



# Interim report January–September 2022



# This is Vitec

Vitec is a leading provider of vertical software and has its origin and headquarters in Umeå, Sweden. We develop and deliver standardized software for various functions in society. They can be found at the heart of a variety of businesses and activities, including pharmacies, banks, car repair shops, property management, health care and education. Our products enable us to help our customers achieve greater efficiency and to generate societal benefit. The expertise of our employees, combined with our shared corporate culture and business model, enable continuous improvement and innovation.

Vitec is listed on Nasdaq Stockholm.

## GROWTH – DEVELOP AND ACQUIRE

Vitec is an industry player with a long-term outlook. Our growth mainly occurs through corporate acquisitions, but also organically. Our strong cash flow enables us to both reinvest in products and make acquisitions. Continual development of our products is crucial to ensure that our offering will remain relevant in the future.

## RECURRING REVENUES

Our business model is based on a high percentage of recurring revenues, This provides us with stable and predictable cash flows that create the prerequisites for a long-term approach. It also makes the Group less sensitive to temporary declines within individual business units.

## VALUE-DRIVEN ORGANIZATION

Within the framework of our decentralized organization, the corporate culture plays a significant role in corporate governance and is important for our long-term success. Our values, brand promise and Code of Conduct are the three cornerstones of our corporate culture. Through an array of forums, we create conditions for employees and leaders to become part of our corporate culture.

## 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](http://vitecsoftware.com).

22,800

customers

2,076

MSEK proforma net sales

80%

proforma recurring revenues, ARR

1,300

employees

35

business units

8

countries

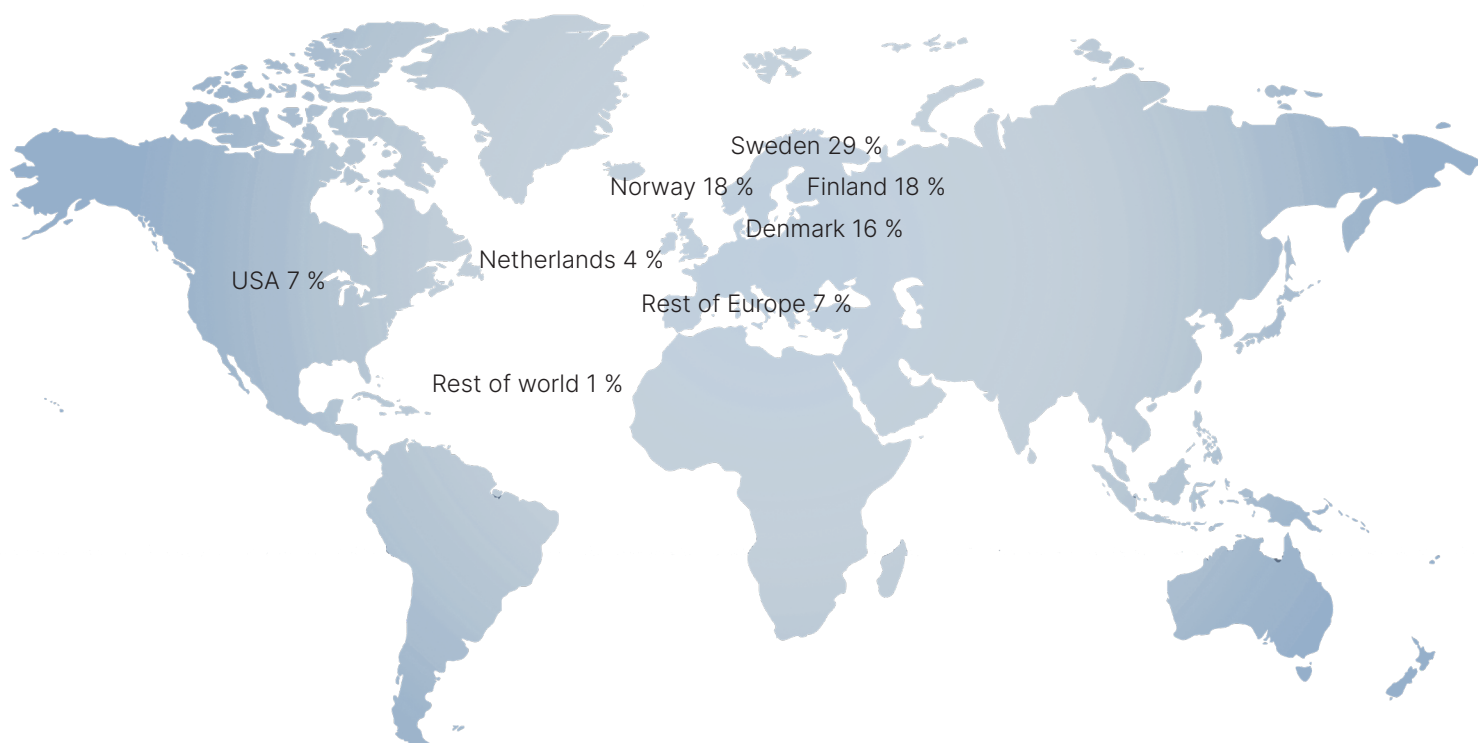
#### SUMMARY OF INTERIM PERIOD, JANUARY–SEPTEMBER 2022

- Net sales SEK 1,400 million (1,150), an increase of 22%
- Recurring revenues SEK 1,180 million (975), an increase of 21% including 10% organic
- EBITA SEK 411 million (327), an increase of 26%
- EBITA margin 29% (28)
- Operating profit SEK 250 million (213), an increase of 17%
- Operating margin 18% (18)
- Earnings per share before dilution SEK 5.05 (4.55)
- Cash flow from operating activities SEK 489 million (430)

#### SUMMARY OF INTERIM PERIOD, JULY–SEPTEMBER 2022

- Net sales SEK 505 million (380), an increase of 33%
- Recurring revenues SEK 417 million (336), an increase of 24% including 11% organic
- EBITA SEK 161 million (109), an increase of 47%
- EBITA margin 32% (29)
- Operating profit SEK 92 million (71), an increase of 30%
- Operating margin 18% (19)
- Earnings per share before dilution SEK 1.76 (1.48)
- Cash flow from operating activities SEK 87 million (89)
- Acquisition of ABS Laundry Business Solutions; acquisition of Scanrate completed

#### PRO FORMA SALES BY MARKET



# Responsible and reliable growth produces strong figures

Sales for the third quarter of 2022 totaled SEK 505 million and our pro forma net sales exceeded SEK 2 billion for the first time – a new record. Compared with the corresponding year-earlier quarter, sales increased by 33% and our EBITA rose by an impressive 47%. These strong figures can be attributed to continued solid organic growth of 10% for the first nine months of the year, as well as the ongoing efforts with the integration of our value-generating acquisitions. With our robust financial position and strong cash flow, we are confident in our continued growth.

