



Year-end report January–December 2022

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 pharmacies, banks, car repair shops, property management, healthcare and education. Our products enable us to help our customers achieve greater efficiency, sustainability 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.

VITEC'S BUSINESS CONCEPT

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

VITEC'S BRAND PROMISE

To rely on — today and tomorrow

SUSTAINABILITY

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

24,600
customers

2,208
MSEK proforma net sales

80%
proforma recurring revenues, ARR

1,350
employees

36
business units

8
countries

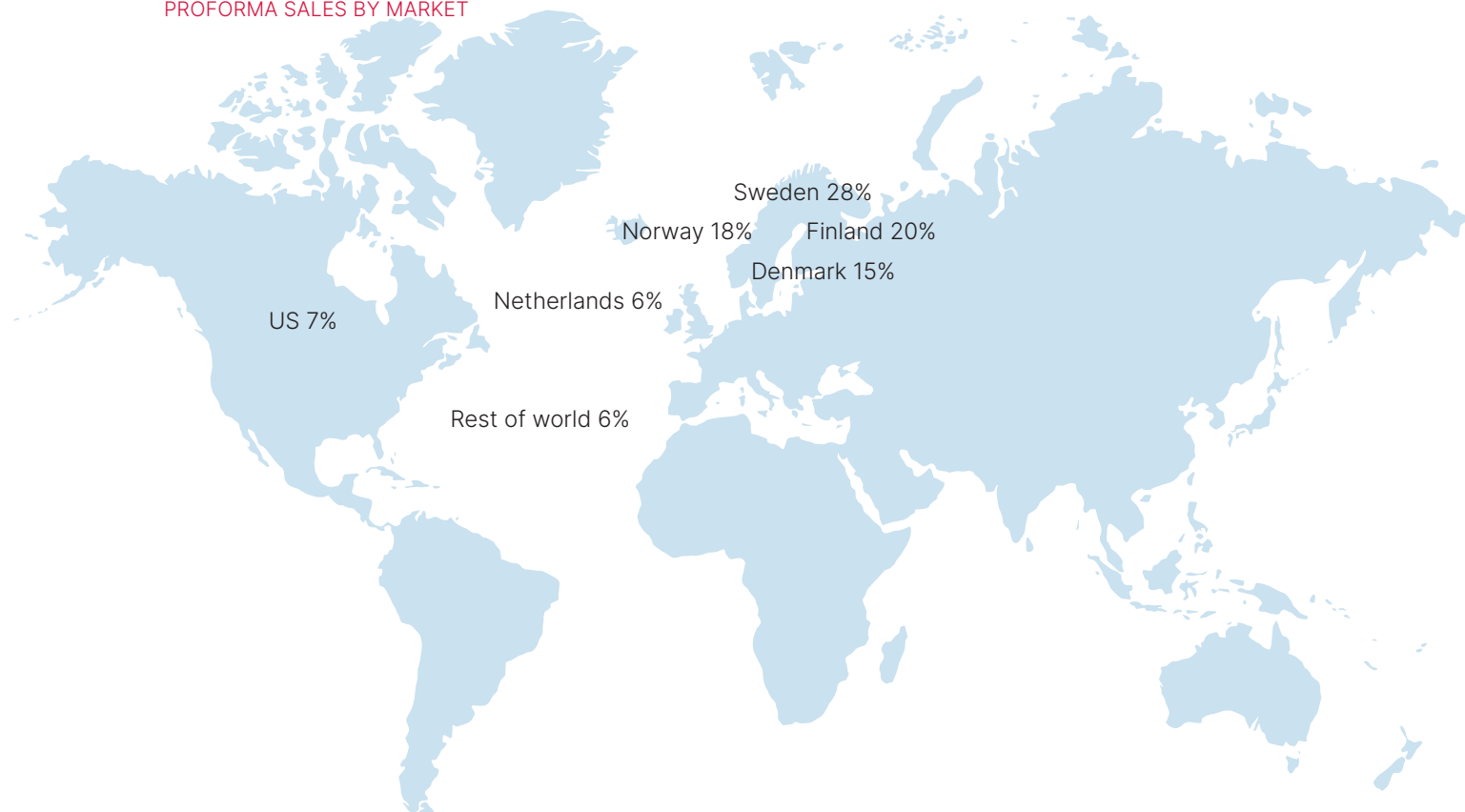
SUMMARY OF YEAR-END REPORT, JANUARY–DECEMBER 2022

- Net sales SEK 1,978 million (1,571), an increase of 26%
- Recurring revenues SEK 1,631 million (1,324), an increase of 23% including 11% organically
- EBITA SEK 582 million (440), an increase of 32%
- EBITA margin 29% (28)
- Operating profit SEK 356 million (283), an increase of 26%
- Operating margin 18% (18)
- Earnings per share before dilution SEK 6.92 (6.14)
- Cash flow from operating activities SEK 563 million (488)
- The Board of Directors proposes a dividend of SEK 2.28 per share (2.00)

SUMMARY OF INTERIM PERIOD, OCTOBER–DECEMBER 2022

- Net sales SEK 578 million (421), an increase of 37%
- Recurring revenues SEK 451 million (350), an increase of 29% including 13% organically
- EBITA SEK 171 million (113), an increase of 51%
- EBITA margin 30% (27)
- Operating profit SEK 106 million (70), an increase of 51%
- Operating margin 18% (17)
- Earnings per share before dilution SEK 1.87 (1.59)
- Cash flow from operating activities SEK 74 million (58)
- Acquisition of Oy Raisoft Ltd

PROFORMA SALES BY MARKET



“Based on considerable industry knowledge and a high degree of innovation, we have developed new products and increased functionality. It has strongly contributed to our growth and makes us even more relevant for the future.”

Olle Backman, CEO, Vitec Software Group



Strong focus gives growth and increased margins

Vitec's business concept is to contribute to the success of our customers by developing and providing standardized and niche business-critical software. Rarely has it been more relevant than in these times to maintain full focus on our mission and our core competencies. Focus is something that we at Vitec both appreciate and aim to achieve.

The year began with continued restrictions and spread of infection, Russia's war against Ukraine and subsequent geopolitical tensions, the energy crisis, increased inflation and higher interest rates. The year 2022 will undeniably go down in history with gloomy headlines. Yet even under these circumstances, Vitec successfully delivered growth and increased margins – clearly an effect of its strong focus. Our business units are active in niche markets that are often critical for society and our software is critical for business. This makes us an important partner with considerable industry knowledge. Based on this knowledge and by applying a high degree of innovation, we have developed new products and increased functionality. It has strongly contributed to our growth and makes us even more relevant for the future.

