



# Year-end report January–December 2021

# This is Vitec

We are the Nordic market leader in Vertical Market Software. 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 Group's overall processes, combined with the in-depth knowledge of our employees regarding our customers' operations, create the conditions for improvement, continuous innovation and sustainable product development. Vitec is listed on Nasdaq Stockholm.

## Growth by acquisition

Vitec has an explicit acquisitions-based growth strategy with a sharp focus on profitability and stable cash flows. Our focus on strong cash flows creates the financial prerequisites for continued acquisition-driven growth.

## 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 niched business-critical software.

## Vitec's brand promise

To rely on – today and tomorrow

22,500  
customers

1,634  
MSEK Proforma net sales

85%  
Proforma recurring revenues, ARR

1,020  
employees

31  
business units

5  
countries

## Summary of interim period, January–December 2021

- Net sales SEK 1,571 million (1,313), an increase of 20%
- Recurring revenues SEK 1,324 million (1,080), an increase of 23% including 7% organic
- EBITA was SEK 440 million (345), with an EBITA margin of 28% (26)
- Operating profit was SEK 283 million (222), with an operating margin of 18% (17)
- Earnings per share before dilution SEK 6.14 (4.93)
- Cash flow from operating activities SEK 488 million (436)
- The Board of Directors propose increased dividend of SEK 2.00 per share (1.64)

## Summary of interim period, October–December 2021

- Net sales SEK 421 million (362), an increase of 16%
- Recurring revenues SEK 350 million (285), an increase of 23% including 6% organic
- EBITA was SEK 113 million (98), with an EBITA margin of 27% (27)
- Operating profit was SEK 70 million (65), with an operating margin of 17% (18)
- Earnings per share before dilution SEK 1.59 (1.43)
- Cash flow from operating activities SEK 58 million (61)



# Stable year and new targets

As we look back at 2021, we can once again conclude that Vitec continues to increase both profit and sales at a good pace. Our business model, based on a high proportion of recurring revenues, and our strategy, with a decentralized organization where decisions are made close to the customer and employees, remain in place and have proven to be robust and scalable – even in times of major changes. The Board of Directors proposes a dividend of SEK 2.00 per share, an increase for the twentieth consecutive year. The Board has also decided to update our financial targets by raising the EBIT margin target to at least 20%, while leaving the other targets unchanged.

Revenues rose a total of 20% and the share of recurring revenues rose 23%. The EBITA margin also strengthened during the year to 28% compared with 26% last year. We completed five acquisitions and established a presence outside the Nordic region for the first time through the acquisition of Dutch Vabi. Acquisition activity has been high and we continue to see good opportunities to welcome more companies that fit our criteria. Our strong financial position and preparedness are crucial and were further strengthened by the private placement carried out in August 2021 that raised SEK 920 million for the company before issuing costs and brought in a number of new highly respected institutional owners. Proof of our long-term efforts to create value came at the turn of the year

as the Vitec share will now be included in the Nasdaq Stockholm Large Cap beginning in 2022.

During the year, the Board and management conducted a review and in-depth examination of our sustainability work, which culminated in an update of our business description and framework, as well as identification of four focus areas to serve as a starting point for further sustainability work. Our greatest opportunity to have an impact is through our products and we aim to integrate sustainability throughout the value chain in order to continue delivering on our brand promise: To rely on – today and tomorrow. More information on this topic will be provided in our sustainability report in the upcoming annual report.

Finally, I would like to thank both customers and employees for the past year, where Vitec has once again shown that we are well positioned with our business-critical software that helps our customers to improve their business and achieve their goals. Because of this position we remain highly optimistic regarding our potential to continue to grow, just as we have done so successfully in the past.

**Olle Backman, CEO**



“Our business model, based on a high proportion of recurring revenues, and our strategy, with a decentralized organization where decisions are made close to the customer and employees, remain in place and have proven to be robust and scalable – even in times of major changes”

Olle Backman, CEO

# Group financial information

## NET SALES AND EARNINGS

### January–December 2021

#### Net sales

Net sales for the period totaled SEK 1,571.3 million (1,312.8) and included recurring revenues of SEK 1,324.2 million (1,080.4), license revenues of SEK 27.3 million (14.7), service revenues of SEK 194.4 million (189.2) and other revenues of SEK 25.4 million (28.4).

