREAKDOWN OF SALES

Our sales are evenly spread across our 32 business units. No individual business unit accounts for more than 12% of consolidated sales.














CUSTOMERS

We have about 22,300 customers. The Group's ten largest customers account for approximately 7% of sales. The single largest customer accounts for approximately 1.35% of sales.




















Our business units

We conduct our operations through our 32 independent business units. Vitec develops and delivers software aimed at various functions in society. They can be found at the heart of a variety of businesses and activities, including pharmacies, banks, car repair shops, property management, health care and education. Our products enable us to help our customers achieve greater efficiency and to generate societal benefit. The diagram of the city on the right illustrates where our business units can be found and how we contribute to developments in society.

Business unit		Software for:	Domicile	Acquisition year	Sales 2021, SEKm	Recurring, 2021
Vitec Actor Smartbook		Municipal culture and recreation administration offices, as well as other visitor facilities in Norway and Sweden.	SE	2018	28	85%
Vitec Acute		Healthcare companies in Finland	FI	2013	74	89%
Vitec Agrando		Church-related administration in Norway.	NO	2018	35	85%
Vitec Aloc		Banking and finance industry in the Nordic countries and western Europe.	DK, NO	2014	114	86%
Vitec ALMA		Information management within the process industry and energy companies in Finland.	FI	2020	33	52%
Vitec Appva		Healthcare and social services sector in Sweden.	SE	2020	39	95%
Vitec Autosystemer		Automotive, transportation and machinery industry in Norway.	NO	2015	49	94%
Vitec Avoine		Local associations and national organizations in Finland.	FI	2019	33	81%
Vitec Bygg & Fastighet		Construction and property management industry in Sweden	SE	1985	199	74%
Vitec Capitex Finans-system		Banking and finance industry, primarily in Sweden and with some establishment in Norway and Finland.	SE	2010	26	91%
Vitec Cito		Pharmacy market in Denmark.	DK	2018	44	67%
Vitec Datamann		Car dealers and auto repair shops in Denmark.	DK	2015	46	83%
Vitec DocuBizz		Automotive industry in northern Europe and the US.	DK	2022	27	95%
Vitec Energy		Electricity traders and owners of electricity and district heating grids in about 25 different countries.	SE	1998	32	85%
Vitec Fixit		Hair and beauty salons in Norway.	NO	2019	66	93%



Business unit	Software for:	Domi- cile	Acquisi- tion year	Sales 2021, SEKm	Recurring, 2021
Vitec Futursoft	 Automotive industry and machinery sector in Finland and Sweden.	FI	2016	85	92%
Vitec HK data	 Health and welfare sector in Norway.	NO	2019	16	89%
Vitec Katrina	 Church-related administration in Finland.	FI	2019	22	82%
Vitec Megler	 Real estate agents in Norway.	NO	2012	94	94%
Vitec MV	 Education sector in Denmark, Norway and Sweden.	DK, NO, SE	2017	46	97%
Vitec Mäklarsystem	 Real estate agents in Sweden.	SE	2010	87	96%
Vitec Nexgolf	 Golf courses in Finland.	FI	2020	12	98%
Vitec Nice	 Liability insurance companies in Norway and Sweden.	NO	2015	17	63%
Vitec Nordman	 Food and grocery retail industry in Sweden	SE	2021	21	93%
Vitec Plania	 Building and facility management in Norway.	NO	2016	34	72%
Vitec Samfundssystem	 Administrative services for churches and preschools in Sweden.	SE	2018	47	74%
Vitec Tietomitta	 Private and municipal waste-and-resource processing in Finland.	FI	2016	54	88%
Vitec Travelize	 Travel agencies, primarily in Scandinavia.	SE	2021	19	78%
Vitec Unikum	 Retail trade and manufacturing industry in Sweden.	SE	2021	105	80%
Vabi	 Sustainable energy management for the real estate and property management industry in the Netherlands.	NL	2021	72	98%
Vitec Visiolink	 Media companies in Europe.	DK	2020	66	73%
Vitec WIMS	 Insurance companies in Norway.	NO	2019	31	69%

Balance sheets and cash flow

LIQUIDITY AND FINANCIAL POSITION

The Group's cash and cash equivalents at the end of the period totaled SEK 400.6 million (278.8). In addition to cash and cash equivalents, Vitec has an overdraft facility of SEK 125.0 million and SEK 815.0 million in unutilized portions of the credit facility, which amount to a total of SEK 1,500.0 million. The terms and conditions of the company's credit agreement contain restrictions, known as covenants. The Group has fulfilled the terms and conditions in their entirety during the period.

At March 31, 2022, interest-bearing liabilities totaled SEK 761.9 million (1,047.9) and comprised SEK 740.8 million (1,045.1) in non-current interest-bearing liabilities and SEK 21.1 million (2.8) in current interest-bearing liabilities. Non-current interest-bearing liabilities comprised bank loans of SEK 690.9 million, as well as convertible debentures totaling SEK 49.9 million. Current interest-bearing liabilities comprised bank loans of SEK 2.8 million as well as convertible debentures totaling SEK 18.3 million. Interest-bearing net debt amounts to SEK 362.6 million (769.1).