During the year, we welcomed five new acquisitions and over 300 new employees. Through these acquisitions, we further expand our business into new verticals and geographies. This expansion equips us with new knowledge to solve the challenges of our customers in more industries, something we share internally. It also provides the Group with increased risk diversification, volume and brand awareness on the market.

Financially, the full year adds up to revenues of SEK 1,978 million, an increase of 26% with an EBITA margin of 29% compared with 28% the previous year. The year ended on a strong

note as revenue for the fourth quarter jumped an impressive 37% year over year and the EBITA margin was 30%, compared with 27% the previous year. This growth and the strengthening of margins are the product of both strong organic growth of 11% and acquisitions of excellent vertical software companies. We have also responsibly balanced cost increases with price adjustments. The Group's financial position is strong as a result of our internally generated cash flow and the share issue in November. This provides us with decisiveness to act under conditions that are conducive to further acquisitions. The Board of Directors is proposing an increased dividend for the twenty-first consecutive year, to SEK 2.28 per share.

We have intensified our efforts to clarify and highlight sustainability in our daily work over the course of the year. In response, the Board has adopted updated sustainability targets for the Group linked to our four focus areas.

I would like to take the opportunity to thank all employees who with deep knowledge and great commitment, continue to deliver long-term values.

In early January 2023 we received the sad news that Crister Stjernfelt, who served for many years as Board member and former Chairman of the Board, passed away, at the age of 79. Crister was an appreciated member of the Board of Directors and a friend. The Board of Directors and the management are grateful for his dedication and the time we spent together. Our thoughts are with Crister's family.

Olle Backman, CEO, Vitec Software Group



Group financial information

NET SALES AND EARNINGS

January–December 2022

Net sales

Net sales for the period totaled SEK 1,978.2 million (1,571.3) and included recurring revenues of SEK 1,631.3 million (1,324.2), license revenues of SEK 54.5 million (27.3), service revenues of SEK 253.6 million (194.4) and other revenues of SEK 38.8 million (25.4).

Comments on sales

Net sales rose a total of 26% for the period; recurring revenues rose 23%, including 11% organically. We estimate that approximately two percentage points of this growth is attributable to currency effects. Other revenues totaled SEK 38.8 million, which is an increase of 53% compared with the corresponding period last year. Licensing increased by 100%, mainly attributable to our newly acquired companies. Service revenues gained 30%, compared with the corresponding period in 2021. Recurring revenues accounted for 82% of net sales, compared with 84% for the corresponding period in 2021. During the year acquired companies contributed SEK 203.5 million in net sales.

Earnings

EBITA was SEK 581.6 million (439.8), with an EBITA margin of 29.4% (28.0). Operating profit was SEK 355.8 million (283.1), with an operating margin of 18.0% (18.1). Profit after tax for the period amounted to SEK 244.9 million (206.9). Earnings per share before dilution totaled SEK 6.92 (6.14).

Comments on earnings

EBITA gained 32%, compared with the corresponding period in 2021. IFRS 16 related to leases had an impact of SEK 51 million (44) on operating profit, and SEK -49 million (-47) on depreciation. The net of capitalized development costs and amortization and impairment losses on intangible fixed assets had a negative effect on operating profit of SEK 19 million, compared with a negative SEK 13 million the corresponding period last year. Acquisition-related costs are recognized in operating profit and total SEK -40 million (-15).

Net financial items total SEK -44 million (-21), an increase attributable to higher interest rates and increased borrowing in conjunction with acquisitions.

October–December 2022

Net sales

Net sales for the period totaled SEK 578.1 million (421.4) and included recurring revenues of SEK 451.1 million (349.7), license revenues of SEK 25.0 million (7.7), service revenues of SEK 90.8 million (58.7) and other revenues of SEK 11.1 million (5.4).

Comments on sales

Net sales rose a total of 37% for the period; recurring revenues rose 29%, including 13% organically. Other revenues totaled SEK 11.1 million, which is an increase of 105% compared with the corresponding period last year. Licensing increased by 227%, mainly attributable to our newly acquired companies. Service revenues gained 55%, compared with the corresponding period in 2021. Recurring revenues accounted for 78% of net sales, compared with 83% for the corresponding period in 2021. During the year acquired companies contributed SEK 107.6 million in net sales.

Earnings

EBITA was SEK 170.8 million (112.9), with an EBITA margin of 29.5% (26.8). Operating profit was SEK 106.0 million (70.4), with an operating margin of 18.3% (16.7). Profit after tax for the period amounted to SEK 67.8 million (55.7). Earnings per share before dilution totaled SEK 1.87 (1.59).

Comments on earnings

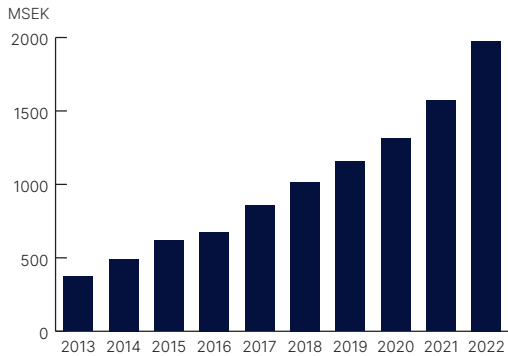
EBITA gained 51%, compared with the corresponding period in 2021. IFRS 16 related to leases had an impact of SEK 14 million (11) on operating profit, and SEK -13 million (-12) on depreciation. The net of capitalized development costs and amortization and impairment losses on intangible fixed assets had a negative effect on operating profit of SEK 1 million, compared with negative SEK 7 million the corresponding period last year. Acquisition-related costs are recognized in operating profit and total SEK -12 million (0).

Net financial items total SEK -17 million (-5), an increase attributable to higher interest rates and increased borrowing in conjunction with acquisitions.

