Interim report January–June 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 – DEVELOP 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 development 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. They 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 the annual report's sustainability report on vitecsoftware.com.

22,300
customers

1,740
MSEK proforma net sales

85%
proforma recurring revenues, ARR

1,050
employees

33
business units

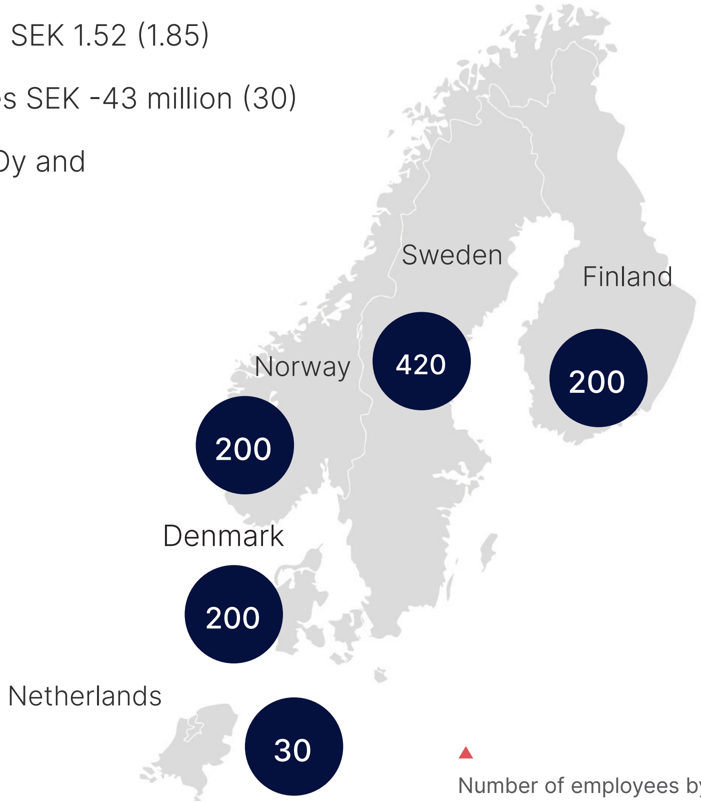
5
countries

Summary of interim period, January–June 2022

- Net sales SEK 895 million (769), an increase of 16%
- Recurring revenues SEK 763 million (639), an increase of 19% including 9% organic
- EBITA SEK 250 million (218), an increase of 15%
- EBITA margin 28% (28)
- Operating profit SEK 158 million (142), an increase of 11%
- Operating margin 18% (18)
- Earnings per share before dilution SEK 3.28 (3.06)
- Cash flow from operating activities SEK 402 million (340)

Summary of interim period, April–June 2022

- Net sales SEK 449 million (396), an increase of 13%
- Recurring revenues SEK 384 million (325), an increase of 18% including 8% organic
- EBITA SEK 120 million (121), a decrease of 2%
- EBITA margin 27% (31)
- Operating profit SEK 74 million (86), a decrease of 14%
- Operating margin 17% (22)
- Earnings per share before dilution SEK 1.52 (1.85)
- Cash flow from operating activities SEK -43 million (30)
- Acquisition of Hotellinx Systems Oy and Scanrate Financial Systems A/S



Number of employees by country

Stable growth in both sales and earnings

As we summarize the first half of 2022, Vitec continues to show stable growth in both sales and earnings. Growth for the six months, compared with the corresponding year-earlier period, was +16%. EBITA increased by 15% and the EBITA margin was in line with last year's at 28%, which we see as improvements, given the excessively low overhead level for the comparison period. As we commented in the previous report, we successfully made this year's price increases, but now we have also had increases in costs mainly in the form of increased personnel costs. Important highlights in the spring were that we were able to carry out prospective marketing work and were also able to hold long-awaited staff meetings.

The quarter offered two acquisitions: first, the Finnish Hotellinx, whose software supports processes for booking and working procedures for hotels, restaurants, spa and conference facilities. Subsequently, an agreement was signed for the acquisition of Danish Scanrate, with software for analysis, valuation and risk management aimed at the Danish bond market, the completion of which is subject to approval by the Danish authorities. Right after the end of the period, we announced our largest acquisition to date in Dutch ABS, which develops, delivers, and maintains an ERP application for the global laundry and textile rental industry. Through this acquisition, Vitec becomes even more international with employees and customers both in Asia and North America, at the same time that our focus on vertical software remains firm.

On an annual basis, the four acquisitions of the year to date will contribute about SEK 300 million in sales, with good profitability. All of the companies are well-established, profitable vertical software companies that meet our acquisition criteria at the same time as we see great similarities in culture and values, which provides excellent conditions for continued collaboration and growth. During the period, we renewed and expanded our credit limits at good terms, which, together with our stable cash flows, gives us headroom for future acquisitions.

Olle Backman, CEO, Vitec Software Group

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Olle Backman, CEO, Vitec Software Group

Group financial information

NET SALES AND EARNINGS

January–June 2022

Net sales

Net sales for the period totaled SEK 895.2 million (769.5) and included recurring revenues of SEK 762.7 million (638.7), license revenues of SEK 12.7 million (15.3), service revenues of SEK 102.1 million (101.3) and other revenues of SEK 17.7 million (14.1).