The convertible loans consist in part of convertible debentures subscribed for in conjunction with acquisitions, and in part of employee convertibles that were approved at the most recent annual general meetings.

Liabilities relating to right-to-use assets in the form of leases for premises are included in other non-current liabilities of SEK 71.0 million and in other current liabilities of SEK 42.4 million.

The previously expensed supplementary purchase consideration for ALMA Consulting Oy was adjusted downward by SEK 3.4 million. Pursuant to IFRS 3:58, the adjustment was recognized as other operating revenues, while an amortization of intangible assets was recognized simultaneously. The adjustment has had no impact on net profit/loss.

CASH FLOW AND INVESTMENTS

Amortization of bank loans amounted to SEK -0.7 million; amortization related to right-to-use assets totaled SEK -12.0 million. Cash flow from operating activities was SEK 445.2 million (310.4). Investments totaled SEK 64.7 million in capitalized work, SEK 0.5 million in other intangible assets and SEK 5.1 million in property, plant and equipment. Investments in right-of-use assets not affecting cash flow totaled SEK 6.4 million. The acquisition of DocuBizz ApS generated SEK 75.7 million in product rights, brands, customer agreements and goodwill.

During the period the supplementary purchase consideration for the acquisition of Travelize International AB was settled. A total of SEK 33.0 million was paid.

The fourth and final payment of the dividend for financial year 2020 was made on March 30, 2022, when SEK 14.4 million was paid.

SHAREHOLDERS' EQUITY

Equity attributable to Vitec's shareholders totaled SEK 2,093.4 million (963.0). The equity/assets ratio is 52% (32). A dividend of SEK 2.00 per share is proposed to the Annual General Meeting on April 26, totaling SEK 75.3 million. The dividend will be divided up and paid on four payment dates: June 30, September 30, December 30 and March 30, 2023.

TAXES

Current tax for the period amounted to SEK 15.1 million (7.8). Deferred tax totaled SEK 1.5 million (2.7).

Outstanding warrant program:

Warrants	Number of options	Grant date	Maturity date	Exercise price, SEK	Max increase share capital, SEK million	Dilution capital	Dilution votes
TO 2020:1	251,000	Sep 16, 2020	Sep 1, 2023– Sep 15, 2023	333	0.025	0.7%	0.4%
TO 2021:1	263,000	June 15, 2021	June 3, 2024– June 14, 2024	463	0.026	0.8%	0.4%
Number of options	514,000				0.051	1.5%	0.8%

Convertible debentures:

Convertible debentures	Carrying amount, SEK million	Duration	Conversion period	Conversion price, SEK	Max increase share capital, SEK million	Dilution capital	Dilution votes
Loan 2001 Acquisition Visiolink Management ApS	10.7	Jan 30, 2020– Dec 30, 2022	July 1, 2021– Dec 30, 2022	230	0.005	0.1%	0.1%
Loan 2006 Acquisition Appva AB	7.6	June 17, 2020– Dec 30, 2022	Jan 1, 2022– Dec 30, 2022	240	0.003	0.1%	0.1%
Loan 2101 Acquisition Unikum datasystem AB	15.1	Jan 4, 2021– Dec 30, 2023	Jan 1, 2023– Dec 30, 2023	373	0.004	0.1%	0.1%
Loan 2102 Acquisition Travelize international AB	6.8	Feb 3, 2021– Dec 30, 2023	Jan 1, 2023– Dec 30, 2023	362	0.002	0.1%	0.0%
Loan 2104 Acquisition Nordman & Co AB	2.3	April 26, 2021– June 30, 2024	Jan 1, 2024– June 30, 2024	468	0.001	0.0%	0.0%
Loan 2201 Acquisition DocuBizz Aps	4.8	Jan 21, 2022– Jan 31, 2025	Jan 8, 2024– Jan 31, 2025	565	0.001	0.0%	0.0%
Loan 2009 Convertible Employee Program	12.6	Sep 1, 2020– Sep 30, 2023	Sep 1, 2023– Sep 30, 2023	333	0.004	0.1%	0.1%
Loan 2021:1 Convertible Employee Program	8.2	June 1, 2021– June 30, 2024	June 1, 2024– June 30, 2024	463	0.002	0.1%	0.0%
Total liability	68.3				0.022	0.6%	0.3%

Acquisitions during the period

COMPLETED ACQUISITIONS

During the period one acquisition was completed: DocuBizz ApS. From the acquisition date up to and including March 31, revenues in the acquired companies totaled SEK 7.4 million in sales and SEK 2.2 million in profit before tax. The acquisition-related expenses are recognized in operating profit and total SEK 2.8 million. The operating profit also includes SEK 2.6 million in acquisition-related expenses related to acquisitions from previous years.