Two acquisitions were completed during the quarter: the Dutch company ABS Laundry Business Solutions and Danish Scanrate, both of which made positive contributions to the profit for the period. Immediately after the end of the period the fifth acquisition of the year was also completed as we welcomed Finnish Raisoft, which provides digital assessment and decision-making systems for better health care and social services, to our Group. The acquisitions during the quarter, which were larger than previously, also entailed higher acquisition-related one-off costs for the quarter. We continue our

acquisition efforts and constantly engage in discussions with a number of interesting candidates, all of which are assessed based on our strict criteria.

Vitec delivers business-critical software solutions that contribute to the value-generating social benefit of our nearly 23,000 customers. Despite the uncertainty around us we see that our solutions help customers with increased digitalization and automation of their core processes. We also notice closer discussions with our customers who wish to extract even greater benefit from our products. With regard to the general state of the economy, we currently see marginal direct effects only, but we follow the development carefully.

Backed by strong finances, Vitec continues to grow responsibly and reliably through continual development of our business units, as well as acquisitions of well-established and profitable vertical software companies.

**Olle Backman, CEO, Vitec Software Group**



“Backed by strong finances, Vitec continues to grow responsibly and reliably through continual development of our business units, as well as acquisitions of well-established and profitable vertical software companies.”

Olle Backman, CEO, Vitec Software Group

# Group financial information

## NET SALES AND EARNINGS

### January–September 2022

#### Net sales

Net sales for the period totaled SEK 1,400.1 million (1,149.9) and included recurring revenues of SEK 1,180.1 million (974.5), license revenues of SEK 29.5 million (19.6), service revenues of SEK 162.8 million (135.7) and other revenues of SEK 27.7 million (20.0).

#### Comments on sales

Net sales rose a total of 22% for the period; recurring revenues rose 21%, including 10% organically. We estimate that approximately one percentage point of this growth is attributable to currency effects. Other revenues totaled SEK 27.7 million, which is an increase of 39% compared with the corresponding period last year. Licensing increased by 50%. Service revenues gained 20%, compared with the corresponding period in 2021. Recurring revenues accounted for 84% of net sales, compared with 85% for the corresponding period in 2021. During the year acquired companies contributed SEK 96.0 million in net sales. The increased share of licensing and service revenues primarily relates to newly acquired companies.

#### Earnings

EBITA was SEK 410.8 million (326.9), with an EBITA margin of 29% (28). Operating profit was SEK 249.8 million (212.7), with an operating margin of 18% (18). Profit after tax for the period amounted to SEK 177.0 million (151.3). Earnings per share before dilution totaled SEK 5.05 (4.55).

#### Comments on earnings

EBITA gained 26%, compared with the corresponding period in 2021. IFRS 16 related to leases had an impact of to SEK 37 million (33) on operating profit, and SEK -36 million (-35) on depreciation. The effect of the net of capitalized development costs and amortization and impairment losses on intangible fixed assets on operating profit was SEK -17.5 million, compared with SEK -6.7 million the corresponding period last year.

Net financial items for the period totaled SEK -26.9 million (-16.3), an increase attributable to higher interest rates and increased borrowing in connection with acquisitions.

### July–September 2022

#### Net sales

Net sales for the period totaled SEK 504.8 million (380.4) and included recurring revenues of SEK 417.4 million (335.8), license revenues of SEK 16.8 million (4.3), service revenues of SEK 60.7 million (34.4) and other revenues of SEK 10.0 million (5.9).

#### Comments on sales

Net sales rose a total of 33% for the period; recurring revenues rose 24%, including 11% organically. Other revenues totaled SEK 10.0 million, which is an increase of 69% compared with the corresponding period last year. Licensing increased by 291% and service revenues increased by 77%, compared with the corresponding period in 2021. Recurring revenues accounted for 83% of net sales, compared with 88% for the corresponding period in 2021. During the year acquired companies contributed SEK 76.5 million in net sales. The increased share of licensing and service revenues primarily relates to newly acquired companies.

#### Earnings

EBITA was SEK 160.8 million (109.4), with an EBITA margin of 32% (29). Operating profit was SEK 92.2 million (70.8), with an operating margin of 18% (19). Profit after tax for the period amounted to SEK 61.9 million (50.2). Earnings per share before dilution totaled SEK 1.76 (1.48).

#### Comments on earnings

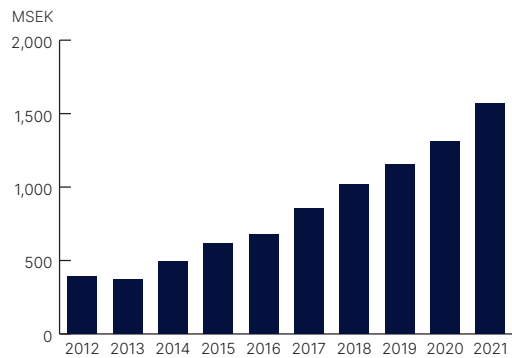
EBITA gained 47%, compared with the corresponding period in 2021. IFRS 16 related to leases had an impact of to SEK 13 million (12) on operating profit, and SEK -13 million (-12) on depreciation. The net of capitalized development costs and amortization and impairment losses on intangible fixed assets had a negative effect on operating profit of SEK 11.4 million, compared with negative SEK 10.5 million the corresponding period last year.

Net financial items for the period totaled SEK -17.1 million (-5.7), an increase attributable to higher interest rates and increased borrowing in connection with acquisitions.

