



Year-end report January–December 2023

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, health care and education. Our products enable us to help our customers achieve greater efficiency and to generate societal benefit. The expertise of our employees, combined with our shared corporate culture and business model, enable continuous improvement and innovation. Vitec is listed on 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.

OUR VISION

Shaping a wiser and more sustainable future

OUR VALUES

Our products – our foundation
Vertical Market Software

Keep it simple

Simple solutions succeed

Trust and transparency

Collaboration and responsibility create success

VITEC'S BRAND PROMISE

To rely on – today and tomorrow

VITEC'S BUSINESS CONCEPT

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

SUSTAINABILITY

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

Brief facts

24,600
customers

1,470
employees

84%
Proforma recurring revenues, ARR

2,919
MSEK proforma net sales

11
countries

40
Business units

Vitec Software Group has its origin and headquarters in Umeå, Sweden. A forum for networking and knowledge sharing within the Group is provided here. ►

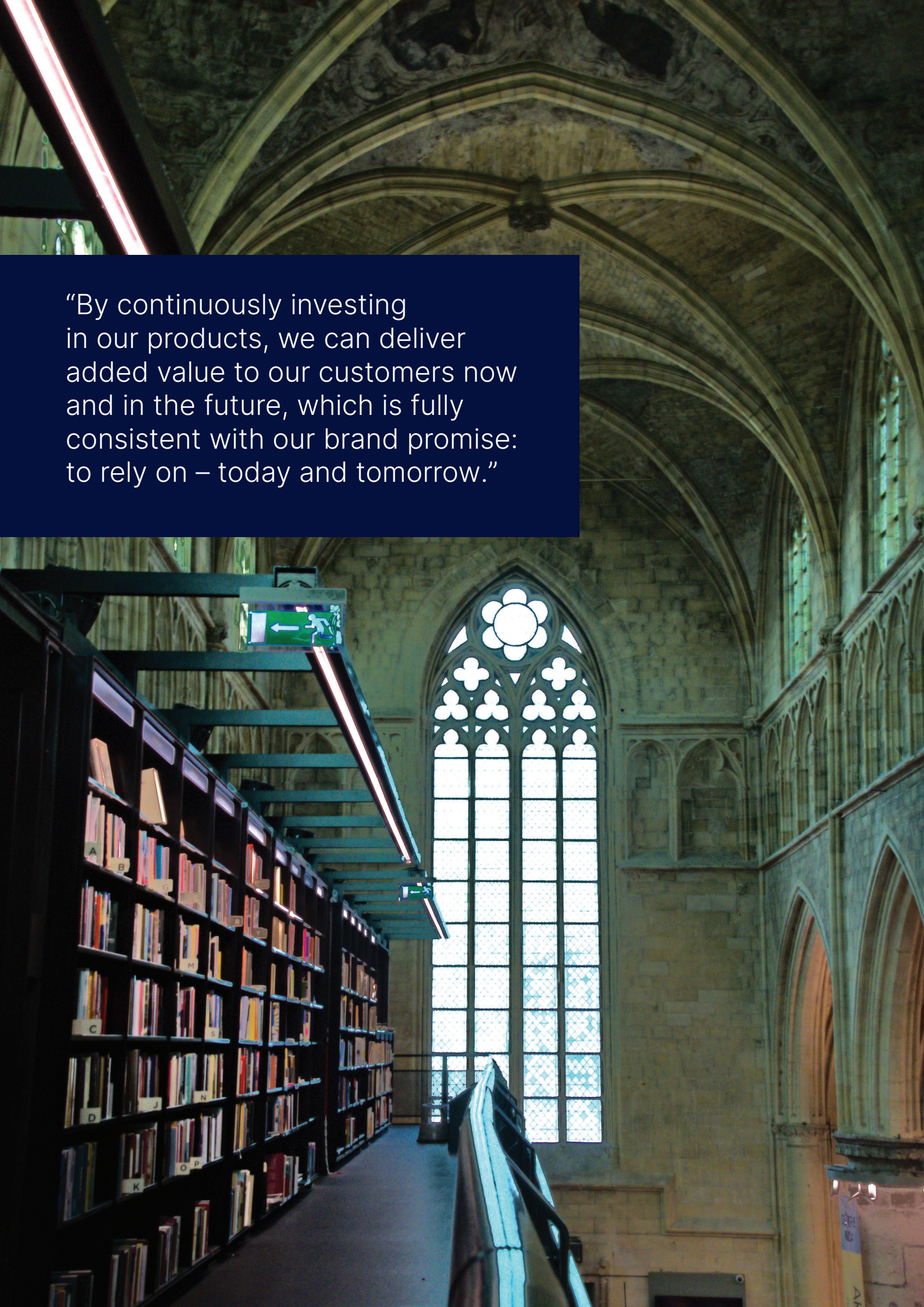
SUMMARY OF INTERIM PERIOD, OCTOBER–DECEMBER 2023

- Net sales SEK 740 million (578), an increase of 28%
- Recurring revenues SEK 611 million (451), an increase of 35%
- EBITA SEK 224 million (171), an increase of 31%
- EBITA margin 30% (30)
- Operating profit SEK 146 million (106), an increase of 38%
- Operating margin 20% (18)
- Earnings per share before dilution SEK 2.13 (1.87)
- Cash flow from operating activities SEK -11 million (74)
- Acquisition of Memorix as well as completed acquisition of Codea

SUMMARY OF INTERIM PERIOD, JANUARY–DECEMBER 2023

- Net sales SEK 2,778 million (1,978), an increase of 40%
- Recurring revenues SEK 2,346 million (1,631), an increase of 44%
- EBITA SEK 876 million (582), an increase of 51%
- EBITA margin 32% (29)
- Operating profit SEK 590 million (356), an increase of 66%
- Operating margin 21% (18)
- Earnings per share before dilution SEK 9.07 (6.92)
- Cash flow from operating activities SEK 718 million (563)
- The Board of Directors propose a dividend increase to SEK 3.00 per share (2.28)





“By continuously investing in our products, we can deliver added value to our customers now and in the future, which is fully consistent with our brand promise: to rely on – today and tomorrow.”

Message from the CEO

Strong growth and steadily increasing margins

High inflation, high interest rates, uncertain economic development and growing turmoil around the world came to characterize 2023. For Vitec, the year concluded with unusually strong growth and steadily increasing margins – even by our standards. This growth is due to the six acquisitions made this year, one of which was larger than usual in terms of sales, as well as robust organic growth. Our organic growth is the result of both price adjustments according to index clauses in our ongoing customer contracts and additional sales to existing customers.

These additional sales show that by continuously investing in our products, we can deliver added value to our customers now and in the future, which is fully consistent with our brand promise: “to rely on – today and tomorrow.” Our standardized software is often business-critical and helps customers improve efficiency and automation. This allows customers to cost-effectively benefit from developments underway across an entire industry, which has been appreciated in both upturns and downturns, and which, paired with a high share of recurring revenues, contributes to our own steady growth.