Acquisition DocuBizz ApS

On January 21, Vitec acquired all shares in the Danish software company DocuBizz ApS. The company reported sales of SEK 27 million, with an EBITDA of SEK 6 million for the 2021 financial year.

DocuBizz develops and provides a SaaS solution that digitizes and automates management of all types of supplier invoices for companies. The software matches invoices with purchase orders, presents history and more, and the invoice is sent via the system to the right person for approval. The software also supports automatic accounting in the customer's business system. The company's approximately 350 customers are mainly in the automotive industry in Scandinavia, Germany, and the US. Vitec welcomes 12 new employees as part of the acquisition.

Payment was in cash and with a convertible, with deviation

from shareholders' preferential rights in accordance with the authorization from the Annual General Meeting on April 28, 2021. The convertible matures in 36 months and at full conversion will have a dilutive effect on capital of 0.02%. The acquisition is expected to yield an immediate increase in earnings per share for Vitec. Consolidation will commence as of the acquisition date.

The goodwill item is not tax deductible and is deemed to be attributable to anticipated profitability and complementary expertise requirements, as well as anticipated synergy effects, in the form of the joint development of our products.

The acquisition of DocuBizz added SEK 11.2 million in product rights, SEK 2.1 million in brands, SEK 13.5 million in customer agreements and SEK 48.9 million in goodwill. The expensed convertible totals SEK 4.8 million. The expensed portion of the contingent consideration amounts to SEK 17.8 million and is subject to EBITDA improvements at December 31, 2022. The supplementary purchase consideration is valued at maximum outcome.

INVESTMENTS IN PARTICIPATIONS IN COMPANIES

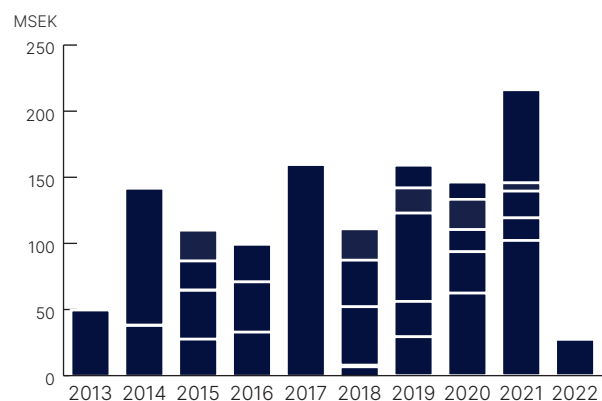
Our subsidiary Malmkroppen AB aims to invest in Nordic software companies that are in an earlier phase than the software companies that are usually acquired. During the period an agreement was signed to acquire participations in the software company Pinpointest AB. Payment for the investment will take place after the reporting period.

Growth – refine and acquire

Vitec is an industry player with a long-term outlook. Our growth mainly occurs through corporate acquisitions, but also organically. Our business model is based on a high percentage of recurring revenues. This provides us with stable and predictable cash flows that enable us to pursue a long-term approach where we can both reinvest in products and make acquisitions. The continued refinement of our products is crucial to ensure that our offering will remain relevant in the future.

Acquired revenue

Each segment of the bars represents the annual sales of an acquired company.



Effect of acquired units on sales

SEK million	Rolling 12, April 21– March 22	Rolling 12, April 20– March 21	Growth	2022 Jan–Mar	2021 Jan–Mar	Growth
Reported net sales	1,645	1,377	19%	447	373	20%
of which recurring revenues	1,389	1,141	22%	378	313	21%
Effect of acquired units	56	227		-	34	
of which recurring revenues	53	197		-	32	
Proforma net sales	1,701	1,604	6%	447	407	10%
Proforma recurring revenues (ARR)	1,442	1,337	8%	378	345	10%

Other significant events during the period

FEBRUARY 11: NEW FINANCIAL TARGET AND AIMS FOR SUSTAINABILITY

The Board of Directors has decided to update the Group's financial targets and aims for its sustainability work. The mission and business concept have also been updated.

Our financial target for the operating margin will gradually increase over time and will reach at least 20% at the Group level. Our target for dividends remains unchanged and will correspond to at least one third of net profit.

Our mission has been updated to: "To be a profitable and sustainable growth company that develops and acquires vertical software companies." Our business concept has been updated to: "To contribute to the success of our customers by developing and providing standardized and niche business-critical software."

Vitec has also raised the bar for the Group's sustainability work. Using our updated focus areas as a point of departure,

we also added a number of new key figures that concern product investments and information security, corporate social sustainability and a reduced climate footprint.

MARCH 28: NOTICE OF ANNUAL GENERAL MEETING

The shareholders in Vitec Software Group AB (publ) are hereby given notice of the Annual General Meeting to be held on Tuesday April 26, 2022, at 5:30 p.m. at Vävenscenen, Väven, Västra Strandgatan 8, Umeå. Registration to the Annual General Meeting will be open from 4:45 p.m. to 5:15 p.m. Food and beverage will be served after the Annual General Meeting.