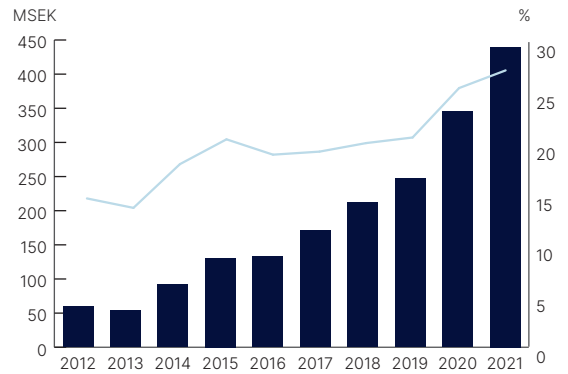
	2022 Jul-Sep	2021 Jul-Sep	Change	2022 Jan-Sep	2021 Jan-Sep	Change
Net sales, SEK million	505	380	33%	1,400	1,150	22%
Recurring share of net sales, %	83%	88%		84%	85%	
EBITA, SEK million	161	109	47%	411	327	26%
EBITA margin, %	32%	29%		29%	28%	
Operating profit/loss, SEK million	92	71	30%	250	213	17%
Operating margin, %	18%	19%		18%	18%	
Net profit/loss for the period, SEK million	62	50	23%	177	151	17%
Earnings per share, SEK	1.76	1.48		5.05	4.55	

# Diagrams on Group trends

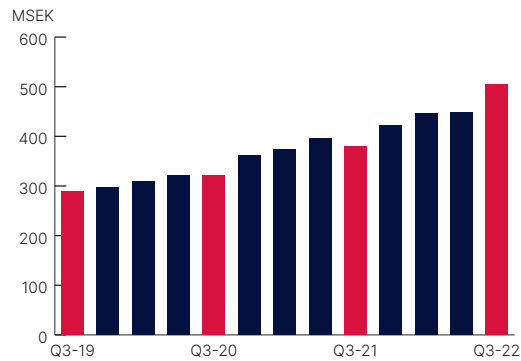
Sales



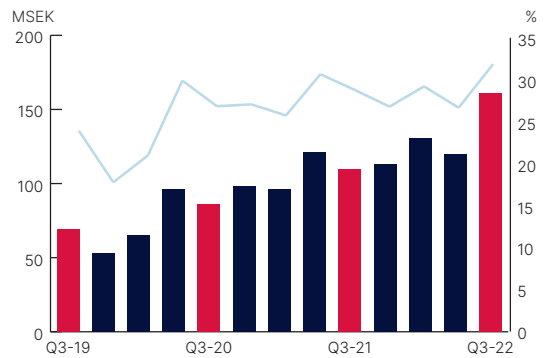
EBITA and EBITA margin



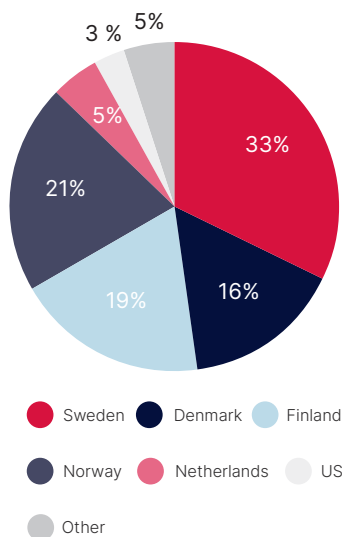
Sales by quarter



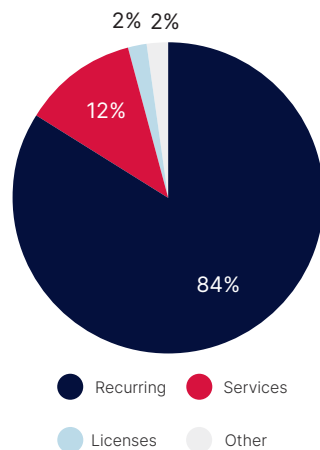
EBITA and EBITA margin by quarter



Sales by market, January–September 2022



Breakdown of revenue, January–September 2022





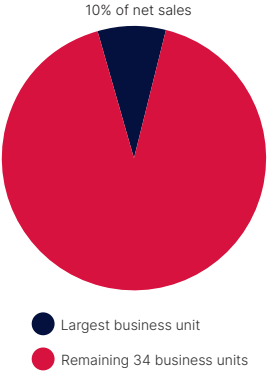
# Sales broken down by business unit and customer

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

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

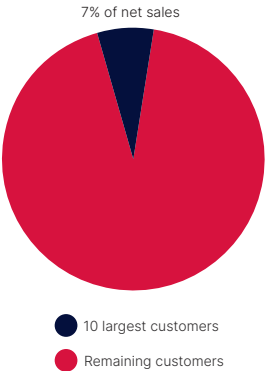
### BREAKDOWN OF SALES

Our sales are evenly spread across our 35 business units. No individual business unit accounts for more than 10% of consolidated sales.



### CUSTOMERS

We have about 22,800 customers. The Group's ten largest customers account for approximately 7% of sales. The single largest customer accounts for approximately 1.3% of sales.










































# Our business units

We conduct our operations through our 35 independent business units. Vitec develops and delivers software aimed at various functions in society. They can be found at the heart of a variety of businesses and activities, including pharmacies, banks, car repair shops, property management, health care

and education. Our products enable us to help our customers achieve greater efficiency and to generate societal benefit. The diagram of the city on the right illustrates where our business units can be found and how we contribute to developments in society.

Business unit	Software for:	Domicile	Acquisition year	Sales 2021, SEKm	Recurring, 2021
ABS Laundry Business Solutions 	The global laundry and textile rental industry.	NL	2022	203	35%
Vabi 	Sustainable energy management for the real estate and property management industry in the Netherlands.	NL	2021	72	98%
Vitec Actor Smartbook 	Municipal culture and recreation administration offices, as well as other visitor facilities in Norway and Sweden.	SE	2018	28	85%
Vitec Acute 	Healthcare companies in Finland.	FI	2013	74	89%
Vitec Agrando 	Church-related administration in Norway.	NO	2018	35	85%
Vitec ALMA 	Information management within the process industry and energy companies in Finland.	FI	2020	33	52%
Vitec Aloc 	Banking and finance industry in the Nordic countries and western Europe.	DK	2014	114	86%
Vitec Appva 	Healthcare and social services sector in Sweden.	SE	2020	39	95%
Vitec Autosystemer 	Automotive, transportation and machinery industry in Norway.	NO	2015	49	94%
Vitec Avoine 	Local associations and national organizations in Finland.	FI	2019	33	81%
Vitec Bygg & Fastighet 	Construction and property management industry in Sweden.	SE	1985	199	74%
Vitec Capitex Finanssystem 	Banking and finance industry, primarily in Sweden and with some establishment in Norway and Finland.	SE	2010	26	91%
Vitec Cito 	Pharmacy market in Denmark.	DK	2018	44	67%
Vitec Datamann 	Car dealers and auto repair shops in Denmark.	DK	2015	46	83%
Vitec DocuBizz 	Automotive industry in northern Europe and the US.	DK	2022	27	95%
Vitec Energy AB 	Electricity traders and owners of electricity and district heating grids in about 25 different countries.	SE	1998	32	85%
Vitec Fixit 	Hair and beauty salons in Norway.	NO	2019	66	93%
Vitec Futursoft 	Automotive industry and machinery sector in Finland and Sweden.	FI	2016	85	92%
Vitec HK data 	Health and welfare sector in Norway.	NO	2019	16	89%
Vitec Hotelinx 	Hotels and tourism in Finland.	FI	2022	18	76%