#### Comments on sales

Net sales rose a total of 20% for the period; recurring revenues rose 23%, including 7% organically. Other revenues totaled SEK 25.4 million, which is a decline of 11% compared with the corresponding period last year. Licensing increased by 86%, mainly attributable to our newly acquired companies. Service revenues gained 3%, compared with the corresponding period in 2020. Recurring revenues accounted for 84% of net sales, compared with 82% for the corresponding period in 2020. During the year acquired companies contributed SEK 161 million in net sales.

#### Earnings

EBITA was SEK 439.8 million (344.8), with an EBITA margin of 28.0% (26.3). Operating profit was SEK 283.1 million (222.4), with an operating margin of 18.1% (16.9). Profit after tax for the period amounted to SEK 206.9 million (160.7). Earnings per share before dilution totaled SEK 6.14 (4.93).

#### Comments on earnings

EBITA gained 28%, compared with the corresponding period in 2020. During the first three quarters of the year, there were temporary positive effects such as reduced travel, canceled trade fairs and other customer-related activities. On an annual basis, this effect is about 0.5 percentage points of EBITA. The impact of IFRS 16 on leases amounts to SEK 44 million (44) in operating profit, and to SEK -47 million (-37) in 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 13.1 million, compared with negative SEK 22.9 million the corresponding period last year.

### October–December 2021

#### Net sales

Net sales for the period totaled SEK 421.4 million (362.1) and included recurring revenues of SEK 349.7 million (284.6), license revenues of SEK 7.7 million (9.0), service revenues of SEK 58.7 million (60.1) and other revenues of SEK 5.4 million (8.4).

#### Comments on sales

Net sales rose a total of 16% for the period; recurring revenues rose 23%, including 6% organically. Other revenues declined 36% from SEK 8.4 million to SEK 5.4 million. Service revenues declined 15%, compared with the corresponding period in 2020. Service revenues also declined 2%, compared with the corresponding period in 2020. Recurring revenues accounted for 83% of net sales, compared with 79% for the corresponding period in 2020. During the year acquired companies contributed SEK 54.5 million in net sales.

#### Earnings

EBITA was SEK 112.9 million (98.0), with an EBITA margin of 26.8% (27.1). Operating profit was SEK 70.4 million (64.9), with an operating margin of 16.7% (17.9). Profit after tax for the period amounted to SEK 55.7 million (46.5). Earnings per share before dilution totaled SEK 1.59 (1.43).

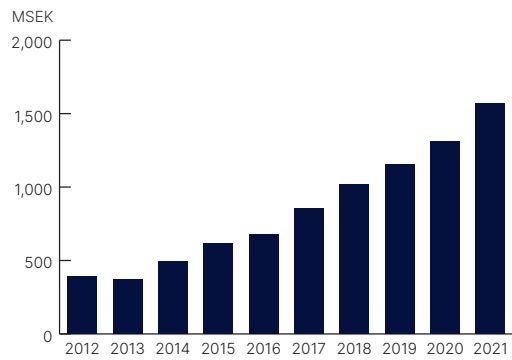
#### Comments on earnings

EBITA gained 15%, compared with the corresponding period in 2020. Acquisition-related costs had an impact of SEK 0.3 million on earnings, compared with SEK 2.0 million in 2020. The fourth quarter saw a return to the normal cost situation for items such as travel, marketing and events. The impact of IFRS 16 on leases amounts to SEK 11 million (14) in operating profit, and to SEK -12 million (-11) in 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 6.7 million, compared with negative SEK 7.5 million the corresponding period last year.