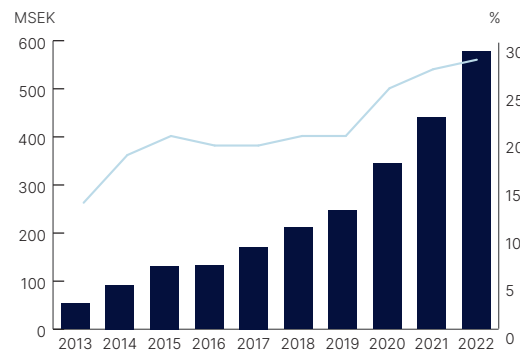
	2022 Jan–Dec	2021 Jan–Dec	Change	2022 Oct–Dec	2021 Oct–Dec	Change
Net sales, SEK million	1,978	1,571	26%	578	421	37%
Recurring share of net sales, %	82%	84%		78%	83%	
EBITA, SEK million	582	440	32%	171	113	51%
EBITA margin, %	29%	28%		30%	27%	
Operating profit/loss, SEK million	356	283	26%	106	70	51%
Operating margin, %	18%	18%		18%	17%	
Net profit/loss for the period, SEK million	245	207	18%	68	56	22%
Earnings per share, SEK	6.92	6.14		1.87	1.59	

Diagrams on Group trends

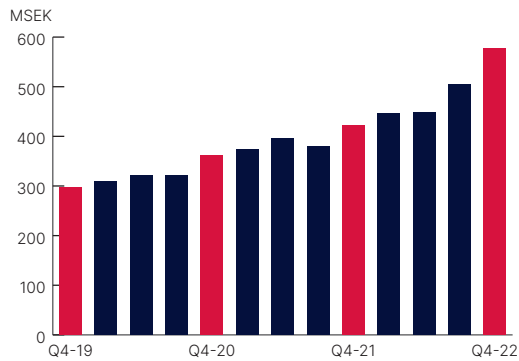
Sales



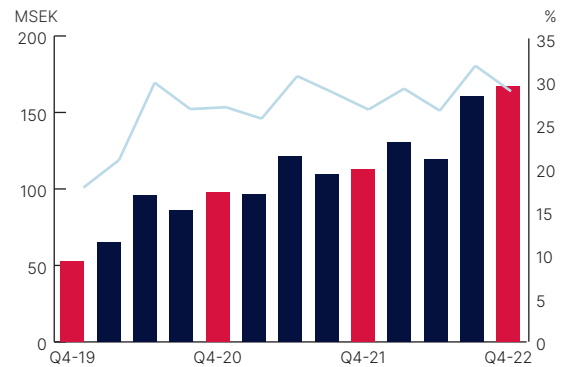
EBITA and EBITA margin



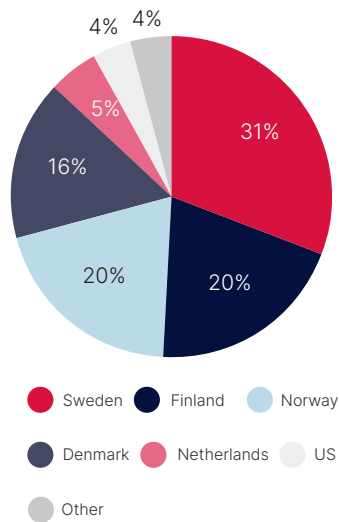
Sales by quarter



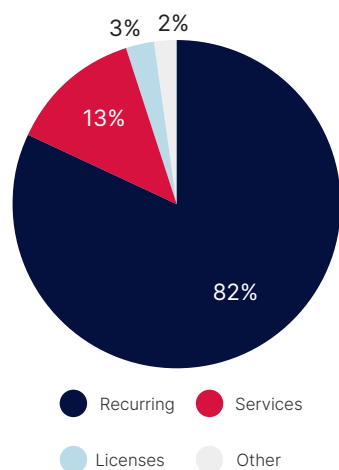
EBITA and EBITA margin by quarter



Sales by market, January–December 2022



Breakdown of revenue, January–December 2022



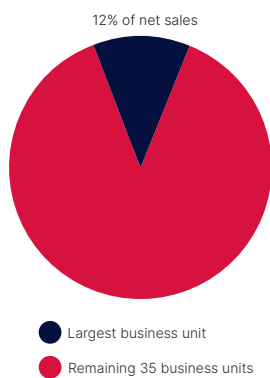
Sales broken down by business unit and customer

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

others provide support for specific aspects of our customers' operations. We serve a large number of customers with our products. No individual customer accounts for more than 1.4% of the Group's total revenues. As we continue to acquire profitable vertical software companies, we expect the distribution of risk to continue in a positive direction.

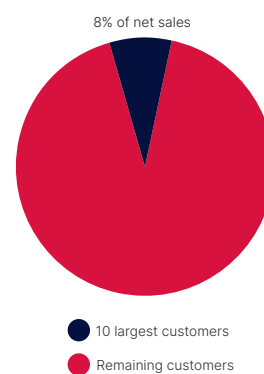
BREAKDOWN OF SALES

Our sales are evenly spread across our 36 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 customers account for approximately 8% of sales. The single largest customer accounts for approximately 1.4% of sales.























24,600
customers

Our business units

















We conduct our operations through our 36 independent business units. 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:	Domicile	Acquisition year	Annual sales 2022, SEKm	Recurring, 2022
ABS Laundry Business Solutions 	The global laundry and textile rental industry.	NL	2022	257	41%
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, NO	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 Capitex Finanssystem 	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 Hotellinx 	Hotels and tourism in Finland.	FI	2022	21	86%



Vitec develops and delivers software to various functions in society.

Business unit	Software for:	Dom- cile	Acqui- sition year	Annual 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, NO, SE	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 companies 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 615.8 million (119.9). In addition to cash and cash equivalents, Vitec has an overdraft facility of SEK 125.0 million and SEK 1,170.2 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 December 31, 2022, interest-bearing liabilities totaled SEK 1,531.6 million (757.4) and comprised SEK 1,493.8 million (754.6) in non-current interest-bearing liabilities and SEK 37.8 million (2.8) in current interest-bearing liabilities. Non-current interest-bearing liabilities comprised bank loans of SEK 1,334.7 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 915.8 million (637.5).

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 recent Annual General Meetings.

A new convertible loan for employees was signed at the beginning of June, totaling SEK 6.5 million. During the year, convertible loans 2006 and 2001 were converted to Class B shares, which reduced financial liabilities by SEK 7.6 million and SEK 10.8 million, respectively.

Liabilities relating to right-to-use assets in the form of leases for premises are included in other non-current liabilities of SEK 56.5 million and in other current liabilities of SEK 37.2 million.

The total supplementary purchase consideration as of December 31 was SEK 431.2 million, including a long-term component of SEK 189.5 million and a short-term component of SEK 241.7 million.

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

CASH FLOW AND INVESTMENTS

On November 9, a directed share issue was completed that raised SEK 819.4 million after issuing costs. During the year, a new credit facility agreement was signed with Nordea and SEB, totaling SEK 2,500 million. The agreement replaces our previous agreement of SEK 1,500 million. Its terms, conditions and covenant requirements are in line with our previous agreements with the banks.