Business unit	Software for:	Domi- cile	Acquisi- tion year	Sales 2021, SEKm	Recurring, 2021
Vitec Katrina	 Church-related administration in Finland.	FI	2019	22	82%
Vitec Megler	 Real estate agents in Norway.	NO	2012	94	94%
Vitec MV	 Education sector in Denmark, Norway and Sweden.	DK	2017	46	97%
Vitec Mäklarsystem	 Real estate agents in Sweden.	SE	2010	87	96%
Vitec Nexgolf	 Golf courses in Finland.	FI	2020	12	98%
Vitec Nice	 Liability insurance companies in Norway and Sweden.	NO	2015	17	63%
Vitec Nordman	 Food and grocery retail industry in Sweden.	SE	2021	21	93%
Vitec Plania	 Building and facility management in Norway.	NO	2016	34	72%
Vitec Samfundssystem	 Administrative services for churches and preschools in Sweden.	SE	2018	47	74%
Vitec Scanrate	 Bond market in Denmark.	DK	2022	56	89%
Vitec Tietomitta	 Private and municipal waste-and-resource processing in Finland.	FI	2016	54	88%
Vitec Travelize	 Travel agencies, primarily in Scandinavia.	SE	2021	19	78%
Vitec Unikum	 Retail trade and manufacturing industry in Sweden.	SE	2021	105	80%
Vitec Visiolink	 Media companies in Europe.	DK	2020	66	73%
Vitec WIMS	 Insurance companies in Norway.	NO	2019	31	69%

# Balance sheets and cash flow

## LIQUIDITY AND FINANCIAL POSITION

The Group's cash and cash equivalents at the end of the period totaled SEK 522.1 million (465.2). In addition to cash and cash equivalents, Vitec has an overdraft facility of SEK 125.0 million and SEK 642 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 September 30, 2022, interest-bearing liabilities totaled SEK 2,046.3 million (1060.4) and comprised SEK 2,043.5 million (1057.6) in non-current interest-bearing liabilities and SEK 2.8 million (2.8) in current interest-bearing liabilities. Non-current interest-bearing liabilities comprised bank loans of SEK 1,866.1 million, as well as convertible debentures totaling SEK 177.4 million. Current interest-bearing liabilities comprised bank loans of SEK 2.8 million. Interest-bearing net debt amounts to SEK 1,525.3 million (595.3).

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

A new convertible loan for employees was signed at the beginning of June, totaling SEK 6.5 million. During the period, convertible 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 69.0 million and in other current liabilities of SEK 40.2 million.

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

## CASH FLOW AND INVESTMENTS

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

During the period, financing was arranged by using SEK 1,172.6 million from the credit facility and by taking out three convertible loans of SEK 125.2 million. Amortization of bank loans amounted to SEK 2.1 million; amortization related to right-to-use assets totaled SEK 37.3 million. Cash flow from operating activities was SEK 489.3 million (430.0). Investments totaled SEK 185.4 million in capitalized work, SEK 1.5 million in other intangible assets and SEK 7.8 million in prop-

erty, plant and equipment. Investments in right-of-use assets not affecting cash flow totaled SEK 26.7 million. Through the acquisitions of DocuBizz ApS, Hotellinx Systems Oy, Scanrate Financial Systems A/S and ABS Laundry Business Solutions, SEK 1,357.1 million was invested in product rights, brands, customer agreements and goodwill.

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

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

## SHAREHOLDERS' EQUITY

Equity attributable to Vitec's shareholders totaled SEK 2,253.8 million (1921.4). The equity/assets ratio is 39% (48). On April 26, the Annual General Meeting resolved to pay a dividend of SEK 2.00 per share, totaling SEK 75.3 million. The dividend will be divided up and paid on four payment dates: June 30, September 30, December 30 and March 30, 2023.

During the period, the 2006 convertible loan issued in conjunction with the acquisition of Appva AB was converted to class B shares. As a result of the conversion, the number of class B shares in Vitec increased by 33,333 and share capital increased by SEK 3,333. The 2001 convertible loan issued in conjunction with the acquisition of Visiolink Management ApS was converted to class B shares during the period. As a result of the conversion, the number of class B shares in Vitec increased by 49,043 and share capital increased by SEK 4,905. The number of shares in Vitec after the conversions is 35,128,539 shares, including 2,950,000 class A 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 period amounted to SEK 45.1 million (42.8). Deferred tax totaled SEK 0.9 million (2.2).



Outstanding warrant program:

Warrants	Number of options	Grant date	Maturity date	Exercise price, SEK	Max increase share capital, SEK million	Dilution capital	Dilution votes
TO 2020:1	251,000	Sep 16, 2020	Sep 1, 2023– Sep 15, 2023	333	0.025	0.7%	0.4%
TO 2021:1	263,000	June 15, 2021	June 3, 2024– June 14, 2024	463	0.026	0.8%	0.4%
TO 2022:1	129,800	May 23, 2022	June 3, 2025– June 14, 2025	579	0.013	0.4%	0.2%
TO 2022:1	52,500	July 20, 2022	June 3, 2025– June 14, 2025	579	0.005	0.1%	0.1%
<b>Number of options</b>	<b>696,300</b>				<b>0.070</b>	<b>1.8%</b>	<b>1.0%</b>