Comments on sales

Net sales rose a total of 16% for the period; recurring revenues rose 19%, including 9% organically. Other revenues totaled SEK 17.7 million, which is an increase of 26% compared with the corresponding period last year. Licensing declined by 18%. Service revenues gained 1%, compared with the corresponding period in 2021. Recurring revenues accounted for 85% of net sales, compared with 83% for the corresponding period in 2021. During the year acquired companies contributed SEK 19.5 million in net sales.

Earnings

EBITA was SEK 250.0 million (217.5), with an EBITA margin of 28% (28). Operating profit was SEK 157.7 million (141.9), with an operating margin of 18% (18). Profit after tax for the period amounted to SEK 115.1 million (101.0). Earnings per share before dilution totaled SEK 3.28 (3.06).

Comments on earnings

EBITA gained 15%, compared with the corresponding period in 2021. The impact of IFRS 16 on leases amounts to SEK 24 million (20) in operating profit, and to SEK -23 million (-23) in depreciation. The net of capitalized development costs and amortization and impairment losses on intangible fixed assets had a negative effect on operating profit of SEK -6.2 million, compared with positive SEK 3.9 million the corresponding period last year.

April–June 2022

Net sales

Net sales for the period totaled SEK 448.6 million (396.1) and included recurring revenues of SEK 384.5 million (325.2), license revenues of SEK 5.3 million (8.4), service revenues of SEK 50.1 million (53.5) and other revenues of SEK 8.8 million (9.0).

Comments on sales

Net sales rose a total of 13% for the period; recurring revenues rose 18%, including 8% organically. Other revenues totaled SEK 8.8 million, which is a decrease of 3% compared with the corresponding period last year. Licensing declined by 37% and service revenues declined by 6%, compared with the corresponding period in 2021. Recurring revenues accounted for 86% of net sales, compared with 82% for the corresponding period in 2021. During the year acquired companies contributed SEK 12 million in net sales.

Earnings

EBITA was SEK 119.6 million (121.4), with an EBITA margin of 27% (31). Operating profit was SEK 74.3 million (86.1), with an operating margin of 17% (22). Profit after tax for the period amounted to SEK 53.3 million (61.0). Earnings per share before dilution totaled SEK 1.52 (1.85).

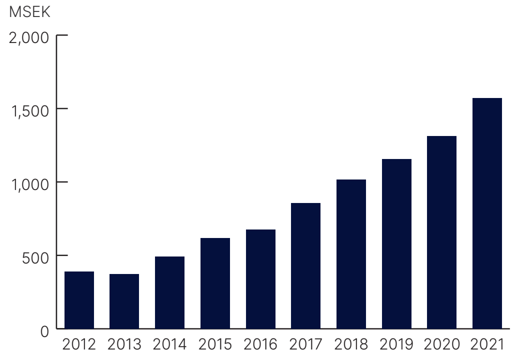
Comments on earnings

EBITA decreased by 2%, compared with the corresponding period in 2021. The impact of IFRS 16 on leases amounts to SEK 12 million (13) in operating profit, and to SEK -12 million (-12) in depreciation. The net of capitalized development costs and amortization and impairment losses on intangible fixed assets had a negative effect on operating profit of SEK -7.0 million, compared with positive SEK 0.7 million the corresponding period last year.

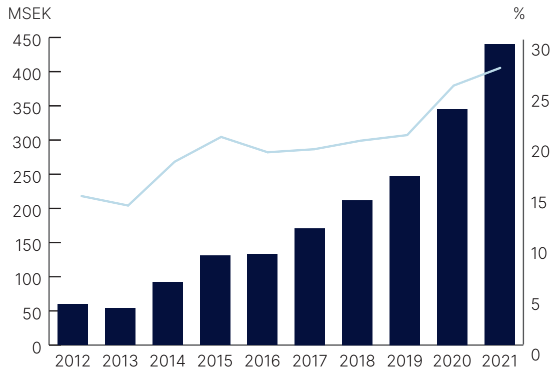
	2022 Apr–Jun	2021 Apr–Jun	Change	2022 Jan–Jun	2021 Jan–Jun	Change
Net sales, SEK million	449	396	13%	895	769	16%
Recurring share of net sales, %	86%	82%		85%	83%	
EBITA, SEK million	120	121	-2%	250	218	15%
EBITA margin, %	27%	31%		28%	28%	
Operating profit/loss, SEK million	74	86	-14%	158	142	11%
Operating margin, %	17%	22%		18%	18%	
Net profit/loss for the period, SEK million	53	61	-13%	115	101	14%
Earnings per share, SEK	1.52	1.85		3.28	3.06	