Fourth quarter revenues rose by 28% compared with last year, and the EBITA

margin was 30.3% compared with 29.5% last year. Revenues for the full year are SEK 2.78 billion, an increase of 40% with an EBITA margin of 31.5%, compared with 29.4% last year. Growth is propelled by both acquisitions and strong organic growth of 10%, and 6% adjusted for currency effects.

Our margin growth is particularly gratifying as we have simultaneously strengthened the organization with new employees, which has been challenging at times in past years, but is now happening with greater ease. An increasing number of people are applying for our job vacancies and appreciate becoming part of a growing, innovative company that demonstrates stability and security. Net profit is negatively impacted by increased borrowing costs and a higher tax rate than in previous years; non-cash remeasurement of our performance-based supplementary purchase considerations also had a negative impact of SEK 14.3 million.

Earnings per share rose to SEK 9.07 compared with SEK 6.92 last year. The Board proposes an increased dividend, for the 22nd consecutive year, to SEK 3.00 per share.

During the fourth quarter, the previously announced acquisition of Finnish Codea

was completed and we acquired Dutch Memorix. A total of six acquisitions were completed in 2023. We are pleased to welcome all new employees!

2024 had an excellent start with yet another acquisition and a new vertical through the purchase of Dutch LDC. We actively seek avenues for acquisition opportunities, both with internal resources and through good contacts among our advisors. Over the years, we have refined our processes for finding, exploring and integrating new companies, which allows us to act quickly and with ease as necessary. We can also wait for the right time in consultation with a seller – an advantage we have as perpetual owners of excellent vertical software companies. From a financial standpoint, we are prepared when opportunities arise through strong earnings and available credit.

I would especially like to thank all of our customers and employees for 2023 and look forward to 2024.



Olle Backman, CEO,
Vitec Software Group



◀ October saw the acquisition of software company Memorix, which develops and delivers software for managing archives, digital heritage and collections.

Group financial information

NET SALES AND EARNINGS

October–December 2023

Net sales

Net sales for the period totaled SEK 740.3 million (578.1) and included recurring revenues of SEK 610.9 million (451.1), license revenues of SEK 14.5 million (25.0), service revenues of SEK 101.2 million (90.8) and other revenues of SEK 13.8 million (11.1). Recurring revenues consist of subscription-based revenue of SEK 490.2 million (411.7) and transaction-based revenue of SEK 120.7 million (39.4). The increase in transaction-based revenues is attributable to acquisitions.

Comments on sales

Net sales rose a total of 28% for the period; recurring revenues rose 35%. Organic growth in subscription-based recurring revenues calculated on a rolling 12-month basis is 14%. We estimate that approximately 4 percentage points of this growth is attributable to currency effects.

Other revenues totaled SEK 13.8 million, which is an increase of 24% compared with the corresponding period last year. License revenues declined 42%, compared with the corresponding period in 2022. Service revenues gained 11%, compared with the corresponding period in 2022. Recurring revenues accounted for 83% of net sales, compared with 78% for the corresponding period in 2022. During the year acquired companies contributed SEK 101,1 million in net sales.

Earnings

EBITA was SEK 224.3 million (170.8), with an EBITA margin of 30% (30). Operating profit was SEK 146 million (106.0), with an operating margin of 20% (18). Profit after tax for the period amounted to SEK 80.0 million (67.8). Earnings per share before dilution totaled SEK 2.13 (1.87).

Comments on earnings

EBITA gained 31%, compared with the corresponding period in 2022. IFRS 16 related to leases had an impact of SEK 27.7 million (13.8) on operating profit, and SEK -27.1 million (-13.3) on depreciation. The net of capitalized development costs and amortization, impairment losses on intangible fixed assets and acquisition-related amortization had a negative effect on operating profit of SEK -12.6 million, compared with SEK -1.3 million the corresponding period last year. Acquisition-related costs are included in operating profit and amount to SEK -11.1 million (-11.6), of which transfer tax is SEK 0 million (-4,6).

Net financial items total SEK -27.1 million (-16.8). The items consist of net interest income of SEK -31.9 million (-16.8) and non-cash remeasurement to fair value of supplementary purchase considerations of SEK 11.2 million (0) and securities held as fixed assets of SEK -6.4 million (0), respectively. 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 purposes such as field management of emergency vehicles in Finland.

January–December 2023

Net sales

Net sales for the period totaled SEK 2,777.6 million (1,978.2) and included recurring revenues of SEK 2,346.0 million (1,631.3), license revenues of SEK 46.9 million (54.5), service revenues of SEK 343.3 million (253.6) and other revenues of SEK 41.4 million (38.8). Recurring revenues consist of subscription-based revenue of SEK 1,872.5 million (1,461.2) and transaction-based revenue of SEK 473.5 million (170.1). The increase in transaction-based revenues is attributable to acquisitions.

Comments on sales

Net sales rose a total of 40% for the period; recurring revenues rose 44%. Organic growth in subscription-based recurring revenues calculated on a rolling 12-month basis is 14%. We estimate that approximately 4 percentage points of this growth is attributable to currency effects.

Other revenues totaled SEK 41.4 million, which is an increase of 7% compared with the corresponding period last year. Licensing declined by 14%. Service revenues gained 35%, compared with the corresponding period in 2022. Recurring revenues accounted for 84.5% of net sales, compared with 82.5% for the corresponding period in 2022. During the year acquired companies contributed SEK 332.0 million in net sales.

Earnings

EBITA was SEK 876.1 million (581.6), with an EBITA margin of 32% (29). Operating profit was SEK 590.1 million (355.8), with an operating margin of 21.2% (18). Profit after tax for the period amounted to SEK 339.2 million (244.9). Earnings per share before dilution totaled SEK 9.07 (6.92).

Comments on earnings

EBITA gained 51%, compared with the corresponding period in 2022. IFRS 16 related to leases had an impact of SEK 69.4 million (51.1) on operating profit, and SEK -67.1 million (-49.0) on depreciation. The net of capitalized development costs and amortization, impairment losses on intangible fixed assets and acquisition-related amortization had a negative effect on operating profit of SEK -36.9 million, compared with SEK -18.8 million the corresponding period last year. Acquisition-related costs are included in operating profit and amount to SEK -38.0 million (-40.3), of which transfer tax is SEK -7.9 million (-5.3).

Net financial items total SEK -122.3 million (-43.7). The items consist of net interest income of SEK -93.1 million (-43.7) and non-cash remeasurement to fair value of supplementary purchase considerations of SEK -14.3 million (0) and securities held as fixed assets of SEK -14.8 million (0), respectively. The increase in net interest income is attributable to higher interest rates and increased borrowing in conjunction with acquisitions.

