



Interim report January–March 2023

This is Vitec

Vitec is a leading provider of Vertical Software and has its origin and headquarters in Umeå, Sweden. 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 expertise of our employees, combined with our shared corporate culture and business model, enable continuous improvement and innovation. 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. Continual 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.

OUR VISION

Shaping a wiser and more sustainable future

OUR VALUES

Our products – our foundation
Vertical Market Software

Keep it simple

Simple solutions succeed

Trust and transparency

Collaboration and responsibility create success

VITEC'S BRAND PROMISE

To rely on — today and tomorrow

VITEC'S BUSINESS CONCEPT

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

SUSTAINABILITY

Sustainability is integral to our business model and culture. To structure our work, we have defined four focus areas: Responsible growth, Enabling products, Empowered people and Reduced footprint. 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.

Brief facts

24,600

customers

1,380

employees

83%

proforma recurring revenues

SEKm 2,547

proforma net sales

11

countries

37

Business units

SUMMARY OF INTERIM PERIOD, JANUARY–MARCH 2023

- Net sales SEK 613 million (447), an increase of 37%
- Recurring revenues SEK 509 million (378), an increase of 35%
- EBITA SEK 185 million (130), an increase of 42%
- EBITA margin 30% (29)
- Operating profit SEK 123 million (83), an increase of 47%
- Operating margin 20% (19)
- Earnings per share before dilution SEK 2.07 (1.76)
- Cash flow from operating activities SEK 489 million (445)
- Acquisition of Enova Holding B.V.

▼ Vitec operates in 11 countries



Message from the CEO

Vitec is financially strong with a stable and growing business

Continued strong growth is reported for the first quarter of the year as our total revenue increased by 37% to SEK 613 million compared with the same period last year. Our subscription-based recurring revenues grew organically by 12%, a slight increase even from the strong end of 2022. EBITA was SEK 185m, an increase of 42% and the margin was 30%, up from 29%. Despite higher interest rates and acquisition-related costs, our net profit increased by 25%.

Vitec is currently exposed to over 20 different verticals through our 37 business units. We have long-term relationships with our customers and by developing together with them we gain insight into their needs and market conditions. Although the start of the year was strong, we see that some of our business units are more affected than others by economic fluctuations and note some sluggishness in new sales, while others are performing very well. This is natural and we are historically used to this situation. Our business model, with a high proportion of recurring revenues and good risk diversification, gives us stability that is reinforced by the fact that our software is business-critical for our nearly 25,000 customers.

Something we have offered our customers for a long time and which we are seeing more and more of is transaction-based products as a complement to our standardized software. These provide added value to our customers and broaden our offer. Examples range from messaging services such as SMS, digital signatures, information services in the form of maps to commissions on payment services or other volume sold. Our latest acquisition, Dutch Enova, offers their energy management customers a virtual power plant based on the customers' flexible capacity to offer independent grid balancing services to the grid owner via daily auctions. These services generate added value for our customers when they are used and provide Vitec with revenues that are more transaction and volume-related in addition to our stable base of subscription revenues. We will therefore continue to disclose the proportion of our recurring revenues that are transaction-based.

Vitec is financially strong with a stable and growing business that focuses on delivering business-critical software. We are therefore well-positioned to continue on this path with a mix of organic and acquired profitable growth.

Olle Backman, CEO,
Vitec Software Group





"Vitec is financially strong with a stable and growing business that focuses on delivering business-critical software. We are therefore well-positioned to continue on this path."

Group financial information

NET SALES AND EARNINGS

January - March 2023

Net sales

Net sales for the period totaled SEK 612.6 million (446.6) and included recurring revenues of SEK 509.1 million (378.3), license revenues of SEK 10.5 million (7.4), service revenues of SEK 86.7 million (52.0) and other revenues of SEK 6.4 million (9.0). Recurring revenues consist of subscription-based revenue of SEK 441.0 million (332.3) and transaction-based revenue of SEK 68.1 million (46.0).

Comments on sales

Net sales rose a total of 37% for the period; recurring revenues rose 35%. Organic growth in subscription-based recurring revenues calculated on a rolling 12-month basis is 12%. We estimate that approximately two percentage points of this growth is attributable to currency effects. Other revenues totaled SEK 6.4 million, which

is a decrease of 29% compared with the corresponding period last year. Licensing increased by 42%, mainly attributable to our newly acquired companies. Service revenues gained 67%, compared with the corresponding period in 2022. Recurring revenues accounted for 83% of net sales, compared with 85% for the corresponding period in 2022. During the year acquired companies contributed SEK 18.4 million in net sales.

Earnings

EBITA was SEK 185.5 million (130.4), with an EBITA margin of 30.3% (29.2). Operating profit was SEK 122.6 million (83.4), with an operating margin of 20.0% (18.7). Profit after tax for the period amounted to SEK 77.1 million (61.8). Earnings per share before dilution totaled SEK 2.07 (1.76).