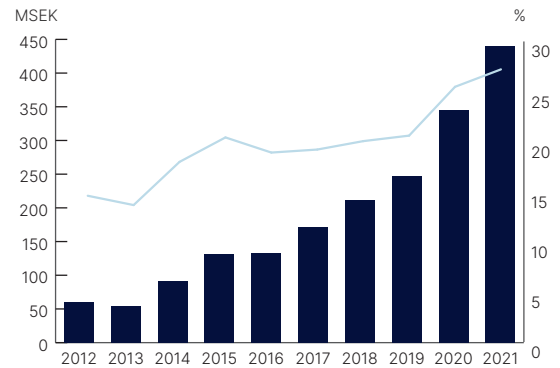
	2021 Oct–Dec	2020 Oct–Dec	Change	2021 Jan–Dec	2020 Jan–Dec	Change
Net sales, SEK million	421	362	16%	1,571	1,313	20%
Recurring share of net sales, %	83%	79%		84%	82%	
EBITA, SEK million	113	98	15%	440	345	28%
EBITA margin, %	27%	27%		28%	26%	
Operating profit/loss, SEK million	70	65	8%	283	222	27%
Operating margin, %	17%	18%		18%	17%	
Net profit/loss for the period, SEK million	56	47	20%	207	161	29%
Earnings per share, SEK	1.59	1.32		6.14	4.93	

# Diagrams on Group trends

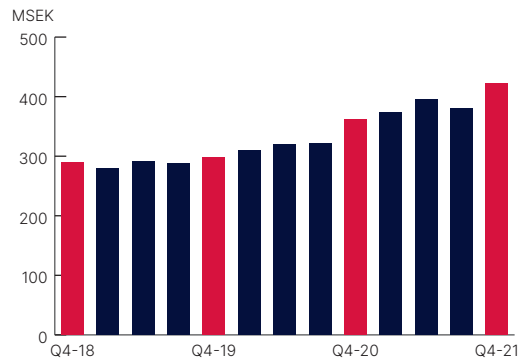
Sales



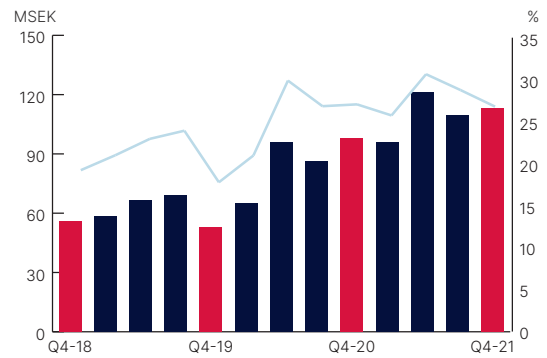
EBITA and EBITA margin



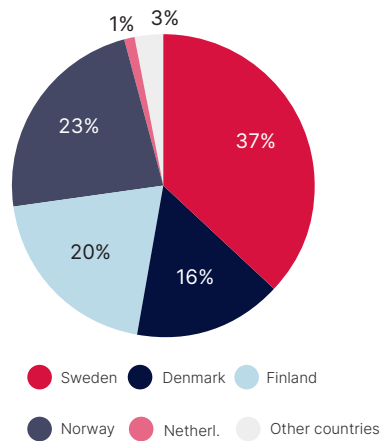
Sales by quarter



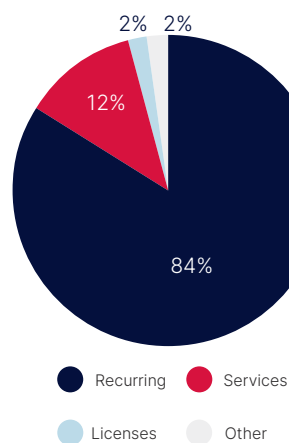
EBITA and EBITA margin by quarter



Sales by market, January–December 2021



Breakdown of revenue, January–December 2021



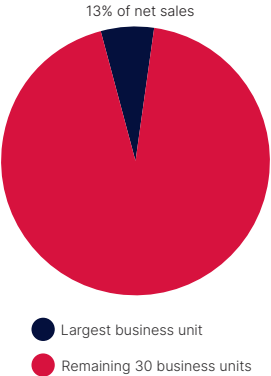
# Sales broken down by business unit and customer

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 1.5% 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.

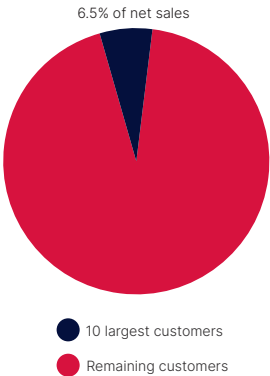
### BREAKDOWN OF SALES

Our sales are evenly spread across our 31 business units. No individual business unit accounts for more than 13% of consolidated sales.