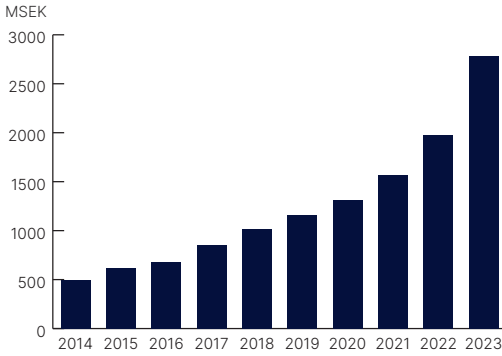
2,778

Net sales, SEK million
January–December

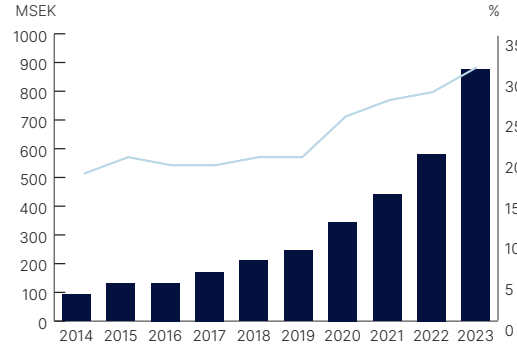
	2023 Oct–Dec	2022 Oct–Dec	Change	2023 Jan–Dec	2022 Jan–Dec	Change
Net sales, SEK million	740	578	28%	2,778	1,978	40%
Recurring share of net sales, %	83%	78%		84%	82%	
EBITA, SEK million	224	171	31%	876	582	51%
EBITA margin, %	30%	30%		32%	29%	
Operating profit/loss, SEK million	146	106	38%	590	356	66%
Operating margin, %	20%	18%		21%	18%	
Net profit/loss for the period, SEK million	80	68	18%	339	245	39%
Earnings per share, SEK	2.13	1.87		9.07	6.92	

Diagrams on Group trends

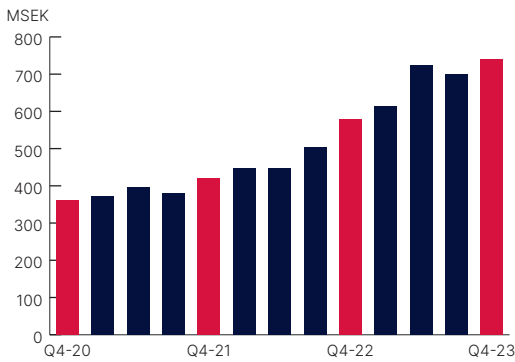
Sales



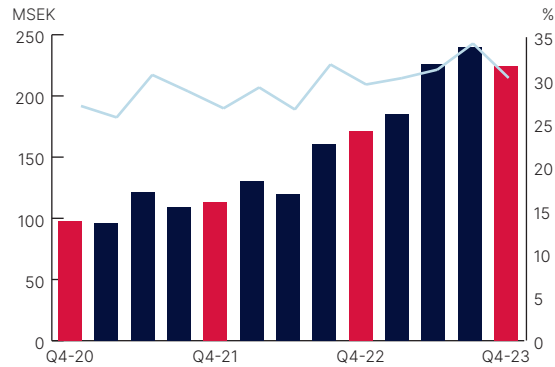
EBITA and EBITA margin



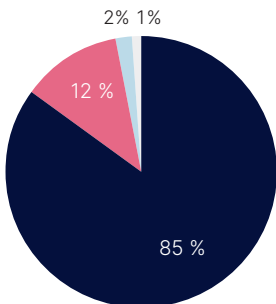
Sales by quarter



EBITA and EBITA margin by quarter

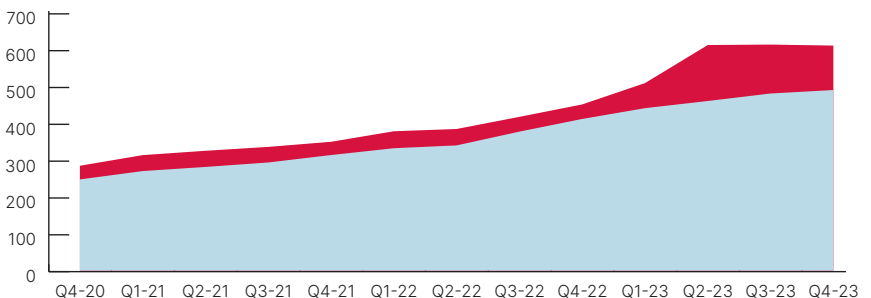


Breakdown of revenue, January–December 2023



- Recurring
- Services
- Licenses
- Other

Allocation of recurring revenues Q4 2020–Q4 2023



● Transaction-based revenue

● Subscription-based revenues

Total percentage of recurring revenues

79%	84%	82%	88%	83%	85%	86%	83%	78%	83%	85%	88%	83%
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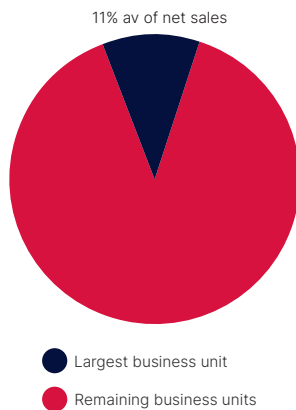
Sales broken down by business unit and customer

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.

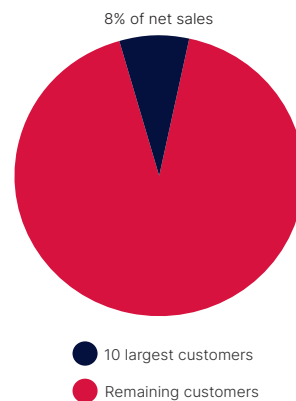
BREAKDOWN OF SALES

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



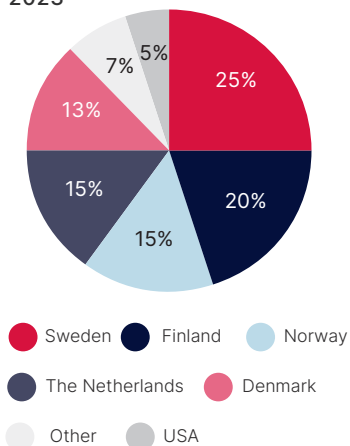
CUSTOMERS

We have about 24,600 customers. The Group's ten largest software customers account for approximately 8% of sales. The single largest software customer accounts for approximately 1.8% of sales.