During the year, financing was arranged by using SEK 1,326.6 million from the credit facility and by taking out four convertible loans of SEK 141.9 million. Repayment of the facility totaled SEK 685 million, amortization of bank loans amounted to SEK 2.8 million, and amortization related to right-to-use assets was SEK 51.1 million. Cash flow from operating activities was SEK 563.4 million (488.1). Investments totaled SEK 265.4 million in capitalized work, SEK 2.0 million in other intangible assets and SEK 18.0 million in property, plant and equipment. Investments in right-of-use assets not affecting cash flow totaled SEK 31.5 million. Through the acquisitions of DocuBizz ApS, Hotellinx Systems Oy, Scanrate Financial Systems A/S, ABS Laundry Business Solutions and Oy Raisoft Ltd, SEK 1,626.7 million was invested in product rights, brands, customer agreements and goodwill.

During the year, the supplementary purchase considerations for the acquisitions of Travelize International AB, Appva AB and Alma Consulting Oy were settled. A total of SEK 85.8 million was paid.

The fourth and final payment of the dividend for financial year 2020 was made on March 30, 2022, when SEK 14.4 million was paid. Payments relating to the 2021 financial year were made on June 30, September 30 and December 30 in the amounts of SEK 17.5 million, SEK 17.6 million and SEK 18.7 million, respectively.

SHAREHOLDERS' EQUITY

Equity attributable to Vitec's shareholders totaled SEK 3,209.8 million (1989.1). The equity/assets ratio is 51% (53). On April 26, the Annual General Meeting resolved to pay a dividend of SEK 2.00 per share. The dividend will be divided up and paid on four payment dates: June 30, September 30, December 30 and March 30, 2023. The expensed dividend related to the last payment totals SEK 18.8 million.

Based on the authorization granted to the Board of Directors by the Annual General Meeting on April 26, 2022, Vitec resolved on a directed issue of 2,200,000 Class B shares at a price of SEK 379 per share. The Company's share capital increased from SEK 3.5 million to SEK 3.7 million. The share issue entails a dilutive effect of about 5.9 % and 3.4 % in relation to the total number of outstanding shares and votes, respectively, after the share issue.

During the year, two convertible loans were converted to Class B shares. As a result of the conversion, the number of Class B shares in Vitec increased by 82,376 and share capital increased by SEK 8,238. The number of votes in Vitec Software Group AB (publ) changed as a result of the conversion of Class A shares to Class B shares. Following reclassification, the total number of registered and outstanding shares in the company amounts to 37,328,539, divided into 2,650,000 Class A shares and 34,678,539 Class B shares.

Participants in the TO 2022 incentive program subscribed for in May and July were subsidized equivalent to net 50% of the option premiums, which had a negative impact on profit for the period of SEK 5.7 million. The fair value of the option premiums totals SEK 6.2 million and has been recognized in equity.

TAXES

Current tax for the year amounted to SEK 64.6 million (53.2). Deferred tax totaled SEK 2.7 million (2.0). Tax expense for the year corresponds to an average tax rate of 21% (21%).

Outstanding warrant programs:

Warrants	Number of options	Grant date	Maturity date	Exercise price, SEK	Max increase share capital, SEK million	Dilution capital	Dilution votes
TO 2020:1	251,000	Sep 16, 2020	Sep 1, 2023– Sep 15, 2023	333	0.025	0.7%	0.4%
TO 2021:1	263,000	June 15, 2021	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	July 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 Acquisition Unikum datasystem AB	15.5	Jan 4, 2021– Dec 30, 2023	Jan 1, 2023– Dec 30, 2023	373	0.004	0.1%	0.1%
Loan 2102 Acquisition Travelize international AB	6.9	Feb 3, 2021– Dec 30, 2023	Jan 1, 2023– Dec 30, 2023	362	0.002	0.1%	0.0%
Loan 2104 Acquisition Nordman & Co AB	2.4	Apr 26, 2021– Jun 30, 2024	Jan 1, 2024– Jun 30, 2024	468	0.001	0.0%	0.0%
Loan 2201 Acquisition DocuBizz Aps	4.9	Jan 21, 2022– Jan 31, 2025	Jan 8, 2024– Jan 31, 2025	565	0.001	0.0%	0.0%
Loan 22/ 25: 4 Acquisition ABS	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 Acquisition Scanrate	18.0	Sep 7, 2022– Jun 30, 2025	Jul 1, 2024– Jun 30, 2025	481	0.004	0.1%	0.1%
Loan 22/ 25: 5 Acquisition Raisoft	15.5	Oct 5, 2022– Jun 30, 2025	Oct 1, 2024– Jun 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	6.5	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

During the period five acquisitions were completed: DocuBizz ApS, Hotellinx System Oy, Scanrate Financial Systems A/S, ABS Laundry Business Solutions and Oy Raisoft Ltd. From the acquisition date up to and including December 31, revenues in the acquired companies totaled SEK 203.5 million in sales and SEK 71.6 million in profit before tax. If consolidation had occurred at the beginning of the year, the companies would have provided the Group with roughly an additional SEK 229.6 million in sales and SEK 82.5 million in profit before tax. The acquisition-related costs are recognized in operating profit and total SEK 37.6 million. The operating profit also includes SEK 2.6 million in acquisition-related costs related to acquisitions from previous years.

Acquisition DocuBizz ApS

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

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

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

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

The acquisition of DocuBizz added SEK 11.2 million in product rights, SEK 2.1 million in brands, SEK 13.5 million in customer agreements and SEK 48.9 million in goodwill. The expensed convertible totals SEK 4.9 million. The expensed portion of the contingent consideration amounts to SEK 19.2 million and is subject to EBITDA improvements at December 31, 2022. The supplementary purchase consideration is valued at maximum outcome.

Acquisition Hotellinx Systems Oy

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

Hotellinx Systems develops and supplies software for hotels, restaurants, and spa and conference facilities. The software handles reservations, room and restaurant bills and supports daily work procedures for reception, sales, cleaning, and service operations. The roughly 250 customers with about 400 facilities are mainly located in Finland. Vitec welcomes 8 new employees as part of the acquisition.

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

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

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

Acquisition ABS Laundry Business Solutions

On July 6, all shares in the software group ABS Laundry Business Solutions were acquired. The company has its headquarters in Boxtel, the Netherlands, as well as subsidiaries in a number of countries. The company reported sales of SEK 203 million, with an EBIT of SEK 82 million for the 2021 financial year. If consolidation had occurred at the beginning of the year, the company would have provided the Group with an additional approximately SEK 133.4 million in sales and SEK 55.7 million in profit before tax. The acquisition-related expenses are recognized in operating profit and total SEK 16.5 million.