Comments on earnings

EBITA gained 42%, compared with the

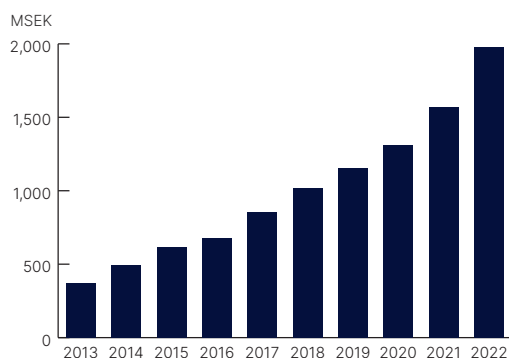
corresponding period in 2022. IFRS 16 related to leases had an impact of to SEK 14 million (12) on operating profit, and SEK -13 million (-11) on depreciation. The net of capitalized development costs and amortization and impairment losses on intangible fixed assets had a positive effect on operating profit of SEK 5.4 million, compared with SEK 0.9 million the corresponding period last year. Acquisition-related costs are included in operating profit and amount to SEK -10.0 million (-5.5).

Net financial items total SEK -21.3 million (-4.9). The items consist of net interest income of SEK -16.2 million (-4.9) and remeasurement to fair value of supplementary purchase considerations of SEK -5.1 million (0). The increase in net interest income is attributable to higher interest rates and increased borrowing in conjunction with acquisitions.

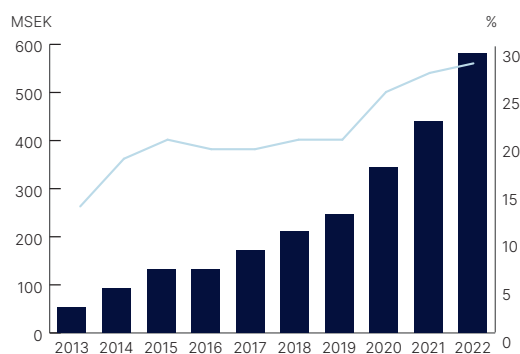
	2023 Jan-Mar	2022 Jan-Mar	Change
Net sales, SEK million	613	447	37%
Recurring share of net sales, %	83%	85%	
EBITA, SEK million	185	130	42%
EBITA margin, %	30%	29%	
Operating profit/loss, SEK million	123	83	47%
Operating margin, %	20%	19%	
Net profit/loss for the period, SEK million	77	62	33%
Earnings per share, SEK	2.07	1.76	