VITEC WORLDWIDE

Sales by market, January–December 2023



▲ Vitec operates in 11 countries





































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

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 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%
Enova	 Energy management and grid balancing services in the Netherlands.	NL	2023	335	100%
Vabi	 Sustainable energy management for the real estate and property management industry in the Netherlands.	NL	2021	98	99%
Vitec Actor Smartbook	 Municipal culture and recreation administration offices, as well as other visitor facilities in Norway and Sweden.	SE	2018	48	83%
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	2015	53	94%
Vitec Avoine	 Local associations, national organizations and golf facilities in Finland.	FI	2019	55	87%
Vitec Fastighet	 Construction and property management industry in Sweden	SE	1985	254	77%
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 DL System	 Facilities in the tourism sector.	SE	2023	8	92%
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 Fixit	 Hair and beauty salons in Norway.	NO	2019	66	97%

Business unit	Software for:	Registered office	Acquisition year	Sales 2023, MSEK	Recurring, 2023
Vitec Futursoft	 Automotive industry and machinery sector in Finland and Sweden.	FI	2016	115	89%
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 Megler	 Real estate agents in Norway.	NO	2012	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 Nice	 Liability insurance companies in Norway and Sweden.	NO	2015	14	61%
Vitec Nordman	 Food and grocery retail industry in Sweden	SE	2021	20	96%
Vitec Plania	 Building 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, primarily in Scandinavia.	SE	2021	23	89%
Vitec Unikum	 Retail trade and manufacturing industry in Sweden.	SE	2021	112	85%
Vitec Visiolink	 Media companies in Europe.	DK	2020	73	77%
Vitec WIMS	 Insurance companies in Norway.	NO	2019	32	76%

Balance sheets and cash flow

LIQUIDITY AND FINANCIAL POSITION

The Group's cash and cash equivalents at the end of the year totaled SEK 171.9 million (615.8). In addition to cash and cash equivalents, Vitec has an overdraft facility of SEK 125.0 million and SEK 1,038.5 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 December 31, 2023, interest-bearing liabilities totaled SEK 2,162.3 million (1,531.6) and comprised SEK 2,148.9 million (1,493.8) in non-current interest-bearing liabilities and SEK 13.4 million (37.8) in current interest-bearing liabilities. Non-current interest-bearing liabilities comprised bank loans of SEK 1,961.5 million, as well as convertible debentures totaling SEK 187.4 million. Current interest-bearing liabilities comprised bank loans of SEK 2.8 million as well as convertible debentures totaling SEK 10.6 million. Interest-bearing net debt amounts to SEK 1,999.2 million (915.8).

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

During the year, convertible loans 2101, 2102 and 2009 were converted, which reduced financial liabilities by SEK 35.0 million.

Liabilities relating to right-to-use assets in the form of leases for premises are included in other non-current liabilities of SEK 48.0 million and in other current liabilities of SEK 46.6 million.

The total supplementary contingent consideration as of December 31 was SEK 855.2 million, including a non-current portion of SEK 602.5 million and a current portion of SEK 252.7 million.

CASH FLOW AND INVESTMENTS

During the year, we have increased our existing credit facility agreement with Nordea and SEB by SEK 500 million. The facility now amounts to SEK 3,000 million. Conditions and covenant requirements are in level with previous agreements with the banks.

Financing was arranged during the year by using SEK 984.6 million from the credit facility. Repayment of the facility totaled SEK 334.3 million, amortization of bank loans amounted to SEK 2.8 million, and amortization related to right-to-use assets was SEK 67.3 million. Cash flow from operating activities was SEK 718.4 million (563.4). Investments totaled SEK 348.4 million in capitalized work, SEK 2.7 million in other intangible assets and SEK 25.8 million in property, plant and equipment. Investments in right-of-use assets not affecting cash flow totaled SEK 70.3 million. As a result of acquisitions, SEK 1,879.3 million was invested in product rights, brands, customer agreements and goodwill.

The fourth and final payment of the dividend for financial year 2021 was made on March 30, 2023, when SEK 18.7 million was paid. Payments relating to the 2022 financial year were made on June 30, September 29 and December 29 in the amounts of SEK 21.3 million, SEK 21.3 million and SEK 21.4 million, respectively.

SHAREHOLDERS' EQUITY

Equity attributable to Vitec's shareholders totaled SEK 3,407.6 million (3,209.8). The equity/assets ratio is 44% (51). On April 25, the Annual General Meeting resolved to pay a dividend of SEK 2.28 per share, totaling SEK 91.5 million. The dividend will be divided up and paid on four payment dates: June 30, September 30, December 30 and March 30, 2024. Expensed dividends for the last payment date amount to SEK 22.9 million.

Three convertible loans were converted during the year. As a result, the number of class B shares grew by 101,630. A warrant program also matured, in which 105,318 shares were allocated.

During the year, share capital rose by SEK 20,694.70. The number of shares in Vitec at the close of the financial year is 37,535,487 shares, including 2,650,000 class A shares.

On April 25, the Annual General Meeting resolved on the introduction of a new long-term share savings plan, the Employee Share Savings Plan, "ESSP 2023." The program is aimed at all Vitec Group employees and requires personal investment in class B shares in Vitec ("Savings Shares"), for a period of twelve (12) months ("Savings Period"), typically through monthly savings. Employees are offered an opportunity to receive, free of charge, allocation of class B shares in Vitec after a lock-in period starting after the first acquisition of Savings Shares, until June 30, 2026 ("Lock-in Period"). Employees receive allocation of class B shares ("matching shares") provided that their employment has not concluded before the end of the Lock-in Period and provided that the participant retains their initial investment in Savings Shares.

The program launched during the third quarter of 2023 and the cost of the matching shares for the period amounts to SEK 5.4 million, recognized as a personnel expense and in equity. During the quarter, 16,640 class B shares were also repurchased. These shares will be used as matching shares for "ESSP 2023." The purchase amount of SEK 7.5 million was recognized in shareholders' equity.

TAXES

Current tax for the year amounted to SEK 150.0 million (64.6). Deferred tax totaled SEK -21.4 million (2.7).

Profit before tax was SEK 467.8 million (312.2). Non-deductible expenses and non-taxable revenues amount to SEK 77.9 million (23.7), which results in a taxable profit totaling SEK 545.7 million (335.9).

The average tax rate based on the taxable profit is 22.9% (21.6).

Outstanding warrant program

Warrants	Number of options	Grant date	Maturity date	Exercise price, SEK	Max increase share capital	Dilution capital	Dilution votes
TO 2021:1	263,000	Jun 15, 2021	Jun 3, 2024– Jun 14, 2024	463	0.026	0.7%	0.4%
TO 2022:1	129,800	May 23, 2022	Jun 3, 2025– Jun 14, 2025	579	0.013	0.3%	0.2%
TO 2022:1	52,500	Jul 20, 2022	Jun 3, 2025– Jun 14, 2025	579	0.005	0.1%	0.1%
Number of options	445,300				0.045	1.2%	0.7%

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 2104	2.4	Apr 26, 2021– Jun 30, 2024	Jan 1, 2024– Jun 30, 2024	468	0.001	0.0%	0.0%
Loan 2201	5.0	Jan 21, 2022– Jan 31, 2025	Aug 1, 2024– Jan 31, 2025	565	0.001	0.0%	0.0%
Loan 22/ 25: 4	105.5	Jul 6, 2022– Jun 30, 2025	Jul 1, 2024– Jun 30, 2025	549	0.019	0.5%	0.3%
Loan 22/ 25: 4	18.3	Sep 7, 2022– Jun 30, 2025	Jul 1, 2024– Jun 30, 2025	481	0.004	0.1%	0.1%
Loan22/ 25: 5	15.8	Oct 5, 2022– Sep 30, 2025	Oct 1, 2024– Sep 30, 2025	399	0.005	0.1%	0.1%
Loan 23/ 26: 1	2.9	Jun 12, 2023– Jun 30, 2026	July 1, 2025– Jun 30, 2026	652	0.000	0.0%	0.0%
Bond 23/ 26:2	28.9	Sep 14, 2023– Sep 30, 2026	Oct 1, 2025– Sep, 2026	701	0.004	0.1%	0.1%
Loan 23/26: 3	4.4	Nov 28, 2023– Nov 30, 2022	Dec 1, 2025– Nov 30, 2022	612	0.001	0.0%	0.0%
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	198.0				0.038	0.9%	0.6%

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.

