



Interim report January–June 2024

SUMMARY OF INTERIM PERIOD, APRIL–JUNE 2024

- Net sales SEK 882 million (724), an increase of 22%
- Recurring revenues SEK 775 million (612), an increase of 27%
- EBITA SEK 264 million (226), an increase of 17%
- EBITA margin 30% (31)
- Operating profit SEK 196 million (164), an increase of 20%
- Operating margin 22% (23)
- Earnings per share before dilution SEK 3.18 (2.59)
- Cash flow from operating activities SEK 89 million (80)
- Acquisition of Bidtheatre

SUMMARY OF INTERIM PERIOD, JANUARY–JUNE 2024

- Net sales SEK 1,598 million (1,336), an increase of 20%
- Recurring revenues SEK 1,391 million (1,121), an increase of 24%
- EBITA SEK 484 million (412), an increase of 18%
- EBITA margin 30% (31)
- Operating profit SEK 349 million (286), an increase of 22%
- Operating margin 22% (21)
- Earnings per share before dilution SEK 5.46 (4.66)
- Cash flow from operating activities SEK 783 million (569)



- ▲ Vitec Software Group has its origin and headquarters in Umeå, Sweden. Forums for networking and knowledge sharing within the Group are provided here.

Brief facts

24,600
customers

1,550
employees

86%
Proforma recurring revenues, ARR

3,197
SEK million Proforma net sales

11
countries

40
Business units

This is Vitec

Vitec is the market leader for 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 energy, insurance, retail, hotels, churches and health care. 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 the Nasdaq Stockholm Large Cap list.

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.

SUSTAINABILITY IN THE BUSINESS MODEL

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 on page 11 as well as in the annual report.

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

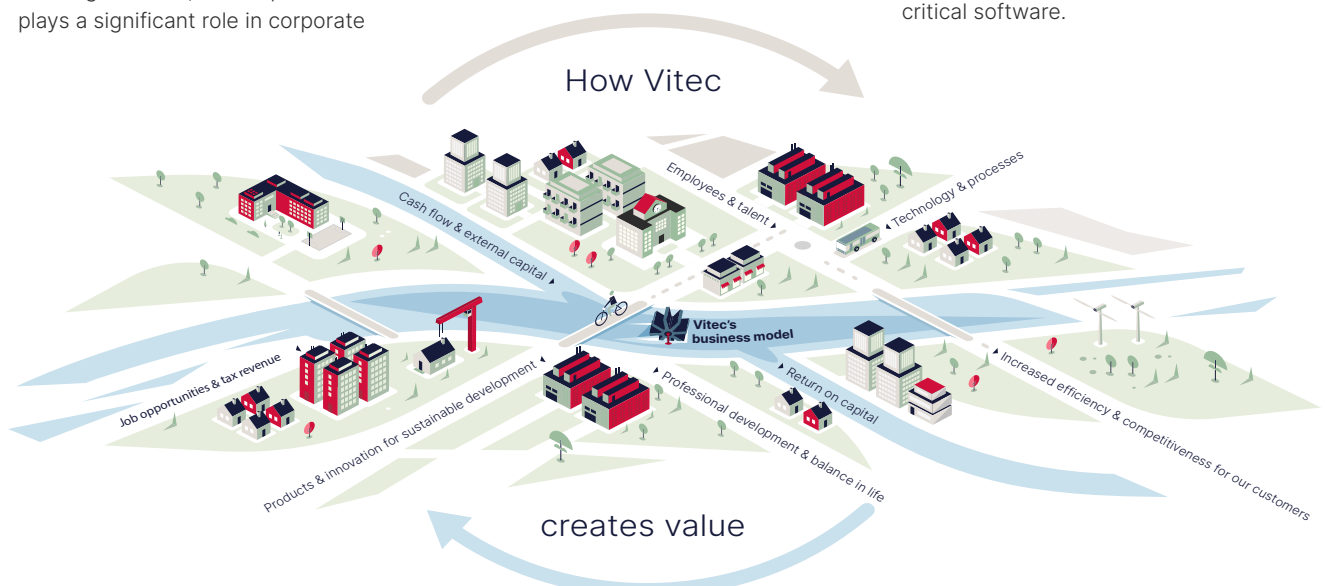
Collaboration and responsibility create success

OUR BRAND PROMISE

To rely on — today and tomorrow

OUR BUSINESS CONCEPT

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



Comments from the CEO

Continued growth with robust margins

Vitec's growth strategy combines both organic expansion and strategic acquisitions. For the second quarter of 2024, we achieved a sales increase of 22%, contributing to a 20% growth for the first half of the year, aligning with our ten-year average annual growth rate of 22%.

Our focus on organic growth is underscored by our analysis of pro forma rolling 12-month revenue, a metric that reflects our current annual rate and growth. Our business units, which develop and offer niche business-critical software, operate in stable markets characterized by long-term customer relationships.

As we entered 2024, our customer base remained steady, with new sales showing caution but demonstrating strong figures in additional sales to existing customers.

In this quarter, our business unit Enova, providing balancing services in the Dutch energy grid, has significantly increased volumes. This surge is driven by the daily market needs, with the integration of more renewable energy sources into the energy mix necessitating greater balancing power. The high proportion of renewables during the summer has resulted in substantial volumes, benefiting our customers and is clearly reflected in the rise in transaction-based recurring revenues.

For the period, our EBITA increased by 17% to SEK 264 million, yielding a margin of 30%. The cash flow from operating activities also showed an improvement compared to the same period last year, with significant gains in the first half of the year. This, coupled with our healthy debt levels and available credit, ensures our preparedness for further acquisitions.



In the second quarter, we acquired Bidtheatre, a specialized vertical software company primarily supporting media agencies in Sweden. In early July, we announced the acquisition of the Swedish software company Taxiteknik, which provides innovative solutions for the taxi industry. These acquisitions bring the total to three so far this year, with more opportunities under continuous evaluation. We have also consolidated a couple of business units to optimize organizational efficiency and customer offering, hence we now present 40 business units.

I extend my best wishes for a pleasant summer to all our customers, employees, and stakeholders.

Olle Backman, CEO and President
Vitec Software Group

“The cash flow from operating activities showed an improvement compared to the same period last year, with significant gains in the first half of the year. This, coupled with our healthy debt levels and available credit, ensures our preparedness for further acquisitions.”



In June, Vitec acquired the software company Bidtheatre, which develops and delivers software for programmatic advertising – targeted advertising in digital channels – in Sweden and Norway.

Group financial information

NET SALES AND EARNINGS

April–June 2024

Net sales

Net sales for the period totaled SEK 882.2 million (723.7) and included recurring revenues of SEK 774.5 million (612.4), license revenues of SEK 9.2 million (14.3), service revenues of SEK 84.5 million (84.8) and other revenues of SEK 13.9 million (12.2). Recurring revenues consist of subscription-based revenue of SEK 519.7 million (460.4) and transaction-based revenue of SEK 254.8 million (152.0). The increase in transaction-based revenues is mainly attributable to increased volumes.