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	15.2	Jan 4, 2021– Dec 30, 2023	Jan 1, 2023– Dec 30, 2023	373	0.004	0.1%	0.1%
Loan 2102 Acquisition Travelize international AB	6.8	Feb 3, 2021– Dec 30, 2023	Jan 1, 2023– Dec 30, 2023	362	0.002	0.1%	0.0%
Loan 2104 Acquisition Nordman & Co AB	2.3	April 26, 2021– June 30, 2024	Jan 1, 2024– June 30, 2024	468	0.001	0.0%	0.0%
Loan 2201 Acquisition DocuBizz Aps	4.8	Jan 21, 2022– Jan 31, 2025	Jan 8, 2024– Jan 31, 2025	565	0.001	0.0%	0.0%
Loan 2201 Acquisition ABS	102.9	July 6, 2022– June 30, 2025	July 1, 2024– June 30, 2025	549	0.019	0.6%	0.3%
Loan 2201 Acquisition Scanrate	17.9	September 7, 2022–June 30, 2025	July 1, 2024– June 30, 2025	481	0.004	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	8.3	June 1, 2021– June 30, 2024	June 1, 2024– June 30, 2024	463	0.002	0.1%	0.0%
Loan 2022:1 Convertible Employee Program	6.5	June 1, 2022– June 30, 2025	June 1, 2025– June 30, 2025	579	0.001	0.0%	0.0%
<b>Total liability</b>	<b>177.4</b>				<b>0.038</b>	<b>1.1%</b>	<b>0.6%</b>

# Acquisitions during the period

## ACQUISITIONS

During the period five acquisitions were completed: DocuBizz ApS, Hotellinx System Oy, Scanrate Financial Systems A/S and ABS Laundry Business Solutions. From the acquisition date up to and including September 30, revenues in the acquired companies totaled SEK 96.0 million in sales and SEK 37.8 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 178.0 million in sales and SEK 73.6 million in profit before tax. The acquisition-related expenses are recognized in operating profit and total SEK 26.1 million. The operating profit also includes SEK 2.6 million in acquisition-related expenses related to acquisitions from previous years.

### Acquisition DocuBizz ApS

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

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

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

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

The acquisition of DocuBizz added SEK 11.2 million in product rights, SEK 2.1 million in brands, SEK 13.5 million in customer agreements and SEK 48.9 million in goodwill. The expensed convertible totals SEK 4.8 million. The expensed portion of the contingent consideration amounts to SEK 17.8 million and is subject to EBITDA improvements at December 31, 2022. The supplementary purchase consideration is valued at maximum outcome.

### Acquisition Hotellinx Systems Oy

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

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

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

The 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 several 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 60.4 million in loss 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 ABSolute 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 0.6%. 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 656.8 million in goodwill. The expensed convertible totals SEK 102.9 million. The expensed portion of the contingent consideration amounts to SEK 215.3 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.

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

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 213.7 million in goodwill. The expensed convertible totals SEK 17.9 million. The expensed portion of the contingent consideration amounts to SEK 100.7 million and is subject to EBITDA improvements at December 31, 2022 and December 31, 2023. 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 4.0% stake in the company after the investment.

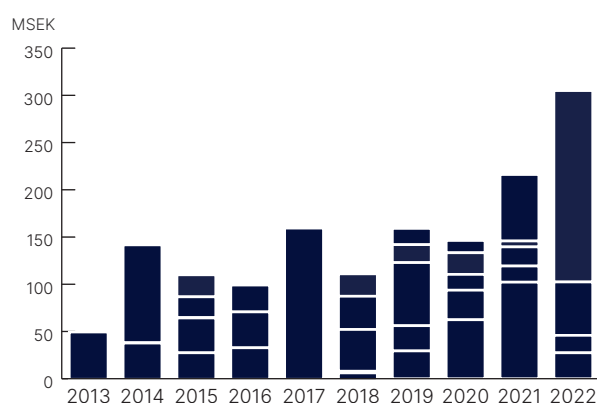
# Growth – develop and acquire

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.



## Acquired revenue

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



## Effect of acquired units on sales

SEK million	Rolling 12 months, Oct. 21-Sept. 22	Rolling 12 months, Oct. 20-Sept. 21	Growth	2022 Jan-Sep	2021 Jan-Sep	Growth
Reported net sales	1,822	1,512	20%	1,400	1,150	22%
of which recurring revenues	1,530	1,259	21%	1,180	975	21%
Effect of acquired units	254	417		178	292	
of which recurring revenues	126	263		86	180	
Proforma net sales	2,076	1,929	8%	1,578	1,442	9%
Proforma recurring revenues (ARR)	1,656	1,522	9%	1,266	1,155	10%

# Significant events after the period

## VITEC ACQUIRES THE FINNISH SOFTWARE COMPANY, OY RAISOFT LTD.

Vitec Software Group AB (publ) is strengthening its position in Vertical Market Software on twentieth by acquiring all shares in the Finnish software company Oy Raisoft Ltd on October 5. 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 health care and social services primarily in Finland and Switzerland. Raisoft.net offers extensive data collection and reporting features. It is completely module-based with options for electronic health record (EHR) integration, which takes documentation and analyses to a completely new level. Clinicians and managers gain access to information in real time for assessment-based care planning and efficient decision-making.

Payment is in cash and with a convertible, with deviation from shareholders' preferential rights in accordance with the autho-

zation 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.

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, as well as acquired assets and liabilities. We expect the future items of a detailed acquisition plan to comprise product rights, customer agreements, brands and goodwill. Goodwill is deemed to be attributable to anticipated profitability, and complementary expertise requirements, as well as expected synergies, in the form of the joint development of our products.



# Risks and uncertainties

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

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

## Parent Company

Net sales totaled SEK 97.4 million (97.2) and essentially comprised invoicing to subsidiaries for services rendered. Profit after tax was SEK -3.4 million (-9.8). Parent Company earnings were charged with unrealized foreign-exchange losses total-

ing SEK -23.1 million (-13.1). The Parent Company is generally exposed to the same risks and uncertainties as the Group; refer to the above section, Risks and uncertainties.

## Related-party transactions

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

# Accounting and measurement policies

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, and the Swedish Annual Accounts Act. The Parent Company's accounts were prepared in accordance with the Annual Accounts Act and recommendation RFR 2 Accounting for Legal Entities. No new or amended standards entered into force as of 2021 that are expected to affect the Group's accounts.

## OPERATING SEGMENTS

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

## INCENTIVE PROGRAM

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

Three warrant incentive programs are also underway, in the form of warrants, aimed at around 45 people. The shares were issued on market terms. The fair value of options granted is calculated using a modified version of the Black-Scholes valuation model. The value of the option premiums is recognized as share-based remuneration pursuant to IFRS 2.

## FINANCIAL INSTRUMENTS

### Classification and measurement

Financial instruments are recognized initially at cost corresponding to the instrument's fair value plus transaction costs. A financial instrument is classified at initial recognition based on, among other factors, the purpose for which the instrument was acquired. Vitec has financial instruments under the categories loans and accounts receivable, financial assets at fair value, financial liabilities at fair value and financial liabilities at amortized cost.