Diagrams on Group trends

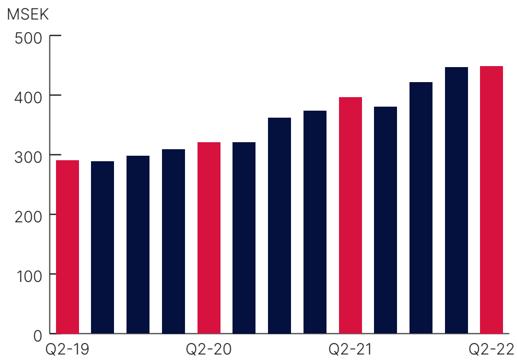
Sales



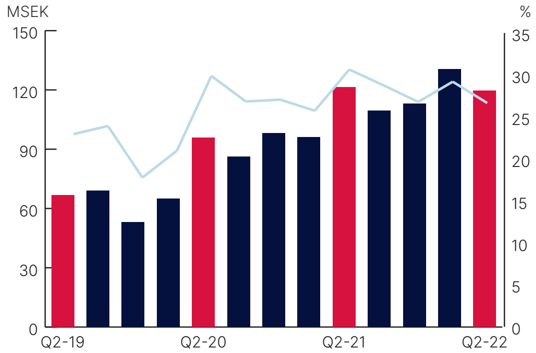
EBITA and EBITA margin



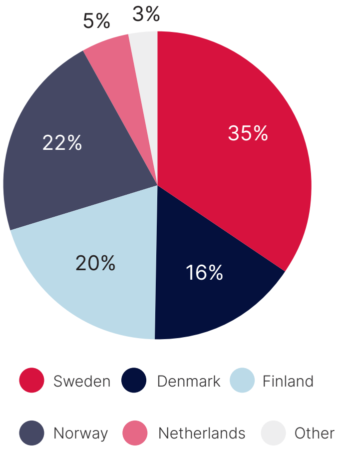
Sales by quarter



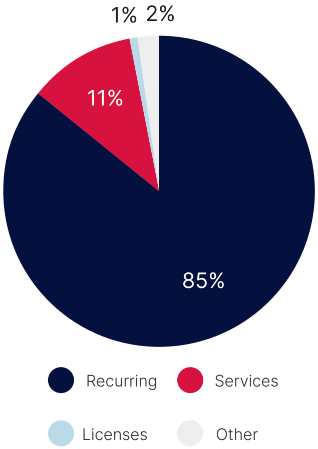
EBITA and EBITA margin by quarter



Sales by market, January–June 2022



Breakdown of revenue, January–June 2022

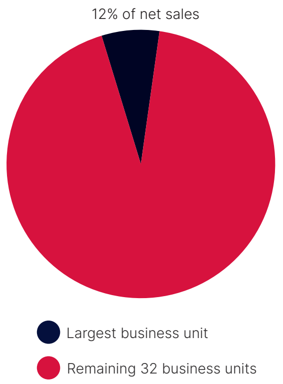


Sales broken down by business unit and customer

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 1.4% 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.

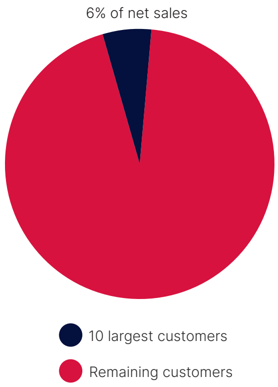
BREAKDOWN OF SALES

Our sales are evenly spread across our 33 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 6% of sales. The single largest customer accounts for approximately 1.4% of sales.



Our business units

We conduct our operations through our 33 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 Finanssystem	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 AB	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%
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 Hotelinx	Hotels and hospitality industry in Finland	FI	2022	18	76%
Vitec Katrina	Church-related administration in Finland.	FI	2019	22	82%
Vitec Megler	Real estate agents in Norway.	NO	2012	94	94%

Business unit	Software for:	Domicile	Acquisition year	Sales 2021, SEKm	Recurring, 2021
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 184.3 million (210.7). In addition to cash and cash equivalents, Vitec has an overdraft facility of SEK 125.0 million and SEK 1,815.0 million in unutilized portions of the credit facility, which amount to a total of SEK 2,500 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 June 30, 2022, interest-bearing liabilities totaled SEK 760.4 million (1,060.7) and comprised SEK 746.9 million (1,057.9) in non-current interest-bearing liabilities and SEK 13.5 million (2.8) in current interest-bearing liabilities. Non-current interest-bearing liabilities comprised bank loans of SEK 690.4 million, as well as convertible debentures totaling SEK 56.5 million. Current interest-bearing liabilities comprised bank loans of SEK 2.8 million as well as convertible debentures totaling SEK 10.8 million. Interest-bearing net debt amounts to SEK 567.2 million (850.0).

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.

A new convertible loan for employees was signed at the beginning of June, totaling SEK 6.5 million. During the period, convertible loan 2006 was converted to class B shares, which reduced financial liabilities by SEK 7.6 million.

Liabilities relating to right-to-use assets in the form of leases for premises are included in other non-current liabilities of SEK 62.2 million and in other current liabilities of SEK 39.3 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

During the period, we signed a new credit facility agreement with Nordea and SEB, totaling SEK 2,500 million. The agreement replaces our previous agreement of SEK 1,500 million. Its terms, conditions and covenant requirements are in line with our previous agreements with the banks.

Amortization of bank loans amounted to SEK 1.4 million; amortization related to right-to-use assets totaled SEK 23.9 million. Cash flow from operating activities was SEK 402.2 million (340.1). Investments totaled SEK 122.9 million in capitalized work, SEK 1.2 million in other intangible assets and SEK 5.8 million in property, plant and equipment. Investments in right-of-use assets not affecting cash flow totaled SEK -6.9 million. Through the acquisitions of DocuBizz ApS and Hotellinx Systems Oy, SEK 119.5 million was invested in product rights, brands, customer agreements and goodwill.