Comments on sales

Net sales rose a total of 22% for the period and recurring revenues rose by 27%.

Other revenues totaled SEK 13.9 million, which is an increase of 14% compared with the corresponding period last year. License revenues declined 36%, compared with the corresponding period last year. Service revenues were unchanged year-on-year. Recurring revenues accounted for 88% of net sales, compared with 85% for the corresponding period in 2023. During the period, acquired companies contributed SEK 17.7 million in net sales.

Earnings

EBITA was SEK 264.4 million (226.2), with an EBITA margin of 30.0% (31.3). Operating profit was SEK 196.2 million (163.9), with an operating margin of 22.2% (22.6). Profit after tax amounted to SEK 119.5 million (96.9). Earnings per share before dilution totaled SEK 3.18 (2.59).

Comments on earnings

EBITA increased 17%, compared with the corresponding period in 2023. IFRS 16 related to leases had an impact of SEK 18.1 million (16.6) on operating profit, and SEK -17.5 million (-13.6) on depreciation. The net of capitalized development costs, amortization on intangible fixed assets, and acquisition-related amortization had a negative effect on operating profit of SEK -13.8 million, compared with SEK -10.0 million the corresponding period last year. Acquisition-related costs are included in operating profit and amount to SEK -0.5 million (-1.4).

Net financial items total SEK -42.8 million (-35.2). The items consist of net interest income of SEK -30.9 million (-21.0), as well as non-cash remeasurement to fair value of supplementary purchase considerations of SEK -9.2 million (-14.2) and impairment of securities held as fixed assets of SEK -2.7 million (0.0). The increase in net interest income is attributable to higher interest rates and increased borrowing in conjunction with acquisitions.



▲
Vitec Software Group develops and provides software for real estate agents in Norway and Sweden.

January–June 2024

Net sales

Net sales for the period totaled SEK 1,598.2 million (1,336.3) and included recurring revenues of SEK 1,390.8 million (1,121.5), license revenues of SEK 17.4 million (24.8), service revenues of SEK 170.5 million (171.5) and other revenues of SEK 19.6 million (18.5). Recurring revenues consist of subscription-based revenue of SEK 1,023.0 million (901.5) and transaction-based revenue of SEK 367.8 million (220.0). The increase in transaction-based revenues is mainly attributable to increased volumes.

Comments on sales

Net sales rose a total of 20% for the period and recurring revenues rose by 24%.

Other revenues totaled SEK 19.6 million, which is an increase of 6% compared with the corresponding period last year. License revenues declined 30%, compared with the corresponding period last year. Service revenues fell by 1%, compared with the corresponding period in 2023. Recurring revenues accounted for 87% of net sales, compared with 84% for the corresponding period in 2023. During the year, acquired companies contributed SEK 22.1 million in net sales.

Earnings

EBITA was SEK 484.5 million (411.6), with an EBITA margin of 30.3% (30.8). Operating profit was SEK 349.2 million (286.5), with an operating margin of 21.8% (21.4). Profit after tax amounted to SEK 205.0 million (174.0). Earnings per share before dilution totaled SEK 5.46 (4.66).

Comments on earnings

EBITA increased 18%, compared with the corresponding period in 2023. IFRS 16 related to leases had an impact of SEK 36.1 million (30.2) on operating profit, and SEK -34.9 million (-26.6) on depreciation. The net of capitalized development costs, amortization on intangible fixed assets, and acquisition-related amortization had a negative effect on operating profit of SEK -20.1 million, compared with SEK -4.6 million the corresponding period last year. Acquisition-related costs are included in operating profit and amount to SEK -1.9 million (-11.4).

Net financial items total SEK -80.4 million (-56.5). The items consist of net interest income of SEK -61.2 million (-37.2), as well as non-cash remeasurement to fair value of supplementary purchase considerations of SEK -16.5 million (-19.3) and impairment of securities held as fixed assets of SEK -2.7 million (0.0). The increase in net interest income is attributable to higher interest rates and increased borrowing in conjunction with acquisitions.

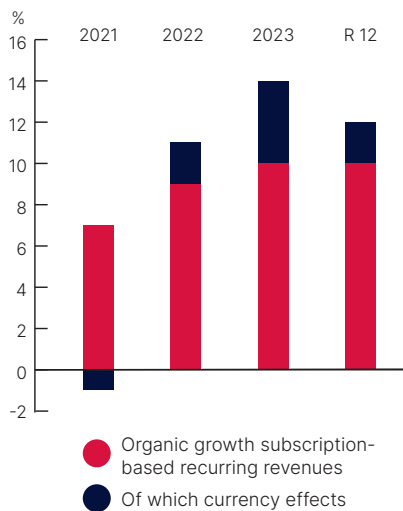
1,598
SEK million net sales
January–June

	2024 Apr–Jun	2023 Apr–Jun	Change	2024 Jan–Jun	2023 Jan–Jun	Change
Net sales, SEK million	882	724	22%	1,598	1,336	20%
Recurring share of net sales, %	88%	85%		87%	84%	
EBITA, SEK million	264	226	17%	484	412	18%
EBITA margin, %	30%	31%		30%	31%	
Operating profit/loss, SEK million	196	164	20%	349	286	22%
Operating margin, %	22%	23%		22%	21%	
Net profit/loss for the period, SEK million	119	97	23%	205	174	18%
Earnings per share, SEK	3.18	2.59		5.46	4.66	

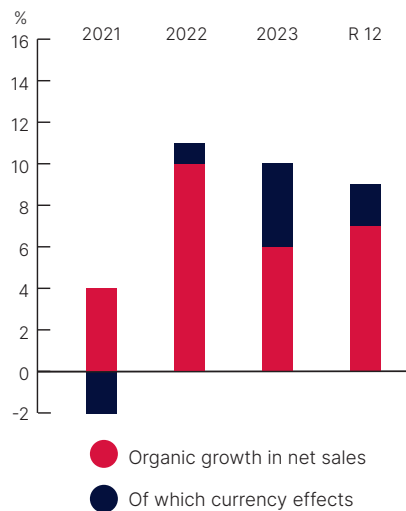
ORGANIC GROWTH

SEK million	R12 June 2024	R12 June 2023	Growth
Reported subscription-based recurring revenues	1,994	1,690	
Effect of acquired units	26	121	
Proforma subscription-based recurring revenues	2,020	1,811	12%
Reported transaction-based recurring revenues	621	300	
Effect of acquired units	123	335	
Proforma transaction-based recurring revenues	744	635	17%
Reported recurring revenues	2,615	1,990	
Effect of acquired units	149	456	
Proforma recurring revenues	2,764	2,446	13%
Reported net sales	3,040	2,419	
Effect of acquired units	157	504	
Proforma net sales	3,197	2,923	9%

Organic growth subscription-based recurring revenues



Organic growth in net sales



Rolling 12, July 2023–June 2024

Recurring revenues calculated on a rolling 12-month basis including revenues from acquired units amount to SEK 2,764 million. Compared with the same period last year, including revenues from acquired units, the increase is 13%.