### Financial liabilities measured at fair value

In accordance with IFRS 7, the fair value of each financial asset and financial liability must be disclosed, regardless of whether they are recognized in the balance sheet. Vitec deems the fair value of the financial assets/liabilities to be close to the recognized carrying amount.

All of the company's financial instruments that are subject to measurement at fair value are classified as level 3 and pertain to securities held as fixed assets, as well as contingent considerations in conjunction with acquisitions.

Recurring measurements at fair value, at September 30, 2022, SEK thousands

	Level 1	Level 2	Level 3	Book value
Securities held as fixed assets			31,705	31,705
<b>Total assets</b>			<b>31,705</b>	<b>31,705</b>
Supplementary purchase consideration DocuBizz ApS			18,792	18,792
Supplementary purchase consideration Scanrate Financial Systems A/S			100,754	102,767
Supplementary purchase consideration ABS Laundry Business Solutions			214,077	218,354
<b>Total liabilities</b>			<b>333,623</b>	<b>339,913</b>

# Signature

Umeå on October 20

Olle Backman  
CEO

## Auditor's report

### Introduction

We have reviewed the consolidated financial interim information (interim report) of Vitec Software Group AB (publ) at September 30, 2022, and the nine-month period that ended on this date. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope and focus of the review

We have conducted our review in accordance with the Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and a substantially more limited scope compared with the focus and scope of an audit conducted in accordance with the International Standards on Auditing and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of

assurance that would make us aware of all significant circumstances that might be identified in an audit. Therefore, the conclusion expressed on the basis of a review does not provide the same level of assurance as a conclusion expressed on the basis of an audit.

### Conclusions

Based on our review, nothing has come to our attention that causes us to believe that the interim report has not, in all material aspects, been compiled in accordance with IAS 34 Interim reporting and the Swedish Annual Accounts Act, and for the Parent Company in accordance with the Swedish Annual Accounts Act.

Stockholm on October 20

PricewaterhouseCoopers AB

Aleksander Lyckow  
Authorized Public Accountant

# Condensed consolidated statement of comprehensive income

SEK THOUSANDS	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
OPERATING REVENUES					
Recurring revenues	417,390	335,824	1,180,119	974,543	1,324,214
License revenues	16,797	4,299	29,457	19,645	27,295
Service revenues	60,681	34,370	162,800	135,683	194,368
Other revenues	9,952	5,874	27,693	19,993	25,432
NET SALES	504,820	380,367	1,400,069	1,149,864	1,571,309
Capitalized development costs	62,504	43,692	185,374	152,494	209,115
Reversal of supplementary purchase consideration	-	-	3,402	1,095	1,095
TOTAL	567,324	424,059	1,588,845	1,303,453	1,781,519
OPERATING EXPENSES					
Goods for resale	-12,180	-8,275	-27,500	-19,837	-24,911
Subcontractors and subscriptions	-44,453	-43,039	-144,368	-133,137	-175,544
Other external expenses	-59,580	-36,909	-171,080	-116,928	-168,704
Personnel expenses	-247,436	-191,366	-711,812	-599,699	-828,528
Depreciation of property, plant and equipment	-17,153	-15,662	-48,589	-46,244	-62,323
Amortization and impairment of intangible fixed assets	-24,976	-19,224	-70,726	-59,217	-79,981
Impairment of intangible assets	-	-	-3,402	-1,095	-1,095
Unrealized exchange-rate gains/losses (net)	-783	-190	-604	-378	-610
TOTAL EXPENSES	-406,561	-314,666	-1,178,081	-976,536	-1,341,696
EBITA	160,763	109,393	410,764	326,917	439,823
Acquisition-related costs	-19,649	-3,612	-28,720	-14,317	-14,574
Acquisition-related amortization	-48,916	-34,995	-132,194	-99,939	-142,199
OPERATING PROFIT/LOSS	92,198	70,785	249,850	212,660	283,050
Financial income	31	39	80	231	290
Financial expenses	-17,165	-5,726	-26,953	-16,569	-21,235
TOTAL FINANCIAL ITEMS	-17,134	-5,686	-26,873	-16,337	-20,945
PROFIT AFTER FINANCIAL ITEMS	75,064	65,099	222,977	196,323	262,105
Tax	-13,155	-14,882	-45,952	-45,058	-55,164
NET PROFIT FOR THE PERIOD	61,909	50,217	177,025	151,265	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	63,879	11,093	132,862	33,220	49,871
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	63,879	11,093	132,862	33,220	49,871
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	125,788	61,310	309,887	184,485	256,812
PROFIT FOR THE PERIOD ATTRIBUTABLE TO					
- Parent Company shareholders	61,908	50,217	177,025	151,265	206,941
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO					
- Parent Company shareholders	125,787	61,310	309,887	184,485	256,812



# Condensed consolidated statement of financial position

SEK THOUSANDS	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
Goodwill	2,693,051	1,744,117	1,689,392
Other intangible fixed assets	2,030,588	1,340,448	1,429,168
Tangible property, plant and equipment	157,787	168,623	163,746
Financial fixed assets	37,183	24,887	25,481
Deferred tax assets	9,226	5,092	8,061
<b>TOTAL FIXED ASSETS</b>	<b>4,927,835</b>	<b>3,283,166</b>	<b>3,315,848</b>
<b>CURRENT ASSETS</b>			
Inventories	3,103	2,737	2,788
Current receivables	312,287	201,647	313,287
Cash and cash equivalents	522,147	465,158	119,854
<b>TOTAL CURRENT ASSETS</b>	<b>837,537</b>	<b>669,542</b>	<b>435,929</b>
<b>TOTAL ASSETS</b>	<b>5,765,372</b>	<b>3,952,709</b>	<b>3,751,777</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Equity attributable to Parent Company shareholders	2,253,804	1,914,493	1,989,104
Non-current interest-bearing liabilities	2,044,623	1,057,647	754,633
Deferred tax liabilities	383,532	270,116	289,291
Other non-current liabilities	249,875	163,123	161,056
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>2,678,030</b>	<b>1,490,887</b>	<b>1,204,981</b>
Accounts payable	54,556	34,663	46,784
Current portion of interest-bearing liabilities	2,778	2,765	2,767
Other current liabilities	393,809	206,420	189,918
Accrued expenses	171,949	132,023	118,774
Prepaid recurring revenues	210,446	171,457	199,449
<b>TOTAL CURRENT LIABILITIES</b>	<b>833,538</b>	<b>547,329</b>	<b>557,693</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>5,765,372</b>	<b>3,952,709</b>	<b>3,751,777</b>

# Condensed consolidated statement of changes in equity

SEK THOUSANDS	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS					
Opening balance	2,110,877	947,844	1,989,104	843,350	843,350
Convertible debenture with stock options	5,014	-	5,508	1,624	1,624
Debenture conversion	10,760	-	18,425	31,468	34,019
New share issue after issuing costs*	-	905,105	-	905,105	904,378
Paid option premiums	1,365	-	5,483	5,104	5,104
Option premiums measured at fair value	-	-	685	682	682
Dividends paid	-	235	-75,288	-57,325	-56,866
Total comprehensive income	125,788	61,310	309,887	184,485	256,812
CLOSING BALANCE	2,253,804	1,914,493	2,253,804	1,914,493	1,989,104

\* Issuing costs total SEK 15.6 million.