ACQUISITIONS DURING THE PERIOD

Six acquisitions were completed during the year: Enova Holding B.V., DL Systems AB, Entry Event Sweden AB, Neagen Oy, Memorix B.V. and Codea Oy. From the acquisition date up to and including December 31, revenues in the acquired companies totaled SEK 332.0 million in sales and SEK 64.4 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 138.7 million in sales and SEK 42.3 million in profit before tax. The acquisition-related expenses are recognized in operating profit and total SEK 38.0 million. The operating profit also includes SEK 0.7 million in acquisition-related costs related to acquisitions from previous years.

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 78.8 million in product rights, SEK 103.5 million in brands, SEK 573.4 million in customer agreements and SEK 1,121.2 million in goodwill. Expensed portions of contingent considerations amount in total to a discounted value of SEK 658.6 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 Enova Holding B.V.

On September 23, Vitec acquired all shares in the Dutch software company Enova Holding B.V. Enova develops and delivers energy management software for large companies in the Netherlands, and also provides grid management services.

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

Payment was in cash as well as through a contingent consideration arrangement.

Acquisition DL System AB

On May 15, Vitec acquired all shares in the Swedish software company DL Systems AB. DL Systems develops and delivers a complete booking system for facilities in the hospitality sector in Sweden.

The company reported sales of SEK 8 million for the 2022 fiscal year. The acquisition is expected to yield an immediate increase in earnings per share for Vitec. Consolidation takes place from the date of acquisition.

Payment was in cash as well as through a contingent consideration arrangement.

Acquisition Entry Event Sweden AB

On June 12, Vitec acquired all shares in the Swedish software company Entry Event Sweden AB. Entry Event develops and delivers a complete business system for the hospitality sector in Sweden.

The company reported sales of SEK 14 million for the 2022 split financial year. The acquisition is expected to yield an immediate increase in earnings per share for Vitec. Consolidation takes place from the date of acquisition.

Payment was made in cash less a withheld amount payable on June 30, 2024 and June 30, 2025. Payment was also made with a convertible, with deviation

from shareholders' preferential rights in accordance with the authorization from the Annual General Meeting on April 25, 2023. The convertible matures in 36 months and at full conversion will have a dilutive effect on capital below 0.1%.

After the acquisition, Entry Event is part of the business unit Vitec Actor Smartbook.

Acquisition Neagen Oy

On June 13, an agreement was signed to acquire all shares in the Finnish software company Neagen Oy and the acquisition was completed on September 14. Neagen develops and delivers medical imaging archiving and viewing solutions for the Finnish market.

The company reported sales of approximately EUR 5 million for the 2022 financial year. The acquisition is expected to yield an immediate increase in earnings per share for Vitec. Consolidation takes place from the date of acquisition.

Payment was in cash and with a convertible, with deviation from shareholders' preferential rights in accordance with the authorization from the Annual General Meeting on April 25, 2023. The convertible matures in 36 months and at full conversion will have a dilutive effect on capital of less than 0.1%.

Acquisition Codea

On September 26, an agreement was signed to acquire all shares in the Finnish software companies Codea Oy and Navicode Oy; the acquisition was completed on November 28. Software company Codea develops and delivers critical software for field management of emergency vehicles in Finland.

Codea reported sales of approximately EUR 1.4 million in the 2022 financial year. The acquisition is expected to yield an immediate increase in earnings per share for Vitec.

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 25, 2023.

The convertible matures in 36 months and at full conversion will have a dilutive effect on capital of less than 0.1%.

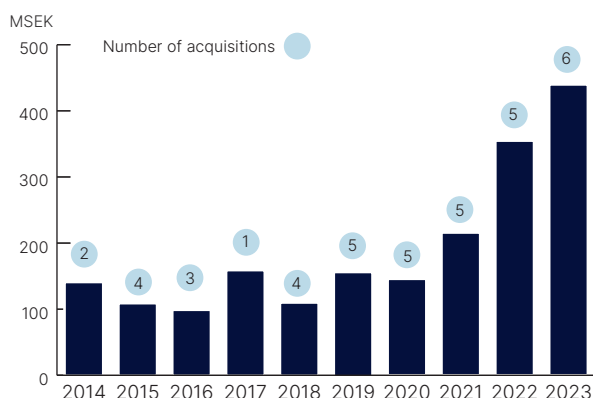
Memorix acquisition

On October 12, Vitec acquired all shares in the Dutch software company Picturae ICT B.V. In conjunction with the acquisition the company changed its name to Vitec Memorix B.V. Memorix develops and delivers software for managing archives, digital heritage and collections in the Benelux region.

The company reported sales of EUR 4 million in the 2022 financial year. The acquisition is expected to yield an immediate increase in earnings per share for Vitec. Consolidation takes place from the date of acquisition.

Payment was in cash as well as through a contingent consideration arrangement.

Acquired revenue



ORGANIC GROWTH

SEK million	R12 2023-12	R12 2022-12	Growth
Reported subscription-based recurring revenues	1,872	1,461	
Effect of acquired units	48	217	
Proforma subscription-based recurring revenues	1,920	1,678	14%
Reported transaction-based recurring revenues	474	170	
Effect of acquired units	64	314	
Proforma transaction-based recurring revenues	538	484	11%
Reported recurring revenues	2,346	1,631	
Effect of acquired units	112	531	
Proforma recurring revenues	2,458	2,162	14%
Reported net sales	2,778	1,978	40%
Effect of acquired units	141	677	
Proforma net sales	2,919	2,655	10%

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 Precisely AB

On March 3, Malmkroppen invested in the Swedish software company Precisely AB. Precisely provides software that enables businesses and organizations to manage contracts more efficiently. Vitec holds a 5.6% stake in the company after the investment.

Investment in Predge AB

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

Investment in Indico Technologies AB

On March 31, Malmkroppen invested in the Swedish software company Indico Technologies AB. Indico delivers forecasting tools that can interpret large amounts of data for businesses where forecast accuracy has a direct impact on margins and profits. Vitec holds a 3.6% stake in the company after the investment.

Investment in Voxo AB

On April 5, Malmkroppen expanded its ownership stake in the Swedish software company Voxo AB. Voxo is a Swedish voice technology company specializing in conversation-based AI solutions. Vitec holds a 11.2% stake in the company after the investment.

Investment in Tempus Information Systems AB

On April 14, Malmkroppen expanded its ownership stake in the Swedish software company Tempus Information

Systems AB. Tempus develops resource planning and scheduling software for preschools in Sweden. Vitec holds a 32.8% stake in the company after the investment.

Investment in Pinpointest AB

On June 14, Malmkroppen expanded its ownership stake in the Swedish software company Pinpointest AB. Pinpointest 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 13.6% stake in the company after the investment.