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

Payment was in cash and with a convertible, with deviation from shareholders' preferential rights in accordance with the authorization from the Annual General Meeting on April 26, 2022. The convertible matures in 36 months and at full conversion will have a dilutive effect on capital of 0.5%. The acquisition is expected to yield an immediate increase in earnings per share for Vitec. Consolidation will commence as of the acquisition date.

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

The acquisition of ABS Laundry Business Solutions added SEK 93.0 million in product rights, SEK 40.9 million in brands, SEK 138.9 million in customer agreements and SEK 667.8 million in goodwill. The expensed convertible totals SEK 103.5 million. The expensed portion of the contingent consideration amounts to SEK 222.6 million and is subject to EBITDA improvements at December 31, 2022 and December 31, 2023. The supplementary purchase consideration is valued at maximum outcome.

Acquisition Scanrate Financial Systems A/S

On June 17, an agreement was signed to acquire all shares in the Danish software company Scanrate Financial Systems A/S and the acquisition was completed on September 7. The company reported sales of SEK 57 million, with an EBIT of SEK 25 million for the 2021 financial year.

The software company Scanrate Financial Systems A/S develops and supplies software for analysis, valuation, and risk management with a focus on the Danish bond market. The products RIO and Lima enable extensive calculations and analysis of all types of Danish bonds, and provide an overview of assets and liabilities. The roughly 50 customers are mainly located in Denmark, the UK and Switzerland and comprise banks, asset managers, suppliers of financial data, and real estate investors. Vitec welcomes 26 new employees as part of the acquisition.

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

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

The acquisition of Scanrate added SEK 23.9 million in product rights, SEK 10.7 million in brands, SEK 59.7 million in customer agreements and SEK 203.7 million in goodwill. The expensed convertible totals SEK 18.0 million. The expensed portion of the contingent consideration amounts to SEK 94.4 million and is subject to EBITDA improvements at December 31, 2022 and December 31, 2023. The supplementary purchase consideration is valued at maximum outcome.

Acquisition Oy Raisoft Ltd

On October 5, Vitec acquired all shares of the Finnish software company Oy Raisoft Ltd. The company reported sales of SEK 50.2 million, with an EBIT of SEK 6.5 million for the 2021 financial year.

Raisoft provides digital assessment and decision-making systems for better healthcare and social services primarily in Finland and Switzerland. Raisoft.net offers extensive data collection and reporting features. It is modular with options for electronic health record (EHR) integrations. Clinicians gain access to information in real time for assessment-based care planning and efficient decision-making. Vitec welcomes 60 new employees as part of the acquisition.

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

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

The acquisition of Raisoft added SEK 45.5 million in product rights, SEK 4.2 million in brands, SEK 53.2 million in customer agreements and SEK 165.7 million in goodwill. The expensed convertible totals SEK 15.5 million. The expensed portion of the contingent consideration amounts to SEK 95.1 million and is subject to EBITDA improvements at December 31, 2022, at December 31, 2023 and December 31, 2024. The supplementary purchase consideration is valued at maximum outcome.

INVESTMENTS IN PARTICIPATIONS IN COMPANIES

Our subsidiary Malmkroppen AB aims to invest in Nordic software companies that are in an earlier phase than the software companies that are usually acquired.

Investment in Pinpoint Estimates AB

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

Investment in Voxo AB

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

Investment in Precisely AB

On July 25, 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 4.2% stake in the company after the investment.

Growth – develop and acquire

Vitec is an industry player with a long-term outlook. Our growth mainly occurs through corporate acquisitions, but also organically. Our business model is based on a high percentage of recurring revenues. This provides us with stable and

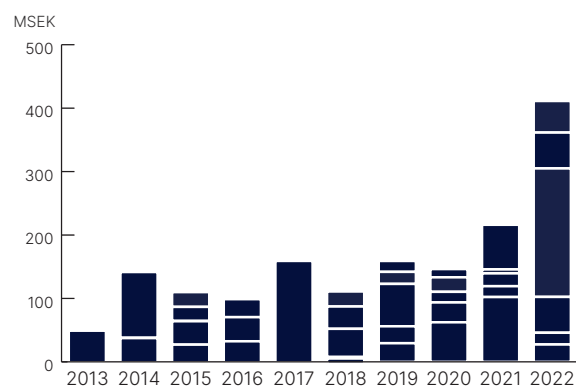
predictable cash flows that enable us to pursue a long-term approach where we can both reinvest in products and make acquisitions. Continual development of our products is crucial to ensure that our offering will remain relevant in the future.

Effect of acquired units on sales

SEK million	2022 Jan-Dec	2021 Jan-Dec	Growth
Reported net sales	1,978	1,571	26%
of which recurring revenues	1,631	1,324	23%
Effect of acquired units	230	418	
of which recurring revenues	128	261	
Proforma net sales	2,208	1,989	11%
Proforma recurring revenues (ARR)	1,759	1,585	11%

Acquired revenue

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



Other significant events during the period

NOVEMBER 9: DIRECTED SHARE ISSUE RAISED SEK 834 MILLION

Based on the authorization granted to the Board of Directors by the Annual General Meeting on April 26, 2022, Vitec resolved on a directed issue of 2,200,000 Class B shares at a price of SEK 379 per share. The share issue raised SEK 834 million for the company before issuing costs. As a result of the share issue, the number of shares in Vitec increased from 35,128,539 to 37,328,539 shares, including 2,950,000 Class A shares and 34,378,539 Class B shares. The Company's share capital will increase from SEK 3,512,853.90 to SEK 3,732,853.90. The share issue entails a dilutive effect of about 5.9 % and 3.4 % in relation to the total number of outstanding shares and votes, respectively, after the share issue.

DECEMBER 21: CONVERSION OF CLASS A SHARES TO CLASS B SHARES

The number of votes in Vitec Software Group AB (publ) changed as a result of the conversion of Class A shares to Class B shares.

Following reclassification, the total number of registered and outstanding shares in the company amounts to 37,328,539 divided into 2,650,000 Class A shares and 34,678,539 Class B shares. The number of votes decreased by 2,700,000 from 63,878,539 to 61,178,539.

In accordance with the share conversion clause in section 5, Class of Shares, in the Articles of Association, owner and chairman Lars Stenlund has reclassified 300,000 Class A shares into the corresponding number of Class B shares. Following reclassification, Lars Stenlund holds shares that account for 19.75% of votes and 4.16% of equity.