Diagrams on Group trends

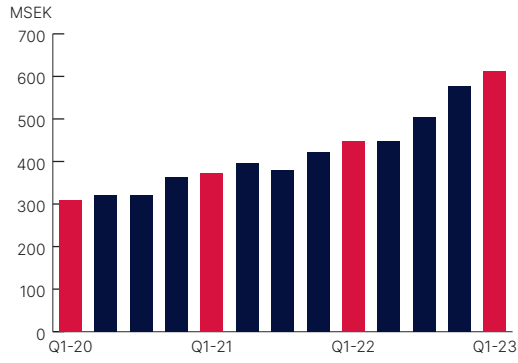
Sales



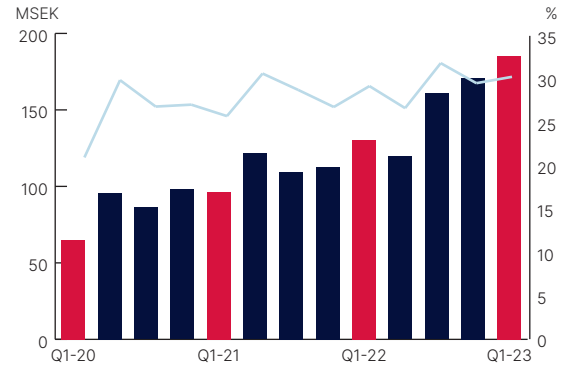
EBITA and EBITA margin



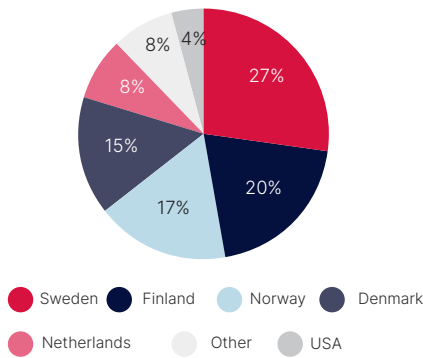
Sales by quarter



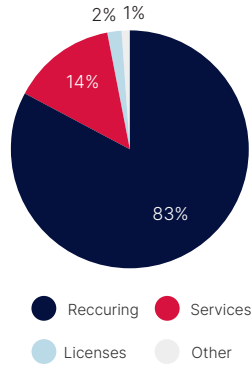
EBITA and EBITA margin by quarter



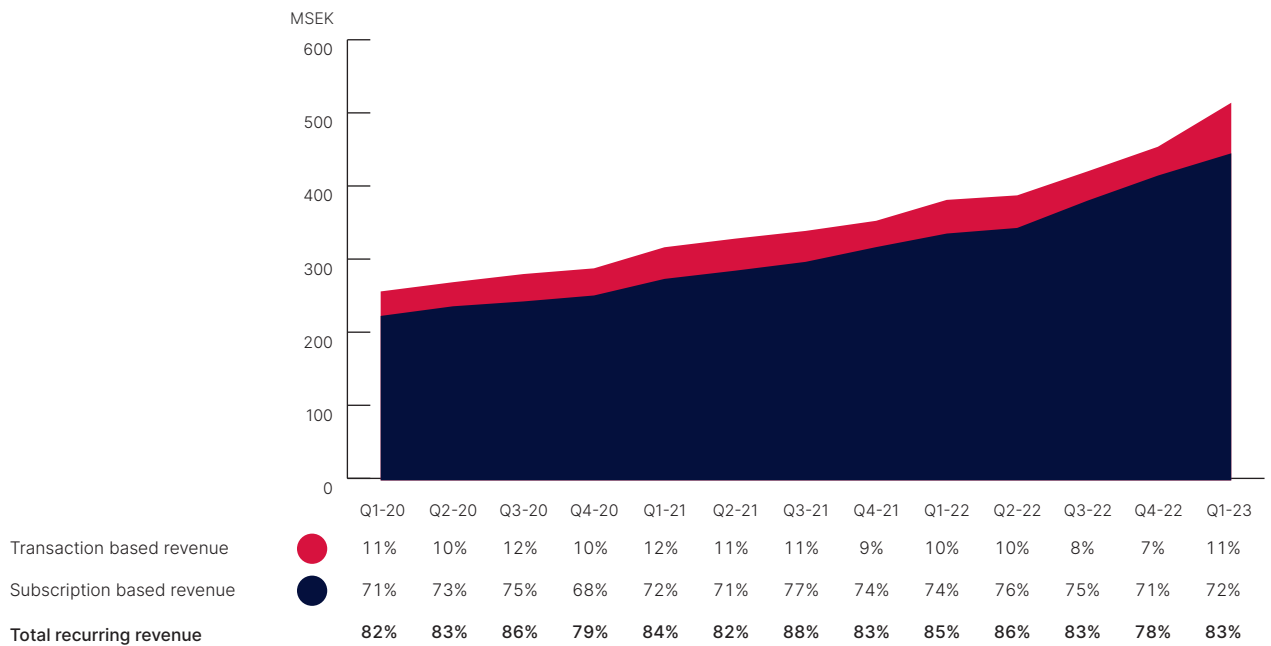
Sales by market, January–March 2023



Breakdown of revenue, January–March 2023



Allocation of recurring revenue



Sales broken down by business unit and customer

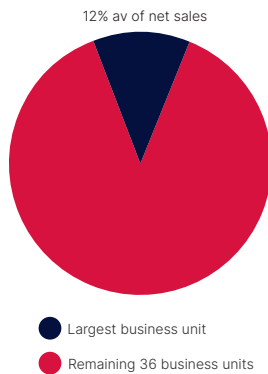
By operating in a number of niches and countries, we have a good distribution of revenue in terms of in both geography and area of operations. Although we operate in several niche markets, we still engage in the same business:

we develop and deliver standardized software. Some comprise complete enterprise systems, while others provide support for specific aspects of our customers' operations. No single customer accounts for more than 1.2% of the

group's total revenue. As we continue to acquire profitable vertical software companies, we expect the distribution of risk to continue in a positive direction.

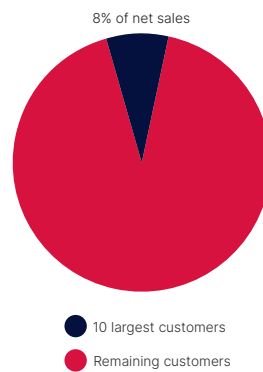
BREAKDOWN OF SALES

Our sales are evenly spread across our 37 business units. No individual business unit accounts for more than 12% of consolidated sales.



CUSTOMERS

We have about 24,600 customers. The Group's ten largest software customers account for approximately 8% of sales. The single largest software customer accounts for approximately 1.2% of sales.




















24,600
customers

Our business units

















We conduct our operations through our 37 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.

Business unit	Software for:	Regis-tered office	Acquisi-tion year	Sales 2022 SEKm	Recurring, 2022
ABS Laundry Business Solutions	 The global laundry and textile rental industry.	NL	2022	257	41%
Enova	 Energy management and grid balancing services in the Netherlands.	NL	2023	309	100%
Vabi	 Sustainable energy management for the real estate and property management industry in the Netherlands.	NL	2021	82	99%
Vitec Actor Smartbook	 Municipal culture and recreation administration offices, as well as other visitor facilities in Norway and Sweden.	SE	2018	31	84%
Vitec Acute	 Healthcare companies in Finland.	FI	2013	80	91%
Vitec Agrando	 Church-related administration in Norway.	NO	2018	38	93%
Vitec ALMA	 Information management within the process industry and energy companies in Finland.	FI	2020	40	56%
Vitec Aloc	 Banking and finance industry in the Nordic countries and western Europe.	DK	2014	126	84%
Vitec Appva	 Healthcare and social services sector in Sweden.	SE	2020	46	94%
Vitec Autosystemer	 Automotive, transportation and machinery industry in Norway.	NO	2015	52	93%
Vitec Avoine	 Local associations and national organizations in Finland.	FI	2019	37	84%
Vitec Bygg & Fastighet	 Construction and property management industry in Sweden.	SE	1985	216	76%
Vitec Capitek Finans-system	 Banking and finance industry, primarily in Sweden and with some establishment in Norway and Finland.	SE	2010	29	90%
Vitec Cito	 Pharmacy market in Denmark.	DK	2018	45	71%
Vitec Datamann	 Car dealers and auto repair shops in Denmark.	DK	2015	56	83%
Vitec DocuBizz	 Automotive industry in northern Europe and the US.	DK	2022	32	94%
Vitec Energy AB	 Electricity traders and owners of electricity and district heating grids in about 25 different countries.	SE	1998	39	89%
Vitec Fixit	 Hair and beauty salons in Norway.	NO	2019	69	90%
Vitec Futursoft	 Automotive industry and machinery sector in Finland and Sweden.	FI	2016	95	91%
Vitec HK data	 Health and welfare sector in Norway.	NO	2019	18	84%
Vitec Hotelinx	 Hotels and tourism in Finland.	FI	2022	21	86%