We divide our recurring revenues into subscription-based recurring revenues and transaction-based recurring revenues. Organic growth of our subscription-based recurring revenues is 12%;

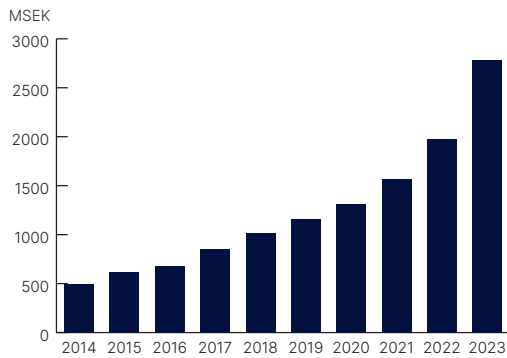
organic growth of transaction-based recurring revenues is 17%.

Net sales calculated on a rolling 12-month basis, including sales from acquired units, amount to SEK 3,197 million. Compared with the same period last year, including sales from acquired units, the increase is 9%.

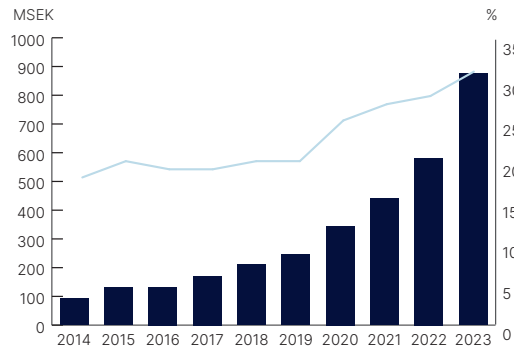
We estimate that approximately 2% of this growth is attributable to currency effects.

Diagrams on Group trends

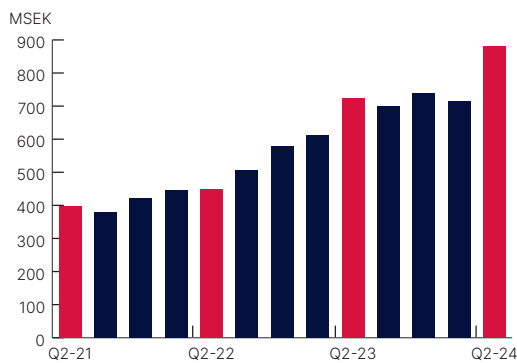
Sales



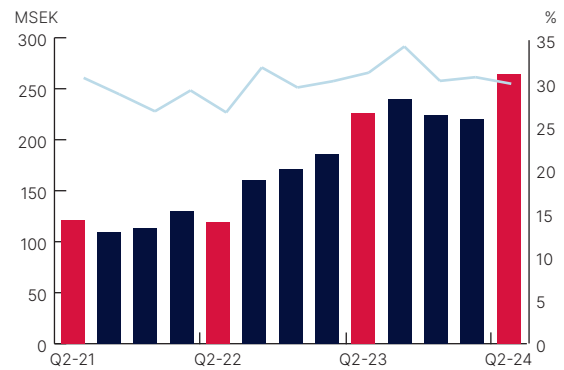
EBITA and EBITA margin



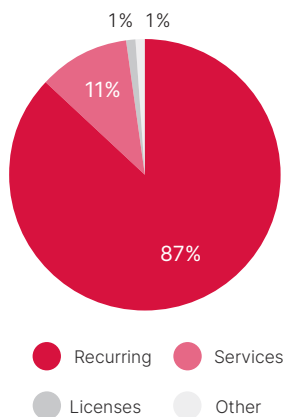
Sales by quarter



EBITA and EBITA margin by quarter

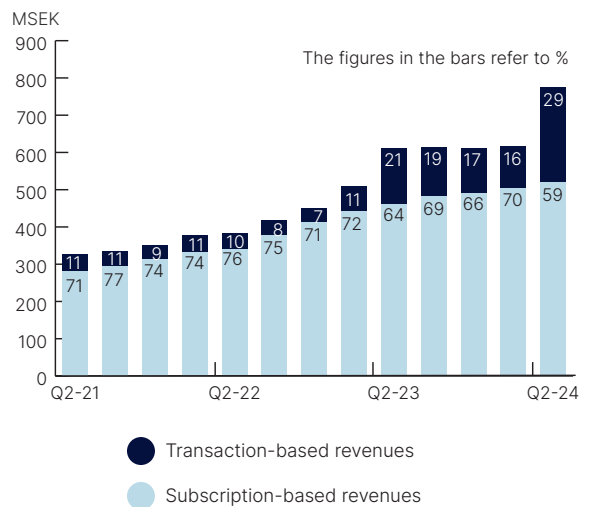


Breakdown of revenue, January–June 2024



Allocation of recurring revenues

Q2 2021–Q2 2024



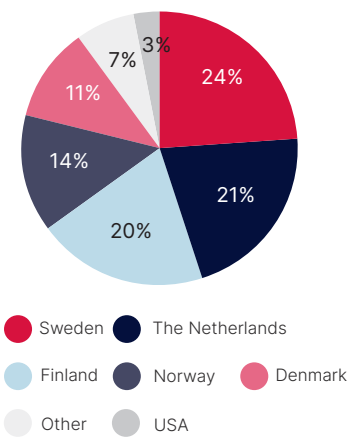
Sales broken down by business unit and customer

Because we operate in a number of niche markets and countries, we have good distribution 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. Some are complete enterprise systems, while others provide support for specific aspects of our customers' operations.

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

VITEC WORLDWIDE

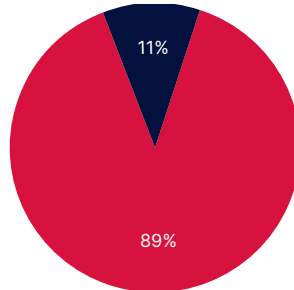
Sales by market, January–June 2024



BREAKDOWN OF SALES

Our sales are evenly spread across our 40 business units. No individual business unit accounts for more than 11% of consolidated sales.

Breakdown of sales among our business units

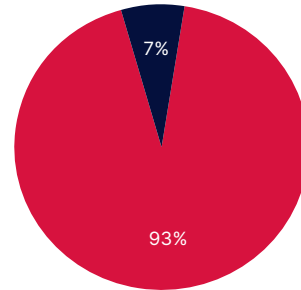


- Largest business unit
- Remaining business units

CUSTOMERS

We have about 24,600 customers. The Group's ten largest software customers account for approximately 7% of sales. The single largest software customer accounts for approximately 1.4% of sales.

Breakdown of sales among our customers



- 10 largest customers
- Remaining customers



▲ Vitec operates in 11 countries.

Sustainability in the business model

Sustainability is part of the entire value chain, from the development and use of our products to the way we run and do business. This effort is a continuous journey together with our customers, partners and other stakeholders.

OUR FOCUS AREAS

To structure this effort and clarify its direction, we have defined four focus areas. 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. This also applies to the choice of the Sustainable Development Goals (SDGs) linked to each focus area.

RESPONSIBLE GROWTH

We work continuously to improve and strengthen our business and our working methods, based on trust, transparency, integrity and fact-finding.