# Condensed consolidated statement of cash flow

SEK THOUSANDS	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
<b>OPERATING ACTIVITIES</b>					
Operating profit	92,197	70,785	249,850	212,660	283,050
Adjustments for non-cash items					
Other operating revenues	-	-	-3,402	-1,095	-1,095
Depreciation, amortization and impairment	91,045	69,884	254,911	206,496	285,598
Unrealized foreign exchange gains/losses	783	190	604	378	610
Option premiums	-	-	685	682	682
	184,025	140,859	502,648	419,121	568,845
Interest received	31	40	80	232	290
Interest paid	-16,215	-4,909	-24,543	-14,163	-18,080
Income tax paid	-11,615	-14,663	-51,892	-45,839	-54,703
<b>CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL</b>	<b>156,226</b>	<b>121,327</b>	<b>426,293</b>	<b>359,351</b>	<b>496,352</b>
Changes in working capital					
Increase/decrease in inventories	508	-133	-304	238	186
Increase/decrease in accounts receivable	18,151	19,243	136,899	135,620	-16,331
Increase/decrease in operating receivables	-5,241	4,427	-49,382	-20,018	15,898
Increase/decrease in accounts payable	-3,750	3,926	-2,945	-2,151	9,368
Increase/decrease in operating liabilities	-78,827	-58,897	-21,323	-43,081	-17,454
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>87,068</b>	<b>89,893</b>	<b>489,237</b>	<b>429,958</b>	<b>488,019</b>
<b>INVESTING ACTIVITIES</b>					
Acquisition of subsidiaries, net*	-838,757	-658,503	-1,008,890	-1,247,943	-1,260,159
Acquisition of shares and participations	-5,000	-9,012	-10,000	-21,429	-21,705
Purchase of intangible fixed assets and capitalized development costs	-62,823	-43,749	-186,849	-152,721	-209,614
Purchase of property, plant and equipment	-1,907	-2,516	-7,754	-11,998	-18,572
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-908,486</b>	<b>-713,780</b>	<b>-1,213,493</b>	<b>-1,434,091</b>	<b>-1,510,050</b>
<b>FINANCING ACTIVITIES</b>					
Dividends to Parent Company shareholders	-17,564	-14,364	-49,473	-38,809	-53,178
Borrowings	1,172,370	-	1,179,120	508,650	508,650
Repayment of loans	-14,074	-12,969	-39,350	-34,751	-347,119
New share issue	-	905,105	-	905,105	904,378
Paid option premiums	1,365	-	5,483	5,104	5,104
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>1,142,098</b>	<b>877,772</b>	<b>1,095,780</b>	<b>1,345,298</b>	<b>1,017,835</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>320,658</b>	<b>253,885</b>	<b>371,524</b>	<b>341,166</b>	<b>-4,196</b>
<b>OPENING CASH AND CASH EQUIVALENTS, INCLUDING CURRENT INVESTMENTS</b>	<b>184,299</b>	<b>210,713</b>	<b>119,858</b>	<b>134,695</b>	<b>134,695</b>
Exchange-rate differences in cash and cash equivalents	17,192	561	30,767	-10,703	-10,642
<b>CASH AND CASH EQUIVALENTS INCLUDING CURRENT INVESTMENTS AT THE END OF THE PERIOD**</b>	<b>522,147</b>	<b>465,159</b>	<b>522,147</b>	<b>465,159</b>	<b>119,858</b>

\*Payment for the acquisition of subsidiaries during 2021 consisted of cash for DocuBizz ApS, Hotellinx Systems Oy, Scanrate Financial System A/S and ABS Laundry Business Solutions. Net cash flow was SEK 923.1 million. The acquisitions pertained to all shares outstanding in their entirety and entailed the gain of controlling influence. In addition, the supplementary purchase consideration of SEK 85.8 million was paid for the Acquire 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 1,189 million. The acquisitions pertained to all shares outstanding in their entirety and entailed the gain of controlling influence. In addition, supplementary purchase considerations were paid for the acquisitions of WIMS AS, M&V Software Oy, ALMA Consulting Oy, Appva AB and NexGolf Oy, totaling SEK 58.9 million. The payments did not entail any changes to controlling influence or the total number of shares held.

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

# Parent company income statement, condensed

SEK THOUSANDS	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Operating revenues	32,592	32,230	97,424	97,160	130,048
Operating expenses	-37,366	-25,668	-96,859	-81,946	-115,576
Unrealized exchange-rate gains/losses (net)	-13,712	-2,746	-23,097	-13,081	-16,623
<b>OPERATING PROFIT/LOSS</b>	<b>-18,486</b>	<b>3,816</b>	<b>-22,532</b>	<b>2,133</b>	<b>-2,151</b>
Income from participation in Group companies	-	-	33,539	-	152,551
Interest income	81	117	250	355	471
Interest expenses	-15,754	-5,055	-24,132	-14,669	-18,625
<b>PROFIT AFTER FINANCIAL ITEMS</b>	<b>-34,159</b>	<b>-1,122</b>	<b>-12,875</b>	<b>-12,181</b>	<b>132,247</b>
Appropriations	-	-	-	-	56,899
<b>PROFIT/LOSS BEFORE TAX</b>	<b>-34,159</b>	<b>-1,122</b>	<b>-12,875</b>	<b>-12,181</b>	<b>189,146</b>
Tax	6,997	183	9,457	2,368	-5,198
<b>NET PROFIT FOR THE PERIOD</b>	<b>-27,162</b>	<b>-939</b>	<b>-3,418</b>	<b>-9,813</b>	<b>183,948</b>