During the period, the supplementary purchase considerations for the acquisitions of Travelize International AB, Appva AB and Alma Consulting Oy were settled. A total of SEK 85.8 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. The first payment of the dividend for financial year 2021 was made on June 30, 2021, when SEK 17.5 million was paid.

SHAREHOLDERS' EQUITY

Equity attributable to Vitec's shareholders totaled SEK 2,110.9 million (947.9). The equity/assets ratio is 54% (32). On April 26, the Annual General Meeting resolved to pay a dividend of SEK 2.00 per share, 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.

During the period, the 2006 convertible loan issued in conjunction with the acquisition of Appva AB was converted to class B shares. As a result of the conversion, the number of class B shares in Vitec increased by 33,333 and share capital in Vitec increased by SEK 3,333. The number of shares in Vitec after the conversion is 35,079,496 shares, including 2,950,000 class A shares.

Participants in the TO 2022 incentive program subscribed for in May were subsidized equivalent to net 50% of the option premiums, which had a negative impact on profit for the period of SEK 2.7 million. The fair value of the option premiums totals SEK 4.8 million and has been recognized in equity.

TAXES

Current tax for the period amounted to SEK 31.7 million (27.2). Deferred tax totaled SEK 1.2 million (3.0).

Outstanding warrant programs:

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%
TO 2022:1	129,800	May 23, 2022	June 3, 2025— June 14, 2025	579	0.013	0.4%	0.2%
Number of options	643,800				0.064	1.8%	1.0%

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	10.8	Jan 30, 2020– Dec 30, 2022	July 1, 2021– Dec 30, 2022	230	0.005	0.1%	0.1%
Loan 2101 Acquisition Unikum datasystem AB	15.2	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	Aug 1, 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	8.3	June 1, 2021– June 30, 2024	June 1, 2024– June 30, 2024	463	0.002	0.1%	0.0%
Loan 2022:1 Convertible Employee Program	6.5	June 1, 2022– June 30, 2025	June 1, 2025– June 30, 2025	579	0.001	0.0%	0.0%
Total liability	67.3				0.020	0.6%	0.3%

Acquisitions during the period

ACQUISITIONS

Two acquisitions occurred during the period: DocuBizz ApS and Hotellinx System Oy. In addition, the acquisition of Scanrate Financial Systems A/S was agreed upon, the completion of which is pending approval from the Danish Business Authority. From the acquisition date up to and including June 30, revenues in the acquired companies totaled SEK 19.5 million in sales and SEK 6.2 million in profit before tax. If consolidation had occurred at the beginning of the year, the companies would have provided the Group with roughly an additional SEK 6.4 million in sales and SEK 2.2 million in profit before tax. The acquisition-related expenses are recognized in operating profit and total SEK 6.4 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.

Acquisition Hotellinx Systems Oy

On May 4, Vitec acquired all shares of the Finnish software company, Hotellinx Systems Oy. Hotellinx Systems reported sales of SEK 18 million, with an EBIT of SEK 8 million for the 2020/2021 financial year.

Hotellinx Systems develops and supplies software for hotels, restaurants, and spa and conference facilities. The software handles reservations, and room and restaurant bills, and supports daily work procedures for reception, sales, cleaning, and service operations. The roughly 250 customers with about 400 facilities are mainly located in Finland.

Payment was in cash. The acquisition is expected to yield an immediate increase in earnings per share for Vitec. Consolidation will commence as of the acquisition date.

The acquisition of Hotellinx added SEK 6.2 million in product rights, SEK 1.0 million in brands, SEK 14.4 million in customer agreements and SEK 22.2 million in goodwill.

Acquisition Scanrate Financial Systems A/S

On June 17, an agreement was signed to acquire all shares in the Danish software company Scanrate Financial Systems A/S. The company reported sales of SEK 57 million, with an EBIT of SEK 25 million for the 2021 financial year.

The software company Scanrate Financial Systems A/S develops and supplies software for analysis, valuation, and risk management with a focus on the Danish bond market. The products RIO and Lima enable extensive calculations and analysis of all types of Danish bonds, and provide an overview of assets and liabilities. The roughly 50 customers are mainly located in Denmark, the UK and Switzerland and comprise banks, asset managers, suppliers of financial data, and real estate investors.

Payment will be in cash and with a convertible, with deviation from shareholders' preferential rights in accordance with the authorization from the Annual General Meeting on April 26, 2022. The convertible matures in 36 months and at full conversion will have a dilutive effect on capital below 0.1%. The acquisition is expected to yield an immediate increase in earnings per share for Vitec.

Before the acquisition is completed, it must be approved by the Danish Business Authority ("DBA") pursuant to the Danish Investment Screening Act ("DISA"). This is expected to take up to 90 working days.

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.

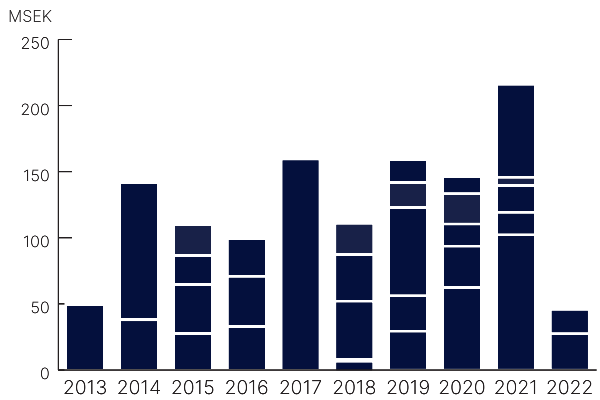
Investment in Pinpoint Estimates AB
On April 7, an investment was made in the Swedish software company Pinpoint Estimates AB. Pinpoint Estimates offers an open, independent, and free platform that compiles estimates prior to financial statements and interim reports from a large number of investors and offers broad market expectations for listed companies. Vitec holds a 9.1% stake in the company after the investment.