Business unit	Software for:	Regis-tered office	Acquisi-tion year	Sales 2022 SEKm	Recurring, 2022
Vitec Katrina	 Church-related administration in Finland.	FI	2019	24	86%
Vitec Megler	 Real estate agents in Norway.	NO	2012	97	94%
Vitec MV	 Education sector in Denmark, Norway and Sweden.	DK	2017	44	95%
Vitec Mäklarsystem	 Real estate agents in Sweden.	SE	2010	87	96%
Vitec Nexgolf	 Golf courses in Finland.	FI	2020	11	100%
Vitec Nice	 Liability insurance companies in Norway and Sweden.	NO	2015	16	58%
Vitec Nordman	 Food and grocery retail industry in Sweden.	SE	2021	21	90%
Vitec Plania	 Building and facility management in Norway.	NO	2016	40	73%
Vitec Raisoft	 Healthcare and social services company in Finland and Switzerland.	FI	2022	66	73%
Vitec Samfundssystem	 Administrative services for churches and preschools in Sweden.	SE	2018	46	77%
Vitec Scanrate	 Bond market in Denmark.	DK	2022	57	86%
Vitec Tietomitta	 Private and municipal waste-and-resource processing in Finland.	FI	2016	61	93%
Vitec Travelize	 Travel agencies, primarily in Scandinavia.	SE	2021	22	84%
Vitec Unikum	 Retail trade and manufacturing industry in Sweden.	SE	2021	109	81%
Vitec Visiolink	 Media companies in Europe.	DK	2020	69	74%
Vitec WIMS	 Insurance companies in Norway.	NO	2019	33	71%

Balance sheets and cash flow

LIQUIDITY AND FINANCIAL POSITION

The Group's cash and cash equivalents at the end of the period totaled SEK 822.8 million (400.6). In addition to cash and cash equivalents, Vitec has an overdraft facility of SEK 125.0 million and SEK 784.0 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 March 31, 2022, interest-bearing liabilities totaled SEK 1,917.5 million (761.9) and comprised SEK 1,879.9 million (740.8) in non-current interest-bearing liabilities and SEK 37.7 million (21.1) in current interest-bearing liabilities. Non-current interest-bearing liabilities comprised bank loans of SEK 1,718.1 million, as well as convertible debentures totaling SEK 159.1 million. Current interest-bearing liabilities comprised bank loans of SEK 2.8 million as well as convertible debentures totaling SEK 35.0 million. Interest-bearing net debt amounts to SEK 1,094.7 million (362.6).

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 52.0 million and in other current liabilities of SEK 42.4 million.

The total supplementary purchase consideration as of March 31 was SEK 940.0 million, including a non-current portion of SEK 714.5 million and a current portion of SEK 225.5 million.

CASH FLOW AND INVESTMENTS

During the period, financing was arranged by using SEK 552.1 million from the credit facility. Repayment of the facility totaled SEK 182.0 million, amortization of bank loans amounted to SEK 0.7 million, and amortization related to right-to-use assets was SEK 13.6 million. Cash flow from operating activities was SEK 488.9 million (445.2). Investments totaled SEK 87.9 million in capitalized work, SEK 0.4 million in other intangible assets and SEK 3.9 million in property, plant and equipment.

Investments in right-of-use assets not affecting cash flow totaled SEK 15.9 million. As a result of acquisitions, SEK 1,151.0 million was invested in product rights, brands, customer agreements and goodwill.

The fourth and final payment of the dividend for financial year 2021 was made on March 30, 2023, when SEK 18.7 million was paid.

SHAREHOLDERS' EQUITY

Equity attributable to Vitec's shareholders totaled SEK 3,295.5 million (2093.4). The equity/assets ratio is 43% (52). A dividend of SEK 2.28 per share, totaling SEK 91.5 million, has been proposed for resolution by the Annual General Meeting on April 25. The dividend will be divided up and paid on four payment dates: June 30, September 30, December 30, 2023, and March 30, 2024.

TAXES

Current tax for the period amounted to SEK 16.7 million (15.1). Deferred tax totaled SEK 7.5 million (1.5). Tax expense for the year corresponds to an average tax rate of 23.9% (21.2%).