Significant events after the period

BOARD MEMBER CRISTER STJERNFELT PASSED AWAY

In early January 2023 it was announced with great sorrow that Vitec Software Group's Board member Crister Stjernfelt had passed away, at the age of 79.

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 dedication and the time we spent together. Our thoughts are with Crister's family.

Risks and uncertainties

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

On 24 February, 2022, Russia invaded Ukraine. The war entails great suffering for the millions of people affected and influences the geopolitical situation. It is difficult to assess the consequences for the global economy because of the uncertainty of the situation. In terms of business, Vitec is affected only to a limited degree in the short term, but naturally we are closely monitoring developments and initiatives will be taken to support those affected.

Parent Company

Net sales totaled SEK 141.6 million (130.0) and essentially comprised invoicing to subsidiaries for services rendered. Profit after tax was SEK 278.7 million (183.9). Parent Company earnings were charged with unrealized foreign-exchange

losses totaling SEK -43.8 million (-16.6). 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 2022 that are expected to affect the Group's accounts.

OPERATING SEGMENTS

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

INCENTIVE PROGRAM

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

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 December 31, 2022, SEK thousands

	Level 1	Level 2	Level 3	Book value
Securities held as fixed assets			31,705	31,705
Total assets			31,705	31,705
Supplementary purchase consideration DocuBizz ApS			19,154	19,154
Supplementary purchase consideration Scanrate Financial Systems A/S			94,361	94,361
Supplementary purchase consideration ABS Laundry Business Solutions			222,566	222,566
Supplementary purchase consideration, Raisoft Oy			95,148	95,148
Total liabilities			431,229	431,229

Signature

AFFIRMATION OF THE BOARD OF DIRECTORS

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

Umeå, February 1, 2023

Lars Stenlund
Chairman of the Board

Anna Valtonen
Board member

Birgitta Johansson-Hedberg
Board member

Jan Friedman
Board member

Kaj Sandart
Board member

Olle Backman
Chief Executive Officer

Condensed consolidated statement of comprehensive income

SEK THOUSANDS	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
OPERATING REVENUES				
Recurring revenues	451,137	349,671	1,631,256	1,324,214
License revenues	25,026	7,650	54,483	27,295
Service revenues	90,829	58,685	253,629	194,368
Other revenues	11,130	5,439	38,823	25,432
NET SALES	578,122	421,445	1,978,191	1,571,309
Capitalized development costs	79,977	56,621	265,351	209,115
Reversal of supplementary purchase consideration	-	-	3,402	1,095
TOTAL	658,099	478,066	2,246,944	1,781,519
OPERATING EXPENSES				
Goods for resale	-12,502	-5,074	-40,002	-24,911
Subcontractors and subscriptions	-52,013	-42,407	-196,381	-175,544
Other external expenses	-77,816	-51,776	-248,896	-168,704
Personnel expenses	-298,541	-228,829	-1,010,353	-828,528
Depreciation of property, plant and equipment	-19,265	-16,079	-67,854	-62,323
Amortization and impairment of intangible fixed assets	-28,039	-20,763	-98,765	-79,981
Impairment of intangible assets	-	-	-3,402	-1,095
Unrealized exchange-rate gains/losses (net)	882	-232	278	-610
TOTAL EXPENSES	-487,294	-365,160	-1,665,375	-1,341,696
EBITA	170,805	112,906	581,569	439,823
Acquisition-related costs	-11,565	-257	-40,285	-14,574
Acquisition-related amortization	-53,249	-42,260	-185,443	-142,199
OPERATING PROFIT/LOSS	105,991	70,389	355,841	283,050
Financial income	2,516	59	2,596	290
Financial expenses	-19,319	-4,667	-46,272	-21,235
TOTAL FINANCIAL ITEMS	-16,803	-4,608	-43,676	-20,945
PROFIT AFTER FINANCIAL ITEMS	89,188	65,782	312,165	262,105
Tax	-21,346	-10,107	-67,298	-55,164
NET PROFIT FOR THE PERIOD	67,842	55,675	244,866	206,941
OTHER COMPREHENSIVE INCOME, ITEMS THAT MAY BE RECLASSIFIED AS PROFIT/LOSS FOR THE YEAR				
Restatement of net investments in foreign operations and hedge accounting of the same	65,243	16,651	198,105	49,871
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	65,243	16,651	198,105	49,871
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	133,085	72,326	442,971	256,812
PROFIT FOR THE PERIOD ATTRIBUTABLE TO				
– Parent Company shareholders	67,841	55,676	244,866	206,941
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO				
– Parent Company shareholders	133,085	72,327	442,971	256,812

Condensed consolidated statement of financial position

SEK THOUSANDS	Dec 31, 2022	Dec 31, 2021
ASSETS		
FIXED ASSETS		
Goodwill	2,900,642	1,689,392
Other intangible fixed assets	2,163,031	1,429,168
Tangible property, plant and equipment	155,987	163,746
Financial fixed assets	38,811	25,481
Deferred tax assets	13,483	8,061
TOTAL FIXED ASSETS	5,271,954	3,315,848
CURRENT ASSETS		
Inventories	2,825	2,788
Current receivables	430,258	313,287
Cash and cash equivalents	615,787	119,854
TOTAL CURRENT ASSETS	1,048,870	435,929
TOTAL ASSETS	6,320,824	3,751,777
SHAREHOLDERS' EQUITY AND LIABILITIES		
Equity attributable to Parent Company shareholders	3,209,758	1,989,104
Non-current interest-bearing liabilities	1,493,776	754,633
Deferred tax liabilities	407,697	289,291
Other non-current liabilities	249,156	161,056
TOTAL NON-CURRENT LIABILITIES	2,150,629	1,204,981
Accounts payable	56,696	46,784
Current portion of interest-bearing liabilities	37,784	2,767
Other current liabilities	461,488	189,918
Accrued expenses	165,700	118,774
Prepaid recurring revenues	238,975	199,449
TOTAL CURRENT LIABILITIES	960,643	557,693
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	6,320,824	3,751,777

Condensed consolidated statement of changes in equity

SEK THOUSANDS	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS				
Opening balance	2,253,804	1,914,493	1,989,104	843,350
Convertible debenture with stock options	861	-	6,369	1,624
Debenture conversion	-71	2,551	18,354	34,019
New share issue	833,800	-	833,800	920,000
Issuing costs	-14,394	-727	-14,394	-15,622
Paid option premiums	-	-	5,483	5,104
Option premiums measured at fair value	-	-	685	682
Dividends paid	2,674	459	-72,614	-56,866
Total comprehensive income	133,085	72,326	442,971	256,812
CLOSING BALANCE	3,209,758	1,989,104	3,209,758	1,989,104