### CUSTOMERS
















We have about 22,500 customers. The Group's ten largest customers account for approximately 6.5% of sales. The single largest customer accounts for approximately 1.5% of sales.





















# Our business units

We conduct our operations through our 31 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
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 Aloc 	Banking and finance industry in the Nordic countries and western Europe.	DK, NO	2014	114	86%
Vitec ALMA 	Information management within the process industry and energy companies in Finland.	FI	2020	33	52%
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 Energy AB 	Electricity traders and owners of electricity and district heating grids in approximately 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%



Business unit	Software for:	Domicile	Acquisition year	Sales 2021, SEKm	Recurring, 2021
Vitec HK data	 Health and welfare sector in Norway.	NO	2019	16	89%
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, NO, SE	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 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%
Vabi	 Sustainable energy management for the real estate and property management industry in the Netherlands.	NL	2021	72	98%
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

## CASH AND CASH EQUIVALENTS

The Group's cash and cash equivalents at the end of the period totaled SEK 119.9 million (134.7). In addition to cash and cash equivalents, Vitec has overdraft facilities of SEK 125.0 million and SEK 815.0 million in unutilized portions of the credit facility, which totals SEK 1,500.0 million.

## FINANCIAL LIABILITIES

At December 31, 2021, interest-bearing liabilities totaled SEK 757.4 million (558.1) and comprised SEK 754.6 million (555.3) 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 691.3 million, as well as convertible debentures totaling SEK 63.3 million. Current interest-bearing liabilities comprised bank loans of SEK 2.8 million. Interest-bearing net debt amounts to SEK 637.5 million (433.4).

During the period, convertible loans 1906 and 2001 were converted to Class B shares, which reduced financial liabilities by SEK 31.5 million and SEK 2.7 million, respectively. 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.

Liabilities relating to right-of-use assets in the form of leases for premises are included in other non-current liabilities of SEK 78.4 million and in other current liabilities of SEK 38.0 million.

## CASH FLOW AND INVESTMENTS

On August 25, a directed share issue was completed that raised SEK 904.4 million after issuing costs. Previously during the period, financing was arranged by using SEK 500 million from the credit facility and by taking out four convertible loans of SEK 32.0 million. A new loan was signed with Nordea and SEB amounting to SEK 500 million.

Repayment of the facility totaled SEK 300 million, amortization of bank loans amounted to SEK 2.8 million, and amortization related to right-of-use assets was SEK 44.4 million. Cash flow from operating activities was SEK 488.1 million (436.3). Investments totaled SEK 209.1 million in capitalized work, SEK 0.5 million in other intangible assets and SEK 18.6 million in property, plant and equipment. Investments in right-of-use assets not affecting cash flow totaled SEK 99.7 million. Through the acquisitions of Unikum datasystem AB, Travelize International AB, Nordman & Co AB, Ecclesia Systemer AS and Vabi Holding B.V., SEK 1,374.5 million was invested in product rights, brands, customer agreements and goodwill.

The previously expensed supplementary purchase consideration for WIMS AS was adjusted downward by SEK 1.0 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. During the period contingent considerations for the acquisitions of WIMS AS, M&V Software Oy, NexGolf Oy and Nordman AB were settled. A total of SEK 56.8 million was paid. Partial payments related to contingent considerations for ALMA Consulting Oy and Appva AB have been paid amounting to a total of SEK 13.1 million.

Proceeds for investments in associate companies were paid amounting to SEK 21.7 million.

The fourth and final payment of the dividend for financial year 2019 was made on March 30, 2021, when SEK 10.9 million was paid. Payments relating to the 2020 financial year were made on June 30, September 30 and December 30 in the amounts of SEK 13.5 million, SEK 14.3 million and SEK 14.4 million, respectively.

## CONVERTIBLE DEBENTURES

Convertible debentures, including employee convertibles, are posted under non-current interest-bearing liabilities and total SEK 63.3 million.

Upon full conversion of all convertible debentures, the share capital may increase by a maximum of SEK 20.8 million. Dilution cannot exceed a maximum of 0.6% of capital and 0.3% of votes.