Outstanding warrant program:

Warrants	Number of options	Grant date	Maturity date	Exercise price, SEK	Max increase share capital	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	Jun 15, 2021	Jun 3, 2024– Jun 14, 2024	463	0.026	0.7%	0.4%
TO 2022:1	129,800	May 23, 2022	Jun 3, 2025– Jun 14, 2025	579	0.013	0.3%	0.2%
TO 2022:1	52,500	Jul 20, 2022	Jun 3, 2025– Jun 14, 2025	579	0.005	0.1%	0.1%
Number of options	696,300				0.070	1.9%	1.1%

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 2101	15.5	Jan 4, 2021– Dec 30, 2023	Jan 1, 2023– Dec 30, 2023	373	0.004	0.1%	0.1%
Loan 2102	6.9	Feb 3, 2021– Dec 30, 2023	Jan 1, 2023– Dec 30, 2023	362	0.002	0.1%	0.0%
Loan 2104	2.4	Apr 26, 2021– Jun 30, 2024	Jan 1, 2024– Jun 30, 2024	468	0.001	0.0%	0.0%
Loan 2201	4.9	Jan 21, 2022– Jan 31, 2025	Aug 1, 2024– Jan 31, 2025	565	0.001	0.0%	0.0%
Loan 22/ 25: 4	103.5	Jul 6, 2022– Jun 30, 2025	Jul 1, 2024– Jun 30, 2025	549	0.019	0.5%	0.3%
Loan 22/ 25: 4	18.0	Sep 7, 2022– Jun 30, 2025	Jul 1, 2024– Jun 30, 2025	481	0.004	0.1%	0.1%
Loan22/ 25: 5	15.5	Oc 5, 2022– Sep 30, 2025	Oct 1, 2024– Sep 30, 2025	399	0.005	0.1%	0.1%
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	Jun 1, 2021– Jun 30, 2024	Jun 1, 2024– Jun 30, 2024	463	0.002	0.1%	0.0%
Loan 2022:1 Convertible Employee Program	6.6	Jun 1, 2022– Jun 30, 2025	Jun 1, 2025– Jun 30, 2025	579	0.001	0.0%	0.0%
Total liability	194.1				0.038	1.1%	0.7%

Acquisitions during the period

ACQUISITIONS

Acquisition Enova

On February 23, Vitec acquired all shares in the Dutch software company Enova.

Enova specializes in developing, delivering and maintaining energy management software for large companies in the Netherlands, as well as providing grid balancing services.

Enova's sales averaged EUR 28 million in the 2021 and 2022 financial years. The acquisition is expected to yield an immediate increase in earnings per share for Vitec. Consolidation takes place from the date of acquisition.

Payment was in cash and through a contingent consideration amount.

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 added SEK 12.8 million in product rights, SEK 24.1 million in brands, SEK 461.7 million in customer agreements and SEK 652.4 million in goodwill. The expensed portion of the contingent consideration amounts to discounted value SEK 506.8 million and is subject to gross margin improvements over the next four years. The contingent consideration amount is measured at maximum outcome.

INVESTMENTS: PART OWNERSHIP

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 Precisely AB

On March 3, Malmkroppen invested in the Swedish software company Precisely AB. Precisely provides software that enables businesses and organizations to manage contracts more efficiently. Vitec holds a 5.7% stake in the company after the investment.

Investment in Predge AB

On March 23, Malmkroppen expanded its ownership stake in the Swedish software company Predge AB. Predge provides decision support for the transition from reactive to predictive maintenance and long-term sustainable operation. Vitec holds a 10.0% stake in the company after the investment.

Investment in Indico Technologies AB

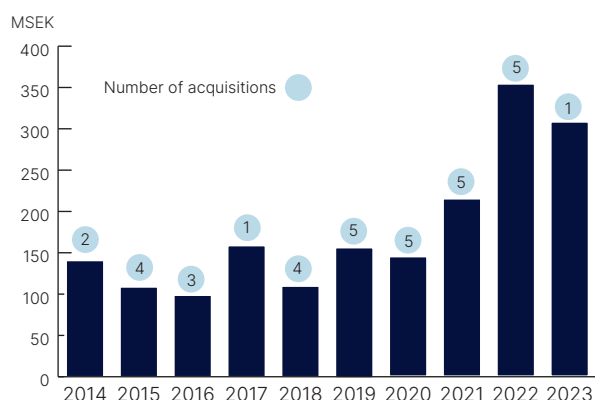
On March 31, Malmkroppen invested in the Swedish software company Indico Technologies AB. Indico delivers forecasting tools that can interpret large amounts of data for businesses where forecast accuracy has a direct impact on margins and profits. Vitec holds a 3.5% stake in the company after the investment.

Growth – develop and acquire

Vitec is an industrial acquirer 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. Continual development of our products is crucial to ensure that our offering will remain relevant in the future.

Acquired revenue



ORGANIC GROWTH

SEK million	R12 2023-03	R12 2022-03	Growth
Reported subscription-based recurring revenues	1,570	1,221	
Effect of acquired units	99	266	
Proforma subscription-based recurring revenues	1,669	1,486	12%
Reported transaction-based recurring revenues	192	168	
Effect of acquired units	252	264	
Proforma transaction-based recurring revenues	444	432	3%
Reported recurring revenues	1,762	1,389	
Effect of acquired units	351	530	
PROFORMA RECURRING REVENUES	2,113	1,919	10%
Reported net sales	2,144	1,645	30%
Effect of acquired units	403	695	
PROFORMA NET SALES	2,547	2,340	9%

Other significant events during the period

JANUARY 9: BOARD MEMBER CRISTER STJERNFELT PASSED AWAY

Crister was a member of the Board of Directors of Vitec Software Group (publ) since 2008 and served as chairman from 2013 to 2021. Crister will not be replaced during the period until the next Annual General Meeting on April 25. Crister was an appreciated member of the Board of Directors and a friend. The Board of Directors and the management are grateful for his involvement and the time we spent together. Crister passed

away 79 years old. Our thoughts go out to Crister's family.