Vitec was founded in 1985 by research colleagues Lars Stenlund and Olov Sandberg. The company is a spin-off from Umeå University.



Other significant events during the period

The Board of Vitec Software Group AB (publ), supported by the authorization of the Annual General Meeting on April 25, 2023, has decided on the acquisition of a maximum of 80,000 class B treasury shares on Nasdaq Stockholm. The purpose of the decision is to ensure delivery of class B shares in Vitec Software Group to participants in the Company's share savings plan for employees (Employee Share Savings Plan,

ESSP 2023), which was launched in May 2023, as well as to secure related social security expenses.

Acquisitions may be made on one or more occasions during the period until the 2024 Annual General Meeting. The Board may decide on additional acquisitions of class B treasury shares with the support of the authorization of the 2023 Annual General Meeting.

Acquisitions are to be made on Nasdaq Stockholm in accordance with the Nordic Main Market Rulebook for Issuers of Shares. Acquisitions are made at a price within the range applicable on Nasdaq Stockholm at any given time, defined as the interval between the highest buying price and the lowest selling price. Payment for acquired shares is to be made in cash.

Significant events after the period

VITEC ACQUIRES THE SOFTWARE COMPANY LDC

Vitec Software Group AB (publ) strengthens its position in Vertical Market Software on January 25, by acquiring all shares in the Dutch software company LDC I-Talent Solutions B.V.

The software company LDC develops and delivers a platform for coaches and candidates in the field of career and human resource management, reintegration, and training.

LDC reported sales of EUR 2.0 million for the 2023 financial year. The acquisition

is expected to yield an immediate increase in earnings per share for Vitec.

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 25, 2023. 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.

At the time of this report's publication, there were no financial statements

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

Risks and uncertainties

Material risks and uncertainties are described in the administration report of the of the 2022 Annual Report under "Risks and uncertainties" on pages 82-86, in Note 1, under the section,

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

Parent Company

Net sales totaled SEK 177.8 million (141.6) and essentially comprised invoicing to subsidiaries for services rendered. Profit after tax was SEK 354.8 million (278.7). Parent Company earnings were effected by unrealized foreign-exchange gains totaling SEK 39.7 million (-43.8). The Parent Company is generally exposed to the same risks and uncertainties as the Group; refer to the above section, Risks and uncertainties.

Related-party transactions

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

Accounting and measurement policies

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, and the Swedish Annual Accounts Act. The Parent Company's accounts were prepared in accordance with the Annual Accounts Act and recommendation RFR 2 Accounting for Legal Entities No new or amended standards entered into force as of 2023 that are expected to affect the Group's accounts.

OPERATING SEGMENTS

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

INCENTIVE PROGRAM

There is an ongoing convertible program aimed at all personnel in the form of convertible debentures. The shares were issued on market terms. Conse-

quently, 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 December 31, 2023, SEK thousands

	Level 1	Level 2	Level 3	Book value
Securities held as fixed assets			35,779	35,779
Total assets			35,779	35,779
Supplementary contingent considerations, due within 1 year			252,747	252,747
Supplementary contingent considerations, due in more than 1 year, but within 3 years			205,528	205,528
Supplementary contingent considerations, due in more than 3 years, but within 5 years			396,938	396,938
Total liabilities			855,213	855,213

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 01, 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
Chief Executive Officer

Condensed consolidated statement of comprehensive income

SEK THOUSANDS	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
OPERATING REVENUES				
Recurring revenues	610,908	451,137	2,346,036	1,631,256
License revenues	14,469	25,026	46,861	54,483
Service revenues	101,151	90,829	343,270	253,629
Other revenues	13,771	11,130	41,398	38,823
NET SALES	740,299	578,122	2,777,565	1,978,191
Reversal of supplementary purchase consideration	-	-	-	3,402
TOTAL REVENUES	740,299	578,122	2,777,565	1,981,593
Capitalized development costs	96,031	79,977	348,412	265,351
OPERATING EXPENSES				
Goods for resale	-14,679	-12,502	-45,807	-40,002
Subcontractors and subscriptions	-98,584	-52,013	-390,786	-196,381
Other external expenses	-68,215	-77,816	-291,553	-248,896
Personnel expenses	-355,731	-298,541	-1,294,192	-1,010,353
Depreciation of property, plant and equipment	-33,442	-19,265	-88,239	-67,854
Amortization of intangible fixed assets	-41,576	-28,039	-137,394	-98,765
Impairment of intangible assets	-	-	-	-3,402
Unrealized exchange-rate gains/losses (net)	175	882	-1,896	278
TOTAL EXPENSES	-612,053	-487,294	-2,249,867	-1,665,375
EBITA	224,277	170,805	876,110	581,569
Acquisition-related costs	-11,149	-11,565	-38,040	-40,285
Acquisition-related amortization	-67,099	-53,249	-247,953	-185,443
OPERATING PROFIT/LOSS	146,028	105,991	590,117	355,841
Financial income	900	2,516	6,051	2,596
Financial expenses	-32,767	-19,319	-99,195	-46,272
Other financial income and expenses	4,789	-	-29,161	-
TOTAL FINANCIAL ITEMS	-27,078	-16,803	-122,305	-43,676
PROFIT AFTER FINANCIAL ITEMS	118,950	89,188	467,812	312,165
Tax	-38,980	-21,346	-128,629	-67,298
NET PROFIT FOR THE PERIOD	79,970	67,842	339,183	244,866
OTHER COMPREHENSIVE INCOME, ITEMS THAT MAY BE RECLASSIFIED AS PROFIT/LOSS FOR THE YEAR				
Restatement of net investments in foreign operations and hedge accounting of the same	-159,603	65,243	-74,932	198,105
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	-159,603	65,243	-74,932	198,105
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-79,633	133,085	264,251	442,971
PROFIT FOR THE PERIOD ATTRIBUTABLE TO				
- Parent Company shareholders	79,970	67,841	339,183	244,866
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO				
- Parent Company shareholders	-79,633	133,085	264,251	442,971

Condensed consolidated statement of financial position

SEK THOUSANDS	Dec 31, 2023	Dec 31, 2022
ASSETS		
FIXED ASSETS		
Goodwill	3,962,672	2,900,642
Other intangible fixed assets	2,915,147	2,163,031
Tangible property, plant and equipment	162,687	155,987
Financial fixed assets	43,590	38,811
Deferred tax assets	7,320	13,483
TOTAL FIXED ASSETS	7,091,416	5,271,954
CURRENT ASSETS		
Inventories	4,645	2,825
Current receivables	561,432	430,258
Cash and cash equivalents	171,851	615,787
TOTAL CURRENT ASSETS	737,928	1,048,870
TOTAL ASSETS	7,829,344	6,320,824
SHAREHOLDERS' EQUITY AND LIABILITIES		
Equity attributable to Parent Company shareholders	3,407,634	3,209,758
Non-current interest-bearing liabilities	2,148,936	1,493,776
Deferred tax liabilities	584,977	407,697
Other non-current liabilities	657,758	249,156
TOTAL NON-CURRENT LIABILITIES	3,391,671	2,150,629
Accounts payable	57,274	56,696
Current portion of interest-bearing liabilities	13,363	37,784
Other current liabilities	498,336	461,282
Accrued expenses	191,955	165,700
Prepaid recurring revenues	269,111	238,975
TOTAL CURRENT LIABILITIES	1,030,039	960,437
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	7,829,344	6,320,824