Investment in Voxo AB
On April 26, a Promissory Note was signed for a convertible of SEK 3 million in Voxo AB. Voxo is a Swedish voice technology company specializing in conversation-based AI solutions, where Malmkroppen AB already owns 7.5% of the capital.

Growth – develop 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 development 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, Jul 21–Jun 22	Rolling 12, Jul 20–Jun 21	Growth	2022 Jan–Jun	2021 Jan–Jun	Growth
Reported net sales	1,697	1,453	17%	895	769	16%
of which recurring revenues	1,448	1,200	21%	763	639	19%
Effect of acquired units	43	206		7	72	
of which recurring revenues	38	180		5	66	
Proforma net sales	1,740	1,658	5%	902	842	7%
Proforma recurring revenues (ARR)	1,486	1,380	8%	768	705	9%

Other significant events during the period

APRIL 26 ANNOUNCEMENT FROM THE ANNUAL GENERAL MEETING

The Annual General Meeting of Vitec Software Group was held on April 26, 2022, at Vävenscenen, Väven, Västra Strandgatan 8, in Umeå, Sweden. Shareholders were invited to attend the meeting physically, by proxy, or by postal voting. Both shareholders and others were offered the opportunity to follow the Annual General Meeting by webcast.

JUNE 27: VITEC EXPANDS ITS LOAN FACILITY

Vitec Software Group AB (publ) has expanded its loan facility with Nordea and SEB by SEK 1,000 million to SEK 2,500 million.

Significant events after the period

VITEC ACQUIRES THE DUTCH SOFTWARE COMPANY ABS LAUNDRY BUSINESS SOLUTIONS

Vitec Software Group AB (publ) will strengthen its position in Vertical Market Software on July 6 by acquiring all shares in ABS Laundry Business Solutions (ABS), with its headquarters in Boxtel, the Netherlands. ABS reported sales of SEK 203 million, with an EBITA of SEK 82 million for the 2021 financial year.

The software company ABS Laundry Business Solutions, founded in 1987, develops, delivers, and maintains an ERP application for the global laundry and textile rental industry. The product ABSSolute enables order management, inventory management, production and delivery support, invoicing, and mobile solutions to support logistic processes. The roughly 600 customers are based worldwide in well-developed economies and form a mature market in Europe and North America. ABS has offices in the Netherlands, the US, Romania, France, Belgium, Germany, Denmark, and Japan. Vitec welcomes 140 new employees as part of the acquisition.

The purchase of 100% of the shares from several shareholders in ABS amounts to SEK 861 million. Payment is in cash of SEK 754 million and through a convertible debenture of SEK 107 million. A supplementary purchase consideration of up to a maximum of SEK 215 million is based on future financial performance. The acquisition is expected to yield an immediate increase in earnings per share for Vitec. Consolidation will commence as of the acquisition date.

The acquisition was financed through Vitec Software Group's existing credit facilities and a convertible debenture with deviation from shareholders' preferential rights in accordance with the authorization of the Annual General Meeting on April 26, 2022. The convertible debenture matures in 36 months and, upon full conversion, will have a dilutive effect on capital of 0.55%.

At the time of this report's publication, there were no financial statements available that could serve as the basis of a more detailed description of the acquisition. For this reason, no information is presented about the fair value of acquired assets, and acquired assets and liabilities. We expect the future items of a detailed acquisition plan to comprise product rights, customer agreements, brands and goodwill. Goodwill is deemed to be attributable to anticipated profitability, and complementary expertise requirements, as well as expected synergies, in the form of the joint development of our products.

Risks and uncertainties

Material risks and uncertainties are described in the administration report of the 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 are taken to support those affected.

Parent Company

Net sales totaled SEK 64.8 million (64.9) and essentially comprised invoicing to subsidiaries for services rendered. Profit after tax was SEK 23.7 million (-8.9). Parent Company earnings were charged with unrealized foreign-exchange losses totaling SEK -9.4 million (-10.3). 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 PROGRAMS

There are ongoing convertibles 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.

Three participation programs are also underway, in the form of warrants, aimed at around 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 June 30, 2022, SEK thousands

	Level 1	Level 2	Level 3	Book value
Securities held as fixed assets			26,705	26,705
Total assets			26,705	26,705
Supplementary purchase consideration DocuBizz ApS			18,090	18,376
Total liabilities			18,090	18,376

Signatures

AFFIRMATION OF THE BOARD OF DIRECTORS
The Board of Directors and the CEO hereby certify that this year-end report provides a fair view of the Group's and the Parent Company's operations, position and performance and describes the material risks and uncertainties facing the Parent Company and the companies included in the Group.