MARCH 27: NOTICE OF ANNUAL GENERAL MEETING

The shareholders in Vitec Software Group AB (publ), corp. reg. no. 556258-4804 are hereby given notice of the Annual General Meeting to be held on April 25, 2023, at 5:30 p.m. at the Clarion Hotel Umeå, Storgatan 36 in Umeå, Sweden. Registration to the Annual General Meeting will be open from 4:30

p.m. to 5:15 p.m. Food and beverage will be served after the Annual General Meeting.

In accordance with the provisions of 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. The 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 of the 2022 Annual Report under "Risks and uncertainties" on pages 82-86, in Note 1, under the section,

"Assessments and estimates" on pages 112, and in Note 10 "Financial risks and the management of capital" on pages 134-135. No material changes have occurred since then.

Parent Company

Net sales totaled SEK 40.2 million (31.6) and essentially comprised invoicing to subsidiaries for services rendered. Profit after tax was SEK -35.4 million (-8.0).

Parent Company earnings were charged with unrealized foreign-exchange losses totaling SEK -33.9 million (-8.1). 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 2023 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 is an ongoing convertible program 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 warrant incentive 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 March 31, 2023, SEK thousands

	Level 1	Level 2	Level 3	Book value
Securities held as fixed assets			40,333	40,333
Total assets			40,333	40,333
Supplementary purchase consideration, due within 1 year			225,520	225,520
Supplementary purchase considerations, due in more than 1 year, but within 3 years			196,943	196,943
Supplementary purchase considerations, due in more than 3 years, but within 5 years			517,557	517,557
Total liabilities			940,020	940,020

Signature

Umeå, April 21

Olle Backman
CEO

Condensed consolidated statement of comprehensive income

SEK THOUSANDS	2023 Jan–Mar	2022 Jan–Mar	2022 Jan–Dec
OPERATING REVENUES			
Recurring revenues	509,058	378,257	1,631,256
License revenues	10,505	7,378	54,483
Service revenues	86,682	52,017	253,629
Other revenues	6,373	8,981	38,823
NET SALES	612,618	446,633	1,978,191
Reversal of supplementary purchase consideration	-	3,402	3,402
TOTAL REVENUES	612,618	450,035	1,981,593
Capitalized development costs	87,914	64,727	265,351
OPERATING EXPENSES			
Goods for resale	-9,700	-8,001	-40,002
Subcontractors and subscriptions	-64,869	-48,879	-196,381
Other external expenses	-77,154	-50,312	-248,896
Personnel expenses	-315,548	-235,249	-1,010,353
Depreciation of property, plant and equipment	-17,420	-15,758	-67,854
Amortization of intangible fixed assets	-29,619	-22,278	-98,765
Impairment of intangible assets	-	-3,402	-3,402
Unrealized exchange-rate gains/losses (net)	-763	-474	278
TOTAL EXPENSES	-515,073	-384,353	-1,665,375
EBITA	185,459	130,410	581,569
Acquisition-related costs	-9,977	-5,477	-40,285
Acquisition-related amortization	-52,873	-41,570	-185,443
OPERATING PROFIT/LOSS	122,609	83,363	355,841
Financial income	3,171	19	2,596
Financial expenses	-19,395	-4,932	-46,272
Remeasurement of supplementary contingent consideration	-5,072	-	-
TOTAL FINANCIAL ITEMS	-21,296	-4,913	-43,676
PROFIT AFTER FINANCIAL ITEMS	101,313	78,450	312,165
Tax	-24,170	-16,633	-67,298
NET PROFIT FOR THE PERIOD	77,142	61,817	244,866
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	8,360	42,226	198,105
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	8,360	42,226	198,105
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	85,503	104,043	442,971
PROFIT FOR THE PERIOD ATTRIBUTABLE TO			
– Parent Company shareholders	77,142	61,817	244,866
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO			
– Parent Company shareholders	85,503	104,043	442,971

Condensed consolidated statement of financial position

SEK THOUSANDS	Mar 31, 2023	Mar 31, 2022	Dec 31, 2022
ASSETS			
FIXED ASSETS			
Goodwill	3,571,120	1,753,170	2,900,642
Other intangible fixed assets	2,682,819	1,483,753	2,163,031
Tangible property, plant and equipment	159,749	162,419	155,987
Financial fixed assets	47,800	25,677	38,811
Deferred tax assets	8,430	8,376	13,483
TOTAL FIXED ASSETS	6,469,917	3,433,395	5,271,954
CURRENT ASSETS			
Inventories	3,242	4,200	2,825
Current receivables	376,541	202,264	430,258
Cash and cash equivalents	822,784	400,577	615,787
TOTAL CURRENT ASSETS	1,202,566	607,041	1,048,870
TOTAL ASSETS	7,672,483	4,040,436	6,320,824
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity attributable to Parent Company shareholders	3,295,491	2,093,376	3,209,758
Non-current interest-bearing liabilities	1,879,856	759,119	1,493,776
Deferred tax liabilities	507,344	299,173	407,697
Other non-current liabilities	769,946	94,460	249,156
TOTAL NON-CURRENT LIABILITIES	3,157,146	1,152,752	2,150,629
Accounts payable	40,156	37,693	56,696
Current portion of interest-bearing liabilities	37,688	4,063	37,784
Other current liabilities	452,191	226,268	461,282
Accrued expenses	244,286	147,307	165,700
Prepaid recurring revenues	445,525	378,977	238,975
TOTAL CURRENT LIABILITIES	1,219,846	794,308	960,437
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	7,672,483	4,040,436	6,320,824