## INCENTIVE PROGRAM

There are two ongoing warrant incentive programs aimed at 45 people in Sweden, Finland, Norway and Denmark.

Share capital can increase by a maximum of SEK 51.4 thousand upon conversion. When fully exercised, this corresponds to a dilutive effect of 1.5% on share capital and 0.8% of voting rights.

## SHAREHOLDERS' EQUITY

Equity attributable to Vitec's shareholders totaled SEK 1,989.1 million (843.4). The equity/assets ratio is 53% (38). On April 28, the Annual General Meeting resolved to pay a dividend of SEK 1.64 per share, totaling SEK 58.4 million. The dividend will be divided up and paid on four payment dates: June 30, September 30, December 30 and March 30, 2022.

Participants in the TO 2021:1 incentive program were subsidized equivalent to net 50% of the option premiums, which had a negative impact on profit for the period of SEK 3.0 million. The fair value of the option premiums totals SEK 5.8 million and has been recognized in equity.

During the period, convertible loans 1906 and 2001 were converted to Class B shares. As a result of the conversion, the number of Class B shares in Vitec increased by 260,480 and

12,261, respectively, while share capital in Vitec increased by SEK 26,048 and SEK 1,226, respectively.

Based on the authorization granted to the Board of Directors by the Annual General Meeting on April 28, 2021, Vitec resolved on a directed issue of 2,000,000 Class B shares at a price of SEK 460 per share. The Company's share capital increased from SEK 3.3 million to SEK 3.5 million. The share

issue entails a dilutive effect of about 5.7 percent and 3.2 percent in relation to the total number of outstanding shares and votes, respectively, after the share issue.

#### TAXES

Current tax for the period amounted to SEK 53.2 million (56.7). Deferred tax totaled SEK 2.0 million (-9.8).

#### Outstanding warrant program:

Warrants	Number of options	Grant date	Maturity date	Exercise price, SEK	Dilution capital	Dilution votes
TO 2020:1	251,000	Sep 16, 2020	Sep 1, 2023– Sep 15, 2023	333	0.7%	0.4%
TO 2021:1	263,000	June 15, 2021	June 3, 2024– June 14, 2024	463	0.8%	0.4%
Number of options	514,000				1.5%	0.8%

#### Convertible debentures:

Convertible debentures	Carrying amount, SEK million	Duration	Conversion period	Conversion price, SEK	Dilution capital	Dilution votes
Loan 2001 Acquisition Visiolink Management ApS	10.7	Jan 30, 2020– Dec 30, 2022	July 1, 2021– Dec 30, 2022	230	0.1%	0.1%
Loan 2006 Acquisition Appva AB	7.6	June 17, 2020– Dec 30, 2022	Jan 1, 2022– Dec 30, 2022	240	0.1%	0.1%
Loan 2101 Acquisition Unikum datasystem AB	15.1	Jan 4, 2021– Dec 30, 2023	Jan 1, 2023– Dec 30, 2023	373	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	0.1%	0.0%
Loan 2104 Acquisition Nordman & Co AB	2.3	April 26, 2021– June 30, 2024	Jan 1, 2024– June 30, 2024	468	0.0%	0.0%
Loan 2009 Convertible Employee Program	12.6	Sep 1, 2020– Sep 30, 2023	Sep 1, 2023– Sep 30, 2023	333	0.1%	0.1%
Loan 2021:1 Convertible Employee Program	8.2	June 1, 2021– June 30, 2024	June 1, 2024– June 30, 2024	463	0.1%	0.0%
<b>Total liability</b>	<b>63.3</b>				<b>0.6%</b>	<b>0.3%</b>

# Acquisitions during the period

## COMPLETED ACQUISITIONS

Five acquisitions occurred during the period: Unikum datasystem AB, Travelize International AB, Nordman & Co AB, Ecclesia Systemer AS and Vabi Holding B.V. From the acquisition date up to and including December 31, revenues in the acquired companies totaled SEK 161.0 million in sales and SEK 54.2 million in profit before tax. If consolidation had occurred at the beginning of the year, the companies would have provided the Group with an additional approximately SEK 63.0 million in sales and SEK 32.8 million in profit before tax. The acquisition-related expenses are recognized in operating profit and total SEK 13.2 million. Operating profit also includes SEK 1.4 million in acquisition-related expenses relating to acquisitions from previous years.