Condensed consolidated statement of cash flow

SEK THOUSANDS	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
OPERATING ACTIVITIES				
Operating profit	105,991	70,390	355,841	283,050
Adjustments for non-cash items				
Other operating revenues	-	-	-3,402	-1,095
Depreciation, amortization and impairment	100,553	79,102	355,464	285,598
Unrealized foreign exchange gains/losses	-882	232	-278	610
Option premiums	-	-	685	682
	205,662	149,724	708,310	568,845
Interest received	2,516	58	2,596	290
Interest paid	-17,585	-3,917	-42,128	-18,080
Income tax paid	-20,120	-8,864	-72,012	-54,703
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL	170,473	137,001	596,766	496,352
Changes in working capital				
Increase/decrease in inventories	278	-52	-26	186
Increase/decrease in accounts receivable	-138,963	-151,951	2,064	-16,331
Increase/decrease in operating receivables	27,314	35,916	-22,068	15,898
Increase/decrease in accounts payable	334	11,519	-2,611	9,368
Increase/decrease in operating liabilities	14,694	25,627	-6,629	-17,454
CASH FLOW FROM OPERATING ACTIVITIES	74,132	58,060	563,369	488,019
INVESTING ACTIVITIES				
Acquisition of subsidiaries, net*	-134,933	-12,216	-1,143,823	-1,260,159
Acquisition of shares and participations	-	-276	-10,000	-21,705
Purchase of intangible fixed assets and capitalized development costs	-80,541	-56,893	-267,390	-209,614
Purchase of property, plant and equipment	-10,203	-6,574	-17,957	-18,572
CASH FLOW FROM INVESTING ACTIVITIES	-225,677	-75,959	-1,439,169	-1,510,050
FINANCING ACTIVITIES				
Dividends to Parent Company shareholders	-18,664	-14,369	-68,137	-53,178
Borrowings	147,478	-	1,326,598	508,650
Repayment of loans	-699,464	-312,368	-738,814	-347,119
New share issue	819,406	-727	819,406	904,378
Paid option premiums	-	-	5,483	5,104
CASH FLOW FROM FINANCING ACTIVITIES	248,756	-327,464	1,344,535	1,017,835
CASH FLOW FOR THE PERIOD	97,211	-345,363	468,735	-4,196
OPENING CASH AND CASH EQUIVALENTS, INCLUDING CURRENT INVESTMENTS				
Exchange-rate differences in cash and cash equivalents	-3,571	61	27,196	-10,642
CASH AND CASH EQUIVALENTS INCLUDING CURRENT INVESTMENTS AT THE END OF THE PERIOD**	615,787	119,858	615,787	119,858

*Payment for the acquisition of subsidiaries during the period was in cash for DocuBizz ApS, Hotellinx Systems Oy, Scanrate Financial System A/S, ABS Laundry Business Solutions and Oy Raisoft Ltd. Net cash flow was SEK 1,058,0 million. The acquisitions pertained to all shares outstanding in their entirety and entailed the gain of controlling influence. In addition, supplementary purchase considerations of SEK 85.8 million were paid for the acquisitions of Travelize International AB, Appva AB and ALMA Consulting Oy. The payments did not entail any changes to controlling influence or the total number of shares held.

*Payment for the acquisition of subsidiaries during 2021 consisted of cash for Unikum datasystem AB, Travelize International AB, Nordman & Co AB,

Ecclesia Systemer AS and Vabi Holding B.V. Net cash flow was SEK 1,190.3 million. The acquisitions pertained to all shares outstanding in their entirety and entailed the gain of controlling influence. In addition, supplementary purchase considerations were paid for the acquisitions of WIMS AS, M&V Software Oy, ALMA Consulting Oy, Appva AB, NexGolf Oy and Nordman AB, totaling SEK 69.9 million. The payments did not entail any changes to controlling influence or the total number of shares held.

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

Condensed income statement, Parent Company

SEK THOUSANDS	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Operating revenues	44,223	32,888	141,647	130,048
Operating expenses	-35,852	-33,630	-132,711	-115,576
Unrealized exchange-rate gains/losses (net)	-20,711	-3,542	-43,808	-16,623
OPERATING PROFIT/LOSS	-12,340	-4,284	-34,872	-2,151
Income from participation in Group companies	261,745	152,551	295,284	152,551
Interest income	2,217	116	2,467	471
Interest expenses	-18,524	-3,956	-42,656	-18,625
PROFIT AFTER FINANCIAL ITEMS	233,098	144,427	220,223	132,247
Appropriations	58,886	56,899	58,886	56,899
PROFIT/LOSS BEFORE TAX	291,984	201,326	279,109	189,146
Tax	-9,849	-7,566	-392	-5,198
NET PROFIT FOR THE PERIOD	282,135	193,760	278,717	183,948

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

Condensed balance sheet, Parent Company

SEK THOUSANDS	Dec 31, 2022	Dec 31, 2021
ASSETS		
FIXED ASSETS		
Intangible fixed assets	1,860	973
Tangible property, plant and equipment	11,157	12,314
Financial fixed assets	5,147,910	3,200,942
TOTAL FIXED ASSETS	5,160,927	3,214,229
CURRENT ASSETS		
Current receivables	387,223	257,280
Cash and cash equivalents	226,879	82,236
TOTAL CURRENT ASSETS	614,102	339,517
TOTAL ASSETS	5,775,029	3,553,745
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	3,029,477	1,973,077
Untaxed reserves	1,686	1,772
Non-current liabilities	1,716,176	830,133
Current liabilities	1,027,689	748,763
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	5,775,029	3,553,745

Acquired assets and liabilities 2022

PRELIMINARY ACQUISITION CALCULATIONS ABS LAUNDRY BUSINESS SOLUTIONS

On July 6, 100% of shares in the software group ABS Laundry Business Solutions were acquired. Some items in the acquisition plan may be remeasured, due to our brief ownership of the company. This applies to all assets and liabilities in the acquisition balance, but mainly brands, product rights, customer

agreements and goodwill. For this reason, the acquisition plan remains preliminary, until 12 months after the acquisition date.

During the fourth quarter, the acquisition balance has been updated. Current receivables have decreased by SEK 4,736 thousands and other current liabilities have increased by SEK 6,294 thousands, which have been carried against goodwill.