Condensed consolidated statement of changes in equity

SEK THOUSANDS	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS			
Opening balance	3,209,758	1,989,104	1,989,104
Correction of error attributable to previous year	50	-	-
Convertible debenture with stock options	-	230	6,369
Debenture conversion	-	-	18,354
New share issue	-	-	833,800
Issuing costs	-	-	-14,394
Paid option premiums	-	-	5,483
Option premiums measured at fair value	-	-	685
Reserved dividend	18,845	14,369	-4,477
Paid dividend	-18,664	-14,369	-68,137
Total comprehensive income	85,503	104,043	442,971
CLOSING BALANCE	3,295,491	2,093,379	3,209,758

Condensed consolidated statement of cash flow

SEK THOUSANDS	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
OPERATING ACTIVITIES			
Operating profit	122,609	83,363	355,841
Adjustments for non-cash items			
Other operating revenues	-	-3,402	-3,402
Depreciation, amortization and impairment	99,913	83,007	355,464
Unrealized foreign exchange gains/losses	763	474	-278
Share-based remuneration	-	-	685
	223,285	163,442	708,310
Interest received	3,171	18	2,596
Interest paid	-18,643	-4,187	-42,128
Income tax paid	-33,223	-21,012	-72,012
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL	174,590	138,261	596,766
Changes in working capital			
Increase/decrease in inventories	245	-1,412	-26
Increase/decrease in accounts receivable	138,224	132,117	-2,064
Increase/decrease in other operating receivables	-74,576	-19,498	-22,068
Increase/decrease in accounts payable	-17,439	-9,915	-2,611
Increase/decrease in other operating liabilities	267,859	205,649	-6,629
CASH FLOW FROM OPERATING ACTIVITIES	488,903	445,202	563,369
INVESTING ACTIVITIES			
Acquisition of shares and participations	-8,628	-	-10,000
Acquisition of subsidiaries (net impact on liquidity)	-533,957	-77,253	-1,143,823
Purchase of intangible fixed assets and capitalized development costs	-88,280	-65,239	-267,390
Purchase of property, plant and equipment	-3,933	-5,115	-17,957
CASH FLOW FROM INVESTING ACTIVITIES	-634,798	-147,607	-1,439,169
FINANCING ACTIVITIES			
Dividends to Parent Company shareholders	-18,664	-14,369	-68,137
Borrowings	552,110	-	1,326,598
Repayment of loans	-182,680	-688	-687,752
Repayment of lease liabilities	-13,589	-11,950	-51,062
New share issue	-	-	833,800
Issuing costs	-	-	-14,394
Paid option premiums	-	-	5,483
CASH FLOW FROM FINANCING ACTIVITIES	337,177	-27,007	1,344,535
CASH FLOW FOR THE PERIOD	191,282	270,588	468,735
OPENING CASH AND CASH EQUIVALENTS, INCLUDING CURRENT INVESTMENTS	615,787	119,858	119,858
Exchange-rate differences in cash and cash equivalents	15,715	10,135	27,196
CASH AND CASH EQUIVALENTS INCLUDING CURRENT INVESTMENTS AT THE END OF THE PERIOD	822,784	400,582	615,787

Parent company income statement, condensed

SEK THOUSANDS	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Operating revenues	40,222	31,574	141,647
Operating expenses	-35,808	-29,289	-132,711
Unrealized exchange-rate gains/losses (net)	-33,917	-8,107	-43,808
OPERATING PROFIT/LOSS	-29,503	-5,822	-34,872
Income from participation in Group companies	-	-	295,284
Interest income	2,971	91	2,467
Interest expenses	-18,571	-4,300	-42,656
PROFIT AFTER FINANCIAL ITEMS	-45,103	-10,031	220,223
Appropriations	-	-	58,886
PROFIT/LOSS BEFORE TAX	-45,103	-10,031	279,109
Tax	9,714	2,032	-392
NET PROFIT FOR THE PERIOD	-35,389	-7,999	278,717

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

Condensed balance sheet, Parent Company

SEK THOUSANDS	Mar 31, 2023	Mar 31, 2022	Dec 31, 2022
ASSETS			
FIXED ASSETS			
Intangible fixed assets	2,071	1,172	1,860
Tangible property, plant and equipment	10,879	12,010	11,157
Financial fixed assets	6,307,624	3,269,084	5,147,910
TOTAL FIXED ASSETS	6,320,574	3,282,266	5,160,927
CURRENT ASSETS			
Current receivables	382,953	249,910	387,223
Cash and cash equivalents	380,571	275,977	226,879
TOTAL CURRENT ASSETS	763,524	525,887	614,102
TOTAL ASSETS	7,084,098	3,808,153	5,775,029
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	2,984,083	1,963,276	3,029,477
Untaxed reserves	1,686	1,772	1,686
Other provisions	527	-	-
Non-current liabilities	2,659,753	774,410	1,716,176
Current liabilities	1,438,049	1,068,695	1,027,689
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	7,084,098	3,808,153	5,775,029

Acquired assets and liabilities 2023

During the period, Enova was acquired.