The common brand Vitec, our business model and our focus on long-term growth provide stability and facilitate sustainable investments in our products. Equally important for maintaining responsible growth is our decentralized model for how we work, control, follow up and manage risks in our business. Our brand promise, To rely on – today and tomorrow, our values and our Code of Conduct provide valuable guidance on how to act ethically and sustainably. We choose suppliers who act professionally and appropriately. Our long-term approach to acquisitions also contributes to our social responsibility, since we acquire well-managed companies whose operations and products are future-proofed when the company becomes part of the Vitec Group.

In this area, we primarily support SDGs 8, 16 and 17.

ENABLING PRODUCTS

We develop and provide software to enable a more efficient, sustainable, resilient and inclusive society, where safe, secure and reliable operation with high demands for data ethics is crucial.

We help our customers realize their ambitions through close collaboration, innovations and continuous investments.

In this area, we primarily support SDG 9.

EMPOWERED PEOPLE

To achieve success, Vitec depends on motivated and engaged employees with the knowledge and skills necessary to constantly develop the business – employees who can be proud of how their work helps to benefit society. We believe in short decision paths, freedom under responsibility and continuous skills development to enable each individual to reach their full potential. We believe that diversity, teamwork and a healthy work environment provide increased job satisfaction and good results.

In this area, we primarily support SDGs 3, 5 and 10.

REDUCED FOOTPRINT

We are determined to minimize our adverse impact on the climate and the environment, and this attitude permeates all of our decisions. We achieve this by constantly improving our resource efficiency, reducing our waste and making climate- and eco-friendly purchases. We also replace fossil fuels with fuels from renewable energy sources and optimize our travel.

In this area, we primarily support SDGs 7, 12 and 13.




























Our business units

We conduct our operations through our 40 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

energy, insurance, retail, hotels, churches and health care. Our products enable us to help our customers achieve greater efficiency and to generate societal benefit.

BUSINESS UNITS

Business unit	Software for:	Registered office	Acquisition year	Sales 2023, MSEK	Recurring, 2023
ABS Laundry Business Solutions 	The global laundry and textile rental industry.	NL	2022	252	46%
Vitec Actor Smartbook 	Municipal culture and recreation administration offices, as well as visitor facilities in Norway and Sweden.	SE	2018	55	84%
Vitec Acute 	Healthcare companies in Finland.	FI	2013	92	89%
Vitec Agrando 	Church-related administration in Norway.	NO	2018	40	94%
Vitec ALMA 	Information management within the process industry and energy companies in Finland.	FI	2020	51	59%
Vitec Aloc 	Banking and finance industry in the Nordic countries and western Europe.	DK	2014	143	87%
Vitec Appva 	Healthcare and social services sector in Sweden.	SE	2020	51	97%
Vitec Autosystemer 	Automotive, transportation and machinery industry in Norway.	NO	2014	53	94%
Vitec Avoine 	Local associations, national organizations and golf facilities in Finland.	FI	2019	55	87%
Vitec Bidtheatre 	Media agencies in Sweden and Norway.	SE	2024	113	100%
Vitec CapiteX Finanssystem 	Banking and finance industry, primarily in Sweden and with some establishment in Norway and Finland.	SE	2010	30	92%
Vitec Cito 	Pharmacy market in Denmark.	DK	2018	46	78%
Vitec Codea 	Emergency service activities and field management of emergency vehicles in Finland.	FI	2023	19	75%
Vitec Datamann 	Car dealers and auto repair shops in Denmark.	DK	2015	71	84%
Vitec DocuBizz 	Automotive industry in northern Europe and the US.	DK	2022	36	95%
Vitec Energy 	Electricity traders and owners of electricity and district heating grids in about 25 different countries.	SE	1998	47	90%
Vitec Enova 	Energy management and grid balancing services in the Netherlands.	NL	2023	335	100%
Vitec Fastighet 	Construction and property management industry in Sweden	SE	1985	254	77%
Vitec Fixit 	Hair and beauty salons in Norway.	NO	2019	66	97%
Vitec Forsikring 	Insurance companies in Norway and Sweden.	NO	2015	46	71%
Vitec Futursoft 	Automotive industry and machinery sector in Finland and Sweden.	FI	2016	115	89%

Business unit	Software for:	Registered office	Acquisition year	Sales 2023, MSEK	Recurring, 2023
Vitec HK data	 Health and welfare sector in Norway.	NO	2019	21	84%
Vitec Hotelinx	 Hotels and tourism in Finland.	FI	2022	21	91%
Vitec Katrina	 Church-related administration in Finland.	FI	2019	30	88%
Vitec LDC	 Career and personal development, training and retraining in the Netherlands.	NL	2024	22	92%
Vitec Megler	 Real estate agents in Norway.	NO	2011	123	94%
Vitec Memorix	 Archives, digital heritage and collections in the Benelux region.	NL	2023	47	82%
Vitec MV	 Education sector in Denmark, Norway and Sweden.	DK	2017	44	95%
Vitec Mäklarsystem	 Real estate agents in Sweden.	SE	2010	85	98%
Vitec Neagen	 Healthcare sector in Finland.	FI	2023	48	61%
Vitec Nordman	 Food and grocery retail industry in Sweden	SE	2021	20	96%
Vitec Plania	 Property and facility management in Norway.	NO	2016	39	78%
Vitec Raisoft	 Healthcare and social services company in Finland and Switzerland.	FI	2022	86	78%
Vitec Samfundssystem	 Administrative services for churches and preschools in Sweden.	SE	2018	46	83%
Vitec Scanrate	 Bond market in Denmark.	DK	2022	64	96%
Vitec Tietomitta	 Private and municipal waste-and-resource processing in Finland.	FI	2016	86	91%
Vitec Travelize	 Travel agencies mainly in Denmark, Norway and Sweden.	SE	2021	23	89%
Vitec Unikum	 Retail trade and manufacturing industry in Sweden.	SE	2021	112	85%
Vitec Vabi	 Sustainable energy management for the real estate and property management industry in the Netherlands.	NL	2021	98	99%
Vitec Visiolink	 Media companies in Europe.	DK	2020	73	77%

During the period, Vitec Nice and Vitec WIMS were merged; the business unit is now called Vitec Forsikring.

Vitec DL System is now part of Vitec Actor Smartbook and is no longer its own business unit as of the second quarter of 2024.

Balance sheets and cash flow

LIQUIDITY AND FINANCIAL POSITION

The Group's cash and cash equivalents at the end of the period totaled SEK 276.3 million (396.6). In addition to cash and cash equivalents, Vitec has an overdraft facility of SEK 125.0 million and SEK 1016.0 million in unutilized portions of the credit facility, which amount to a total of SEK 3,000 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, 2024, interest-bearing liabilities totaled SEK 2,207.3 million (1,785.8). Non-current interest-bearing liabilities comprised bank loans of SEK 1,995.1 million, as well as convertible debentures totaling SEK 66.2 million. Current interest-bearing liabilities comprised bank loans of SEK 1.4 million as well as convertible debentures totaling SEK 144.6 million. Interest-bearing net debt amounts to SEK 1,931.1 million (1,389.2).