### Acquisition Unikum datasystem AB

On January 4, Vitec acquired all shares in the Swedish software company Unikum Datasystem AB.

Unikum offers the Pyramid Business Studio software, a complete business and enterprise management system for small and medium enterprises. The product offers functions such as project management, accounting, customer care and e-commerce. The company reported sales of SEK 103.1 million, with an adjusted EBITDA of SEK 42.9 million for the 2020 financial year. Vitec welcomes 90 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 6/23/2020. The convertible matures in 36 months and at full conversion will have a dilutive effect on capital of 0.1%. The acquisition is expected to yield an immediate increase in earnings per share for Vitec. Consolidation will commence as of the acquisition date.

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

The acquisition of Unikum added SEK 63.4 million in product rights, SEK 20.0 million in brands, SEK 118.3 million in customer agreements and SEK 356.4 million in goodwill. The expensed convertible totals SEK 15.1 million.

During the fourth quarter the preliminary acquisition analysis was updated. We carried out a revaluation between goodwill, brands and customer agreements, in which customer agreements and brands were valued higher than in the initial valuation.

### Acquisition Travelize International AB

On February 3, Vitec acquired all shares in the Swedish soft-

ware company Travelize International AB, with subsidiaries. Travelize reported sales of SEK 17.1 million, with an adjusted EBITDA of SEK 4.1 million for the 2020 financial year.

Travelize develops and provides a complete enterprise management system for small and medium-sized travel agencies, primarily in Scandinavia. The web-based software enables travel reservations, web publishing and administration. The system offers an array of functions for customer and payment management, as well as marketing. The company's approximately 300 customers are mainly located in Sweden, Denmark and Norway. Vitec welcomes eight 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 June 23, 2020. The convertible matures in 36 months and at full conversion will have a dilutive effect on capital of 0.1%. The acquisition is expected to yield an immediate increase in earnings per share for Vitec. Consolidation will commence as of the acquisition date.

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

The acquisition of Travelize added SEK 8.7 million in product rights, SEK 0.5 million in brands, SEK 19.2 million in customer agreements and SEK 42.0 million in goodwill. The expensed convertible totals SEK 6.8 million. The expensed portion of the contingent consideration amounts to SEK 33.0 million and is subject to EBITDA improvements at December 31, 2021 and December 31, 2022. The supplementary purchase consideration is valued at maximum outcome.

### Acquisition Nordman & Co AB

On April 26, Vitec acquired all shares in the Swedish software company Nordman & Co AB. The company reported sales of SEK 20.2 million, with an EBIT of SEK 3.8 million for the 2019/2020 financial year.

Nordman & Co AB develops and provides the software Argus CRM, a complete sales support system for food and grocery retail industry, service outlets, pharmacies, supermarkets and the construction market, primarily in the Nordic countries. The system, with several add-on modules, enables salespeople to plan and manage tasks such as store visits, orders, marketing activities, item information and presentations. The approximately 130 customers are mainly companies in Sweden and the rest of the Nordic region. 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 June 23, 2020. The convertible matures in 38 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 Nordman added SEK 9.0 million in product rights, SEK 0.7 million in brands, SEK 4.4 million in customer agreements and SEK 21.8 million in goodwill. The expensed convertible totals SEK 2.3 million. The expensed portion of the contingent consideration amounted to SEK 11.0 million and was subject to EBITDA improvements at June 30, 2021. The supplementary purchase consideration was paid in full during the fourth quarter.

#### **Acquisition Ecclesia Systemer AS**

On September 8, Vitec acquired all shares in the software company Ecclesia Systemer AS. The acquisition is an add-on acquisition to the business unit Vitec Agrando. Ecclesia Systemer reported sales of SEK 7 million for the 2020 financial year and after the acquisition the combined operations with a focus on churches in Norway will have sales of approximately SEK 33 million.