Condensed consolidated statement of changes in equity

SEK THOUSANDS	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS				
Opening balance	3,483,098	2,253,804	3,209,758	1,989,104
Correction of error attributable to previous year	-13,459	-	-13,409	-
Convertible debenture with stock options	142	861	1,195	6,369
Debenture conversion	18,076	-71	34,982	18,354
New share issue	-	833,800	-	833,800
Issuing costs	-273	-14,394	-273	-14,394
Paid option premiums	21	-	21	5,483
Option premiums measured at fair value	-	-	-	685
Long-term incentive program	2,641	-	5,357	-
Repurchase of treasury shares	-7,527	-	-7,527	-
Reserved dividend	25,943	-	-4,060	-4,477
Paid dividend	-21,395	2,674	-82,661	-68,137
Total comprehensive income	-79,633	133,085	264,251	442,971
CLOSING BALANCE	3,407,634	3,209,758	3,407,634	3,209,758

Condensed consolidated statement of cash flow

SEK THOUSANDS	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
OPERATING ACTIVITIES				
Operating profit	146,028	105,991	590,117	355,841
Adjustments for non-cash items				
Other operating revenues	-	-	-	-3,402
Depreciation, amortization and impairment	142,118	100,553	473,586	355,464
Unrealized foreign exchange gains/losses	-175	-882	1,896	-278
Share-based remuneration	-	-	-	685
	287,971	205,662	1,065,599	708,310
Interest received	901	2,516	6,051	2,596
Interest paid	-29,332	-17,585	-93,969	-42,128
Income tax paid	-42,396	-20,120	-109,795	-72,012
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL	217,144	170,473	867,886	596,766
Changes in working capital				
Increase/decrease in inventories	165	278	-947	-26
Increase/decrease in accounts receivable	-220,492	-138,963	-81,596	-2,064
Increase/decrease in other operating receivables	84,760	27,314	31,463	-22,068
Increase/decrease in accounts payable	-2,690	334	-10,075	-2,611
Increase/decrease in other operating liabilities	-90,005	14,694	-88,320	-6,629
CASH FLOW FROM OPERATING ACTIVITIES	-11,119	74,132	718,411	563,369
INVESTING ACTIVITIES				
Acquisition of shares and participations	-	-	-15,902	-10,000
Acquisition of subsidiaries (net impact on liquidity)	-224,121	-134,933	-1,038,680	-1,057,992
Supplementary purchase considerations paid	-	-	-247,027	-85,831
Purchase of intangible fixed assets and capitalized development costs	-96,731	-80,541	-351,132	-267,390
Purchase of property, plant and equipment	-8,752	-10,203	-25,827	-17,957
CASH FLOW FROM INVESTING ACTIVITIES	-329,605	-225,677	-1,678,568	-1,439,169
FINANCING ACTIVITIES				
Dividends to Parent Company shareholders	-21,395	-18,664	-82,661	-68,137
Borrowings	164,407	147,478	984,652	1,326,598
Repayment of loans	-688	-685,688	-337,028	-687,752
Repayment of lease liabilities	-25,579	-13,776	-67,270	-51,062
New share issue	-	833,800	-	833,800
Issuing costs	-273	-14,394	-273	-14,394
Long-term incentive program	-7,527	-	-7,527	-
Paid option premiums	11	-	11	5,483
CASH FLOW FROM FINANCING ACTIVITIES	108,956	248,756	489,904	1,344,535
CASH FLOW FOR THE PERIOD	-231,770	97,211	-470,255	468,735
OPENING CASH AND CASH EQUIVALENTS, INCLUDING CURRENT INVESTMENTS				
Exchange-rate differences in cash and cash equivalents	362,748	522,147	615,787	119,858
	40,873	-3,571	26,319	27,196
CASH AND CASH EQUIVALENTS INCLUDING CURRENT INVESTMENTS AT THE END OF THE PERIOD	171,851	615,787	171,851	615,787

Parent company income statement, condensed

SEK THOUSANDS	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Operating revenues	51,526	44,223	177,820	141,647
Operating expenses	-39,764	-35,852	-146,232	-132,711
Unrealized exchange-rate gains/losses (net)	93,301	-20,711	39,729	-43,808
OPERATING PROFIT/LOSS	105,062	-12,340	71,316	-34,872
Income from participation in Group companies	320,430	261,745	320,430	295,284
Interest income	729	2,217	5,635	2,467
Interest expenses	-32,072	-18,524	-96,646	-42,656
PROFIT AFTER FINANCIAL ITEMS	394,149	233,098	300,734	220,223
Appropriations	79,048	58,886	79,048	58,886
PROFIT/LOSS BEFORE TAX	473,197	291,984	379,782	279,109
Tax	-24,581	-9,849	-24,942	-392
NET PROFIT FOR THE PERIOD	448,616	282,135	354,840	278,717

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

Condensed balance sheet, Parent Company

SEK THOUSANDS	Dec 31, 2023	Dec 31, 2022
ASSETS		
FIXED ASSETS		
Intangible fixed assets	2,141	1,860
Tangible property, plant and equipment	10,646	11,157
Financial fixed assets	7,158,901	5,147,910
TOTAL FIXED ASSETS	7,171,687	5,160,927
CURRENT ASSETS		
Current receivables	369,951	387,223
Cash and cash equivalents	-	226,879
TOTAL CURRENT ASSETS	369,951	614,102
TOTAL ASSETS	7,541,638	5,775,029
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	3,331,352	3,029,477
Untaxed reserves	1,638	1,686
Other provisions	684	-
Non-current liabilities	2,834,654	1,716,176
Current liabilities	1,373,309	1,027,689
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	7,541,638	5,775,029

Acquired assets and liabilities 2023

Six acquisitions were completed during the year: Enova Holding B.V., DL Systems AB, Entry Event Sweden AB, Neagen Oy, Memorix B.V. and Codea Oy. Some items in the acquisition plans may be remeasured, due to our brief ownership of the companies. This applies to all assets and liabilities in the

acquisition balances, but mainly brands, product rights, customer agreements and goodwill. For this reason, the acquisition plans remain preliminary, until 12 months after the acquisition date. During the fourth quarter, the acquisition balance for Neagen Oy was updated. Customer agreements decreased by

SEK 110.8 million and Brands increased by SEK 6.0 million. This affected the deferred tax liability, which decreased by SEK 21.0 million. These changes in the acquisition balance has affected Goodwill, which has increased by SEK 83.8 million.