The convertible loans consist in part of convertible debentures subscribed for in conjunction with acquisitions, and in part of employee convertibles. The maximum potential dilution from these convertible loans amounts to 1.0% of capital and 0.6% of votes.

During the period, a convertible loan was converted, which reduced financial liabilities by SEK 2.4 million.

Liabilities relating to right-of-use assets in the form of leases for premises are included in other non-current liabilities of SEK 29.8 million and in other current liabilities of SEK 50.5 million.

The total supplementary contingent consideration as of June 30 was SEK 710.5 million, including a non-current portion of SEK 424.6 million and a current portion of SEK 285.9 million.

CASH FLOW AND INVESTMENTS

The Group has not used the credit facility for any investments in 2024, nor have any repayments been made to the facility during the year. Amortization of

bank loans amounted to SEK 1.4 million; amortization related to right-of-use assets totaled SEK 36.1 million. Cash flow from operating activities was SEK 782.8 million (568.5). Investments totaled SEK 193.0 million in capitalized work, SEK 5.3 million in other intangible fixed assets and SEK 3.8 million in property, plant and equipment. Investments in right-of-use assets not affecting cash flow totaled SEK 17.2 million. As a result of acquisitions, SEK 202.7 million was invested in product rights, brands, customer agreements and goodwill.

The fourth and final payment of the dividend for financial year 2022 was made on March 28, 2024, when SEK 21.4 million was paid. The first payment of the dividend for financial year 2023 was made on June 30, when SEK 28.1 million was paid.

SHAREHOLDERS' EQUITY

Equity attributable to Vitec's shareholders totaled SEK 3,570.7 million (3,489.6). The equity/assets ratio is 44% (47). On April 23, the Annual General Meeting resolved to pay a dividend of SEK 3.00 per share, totaling a maximum of SEK 121.6 million. The dividend will be divided up and paid on four payment dates: June 30, September 30, December 30 and March 30, 2025.

As of June 30, there are two outstanding warrant programs. The maximum potential dilution from these warrant programs amounts to 0.6% of capital and 0.4% of votes.

There is also a long-term share savings plan, ESSP 2023, which was offered to all employees. Provided that the employee has made a personal investment in shares in the company (savings shares), the employee is allocated a corresponding number of matching share rights. The cost of the matching share rights during the period amounts to SEK 5.1 million, recognized as a personnel expense and in equity.

During the period, 37,392 class B shares were also repurchased from the market. These shares will be used as matching shares. The purchase amount

of SEK 21.3 million was recognized in shareholders' equity.

TAXES

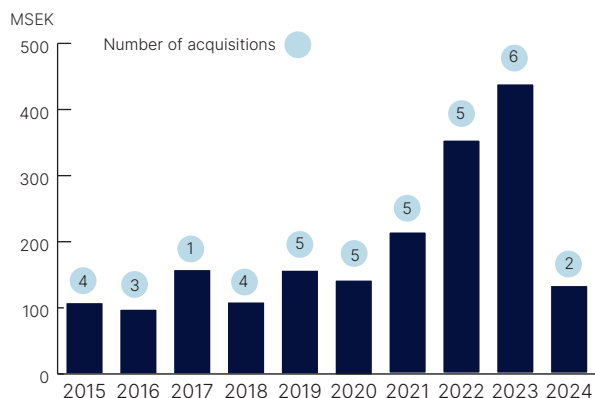
Current tax for the period amounted to SEK -53.3 million (-33.8). Deferred tax totaled SEK -10.5 million (-22.2).

Profit before tax is SEK 268.8 million (230.0). Non-deductible expenses and non-taxable income amount to SEK 15.4 million (12.5), which results in a taxable profit totaling SEK 284.2 million (242.5).

Tax expense for the year corresponds to an average tax rate of 22.5% (23.1).

Growth by acquisition

Acquired annual sales



ACQUISITIONS DURING THE PERIOD

During the first half of 2024, two acquisitions were completed: LDC I-talent Solutions B.V. and Bidtheatre AB. From the acquisition date up to and including June 30, revenues in the acquired company totaled SEK 22.1 million in sales and SEK 6.1 million in EBITA. If consolidation had occurred at the beginning of the year, the companies would have provided the Group with an additional approximately SEK 60.5 million in sales and SEK 10.4 million in EBITA. The acquisition-related expenses are recognized in operating profit and total SEK 1.9 million.

The goodwill items are not tax deductible and are 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 acquisitions added SEK 16.7 million in product rights, SEK 7.3 million in brands, SEK 68.2 million in customer agreements and SEK 106.9 million in goodwill. Expensed portions of contingent considerations amount in total to a discounted value of SEK 45.1 million and are subject to gross margin improvements and EBIT improvements over the next several years. Contingent considerations are valued at discounted value of maximum outcome.

Acquisition Bidtheatre AB

On June 3, Vitec acquired all shares in the Swedish software company Bidtheatre AB.

Bidtheatre develops and delivers a Demand Side Platform (DSP) for programmatic marketing. The software is for advertising procurement in various digital channels, including banners, audio, video, native advertising and digital out-of-home screens, with well-developed features for target group tailoring.

The company had sales of SEK 113 million during the financial year 2023. The acquisition is deemed to yield an immediate increase in earnings per share.

Payment is in cash and with a convertible, with deviation from shareholders' preferential rights in accordance with the authorization from the Annual General Meeting on April 2024. The convertible matures in 36 months, and at full conversion will have a dilutive effect on capital of less than 0.1%.

Consolidation will commence as of the acquisition date.

INVESTMENTS: CO-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 Voxo AB

On April 12, Malmkroppen expanded its ownership stake in Swedish software company Voxo AB. Voxo is a Swedish voice technology company specializing in conversation-based AI solutions. Vitec holds a 13.8% stake in the company after the investment.



▲ Vitec Management Conference is an opportunity for managers throughout the Group to meet and exchange experiences. The conference is held every other year, and in May this year, we were pleased to welcome everyone to Umeå.

Other significant events during the period

ANNOUNCEMENT FROM THE ANNUAL GENERAL MEETING

The Annual General Meeting of Vitec Software Group AB (publ), corp. reg. no. 556258-4804, was held on April 23, 2024, at Universum in Umeå. 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 (AGM) by webcast.

The AGM resolved to re-elect the Board members Lars Stenlund, Anna Valtonen, Birgitta Johansson-Hedberg, Jan Friedman, Kaj Sandart and Malin Ruijsenaars.

Lars Stenlund was re-elected as Chairman of the Board of Directors.

The AGM resolved, for the period until the end of the next AGM, to elect authorized auditing firm Deloitte AB as new auditors.

The AGM also resolved to introduce a new program period for the long-term share savings plan for current and future employees of the Group, and to introduce a long-term, performance-based share savings plan for top management of the Vitec Group.

ORGANIZATIONAL CHANGE

During the period, a decision was made to strengthen Vitec's finance organization by hiring Peter Lidström as new CFO.