In accordance with the provisions of Chapter 7, Section 4 a of the Swedish Companies Act and the company's Articles of Association, the Board has decided that the shareholders shall have the opportunity to exercise their voting rights by postal ballot before the Annual General Meeting. Shareholders may thus choose to attend the meeting physically, by proxy, or by postal voting.

Risks and uncertainties

Material risks and uncertainties are described in the administration report of the 2021 Annual Report under "Risks and uncertainties" on pages 64-69, in Note 1, under the section, Assessments and estimates on pages 98, and in Note 11 "Financial risks and the management of such risks" on pages 133-134.

On 24 February, 2022, Russia invaded Ukraine. The war entails great suffering for the millions of people affected and

influences the geopolitical situation. It is difficult to assess the consequences for the global economy because of the uncertainty of the situation. In terms of business, Vitec is affected only to a limited degree in the short term, but naturally we are closely monitoring developments and initiatives will be taken to support those affected from both the central and local level of the Group.

Parent Company

Net sales totaled SEK 31.6 million (29.8) and essentially comprised invoicing to subsidiaries for services rendered. Profit after tax was SEK -8.0 million (-17.2). Parent Company earnings were charged with unrealized foreign-exchange

losses totaling SEK -8.1 million (-18.2). The Parent Company is generally exposed to the same risks and uncertainties as the Group; refer to the above section, Risks and uncertainties.

Related-party transactions

No significant transactions with related parties occurred in the Group or Parent Company during the period.

Accounting and measurement policies

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, and the Swedish Annual Accounts Act. The Parent Company's accounts were prepared in accordance with the Annual Accounts Act and recommendation RFR 2 Accounting for Legal Entities. No new or amended standards entered into force as of 2021 that are expected to affect the Group's accounts.

OPERATING SEGMENTS

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker of the Company. In the Vitec Group, the CEO and President has been identified as chief executive decision-maker who evaluates the Group's financial position and performance and makes decisions on resource allocation. The operating segments form the operational structure for internal governance, follow-ups, and reporting. The CEO analyzes and monitors the sales and earnings of the operation based on the total consolidated operations. The assessment is thus that the Group's operations consist of one segment.

INCENTIVE PROGRAM

There are ongoing convertible programs aimed at all personnel in the form of convertible debentures. The shares were issued on market terms. Consequently, there are no benefits that can be recognized as share-based remuneration.

Two warrant incentive programs are also underway, in the

form of warrants, aimed at about 45 people. The shares were issued on market terms. The fair value of options granted is calculated using a modified version of the Black-Scholes valuation model. The value of the option premiums is recognized as share-based remuneration pursuant to IFRS 2.

FINANCIAL INSTRUMENTS

Classification and measurement

Financial instruments are recognized initially at cost corresponding to the instrument's fair value plus transaction costs. A financial instrument is classified at initial recognition based on, among other factors, the purpose for which the instrument was acquired. Vitec has financial instruments under the categories loans and accounts receivable, financial assets at fair value, financial liabilities at fair value and financial liabilities at amortized cost.

Financial liabilities measured at fair value

In accordance with IFRS 7, the fair value of each financial asset and financial liability must be disclosed, regardless of whether they are recognized in the balance sheet. Vitec deems the fair value of the financial assets/liabilities to be close to the recognized carrying amount.

All of the company's financial instruments that are subject to measurement at fair value are classified as level 3 and pertain to securities held as fixed assets, as well as contingent considerations in conjunction with acquisitions.

Recurring measurements at fair value, at March 31, 2022, SEK thousands

	Level 1	Level 2	Level 3	Book value
Securities held as fixed assets			21,705	21,705
Total assets			21,705	21,705
Contingent consideration, ALMA Consulting Oy			3,918	3,918
Contingent consideration Appva AB			45,000	45,000
Total liabilities			48,918	48,918