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

# Condensed balance sheet, Parent Company

SEK THOUSANDS	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
Intangible fixed assets	1,441	827	973
<b>Tangible property, plant and equipment</b>	<b>11,339</b>	<b>11,268</b>	<b>12,314</b>
Financial fixed assets	4,887,294	3,200,797	3,200,942
<b>TOTAL FIXED ASSETS</b>	<b>4,900,074</b>	<b>3,212,892</b>	<b>3,214,229</b>
<b>CURRENT ASSETS</b>			
Current receivables	61,567	38,606	257,280
Cash and cash equivalents	152,387	420,263	82,236
<b>TOTAL CURRENT ASSETS</b>	<b>213,954</b>	<b>458,869</b>	<b>339,517</b>
<b>TOTAL ASSETS</b>	<b>5,114,028</b>	<b>3,671,761</b>	<b>3,553,745</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Shareholders' equity	1,915,013	1,774,429	1,973,077
Untaxed reserves	1,772	1,677	1,772
Non-current liabilities	2,220,383	1,133,147	830,133
Current liabilities	976,860	762,507	748,763
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>5,114,028</b>	<b>3,671,761</b>	<b>3,553,745</b>



# 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 balances, but mainly accounts receivables, brands, product rights, customer agreements and goodwill. For this reason, the acquisition plan remains preliminary, until 12 months after the acquisition date.

Acquired assets and liabilities, SEK thousands	Book value	Fair value adjustment	Fair value recognized in the Group
Goodwill	-	656,756	656,756
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	74,572	-	74,572
Cash and cash equivalents	255,143	-	255,143
Deferred tax liabilities	-	-54,555	-54,555
Accounts payable	-9,517	-	-9,517
Other current liabilities	-68,031	-	-68,031
Total	384,075	874,977	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 three more acquisitions were completed; DocuBizz Aps, Hotellinx Systems Oy och Scanrate Financial Systems A/S. Some items in the acquisition plans may be remeasured, due to our brief ownership of the compa-

nies. 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.

Acquired assets and liabilities, SEK thousands	Book value	Fair value adjustment	Fair value recognized in the Group
Goodwill	-	266,205	266,205
Intangible fixed assets	-	142,764	142,764
Tangible property, plant and equipment	2,577	-	2,577
Financial fixed assets	7,759	-	7,759
Current receivables	12,567	-	12,567
Cash and cash equivalents	22,351	-	22,351
Deferred tax liabilities	-	-30,977	-30,977
Accounts payable	-3,802	-	-3,802
Other current liabilities	-24,472	-	-24,472
<b>Total</b>	<b>16,980</b>	<b>377,993</b>	<b>394,973</b>

## Effect of acquisitions on cash flow, SEK thousands

Group's purchase costs	-394,973
Expensed portion of purchase considerations	118,588
Convertible debentures	23,614
Acquired cash and cash equivalents	22,351
<b>Net cash outflow</b>	<b>-230,420</b>

## Allocation of revenues and date of revenue recognition

Allocation of revenues and date of revenue recognition, SEK million	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Recurring revenues	417.4	335.8	1,180.1	974.5	1,324.2
Other revenues	87.4	44.5	220.0	175.3	247.1
<b>Net sales</b>	<b>504.8</b>	<b>380.4</b>	<b>1,400.1</b>	<b>1,149.9</b>	<b>1,571.3</b>
<b>Date of revenue recognition</b>					
Services transferred to customers over time, flat distribution	377.3	293.5	1,049.4	845.1	1,158.8
Services transferred to customers over time, in pace with use	100.8	76.7	293.5	265.1	359.8
Services transferred to customers at a given time	26.8	10.1	57.2	39.6	52.7
	<b>504.8</b>	<b>380.4</b>	<b>1,400.1</b>	<b>1,149.9</b>	<b>1,571.3</b>

# 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 October 20, 2022.

This English version of the report is a translation of the original Swedish version; in the event of variances, the Swedish version shall take precedence over the English translation.

## FINANCIAL CALENDAR

Year-end report January–December	February 1, 2023 8:00 a.m.
Interim report January–March	April 21, 2023 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](https://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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## CORPORATE REGISTRATION NUMBER

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# Definitions of key indicators

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

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

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





# Key indicators

		2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Net sales	SEK 000s	1,400,069	1,149,864	1,571,309
Recurring revenues	SEK 000s	1,180,119	974,543	1,324,214
Recurring share of net sales	(%)	84	85	84
Growth net sales	(%)	22	21	20
EBITA	SEK 000s	410,764	326,917	439,823
EBITA margin	(%)	29	28	28
Growth EBITA	(%)	26	32	28
Operating profit/loss (EBIT)	SEK 000s	249,850	212,660	283,050
Operating margin	(%)	18	18	18
Profit after financial items	SEK 000s	222,977	196,323	262,105
Profit after tax	SEK 000s	177,025	151,265	206,941
Profit margin	(%)	13	13	13
Balance-sheet total	SEK 000s	5,765,372	3,952,709	3,751,777
Equity/assets ratio	(%)	39	48	53
Equity/assets ratio after full conversion	(%)	42	50	55
Interest-bearing net debt	SEK 000s	1,525,254	595,255	637,546
Debt/equity ratio	(multiple)	1.33	1.23	1.10
Return on capital employed	(%)	13	13	14
Return on equity	(%)	17	14	15
Sales per employee	SEK 000s	1,261	1,173	1,603
Added value per employee	SEK 000s	1,119	1,053	1,439
Personnel expenses per employee	SEK 000s	641	612	845
Average no. of employees	(persons)	1,110	980	980
Adjusted equity per share (AES)	(SEK)	64.16	54.65	56.76
Earnings per share	(SEK)	5.05	4.55	6.14
Earnings per share after dilution	(SEK)	4.98	4.49	6.05
Resolved dividend per share	(SEK)	2.00	1.64	1.64
Cash flow per share	(SEK)	12.16	10.80	14.72
<b>Basis of computation:</b>				
Earnings from calculation of earnings per share	SEK 000s	177,025	151,265	206,941
Cash flow from calculation of cash flow per share	SEK 000s	426,293	359,351	496,352
Weighted average number of shares (weighted average)	(thousands)	35,063	33,280	33,724
Number of shares after dilution	(thousands)	35,834	33,839	34,315
Number of shares issued at balance-sheet date	(thousands)	35,129	35,034	35,046
Share price at close of the respective period	(SEK)	329.60	478.00	557.00