Peter will begin on September 1 and has a broad background as both CEO and CFO of companies in the IT and software industry. In his role as CFO, Peter will be part of company management.

Peter succeeds Sara Nilsson, who will continue as Head of Group Reporting & Controlling at Vitec.

Significant events after the period

VITEC ACQUIRES THE SOFTWARE COMPANY TAXITEKNIK NORDIC AB

Vitec Software Group AB (publ) strengthens its position in Vertical Market Software on July 9, by signing an agreement to acquire a majority of the shares in the Swedish software company Taxiteknik Nordic AB. Taxiteknik has an annual revenue of just over SEK 20 million.

The software company Taxiteknik develops and delivers a complete business system for taxi companies.

Payment will be in cash. The acquisition is expected to yield an immediate increase in earnings per share for Vitec. Before closing, the acquisition needs approval from the Inspectorate of Strategic Products under the Screening of Foreign Direct Investments Act.

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 2023 Annual Report under "Risks and uncertainties" on pages 68–74, in Note 1, under the section "Critical estimates and judgements" on pages 117–118, and in Note 15 "Financial risks and capital risk management" on pages 139–140. No material changes have occurred since then.

Parent Company

Net sales totaled SEK 94.1 million (83.6) and essentially comprised invoicing to subsidiaries for services rendered. Profit after tax was SEK -75.1 million (-118.4). Parent Company earnings were charged with unrealized foreign-exchange losses totaling SEK -62.0 million (-122.2).

The Parent Company is generally exposed to the same risks and uncertainties as the Group; refer to the above section, "Risks and uncertainties".

Related-party transactions

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

Accounting and measurement policies

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, and the Swedish Annual Accounts Act. The Parent Company's accounts were prepared in accordance with the Annual Accounts Act and recommendation RFR 2 Accounting for Legal Entities No new or amended standards entered into force as of 2024 that are expected to affect the Group's accounts.

Disclosures in accordance with IAS 34.16A appear in the financial statements and related notes, as well as in other parts of the interim report.

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.

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.

As of the third quarter of 2023, a long-term share savings plan aimed at all staff has been in place. If the conditions are met, participants receive matching shares. The value of the matching shares is recognized as share-based remuneration.

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.

Securities held as fixed assets are measured at estimated fair value; any adjustments are made through profit or loss.

Significant amounts of supplementary contingent considerations are measured at estimated fair value; any adjustments are made through profit or loss.

Recurring measurements at fair value, at June 30, 2024, SEK thousands

	Level 1	Level 2	Level 3	Book value
Securities held as fixed assets			38,086	38,086
Total assets			38,086	38,086
Supplementary contingent considerations, due within 1 year			285,894	285,894
Supplementary contingent considerations, due in more than 1 year, but within 3 years			424,618	424,618
Supplementary contingent considerations, due in more than 3 years, but within 5 years			-	-
Total liabilities			710,512	710,512



Signature

AFFIRMATION OF THE BOARD OF DIRECTORS

The Board of Directors and the CEO hereby certify that this 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.

▲ Vitec Software Group develops and provides software for industries including property and facility management in Denmark, Norway, the Netherlands and Sweden.

Umeå, July 12, 2024

Lars Stenlund
Chairman of the Board

Jan Friedman
Board member

Birgitta Johansson-Hedberg
Board member

Malin Ruijsenaars
Board member

Kaj Sandart
Board member

Anna Valtonen
Board member

Olle Backman
CEO and President

Consolidated statement of profit/loss

SEK THOUSANDS	2024 Apr–Jun	2023 Apr–Jun	2024 Jan–Jun	2023 Jan–Jun	2023 Jan–Dec
OPERATING REVENUES					
Recurring revenues	774,512	612,416	1,390,816	1,121,474	2,346,036
License revenues	9,231	14,306	17,412	24,812	46,861
Service revenues	84,532	84,772	170,460	171,454	343,270
Other revenues	13,923	12,157	19,558	18,531	41,398
NET SALES	882,199	723,652	1,598,245	1,336,271	2,777,565
TOTAL REVENUES	882,199	723,652	1,598,245	1,336,271	2,777,565
Capitalized development costs	95,239	82,767	193,048	170,681	348,412
OPERATING EXPENSES					
Purchase of goods and services	-211,123	-130,576	-315,164	-205,144	-436,593
Other external expenses	-78,402	-73,588	-152,208	-150,742	-291,553
Personnel expenses	-359,269	-323,640	-714,233	-639,189	-1,294,192
Depreciation of property, plant and equipment	-22,908	-19,049	-45,269	-36,469	-88,239
Amortization of intangible fixed assets	-41,310	-31,878	-79,740	-61,497	-137,394
Unrealized exchange-rate gains/losses (net)	-40	-1,530	-222	-2,293	-1,896
TOTAL EXPENSES	-713,053	-580,261	-1,306,835	-1,095,334	-2,249,867
EBITA	264,385	226,158	484,458	411,617	876,110
Acquisition-related costs	-466	-1,395	-1,875	-11,372	-38,040
Acquisition-related amortization	-67,734	-60,890	-133,403	-113,763	-247,953
OPERATING PROFIT/LOSS	196,184	163,873	349,180	286,482	590,117
Financial income	2,464	924	5,275	4,095	6,051
Financial expenses	-33,355	-21,880	-66,510	-41,275	-99,195
Other financial income and expenses	-11,862	-14,208	-19,147	-19,280	-29,161
TOTAL FINANCIAL ITEMS	-42,753	-35,164	-80,382	-56,460	-122,305
PROFIT AFTER FINANCIAL ITEMS	153,431	128,709	268,798	230,022	467,812
Tax	-33,982	-31,839	-63,804	-56,009	-128,629
NET PROFIT FOR THE PERIOD	119,450	96,870	204,994	174,013	339,183
Profit for the period attributable to:					
Parent Company shareholders	119,450	96,870	204,994	174,013	339,183
EARNINGS PER SHARE (SEK)					
Earnings per share before dilution (SEK)	3.18	2.59	5.46	4.66	9.07
Earnings per share after dilution (SEK)	3.18	2.30	5.46	4.60	9.07

Consolidated statement of comprehensive income

	2024 Apr–Jun	2023 Apr–Jun	2024 Jan–Jun	2023 Jan–Jun	2023 Jan–Dec
PROFIT FOR THE YEAR	119,450	96,870	204,994	174,013	339,183
Other comprehensive income					
Items that may be restated in profit or loss					
Restatement of net investments in foreign operations	-84,603	245,264	140,654	279,524	-107,827
Net investment hedges for foreign operations	35,092	-88,446	-62,044	-121,065	41,429
Deferred tax on net investment hedges for foreign operations	-7,229	18,220	12,781	24,939	-8,534
Total items that may be restated in profit or loss	-56,740	175,038	91,391	183,398	-74,932
TOTAL OTHER COMPREHENSIVE INCOME/LOSS	-56,740	175,038	91,391	183,398	-74,932
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	62,710	271,908	296,385	357,411	264,251
Total comprehensive income attributable to:					
– Parent Company shareholders	62,710	271,908	296,385	357,411	264,251