Signature

Umeå, April 22, 2022

Olle Backman
CEO, Vitec Software Group

Condensed consolidated statement of comprehensive income

SEK THOUSANDS	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
OPERATING REVENUES			
Recurring revenues	378,257	313,474	1,324,214
License revenues	7,378	6,949	27,295
Service revenues	52,017	47,824	194,368
Other revenues	8,981	5,118	25,432
NET SALES	446,633	373,366	1,571,309
Capitalized development costs	64,727	54,846	209,115
Reversal of supplementary purchase consideration	3,402	1,095	1,095
TOTAL	514,763	429,307	1,781,519
OPERATING EXPENSES			
Goods for resale	-8,001	-4,584	-24,911
Subcontractors and subscriptions	-48,879	-43,834	-175,544
Other external expenses	-50,312	-41,102	-168,704
Personnel expenses	-235,249	-208,899	-828,528
Depreciation of property, plant and equipment	-15,758	-14,581	-62,323
Amortization and impairment of intangible fixed assets	-22,278	-19,484	-79,981
Impairment of intangible assets	-3,402	-1,095	-1,095
Unrealized exchange-rate gains/losses (net)	-474	371	-610
TOTAL EXPENSES	-384,353	-333,209	-1,341,696
EBITA	130,410	96,098	439,823
Acquisition-related costs	-5,477	-8,171	-14,574
Acquisition-related amortization and impairment losses	-41,570	-32,183	-142,199
OPERATING PROFIT/LOSS	83,363	55,745	283,050
Financial income	19	16	290
Financial expenses	-4,932	-5,206	-21,235
TOTAL FINANCIAL ITEMS	-4,913	-5,190	-20,945
PROFIT AFTER FINANCIAL ITEMS	78,450	50,555	262,105
Tax	-16,633	-10,545	-55,164
NET PROFIT FOR THE PERIOD	61,817	40,010	206,941
OTHER COMPREHENSIVE INCOME, ITEMS THAT MAY BE RECLASSIFIED AS PROFIT/LOSS FOR THE YEAR			
Restatement of net investments in foreign operations and hedge accounting of the same	42,226	47,287	49,871
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	42,226	47,287	49,871
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	104,043	87,296	256,812
PROFIT FOR THE PERIOD ATTRIBUTABLE TO			
– Parent Company shareholders	61,817	40,010	206,941
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO			
– Parent Company shareholders	104,043	87,296	256,812

Condensed consolidated statement of financial position

SEK THOUSANDS	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
ASSETS			
FIXED ASSETS			
Goodwill	1,753,170	1,226,302	1,689,392
Other intangible fixed assets	1,483,753	1,138,376	1,429,168
Tangible property, plant and equipment	162,419	135,134	163,746
Financial fixed assets	25,677	11,384	25,481
Deferred tax assets	8,376	4,714	8,061
TOTAL FIXED ASSETS	3,433,395	2,515,909	3,315,848
CURRENT ASSETS			
Inventories	4,200	3,269	2,788
Current receivables	202,264	176,758	313,287
Cash and cash equivalents	400,577	278,810	119,854
TOTAL CURRENT ASSETS	607,041	458,836	435,929
TOTAL ASSETS	4,040,436	2,974,745	3,751,777
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity attributable to Parent Company shareholders	2,093,376	962,985	1,989,104
Non-current interest-bearing liabilities	759,119	1,045,108	754,633
Deferred tax liabilities	299,173	227,373	289,291
Other non-current liabilities	94,460	135,943	161,056
TOTAL NON-CURRENT LIABILITIES	1,152,752	1,408,424	1,204,981
Accounts payable	37,693	27,645	46,784
Current portion of interest-bearing liabilities	4,063	2,766	2,767
Other current liabilities	226,268	176,605	189,918
Accrued expenses	147,307	140,244	118,774
Prepaid recurring revenues	378,977	256,077	199,449
TOTAL CURRENT LIABILITIES	794,308	603,337	557,693
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	4,040,436	2,974,745	3,751,777

Condensed consolidated statement of changes in equity

SEK THOUSANDS	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS			
Opening balance	1,989,104	843,350	843,350
Convertible debenture with stock options	230	1,089	1,624
Debenture conversion	-	31,468	34,019
New share issue after issuing costs*	-	-	904,378
Paid option premiums	-	-	5,104
Option premiums measured at fair value	-	-	682
Dividends paid	-	-220	-56,866
Total comprehensive income	104,043	87,296	256,812
CLOSING BALANCE	2,093,376	962,985	1,989,104

* Issuing costs total SEK 15.6 million.

Condensed consolidated statement of cash flow

SEK THOUSANDS	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
OPERATING ACTIVITIES			
Operating profit	83,363	55,745	283,050
Adjustments for non-cash items			
Other operating revenues	-3,402	-1,095	-1,095
Loss on decommissioning of equipment, fixtures and fittings	-	-	-
Depreciation, amortization and impairment	83,007	67,342	285,598
Unrealized foreign exchange gains/losses	474	-371	610
Option premiums	-	-	682
	163,442	121,621	568,845
Interest received	18	17	290
Interest paid	-4,187	-4,486	-18,080
Income tax paid	-21,012	-17,030	-54,703
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL	138,261	100,122	496,352
Changes in working capital			
Increase/decrease in inventories	-1,412	-294	186
Increase/decrease in accounts receivable	132,117	120,505	-16,331
Increase/decrease in operating receivables	-19,498	-15,924	15,898
Increase/decrease in accounts payable	-9,915	-8,503	9,368
Increase/decrease in operating liabilities	205,649	114,493	-17,454
CASH FLOW FROM OPERATING ACTIVITIES	445,202	310,399	488,019
INVESTING ACTIVITIES			
Acquisition of subsidiaries, net*	-77,253	-567,842	-1,260,159
Acquisition of shares and participations in associates	-	-10,000	-21,705
Purchase of intangible fixed assets and capitalized development costs	-65,239	-54,974	-209,614
Purchase of property, plant and equipment	-5,115	-6,226	-18,572
CASH FLOW FROM INVESTING ACTIVITIES	-147,607	-639,042	-1,510,050
FINANCING ACTIVITIES			
Dividends to Parent Company shareholders	-14,369	-10,901	-53,178
Borrowings	-	500,000	508,650
Repayment of loans	-12,638	-8,039	-347,119
New share issue	-	-	904,378
Paid option premiums	-	-	5,104
CASH FLOW FROM FINANCING ACTIVITIES	-27,007	481,060	1,017,835
CASH FLOW FOR THE PERIOD	270,588	152,417	-4,196
OPENING CASH AND CASH EQUIVALENTS, INCLUDING CURRENT INVESTMENTS	119,858	134,695	134,695
Exchange-rate differences in cash and cash equivalents	10,135	-8,302	-10,642
CASH AND CASH EQUIVALENTS INCLUDING CURRENT INVESTMENTS AT THE END OF THE PERIOD**	400,582	278,810	119,858