Acquired assets and liabilities, SEK thousands	Book value	Fair value adjustment	Fair value recognized in the Group
Goodwill	-	667,786	667,786
Intangible fixed assets	128,636	272,776	401,413
Tangible property, plant and equipment	3,248	-	3,248
Financial fixed assets	24	-	24
Current receivables	69,836	-	69,836
Cash and cash equivalents	255,143	-	255,143
Deferred tax liabilities	-	-54,555	-54,555
Accounts payable	-9,517	-	-9,517
Other current liabilities	-74,325	-	-74,325
Total	373,046	886,007	1,259,052

Effect of acquisitions on cash flow, SEK thousands

Group's purchase costs	-1,259,052
Expensed portion of purchase considerations	215,280
Convertible debentures	106,821
Acquired cash and cash equivalents	255,143
Net cash outflow	-681,809

OTHER PRELIMINARY ACQUISITION CALCULATIONS

During the period four more acquisitions were completed; DocuBizz Aps, Hotellinx Systems Oy, Scanrate Financial Systems A/S and Oy Raisoft Ltd. 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 plan remains preliminary, until 12 months after the acquisition date. During the fourth quarter, a reclassification took place in the acquisition analysis for Scanrate, where SEK 7,759 thousands has been reclassified from financial fixed assets to cash and cash equivalents.

Acquired assets and liabilities, SEK thousands	Book value	Fair value adjustment	Fair value recognized in the Group
Goodwill	-	440,570	440,570
Intangible fixed assets	-	245,580	245,580
Tangible property, plant and equipment	3,630	-	3,630
Financial fixed assets	97	-	97
Current receivables	24,123	-	24,123
Cash and cash equivalents	52,513	-	52,513
Deferred tax liabilities	-	-51,540	-51,540
Accounts payable	-5,609	-	-5,609
Other current liabilities	-39,455	-	-39,455
Total	35,300	634,610	669,910

Effect of acquisitions on cash flow, SEK thousands

Group's purchase costs	-669,910
Expensed portion of purchase considerations	201,260
Convertible debentures	39,953
Acquired cash and cash equivalents	52,513
Net cash outflow	-376,184

Allocation of revenues and date of revenue recognition

Allocation of revenues and date of revenue recognition, SEK million	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Recurring revenues	451.1	349.7	1,631.3	1,324.2
Other revenues	127.0	71.8	346.9	247.1
Net sales	578.1	421.6	1,978.2	1,571.3
Date of revenue recognition				
Services transferred to customers over time, flat distribution	411.7	313.7	1,461.1	1,158.8
Services transferred to customers over time, in pace with use	130.2	94.7	423.7	359.8
Services transferred to customers at a given time	36.1	13.1	93.3	52.7
	578.1	421.6	1,978.2	1,571.3

Shareholder information

PUBLICATION

This information is such information that Vitec Software Group AB (publ.) is required to disclose pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 8:00 a.m. (CET) on February 01, 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 CALENDAR

Interim report January–March	April 21, 2022 8:00 a.m.
Annual General Meeting	April 25, 2023 5:30 p.m.
Interim report January–June	July 14, 2023 8:00 a.m.
Interim report January–September	October 19, 2023 8:00 a.m.
Year-end report January–December	February 1, 2024 8:00 a.m.

FINANCIAL INFORMATION

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

We can also be contacted through the following channels:
By post: Vitec Investor Relations, Tvistevägen 47 A, SE-907 29 Umeå, Sweden
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Vitec's 2021 annual report is available at vitecsoftware.com

CORPORATE REGISTRATION NUMBER

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Definitions of key indicators

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

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

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

		2022	2021	2020	2019	2018	2017
Net sales	SEK 000s	1,978,191	1,571,309	1,312,789	1,156,249	1,016,763	855,029
Recurring revenues	SEK 000s	1,631,256	1,324,214	1,080,421	907,535	743,856	609,970
Recurring share of net sales	(%)	82	84	82	78	73	71
Growth net sales	(%)	26	20	14	14	19	27
EBITA	SEK 000s	581,569	439,823	344,786	247,328	211,897	171,013
EBITA margin	(%)	29	28	26	21	21	20
Growth EBITA	(%)	32	28	39	17	24	29
Operating profit/loss (EBIT)	SEK 000s	355,841	283,050	222,434	143,922	128,372	106,701
Operating margin	(%)	18	18	17	12	13	12
Profit after financial items	SEK 000s	312,165	262,105	207,632	130,025	116,775	98,127
Profit after tax	SEK 000s	244,866	206,941	160,710	102,166	96,920	79,426
Profit margin	(%)	12	13	12	9	10	9
Balance-sheet total	SEK 000s	6,320,824	3,751,777	2,206,775	1,890,336	1,675,648	1,261,970
Equity/assets ratio	(%)	51	53	38	40	40	32
Equity/assets ratio after full conversion	(%)	54	55	41	43	42	35
Interest-bearing net debt	SEK 000s	915,773	637,546	423,396	453,775	273,997	348,174
Debt/equity ratio	(multiple)	0.94	1.10	1.56	1.50	1.75	2.22
Return on capital employed	(%)	10	14	17	12	13	14
Return on equity	(%)	9	15	20	14	18	22
Sales per employee	SEK 000s	1,692	1,603	1,593	1,669	1,658	1,584
Added value per employee	SEK 000s	1,504	1,439	1,413	1,339	1,316	1,258
Personnel expenses per employee	SEK 000s	864	845	843	879	858	828
Average no. of employees	(persons)	1,169	980	824	693	613	540
Adjusted equity per share (AES)	(SEK)	85.99	56.76	25.73	23.31	20.71	13.34
Earnings per share	(SEK)	6.92	6.14	4.93	3.16	3.23	2.70
Earnings per share after dilution	(SEK)	6.90	6.05	4.91	3.18	3.22	2.70
Resolved dividend per share	(SEK)	2.00	1.64	1.35	1.20	1.10	1.00
Cash flow per share	(SEK)	16.86	14.72	13.18	9.90	8.01	6.78
Basis of computation:							
Earnings from calculation of earnings per share	SEK 000s	244,866	206,941	160,710	102,166	96,920	79,426
Cash flow from calculation of cash flow per share	SEK 000s	596,766	496,352	429,293	320,627	240,477	199,612
Weighted average number of shares (weighted average)	(thousands)	35,393	33,724	32,574	32,372	30,017	29,425
Number of shares after dilution	(thousands)	35,970	34,315	32,994	32,717	30,437	29,539
Number of shares issued at balance-sheet date	(thousands)	37,329	35,046	32,773	32,573	32,339	29,839
Share price at close of the respective period	(SEK)	418.20	557.00	341.00	185.00	77.60	87.00



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