Umeå, July 15, 2022

Lars Stenlund
Chairman of the Board

Anna Valtonen Board member	Birgitta Johansson-Hedberg Board member	Crister Stjernfelt Board member
Jan Friedman Board member	Kaj Sandart Board member	Olle Backman Chief Executive Officer

Condensed consolidated statement of comprehensive income

SEK THOUSANDS	2022 Apr–Jun	2021 Apr–Jun	2022 Jan–Jun	2021 Jan–Jun	2021 Jan–Dec
OPERATING REVENUES					
Recurring revenues	384,472	325,245	762,729	638,719	1,324,214
License revenues	5,282	8,397	12,660	15,346	27,295
Service revenues	50,102	53,489	102,119	101,313	194,368
Other revenues	8,760	9,001	17,741	14,119	25,432
NET SALES	**448,616**	**396,131**	**895,249**	769,497	1,571,309
Capitalized development costs	58,143	53,956	122,870	108,802	209,115
Reversal of supplementary purchase consideration	-	-	3,402	1,095	1,095
TOTAL	**506,760**	**450,087**	**1,021,521**	879,394	1,781,519
OPERATING EXPENSES					
Goods for resale	-7,319	-6,978	-15,320	-11,562	-24,911
Subcontractors and subscriptions	-51,036	-46,264	-99,915	-90,098	-175,544
Other external expenses	-61,188	-38,917	-111,500	-80,019	-168,704
Personnel expenses	-229,127	-199,434	-464,376	-408,333	-828,528
Depreciation of property, plant and equipment	-15,678	-16,001	-31,436	-30,582	-62,323
Amortization and impairment of intangible fixed assets	-23,472	-20,509	-45,750	-39,993	-79,981
Impairment of intangible assets	-	-	-3,402	-1,095	-1,095
Unrealized exchange-rate gains/losses (net)	653	-559	179	-188	-610
TOTAL EXPENSES	-387,167	-328,661	-771,520	-661,870	-1,341,696
EBITA	**119,593**	**121,426**	**250,001**	217,524	439,823
Acquisition-related costs	-3,594	-2,534	-9,071	-10,705	-14,574
Acquisition-related amortization and impairment losses	-41,708	-32,761	-83,278	-64,944	-142,199
OPERATING PROFIT/LOSS	**74,291**	**86,130**	**157,653**	141,875	283,050
Financial income	30	176	49	192	290
Financial expenses	-4,856	-5,637	-9,788	-10,843	-21,235
TOTAL FINANCIAL ITEMS	-4,826	-5,461	-9,739	-10,651	-20,945
PROFIT AFTER FINANCIAL ITEMS	69,465	80,669	147,914	131,224	262,105
Tax	-16,164	-19,631	-32,797	-30,176	-55,164
NET PROFIT FOR THE PERIOD	**53,301**	**61,038**	**115,117**	101,048	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	26,757	-25,160	68,983	22,127	49,871
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	26,757	-25,160	68,983	22,127	49,871
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**80,058**	**35,879**	**184,100**	123,175	256,812
PROFIT FOR THE PERIOD ATTRIBUTABLE TO					
– Parent Company shareholders	53,300	61,038	115,117	101,048	206,941
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO					
– Parent Company shareholders	80,057	35,879	184,100	123,175	256,812

Condensed consolidated statement of financial position

SEK THOUSANDS	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
ASSETS			
FIXED ASSETS			
Goodwill	1,785,311	1,220,192	1,689,392
Other intangible fixed assets	1,520,363	1,163,138	1,429,168
Tangible property, plant and equipment	147,249	166,775	163,746
Financial fixed assets	30,880	15,755	25,481
Deferred tax assets	8,313	5,055	8,061
TOTAL FIXED ASSETS	3,492,116	2,570,915	3,315,848
CURRENT ASSETS			
Inventories	3,600	2,604	2,788
Current receivables	243,744	196,185	313,287
Cash and cash equivalents	184,299	210,713	119,854
TOTAL CURRENT ASSETS	431,643	409,502	435,929
TOTAL ASSETS	3,923,759	2,980,417	3,751,777
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity attributable to Parent Company shareholders	2,110,877	947,844	1,989,104
Non-current interest-bearing liabilities	757,697	1,057,882	754,633
Deferred tax liabilities	307,323	235,019	289,291
Other non-current liabilities	83,169	164,414	161,056
TOTAL NON-CURRENT LIABILITIES	1,148,189	1,457,315	1,204,981
Accounts payable	48,494	30,737	46,784
Current portion of interest-bearing liabilities	2,779	2,775	2,767
Other current liabilities	201,212	221,760	189,918
Accrued expenses	136,999	129,042	118,774
Prepaid recurring revenues	275,209	190,944	199,449
TOTAL CURRENT LIABILITIES	664,693	575,258	557,693
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,923,759	2,980,417	3,751,777

Condensed consolidated statement of changes in equity

SEK THOUSANDS	2022 Apr–Jun	2021 Apr–Jun	2022 Jan–Jun	2021 Jan–Jun	2021 Jan–Dec
EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS					
Opening balance	2,093,376	962,985	1,989,104	843,350	843,350
Convertible debenture with stock options	264	535	494	1,624	1,624
Debenture conversion	7,665	-	7,665	31,468	34,019
New share issue after issuing costs*	-	-	-	-	904,378
Paid option premiums	4,118	5,104	4,118	5,104	5,104
Option premiums measured at fair value	685	682	685	682	682
Dividends paid	-75,288	-57,340	-75,288	-57,560	-56,866
Total comprehensive income	80,058	35,879	184,100	123,175	256,812
CLOSING BALANCE	2,110,877	947,844	2,110,877	947,844	1,989,104

* Issuing costs total SEK 15.6 million.