*Payment for the acquisition of subsidiary during the period consisted of cash for Docubizz ApS. Net cash flow was SEK 44.3 million. The acquisition pertained to all shares outstanding in their entirety and entailed the gain of controlling influence. In addition, the supplementary purchase consideration of SEK 33.0 million was paid for the acquisition of Travelize International AB. The payment did not entail any changes to controlling influence or the total number of shares held.

*Payment for the acquisition of subsidiaries in 2021 consisted of cash payment for Unikum datasystem AB and Travelize International AB. Net cash flow was SEK 508.9 million. The acquisitions pertained to all shares

outstanding in their entirety and entailed the gain of controlling influence.

In addition, supplementary purchase considerations were paid for the acquisitions of WIMS AS, M&V Software Oy, ALMA Consulting Oy, Appva AB and NexGolf Oy, totaling SEK 58.9 million. The payments did not entail any changes to controlling influence or the total number of shares held.

**Cash and cash equivalents are defined as funds exposed to an insignificant risk of fluctuations in value, and which are easily convertible to cash at a known amount. Current investments comprise funds that are convertible to cash at a known amount within one bank day.

Parent company income statement, condensed

SEK THOUSANDS	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Operating revenues	31,574	29,797	130,048
Operating expenses	-29,289	-28,922	-115,576
Unrealized exchange-rate gains/losses (net)	-8,107	-18,233	-16,623
OPERATING PROFIT/LOSS	-5,822	-17,359	-2,151
Income from participation in Group companies	-	-	152,551
Interest income	91	110	471
Interest expenses	-4,300	-4,613	-18,625
PROFIT AFTER FINANCIAL ITEMS	-10,031	-21,862	132,247
Appropriations	-	-	56,899
PROFIT/LOSS BEFORE TAX	-10,031	-21,862	189,146
Tax	2,032	4,643	-5,198
NET PROFIT FOR THE PERIOD	-7,999	-17,219	183,948

Profit/Loss for the period corresponds to total comprehensive income.

Condensed balance sheet, Parent Company

SEK THOUSANDS	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
ASSETS			
FIXED ASSETS			
Intangible fixed assets	1,172	1,004	973
Tangible property, plant and equipment	12,010	10,649	12,314
Financial fixed assets	3,269,084	2,474,558	3,200,942
TOTAL FIXED ASSETS	3,282,266	2,486,211	3,214,229
CURRENT ASSETS			
Current receivables	249,910	204,764	257,280
Cash and cash equivalents	275,977	263,604	82,236
TOTAL CURRENT ASSETS	525,887	468,367	339,517
TOTAL ASSETS	3,808,153	2,954,578	3,553,745
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	1,963,276	910,662	1,973,077
Untaxed reserves	1,772	1,677	1,772
Non-current liabilities	774,410	1,123,108	830,133
Current liabilities	1,068,695	919,132	748,763
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,808,153	2,954,578	3,553,745

Acquired assets and liabilities 2022

PRELIMINARY ACQUISITION CALCULATIONS

During the period one acquisition was completed: DocuBizz ApS. Some items in the acquisition plan may be remeasured, due to our brief ownership of the company. This applies to all

assets and liabilities in the acquisition balances, but mainly brands, product rights, customer agreements and goodwill. For this reason, the acquisition plan remains preliminary, until 12 months after the acquisition date.