In addition, the final valuation of the acquisition analysis for DocuBizz was carried out during the quarter. Other intangible assets have increased with SEK 5,657 Thousands and deferred

tax liabilities have decreased with SEK 1,244 Thousands, this have been carried against goodwill.

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, acquisitions during the year and revaluations of previous years' acquisitions within 12 months, SEK thousands	Book value	Fair value adjustment	Fair value recognized in the Group
Goodwill	-	647,958	647,958
Intangible fixed assets	-	504,265	504,265
Tangible property, plant and equipment	2,706	-	2,706
Inventories	663	-	663
Current receivables	10,291	-	10,291
Cash and cash equivalents	58,171	-	58,171
Deferred tax liabilities	-	-100,966	-100,966
Accounts payable	-910	-	-910
Other current liabilities	-42,741	-	-42,741
Total	28,180	1,051,256	1,079,436

Effect of acquisitions on cash flow, SEK thousands

Group's purchase costs	-1,079,436
Expensed portion of purchase considerations	506,827
Acquired cash and cash equivalents	58,171
Net cash outflow	-514,438

Allocation of revenues and date of revenue recognition

Allocation of revenues and date of revenue recognition, SEK million	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Subscription based revenues	441.0	332.3	1,461.2
Transaction based revenues	68.1	46.0	170.1
Other revenues	103.6	68.4	346.9
Net sales	612.6	446.6	1,978.2
Date of revenue recognition			
Services transferred to customers over time, flat distribution	441.0	332.2	1,461.1
Services transferred to customers over time, in pace with use	154.7	98.1	423.7
Services transferred to customers at a given time	16.9	16.4	93.3
	612.6	446.6	1,978.2

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 above, at 8:00 a.m. (CET) on April 21, 2023.

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 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: Vitec Investor Relations,
Tvistevägen 47 A, SE-907 29 Umeå,
Sweden

By telephone: +46 90 15 49 00

Vitec's 2022 annual report is available at vitecsoftware.com

CORPORATE REGISTRATION NUMBER

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

FINANCIAL CALENDAR

Annual General Meeting	Apr 25, 2021 5:30 p.m.
Interim report January–June	Jul 14, 2023 8:00 a.m.
Interim report January–September	Oct 19, 2023 8:00 a.m.
Year-end report January–December	Feb 1, 2024 8:00 a.m.



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 man-

agement 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.
Subscription-based recurring revenues	Recurring, contractual recurring revenue for all types of subscriptions and cloud services. Revenue is spread evenly over the contract period.	Used to track the company's recurring revenues.
Transaction-based recurring revenues	Recurring, contractual recurring transaction-based revenue. Revenue is strongly linked to volume and varies by volume.	Used to track the company's recurring revenues.
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 revenue over the last 12 months, including data for acquired companies, in relation to 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, net financial items and tax.	Indicates the company's net profit/loss for the period before acquisition-related costs, acquisition-related amortization.
EBITDA	Earnings before interest, tax, depreciation and amortization for the period.	Indicates the company's operating profit/loss before depreciation and 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	Amortization 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	Average number of shares during the period plus the number of shares added following 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

		2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Net sales	SEK 000s	612,618	446,633	1,978,191
Recurring revenues	SEK 000s	509,058	378,257	1,631,256
Recurring share of net sales	(%)	83%	85%	82%
Growth net sales	(%)	37%	20%	26%
EBITA	SEK 000s	185,459	130,410	581,569
EBITA margin	(%)	30%	29%	29%
Growth EBITA	(%)	42%	36%	32%
Operating profit/loss (EBIT)	SEK 000s	122,609	83,363	355,841
Operating margin	(%)	20%	19%	18%
Profit after financial items	SEK 000s	106,385	78,450	312,165
Profit after tax	SEK 000s	82,214	61,817	244,866
Profit margin	(%)	13%	14%	12%
Balance-sheet total	SEK 000s	7,672,483	4,040,436	6,320,824
Equity/assets ratio	(%)	43%	52%	51%
Equity/assets ratio after full conversion	(%)	45%	53%	54%
Interest-bearing net debt	SEK 000s	1,094,760	362,605	915,773
Debt/equity ratio	(multiple)	1.17	1.30	0.94
Return on capital employed	(%)	10%	13%	10%
Return on equity	(%)	10%	15%	9%
Sales per employee	SEK 000s	450	429	1,692
Added value per employee	SEK 000s	402	387	1,504
Personnel expenses per employee	SEK 000s	232	226	864
Average no. of employees	(persons)	1,363	1,042	1,169
Adjusted equity per share (AES)	(SEK)	88.28	59.73	85.99
Earnings per share	(SEK)	2.20	1.76	6.92
Earnings per share after dilution	(SEK)	2.17	1.73	6.90
Resolved dividend per share	(SEK)	-	-	2.00
Cash flow per share	(SEK)	4.68	3.95	16.86
Basis of computation:				
Earnings from calculation of earnings per share	SEK 000s	82,214	61,817	244,866
Cash flow from calculation of cash flow per share	SEK 000s	174,590	138,261	596,766
Weighted average number of shares (weighted average)	(thousands)	37,329	35,046	35,393
Number of shares after dilution	(thousands)	38,445	35,775	35,970
Number of shares issued at balance-sheet date	(thousands)	37,329	35,046	37,329
Share price at close of the respective period	(SEK)	533.50	487.50	418.20



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