Condensed consolidated statement of cash flow

SEK THOUSANDS	2022 Apr–Jun	2021 Apr–Jun	2022 Jan–Jun	2021 Jan–Jun	2021 Jan–Dec
OPERATING ACTIVITIES					
Operating profit	74,290	86,130	157,653	141,875	283,050
Adjustments for non-cash items					
Other operating revenues	-	-	-3,402	-1,095	-1,095
Depreciation, amortization and impairment	80,859	69,270	163,866	136,612	285,598
Unrealized foreign exchange gains/losses	-653	559	-179	188	610
Option premiums	685	682	685	682	682
	155,181	156,641	318,623	278,262	568,845
Interest received	31	175	49	192	290
Interest paid	-4,141	-4,768	-8,328	-9,254	-18,080
Income tax paid	-19,265	-14,146	-40,277	-31,176	-54,703
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL	131,806	137,902	270,066	238,024	496,352
Changes in working capital					
Increase/decrease in inventories	600	665	-812	371	186
Increase/decrease in accounts receivable	-13,369	-4,128	118,748	116,377	-16,331
Increase/decrease in operating receivables	-24,643	-8,521	-44,141	-24,445	15,898
Increase/decrease in accounts payable	10,720	2,426	805	-6,077	9,368
Increase/decrease in operating liabilities	-148,123	-98,677	57,526	15,816	-17,454
CASH FLOW FROM OPERATING ACTIVITIES	-43,009	29,667	402,192	340,066	488,019
INVESTING ACTIVITIES					
Acquisition of subsidiaries, net*	-92,880	-21,598	-170,133	-589,440	-1,260,159
Acquisition of shares and participations	-5,000	-2,417	-5,000	-12,417	-21,705
Purchase of intangible fixed assets and capitalized development costs	-58,787	-53,998	-124,026	-108,972	-209,614
Purchase of property, plant and equipment	-732	-3,256	-5,847	-9,482	-18,572
CASH FLOW FROM INVESTING ACTIVITIES	-157,399	-81,269	-305,006	-720,311	-1,510,050
FINANCING ACTIVITIES					
Dividends to Parent Company shareholders	-17,540	-13,544	-31,909	-24,445	-53,178
Borrowings	6,750	8,650	6,750	508,650	508,650
Repayment of loans	-12,638	-13,743	-25,276	-21,782	-347,119
New share issue	-	-	-	-	904,378
Paid option premiums	4,118	5,104	4,118	5,104	5,104
CASH FLOW FROM FINANCING ACTIVITIES	-19,309	-13,533	-46,317	467,527	1,017,835
CASH FLOW FOR THE PERIOD	-219,719	-65,135	50,867	87,282	-4,196
OPENING CASH AND CASH EQUIVALENTS, INCLUDING CURRENT INVESTMENTS	400,582	278,810	119,858	134,695	134,695
Exchange-rate differences in cash and cash equivalents	3,440	-2,962	13,575	-11,264	-10,642
CASH AND CASH EQUIVALENTS INCLUDING CURRENT INVESTMENTS AT THE END OF THE PERIOD**	184,299	210,713	184,299	210,713	119,858

*Payment for the acquisition of subsidiaries during the period was in cash for DocuBizz ApS and Hotellinx Systems Oy. Net cash flow was SEK 84.3 million. The acquisitions pertained to all shares outstanding in their entirety and entailed the gain of controlling influence. In addition, supplementary purchase considerations of SEK 85.8 million wew paid for the acquisitions of Travelize International AB, Appva AB and ALMA Consulting Oy. The payments did not entail any changes to controlling influence or the total number of shares.

*Payment for the acquisition of subsidiaries during 2021 consisted of cash for Unikum datasystem AB, Travelize International AB and Nordman & Co AB. Net cash flow was SEK 530.6 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.

Condensed income statement, Parent company

SEK THOUSANDS	2022 Apr–Jun	2021 Apr–Jun	2022 Jan–Jun	2021 Jan–Jun	2021 Jan–Dec
Operating revenues	33,258	35,133	64,832	64,930	130,048
Operating expenses	-30,204	-27,356	-59,493	-56,278	-115,576
Unrealized exchange-rate gains/losses (net)	-1,278	7,898	-9,385	-10,335	-16,623
OPERATING PROFIT/LOSS	1,776	15,676	-4,046	-1,682	-2,151
Income from participation in Group companies	33,539	-	33,539	-	152,551
Interest income	78	128	169	238	471
Interest expenses	-4,078	-5,001	-8,378	-9,614	-18,625
PROFIT AFTER FINANCIAL ITEMS	31,315	10,803	21,284	-11,058	132,247
Appropriations	-	-	-	-	56,899
PROFIT/LOSS BEFORE TAX	31,315	10,803	21,284	-11,058	189,146
Tax	428	-2,458	2,460	2,185	-5,198
NET PROFIT FOR THE PERIOD	31,743	8,345	23,744	-8,873	183,948