Acquired assets and liabilities, SEK thousands	Book value	Fair value adjustment	Fair value recognized in the Group
Goodwill	-	48,865	48,865
Intangible fixed assets	-	26,827	26,827
Tangible property, plant and equipment	423	-	423
Financial fixed assets	-	-	-
Inventories	-	-	-
Current receivables	1,793	-	1,793
Cash and cash equivalents	3,428	-	3,428
Deferred tax liabilities	-	-5,902	-5,902
Accounts payable	-824	-	-824
Other current liabilities	-4,030	-	-4,030
Other non-current liabilities	-	-	-
Total	790	69,790	70,580

Effect of acquisitions on cash flow, SEK thousands

Group's purchase costs	-70,580
Expensed portion of purchase considerations	17,900
Convertible debentures	5,000
Acquired cash and cash equivalents	3,428
Net cash outflow	-44,252

Allocation of revenues and date of revenue recognition

Allocation of revenues and date of revenue recognition, SEK million	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Recurring revenues	378.3	313.5	1,324.2
Other revenues	68.4	59.9	247.1
Net sales	446.6	373.4	1,571.3
Date of revenue recognition			
Services transferred to customers over time, flat distribution	332.2	270.2	1,158.8
Services transferred to customers over time, in pace with use	98.1	91.1	359.8
Services transferred to customers at a given time	16.4	12.1	52.7
	446.6	373.4	1,571.3

Shareholder information

PUBLICATION

This information is such information that Vitec Software Group AB (publ) is required to disclose pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out below, at 8:00 a.m. (CET) on April 22, 2022.

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.

This report has not been subject to review by the company's auditors.

FINANCIAL CALENDAR

Annual General Meeting	Apr 26, 2022 5:30 p.m.
Interim report January–June	July 15, 2022 8:00 a.m.
Interim report January–September	Oct 20, 2022 8:00 a.m.
Year-end report January–December	Feb 1, 2023 8:00 a.m.

FINANCIAL INFORMATION

Our website, vitecsoftware.com, is our primary channel for IR information, where we publish financial information immediately upon release.

We can also be contacted through the following channels:

By post: Investor Relations, Tvistevägen 47 A, SE-907 29

Umeå, Sweden

By telephone: +46 90 15 49 00

Vitec's 2021 annual report is available at vitecsoftware.com

CORPORATE REGISTRATION NUMBER

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



Olle Backman

CEO

+46 70 632 89 93

olle.backman@vitecsoftware.com



Sara Nilsson

CFO

+46 70 966 00 71

sara.nilsson@vitecsoftware.com



Patrik Fransson

Investor Relations

+46 76 76 942 85 97

patrik.fransson@vitecsoftware.com

Definitions of key indicators

This interim report refers to several financial measurements that are not defined under IFRS, known as alternative performance measures, in accordance with ESMA's is called alternative. These measurements provide senior management and investors with significant information for analyzing trends in the company's business operations. Alternative performance

measures are not always comparable with measurements used by other companies. They are intended to complement, not replace, financial measurements presented in accordance with IFRS. The key indicators presented on the last page of this report are defined as follows:

Non-IFRS key indicators	Definition	Description of usage
Recurring revenues	Recurring contractual revenues with no direct relationship between our work efforts and the contracted price. The contractual amount is usually billed in advance and the revenues are recognized during the contract's term.	A key indicator for the management of operational activities.
Percentage of recurring revenues	Recurring revenues in relation to net sales.	A key indicator for the management of operational activities.
Growth	The trend of the company's net sales in relation to corresponding year-earlier period.	Used to monitor the company's sales trend.
Growth in recurring revenues	Trend in recurring revenues in relation to the previous corresponding year.	Used to monitor the company's sales trend.
Organic growth in recurring revenues	Development of the company's recurring revenues, excluding acquired companies during the period, in relation to the corresponding year-earlier period.	Used to monitor the company's sales trend.
Proforma net sales, rolling 12 months	Net sales the past four quarters with addition of sales from acquired units for the time prior to the acquisition date.	Used to monitor the company's sales trend.
ARR, Proforma recurring revenues, rolling 12	ARR, Annual Recurring Revenues. Recurring revenues the past four quarters with addition of recurring revenues from acquired units for the time prior to the acquisition date.	Used to monitor the company's sales trend.
Gross profit	The company's sales less the cost of goods purchased for resale and subcontractors and subscriptions.	Used to monitor the company's dependence on external direct costs
Gross margin	Gross profit in relation to net sales.	Used to monitor the company's dependence on external direct costs
EBITA	Net profit/loss for the period before acquisition-related costs, acquisition-related depreciation/amortization and impairment losses, net financial items and tax.	Indicates the company's net profit/loss for the period before acquisition-related costs, acquisition-related depreciation/amortization.
EBITDA	Earnings before interest, tax, depreciation and amortization for the period.	Indicates the company's operating profit/loss before depreciation/amortization.
Acquisition-related costs	Costs such as broker fees, legal fees and stamp tax (tax on single property purchases).	Used to disclose items affecting comparability.
Acquisition-related depreciation/amortization and impairment losses	Depreciation/amortization and impairment losses regarding product rights and customer agreements.	Used to disclose items affecting comparability.
EBITA margin	Operating profit before acquisition-related costs in relation to net sales.	Used to monitor the company's earnings trend.
Operating margin	Operating profit in relation to net sales.	Used to monitor the company's earnings trend.