Condensed consolidated statement of financial position

SEK THOUSANDS	June 30, 2024	June 30, 2023	December 31, 2023
ASSETS			
FIXED ASSETS			
Goodwill	4,153,267	3,688,591	3,962,672
Other intangible fixed assets	3,044,682	2,815,005	2,915,147
Tangible property, plant and equipment	146,815	154,152	162,687
Financial fixed assets	48,920	55,943	43,590
Deferred tax assets	8,137	16,444	7,320
TOTAL FIXED ASSETS	7,401,820	6,730,135	7,091,416
CURRENT ASSETS			
Inventories	3,903	3,227	4,645
Current receivables	489,943	366,928	561,432
Cash and cash equivalents	276,271	396,584	171,851
TOTAL CURRENT ASSETS	770,117	766,738	737,928
TOTAL ASSETS	8,171,937	7,496,874	7,829,344
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity attributable to Parent Company shareholders	3,570,714	3,489,560	3,407,634
Non-current portion of interest-bearing liabilities	2,061,280	1,751,014	2,148,936
Deferred tax liabilities	611,637	528,268	584,977
Other non-current liabilities	674,433	813,119	657,758
TOTAL NON-CURRENT LIABILITIES	3,347,350	3,092,401	3,391,671
Accounts payable	72,277	36,767	57,274
Current portion of interest-bearing liabilities	146,056	34,793	13,363
Other current liabilities	380,430	244,598	498,336
Accrued expenses	290,401	267,049	191,955
Prepaid recurring revenues	364,709	331,706	269,111
TOTAL CURRENT LIABILITIES	1,253,874	914,913	1,030,039
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	8,171,937	7,496,874	7,829,344

Condensed consolidated statement of changes in equity

SEK THOUSANDS	2024 Apr–Jun	2023 Apr–Jun	2024 Jan–Jun	2023 Jan–Jun	2023 Jan–Dec
EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS					
Opening balance	3,624,496	3,295,492	3,407,634	3,209,758	3,209,758
Correction of error attributable to previous year	-	-	-	50	-13,409
Convertible debenture with stock options	276	133	527	133	1,195
Debenture conversion	2,430	13,476	2,430	13,476	34,982
Issuing costs	-80	-	-80	-	-273
Paid option premiums	-	-	-	-	21
Long-term incentive program	2,372	-	5,057	-	5,357
Repurchase of treasury shares	-	-	-21,260	-	-7,527
Reserved dividend	-93,416	-70,152	-70,510	-51,307	-4,060
Paid dividend	-28,074	-21,298	-49,469	-39,962	-82,661
Total comprehensive income	62,710	271,908	296,385	357,411	264,251
CLOSING BALANCE	3,570,714	3,489,560	3,570,714	3,489,560	3,407,634

Condensed consolidated statement of cash flow

SEK THOUSANDS	2024 Apr–Jun	2023 Apr–Jun	2024 Jan–Jun	2023 Jan–Jun	2023 Jan–Dec
OPERATING ACTIVITIES					
Operating profit	196,184	163,873	349,180	286,482	590,117
Adjustments for non-cash items					
Depreciation, amortization and impairment	131,952	111,816	258,411	211,729	473,586
Unrealized foreign exchange gains/losses	40	1,530	222	2,293	1,896
	328,176	277,219	607,813	500,504	1,065,599
Interest received	2,464	924	5,275	4,095	6,051
Interest paid	-30,089	-21,537	-59,969	-40,180	-93,969
Income tax paid	-27,726	-9,272	-64,581	-42,495	-109,795
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL	272,825	247,334	488,538	421,924	867,886
Changes in working capital					
Increase/decrease in inventories	666	226	784	471	-947
Increase/decrease in accounts receivable	27,819	3,043	202,915	141,267	-81,596
Increase/decrease in other current receivables	-74,343	8,248	-109,299	-66,328	31,463
Increase/decrease in accounts payable	5,751	-3,937	7,543	-21,376	-10,075
Increase/decrease in other current liabilities	-143,841	-175,277	192,282	92,582	-88,320
CASH FLOW FROM OPERATING ACTIVITIES	88,877	79,637	782,763	568,539	718,411
INVESTING ACTIVITIES					
Acquisition of shares and participations	-1,782	-7,274	-5,013	-15,902	-15,902
Acquisition of subsidiaries (net impact on liquidity)	-56,686	-15,367	-98,928	-529,805	-1,038,680
Supplementary purchase considerations paid	-229,129	-227,508	-229,129	-247,027	-247,027
Purchase of intangible fixed assets and capitalized development costs	-96,337	-83,176	-198,300	-171,456	-351,132
Purchase of property, plant and equipment	-1,168	-6,442	-3,829	-10,375	-25,827
CASH FLOW FROM INVESTING ACTIVITIES	-385,102	-339,767	-535,199	-974,565	-1,678,568
FINANCING ACTIVITIES					
Dividends to Parent Company shareholders	-28,074	-21,298	-49,469	-39,962	-82,661
Borrowings	-	-	-	552,110	984,652
Repayment of loans	-688	-152,972	-1,376	-335,652	-337,028
Repayment of lease liabilities	-18,128	-16,640	-36,086	-30,229	-67,270
Issuing costs	-80	-	-80	-	-273
Acquisition of treasury shares	-	-	-21,260	-	-7,527
Paid option premiums	-	-	-	-	11
CASH FLOW FROM FINANCING ACTIVITIES	-46,970	-190,910	-108,271	146,266	489,904
CASH FLOW FOR THE PERIOD	-343,195	-451,040	139,293	-259,760	-470,255
OPENING CASH AND CASH EQUIVALENTS, INCLUDING CURRENT INVESTMENTS	639,987	822,784	171,851	615,787	615,787
Exchange-rate differences in cash and cash equivalents	-20,521	24,842	-34,873	40,557	26,319
CASH AND CASH EQUIVALENTS INCLUDING CURRENT INVESTMENTS AT THE END OF THE PERIOD	276,271	396,584	276,271	396,584	171,851

Condensed income statement, Parent company

SEK THOUSANDS	2024 Apr–Jun	2023 Apr–Jun	2024 Jan–Jun	2023 Jan–Jun	2023 Jan–Dec
Operating revenues	49,014	43,356	94,058	83,578	177,820
Operating expenses	-38,629	-39,009	-73,140	-74,817	-146,232
Unrealized exchange-rate gains/losses (net)	35,090	-88,289	-62,036	-122,206	39,729
OPERATING PROFIT/LOSS	45,475	-83,942	-41,118	-113,445	71,316
Income from participation in Group companies	5,867	-	5,867	-	320,430
Interest income and similar profit items	2,356	922	5,034	3,893	5,635
Interest expenses and similar loss items	-32,927	-21,354	-65,608	-39,925	-96,646
PROFIT AFTER FINANCIAL ITEMS	20,771	-104,374	-95,825	-149,477	300,734
Appropriations	-	-	-	-	79,048
PROFIT/LOSS BEFORE TAX	20,771	-104,374	-95,825	-149,477	379,782
Tax	-3,141	21,379	20,749	31,093	-24,942
NET PROFIT FOR THE PERIOD	17,630	-82,995	-75,076	-118,384	354,840