Acquired assets and liabilities, acquisitions for the year, SEK thousands	Book value	Fair value adjustment	Fair value recognized in the Group
Goodwill	-	1,118,767	1,118,767
Intangible fixed assets	18,869	755,683	774,552
Tangible property, plant and equipment	7,017	-	7,017
Financial fixed assets	550	-	550
Inventories	872	-	872
Current receivables	84,194	-	84,194
Cash and cash equivalents	144,710	-	144,710
Deferred tax liabilities	-	-158,419	-158,419
Accounts payable	-10,663	-	-10,663
Other current liabilities	-78,646	-	-78,646
Other non-current liabilities	-3,613	-	-3,613
Total	163,290	1,716,030	1,879,321
Effect of acquisitions on cash flow, SEK thousands			
Group's purchase costs			-1,879,321
Expensed portion of purchase considerations			658,607
Convertible debentures			37,324
Acquired cash and cash equivalents			144,710
Net cash outflow			-1,038,680

Remeasurement of previously acquired assets and liabilities

FINAL ACQUISITION PLAN

ABS LAUNDRY BUSINESS SOLUTIONS

On July 06, 2022, 100% of shares in the software group ABS Laundry Business Solutions were acquired. Final valuation of acquired assets and liabilities has

taken place earlier during 2023. The value of product rights was measured higher and goodwill was reduced correspondingly. Final valuation of acquisition analyses for DocuBizz, Hotellinx, Scan-rate and Raisoft has also taken place.

Remeasurement acquisition plan ABS	Initial valuation	Remeasurement	Final valuation
Goodwill	667,786	-20,688	647,098
Intangible assets	272,776	25,860	298,636
Deferred tax liabilities	-54,555	-5,172	-59,727
Other net assets	373,045	-	373,045
Total	1,259,052	0	1,259,052

Remeasurement acquisition plan other acquisitions	Initial valuation	Remeasurement	Final valuation
Goodwill	214,600	-13,506	201,094
Intangible assets	129,642	17,024	146,667
Deferred tax liabilities	-26,465	-3,518	-29,983
Other net assets	790	-	790
Total	318,568	0	318,568

Allocation of revenues and date of revenue recognition

Allocation of revenues and date of revenue recognition, SEK million	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Subscription-based revenue	490.2	411.7	1,872.5	1,461.2
Transaction-based revenue	120.7	39.4	473.5	170.1
Other revenues	129.4	127.0	431.5	346.9
Net sales	740.3	578.1	2,777.6	1,978.2
Date of revenue recognition				
Services transferred to customers over time, flat distribution	490.1	411.7	1,872.5	1,461.1
Services transferred to customers over time, in pace with use	221.8	130.2	816.8	423.7
Services transferred to customers at a given time	28.3	36.1	88.3	93.3
	740.3	578.1	2,777.6	1,978.2

Shareholder information

PUBLICATION

This information is such information that Vitec Software Group AB (publ.) is required to disclose pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 8:00 a.m. (CET) on February 01, 2024.

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 a review by the company's auditors.

FINANCIAL INFORMATION

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

We can also be contacted through the following channels:

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

CORPORATE REGISTRATION NUMBER

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

FINANCIAL CALENDAR

Interim report January–March 2024	Apr 18, 2024 8:00 a.m.
Annual General Meeting	Apr 23, 2024 5:30 p.m.
Interim report January–June 2024	Jul 12, 2024 8:00 a.m.
Interim report January–September 2024	Oct 17, 2024 8:00 a.m.
Year-end report January–December 2024	Feb 5, 2025 8:00 a.m.



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Definitions of key indicators

This interim report refers to several financial measurements that are not defined under IFRS, known as alternative performance measures, in accordance with ESMA's is called alternative. These measurements provide senior 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.	IFRS key indicators

Key indicators

		2023	2022	2021	2020	2019	2018
Net sales	SEK 000s	2,777,565	1,978,191	1,571,309	1,312,789	1,156,249	1,016,763
Recurring revenues	SEK 000s	2,346,036	1,631,256	1,324,214	1,080,421	907,535	743,856
Recurring share of net sales	(%)	84%	82%	84%	82%	78%	73%
Growth net sales	(%)	40%	26%	20%	14%	14%	19%
EBITA	SEK 000s	876,110	581,569	439,823	344,786	247,328	211,897
EBITA margin	(%)	32%	29%	28%	26%	21%	21%
Growth EBITA	(%)	51%	32%	28%	39%	17%	24%
Operating profit/loss (EBIT)	SEK 000s	590,117	355,841	283,050	222,434	143,922	128,372
Operating margin	(%)	21%	18%	18%	17%	12%	13%
Profit after financial items	SEK 000s	467,812	312,165	262,105	207,632	130,025	116,775
Profit after tax	SEK 000s	339,183	244,866	206,941	160,710	102,166	96,920
Profit margin	(%)	12%	12%	13%	12%	9%	10%
Balance-sheet total	SEK 000s	7,829,344	6,320,824	3,751,777	2,206,775	1,890,336	1,675,648
Equity/assets ratio	(%)	44%	51%	53%	38%	40%	40%
Equity/assets ratio after full conversion	(%)	46%	54%	55%	41%	43%	42%
Interest-bearing net debt	SEK 000s	1,990,448	915,773	637,546	423,396	453,775	273,997
Debt/equity ratio	(multiple)	1.14	0.94	1.10	1.56	1.50	1.75
Return on capital employed	(%)	12%	10%	14%	17%	12%	13%
Return on equity	(%)	10%	9%	15%	20%	14%	18%
Sales per employee	SEK 000s	1,963	1,692	1,603	1,593	1,669	1,658
Added value per employee	SEK 000s	1,693	1,504	1,439	1,413	1,339	1,316
Personnel expenses per employee	SEK 000s	915	864	845	843	879	858
Average no. of employees	(persons)	1,415	1,169	980	824	693	613
Adjusted equity per share (AES)	(SEK)	90.78	85.99	56.76	25.73	23.31	20.71
Earnings per share	(SEK)	9.07	6.92	6.14	4.93	3.16	3.23
Earnings per share after dilution	(SEK)	9.12	6.90	6.05	4.91	3.18	3.22
Resolved dividend per share	(SEK)	2.28	2.00	1.64	1.35	1.20	1.10
Cash flow per share	(SEK)	23.21	16.86	14.72	13.18	9.90	8.01
Basis of computation:							
Earnings from calculation of earnings per share	SEK 000s	339,183	244,866	206,941	160,710	102,166	96,920
Cash flow from calculation of cash flow per share	SEK 000s	867,886	596,766	496,352	429,293	320,627	240,477
Weighted average number of shares (weighted average)	(thousands)	37,389	35,393	33,724	32,574	32,372	30,017
Number of shares after dilution	(thousands)	38,170	35,970	34,315	32,994	32,717	30,437
Number of shares issued at balance-sheet date	(thousands)	37,535	37,329	35,046	32,773	32,573	32,339
Share price at close of the respective period	(SEK)	585.50	418.20	557.00	341.00	185.00	77.60



▲ Vitec Software Group develops and provides software for clients such as the health care and social services sector in Sweden, Norway, Finland and Switzerland.