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

Condensed balance sheet, Parent Company

SEK THOUSANDS	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
ASSETS			
FIXED ASSETS			
Intangible fixed assets	1,396	907	973
Tangible property, plant and equipment	11,670	10,390	12,314
Financial fixed assets	3,320,297	2,517,225	3,200,942
TOTAL FIXED ASSETS	3,333,363	2,528,522	3,214,229
CURRENT ASSETS			
Current receivables	67,181	32,575	257,280
Cash and cash equivalents	109,741	195,257	82,236
TOTAL CURRENT ASSETS	176,922	227,832	339,517
TOTAL ASSETS	3,510,285	2,756,354	3,553,745
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	1,932,034	870,448	1,973,077
Untaxed reserves	1,772	1,677	1,772
Non-current liabilities	773,573	1,133,382	830,133
Current liabilities	802,906	750,847	748,763
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,510,285	2,756,354	3,553,745

Acquired assets and liabilities 2022

PRELIMINARY ACQUISITION CALCULATIONS
Two acquisitions occurred during the period: DocuBizz ApS and Hotellinx Systems Oy. Some items in the acquisition plans may be remeasured, due to our brief ownership of the companies. 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 plans remain 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	-	71,102	71,102
Intangible fixed assets	-	48,391	48,391
Tangible property, plant and equipment	423	-	423
Current receivables	5,464	-	5,464
Cash and cash equivalents	7,375	-	7,375
Deferred tax liabilities	-	-10,215	-10,215
Accounts payable	-1,662	-	-1,662
Other current liabilities	-6,302	-	-6,302
Total	5,298	109,278	114,576

Effect of acquisitions on cash flow, SEK thousands	
Group's purchase costs	-114,576
Expensed portion of purchase considerations	17,900
Convertible debentures	5,000
Acquired cash and cash equivalents	7,375
Net cash outflow	-84,301

Allocation of revenues and date of revenue recognition

Allocation of revenues and date of revenue recognition, SEK million	2022 Apr–Jun	2021 Apr–Jun	2022 Jan–Jun	2021 Jan–Jun	2021 Jan–Dec
Recurring revenues	384.5	325.2	762.7	638.7	1,324.2
Other revenues	64.1	70.9	132.5	130.8	247.1
Net sales	448.6	396.1	895.2	769.5	1,571.3
Date of revenue recognition					
Services transferred to customers over time, flat distribution	339.9	281.4	672.1	551.6	1,158.8
Services transferred to customers over time, in pace with use	94.6	97.3	192.7	188.4	359.8
Services transferred to customers at a given time	14.0	17.4	30.4	29.5	52.7
	448.6	396.1	895.2	769.5	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 and the Swedish Securities Market Act. The information was submitted for publication, through the agency of the contact persons set out above, at 8:00 a.m. (CET) on July 15, 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

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

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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 amortization and impairment losses, net financial items and tax.	Indicates the company's net profit/loss for the period before acquisition-related costs and acquisition-related 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 amortization and impairment losses	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 the 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 and warrants.	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–Jun	2021 Jan–Jun	2021 Jan–Dec
Net sales	SEK 000s	895,249	769,497	1,571,309
Recurring revenues	SEK 000s	762,729	638,719	1,324,214
Recurring share of net sales	(%)	85	83	84
Growth net sales	(%)	16	22	20
EBITA	SEK 000s	250,001	217,524	439,823
EBITA margin	(%)	28	28	28
Growth EBITA	(%)	15	35	28
Operating profit/loss (EBIT)	SEK 000s	157,653	141,875	283,050
Operating margin	(%)	18	18	18
Profit after financial items	SEK 000s	147,914	131,224	262,105
Profit after tax	SEK 000s	115,117	101,048	206,941
Profit margin	(%)	13	13	13
Balance-sheet total	SEK 000s	3,923,759	2,980,417	3,751,777
Equity/assets ratio	(%)	54	32	53
Equity/assets ratio after full conversion	(%)	55	34	55
Interest-bearing net debt	SEK 000s	576,177	849,944	637,546
Debt/equity ratio	(multiple)	1.26	1.96	1.10
Return on capital employed	(%)	16	16	14
Return on equity	(%)	18	22	15
Sales per employee	SEK 000s	858	788	1,603
Added value per employee	SEK 000s	758	713	1,439
Personnel expenses per employee	SEK 000s	445	418	845
Average no. of employees	(persons)	1,044	977	980
Adjusted equity per share (AES)	(SEK)	60.17	28.69	56.76
Earnings per share	(SEK)	3.28	3.06	6.14
Earnings per share after dilution	(SEK)	3.23	3.03	6.05
Resolved dividend per share	(SEK)	2.00	1.64	1.64
Cash flow per share	(SEK)	7.71	7.21	14.72
Basis of computation:				
Earnings from calculation of earnings per share	SEK 000s	115,117	101,048	206,941
Cash flow from calculation of cash flow per share	SEK 000s	270,066	238,024	496,352
Weighted average number of shares (weighted average)	(thousands)	35,049	33,008	33,724
Number of shares after dilution	(thousands)	35,745	33,478	34,315
Number of shares issued at balance-sheet date	(thousands)	35,079	33,034	35,046
Share price at close of the respective period	(SEK)	443.40	354.00	557.00

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