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

Condensed balance sheet, Parent Company

SEK THOUSANDS	June 30, 2024	June 30, 2023	December 31, 2023
ASSETS			
FIXED ASSETS			
Intangible fixed assets	1,889	2,112	2,141
Tangible property, plant and equipment	10,385	10,588	10,646
Financial fixed assets	7,367,908	6,344,181	7,158,901
TOTAL FIXED ASSETS	7,380,182	6,356,881	7,171,687
CURRENT ASSETS			
Current receivables	116,688	82,700	369,951
Cash and cash equivalents	71,467	-	-
TOTAL CURRENT ASSETS	188,155	82,700	369,951
TOTAL ASSETS	7,568,337	6,439,581	7,541,638
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	3,100,891	2,801,978	3,331,352
Untaxed reserves	1,638	1,686	1,638
Other provisions	665	517	684
Overdraft facility	-	4,457	-
Non-current liabilities	2,757,266	2,568,335	2,834,654
Current liabilities	1,707,877	1,062,608	1,373,309
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	7,568,337	6,439,581	7,541,638

Acquired assets and liabilities 2024

During the first half of 2024, two acquisitions were completed: LDC I-talent Solutions B.V. and Bidtheatre AB. Some items in the acquisition plan 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 for the year, SEK thousands	Book value	Fair value adjustment	Fair value recognized in the Group
Goodwill	-	106,854	106,854
Intangible fixed assets	3,622	92,233	95,855
Tangible property, plant and equipment	277	-	277
Financial fixed assets	-	-	-
Inventories	34	-	34
Current receivables	22,126	-	22,126
Cash and cash equivalents	35,966	-	35,966
Deferred tax liabilities	-	-21,492	-21,492
Accounts payable	-7,460	-	-7,460
Other current liabilities	-35,187	-	-35,187
Total	19,378	177,595	196,973

Effect of acquisitions on cash flow, SEK thousands	
Group's purchase costs	-196,973
Expensed portion of purchase considerations	55,801
Convertible debentures	14,313
Acquired cash and cash equivalents	35,966
Net cash outflow	-90,893

Acquired assets and liabilities, revaluations of previous years' acquisitions within 12 months

Revaluation acquisition plan, SEK thousands	Initial valuation	Revaluation	Final valuation
Goodwill	322,470	8,032	330,502
Intangible assets	156,953	-	156,953
Deferred tax liabilities	-31,391	-	-31,391
Other net assets	102,224	-	102,224
Total	550,257	8,032	558,288

Effect of revaluation on cash flow for the year, SEK thousands	
Group's purchase costs	-8,032
Expensed portion of purchase considerations	-
Convertible debentures	-
Acquired cash and cash equivalents	-
Cash flow for the year	-8,032

Allocation of revenues and date of revenue recognition

Allocation of revenues and date of revenue recognition, SEK million	2024 Apr–Jun	2023 Apr–Jun	2024 Jan–Jun	2023 Jan–Jun	2023 Jan–Dec
Subscription-based revenues	519.7	544.3	1,023.0	901.4	1,872.5
Transaction-based revenues	254.8	68.1	367.8	220.0	473.5
Other revenues	107.7	111.2	207.4	214.9	431.6
Net sales	882.2	723.6	1,598.2	1,336.3	2,777.6
Date of revenue recognition					
Services transferred to customers over time, flat distribution	519.7	460.4	1,023.0	901.4	1,872.5
Services transferred to customers over time, in pace with use	339.3	236.8	538.2	391.5	816.8
Services transferred to customers at a given time	23.2	26.4	37.0	43.4	88.3
Net sales	882.2	723.6	1,598.2	1,336.3	2,777.6

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 person set out below, at 8:00 a.m. (CET) on July 12, 2024.

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

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.

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 Software Group, Vitec Investor Relations, Tvistevägen 47 A, SE-907 29 Umeå, Sweden
By telephone: +46 90 15 49 00

Vitec's 2023 annual report is available at vitecsoftware.com

CORPORATE REGISTRATION NUMBER

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

FINANCIAL CALENDAR

Interim report January–September 2024 Oct 17, 2024 8:00 a.m. (CET)

Year-end report
January–December 2024 Feb 5, 2025 8:00 a.m. (CET)



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	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 evenly distributed 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/ 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.

NON-IFRS KEY INDICATORS	DEFINITION	USAGE
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	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, with the exception of when earnings per share after dilution exceeds earnings per share.	IFRS key indicators

Key indicators

		2024 Jan-Jun	2023 Jan-Jun	2023 Jan-Dec
Net sales	SEK 000s	1,598,245	1,336,271	2,777,565
Recurring revenues	SEK 000s	1,390,816	1,121,474	2,346,036
Recurring share of net sales	(%)	87%	84%	84%
Growth net sales	(%)	20%	49%	40%
EBITA	SEK 000s	484,458	411,617	876,110
EBITA margin	(%)	30%	31%	32%
Growth EBITA	(%)	18%	65%	51%
Operating profit/loss (EBIT)	SEK 000s	349,180	286,482	590,117
Operating margin	(%)	22%	21%	21%
Profit after financial items	SEK 000s	268,798	230,022	467,812
Profit after tax	SEK 000s	204,994	174,013	339,183
Profit margin	(%)	13%	13%	12%
Balance-sheet total	SEK 000s	8,171,937	7,496,874	7,829,344
Equity/assets ratio	(%)	44%	47%	44%
Equity/assets ratio after full conversion	(%)	46%	49%	46%
Interest-bearing net debt	SEK 000s	1,931,065	1,389,223	1,990,448
Debt/equity ratio	(multiple)	1.22	1.04	1.14
Return on capital employed	(%)	11%	14%	12%
Return on equity	(%)	10%	13%	10%
Sales per employee	SEK 000s	1,052	966	1,963
Added value per employee	SEK 000s	871	830	1,693
Personnel expenses per employee	SEK 000s	470	462	915
Average no. of employees	(persons)	1,519	1,383	1,415
Adjusted equity per share (AES)	(SEK)	95.12	93.39	90.78
Earnings per share	(SEK)	5.46	4.66	9.07
Earnings per share after dilution	(SEK)	5.46	4.60	9.07
Resolved dividend per share	(SEK)	3.00	2.28	2.28
Cash flow per share	(SEK)	13.01	11.30	23.21
Basis of computation:				
Earnings from calculation of earnings per share	SEK 000s	204,994	174,013	339,183
Cash flow from calculation of cash flow per share	SEK 000s	488,538	421,924	867,886
Weighted average number of shares (weighted average)	(thousands)	37,538	37,338	37,389
Number of shares after dilution	(thousands)	38,364	38,418	38,170
Number of shares issued at balance-sheet date	(thousands)	37,541	37,365	37,535
Share price at close of the respective period	(SEK)	550.00	542.00	585.50



Cover: Vitec Software Group develops and provides software for the food and grocery retail industry in Sweden.