Profit margin	Profit after tax for the period, in relation to net sales.	Used to monitor the company's earnings trend.
Equity/assets ratio	Shareholders' equity, including equity attributable to non-controlling interests as a percentage of total assets.	This measurement is an indicator of the company's financial stability.
Equity/assets ratio after full conversion	Shareholders' equity and convertible debentures as a percentage of total assets.	This measurement is an indicator of the company's financial stability.
Interest-bearing net debt	Non-current interest-bearing liabilities and current portion of interest-bearing liabilities less cash and cash equivalents.	This measurement is an indicator of the company's financial stability.
Debt/equity ratio	Average debt in relation to average shareholders' equity and non-controlling interests.	This measurement is an indicator of the company's financial stability.
Average shareholders' equity	The average between shareholders' equity for the period attributable to Parent Company shareholders and shareholders' equity for the preceding period attributable to Parent Company shareholders.	An underlying measurement on which the calculation of other key indicators is based.
Return on capital employed	Profit after net financial items plus interest expenses, as a percentage of average capital employed. Capital employed is defined as total assets less interest-free liabilities and deferred tax.	This measurement is an indicator of the company's profitability in relation to externally financed capital and shareholders' equity.
Return on equity	Reported profit/loss after tax in relation to average equity attributable to Parent Company shareholders.	This measurement is an indicator of the company's profitability and gauges the return on shareholders' equity.
Sales per employee	Net sales in relation to the average number of employees.	This metric is used to assess the company's efficiency.
Added value per employee	Operating profit/loss plus depreciation/amortization and personnel expenses in relation to average number of employees.	This metric is used to assess the company's efficiency.
Personnel expenses per employee	Personnel expenses in relation to average number of employees.	A key indicator used to measure operational efficiency.
Average no. of employees	The average number of employees in the Group during the period.	An underlying measurement on which the calculation of other key indicators is based.
AES (Adjusted equity per share)	Shareholders' equity attributable to Parent Company shareholders, in relation to the number of shares issued at the balance-sheet date.	This measurement indicates the equity per share at the balance-sheet date
Cash flow per share	Cash flow from operating activities before changes in working capital, in relation to the average number of shares.	Used to monitor the company's trend in cash flow per share.
Number of shares after dilution	The average number of shares during the period plus the number of shares added following the full conversion of convertibles.	An underlying measurement on which the calculation of other key indicators is based.
IFRS key indicators	Definition	Description of usage
Earnings per share	Profit after tax attributable to Parent Company shareholders, in relation to the average number of shares during the period.	IFRS key indicators
Earnings per share after dilution	Profit after tax attributable to Parent Company shareholders, plus interest expenses pertaining to convertible debentures, in relation to the average number of shares after dilution.	IFRS key indicators

Key indicators

		2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Net sales	SEK 000s	446,633	373,366	1,571,309
Recurring revenues	SEK 000s	378,257	313,474	1,324,214
Recurring share of net sales	(%)	85%	84%	84%
Growth net sales	(%)	20%	21%	20%
EBITA	SEK 000s	130,410	96,098	439,823
EBITA margin	(%)	29%	26%	28%
Growth EBITA	(%)	36%	48%	28%
Operating profit/loss (EBIT)	SEK 000s	83,363	55,745	283,050
Operating margin	(%)	19%	15%	18%
Profit after financial items	SEK 000s	78,450	50,555	262,105
Profit after tax	SEK 000s	61,817	40,010	206,941
Profit margin	(%)	14%	11%	13%
Balance-sheet total	SEK 000s	4,040,436	2,974,745	3,751,777
Equity/assets ratio	(%)	52%	32%	53%
Equity/assets ratio after full conversion	(%)	53%	35%	55%
Interest-bearing net debt	SEK 000s	362,605	769,064	637,546
Debt/equity ratio	(multiple)	1.30	1.91	1.10
Return on capital employed	(%)	13%	15%	14%
Return on equity	(%)	15%	21%	15%
Sales per employee	SEK 000s	429	383	1,603
Added value per employee	SEK 000s	387	348	1,439
Personnel expenses per employee	SEK 000s	226	214	845
Average no. of employees	(persons)	1,042	975	980
Adjusted equity per share (AES)	(SEK)	59.73	29.15	56.76
Earnings per share	(SEK)	1.76	1.21	6.14
Earnings per share after dilution	(SEK)	1.73	1.20	6.05
Resolved dividend per share	(SEK)	-	-	1.64
Cash flow per share	(SEK)	3.95	3.04	14.72
Basis of computation:				
Earnings from calculation of earnings per share	SEK 000s	61,817	40,010	206,941
Cash flow from calculation of cash flow per share	SEK 000s	138,261	100,122	496,352
Weighted average number of shares (weighted average)	(thousands)	35,046	32,982	33,724
Number of shares after dilution	(thousands)	35,775	33,477	34,315
Number of shares issued at balance-sheet date	(thousands)	35,046	33,034	35,046
Share price at close of the respective period	(SEK)	487.50	375.50	557.00