Ecclesia Systemer develops and provides a SaaS service for the administration of cemeteries, crematoria, graves, and grave monuments in Norway. The software offers invoicing and scheduling of funerals, ceremonies, and cremations. The approximately 260 customers mainly consist of "kirkelige fellestråd," which are joint committees between municipalities and parishes in Norway's municipalities. Vitec welcomes two new employees as part of the acquisition.

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

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

The acquisition of Ecclesia Systemer added SEK 7.3 million in product rights, SEK 0.2 million in brands, SEK 1.3 million in customer agreements and SEK 35.0 million in goodwill.

#### **Acquisition Vabi Holding B.V.**

On September 10, Vitec acquired all shares in the Dutch software company Vabi Holding B.V. with subsidiaries. The company reported sales of SEK 71.3 million, with an EBITDA of SEK 44.6 million for the 2020 financial year.

Vabi develops and provides software that contributes to sustainable and efficient energy management for the real

estate and property management industry. The products have several functions such as decision support systems, user-friendly 3D simulations and energy certification for reduced climate impact. Vitec welcomes 32 new employees as part of the acquisition.

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

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

The acquisition of Vabi added SEK 37.7 million in product rights, SEK 24.2 million in brands, SEK 148.7 million in customer agreements and SEK 455.7 million in goodwill.

During the fourth quarter the acquisition analysis for Vabi Holding B.V. was updated, with a new opening balance. The initial valuation was based on a preliminary balance sheet. A revaluation was also carried out between goodwill, brands and customer agreements, in which customer agreements and brands were valued higher than in the initial valuation.

The acquisition analysis remains preliminary until 12 months after the acquisition date. The items that may be revalued apply to all assets and liabilities in the acquisition balance, but mainly brands, product rights, customer agreements and goodwill.

#### **INVESTMENTS IN MINORITY INTERESTS**

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. Investments during the period:

##### **Voxo AB**

On June 24 and August 20, investments were made in the Swedish software company Voxo AB. Voxo is a Swedish voice technology company specializing in conversation-based AI solutions. The company's platform of proprietary models processes, analyzes and visualizes voice conversation data. Customers are found in several industries, ranging from banking to retail. Vitec holds a 7.5% stake in the company after the investment.

##### **Predge AB**

On July 9 an investment was made in the Swedish software company Predge AB. Predge offers decision support for preventive maintenance based on advanced data analyses. The company mainly focuses on railways. Vitec holds a 7% stake in the company after the investment.

##### **Tempus Information Systems AB**

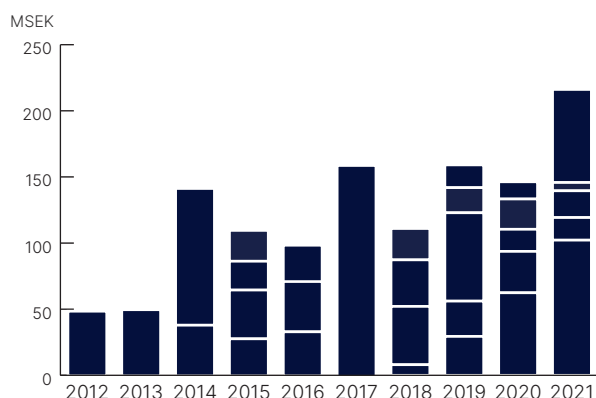
On July 13 and December 28 investments were made in the Swedish software company Tempus Information Systems AB. Tempus develops resource planning and scheduling software for preschools in Sweden. Vitec holds a 12% stake in the company after the investment.

# Acquisition-driven growth

Vitec has an explicit acquisitions-based growth strategy with a sharp focus on profitability and stable cash flows. Our focus on strong cash flows through a high proportion of recurring revenues creates the financial foundation for continued acquisition-driven growth.

## Acquired annual revenue

Each part illustrates an acquired company.



## Effect of acquired units on sales

SEK million	Rolling 12 months, Jan 21-Dec 21	Rolling 12 months, Jan 20-Dec 20	Growth	2021 Jan-Dec	2020 Jan-Dec	Growth
Reported net sales	1,571	1,313	20%	1,571	1,313	20%
of which recurring revenues	1,324	1,080	23%	1,324	1,080	23%
Effect of acquired units	63	252		63	252	
of which recurring revenues	59	211		59	211	
Proforma net sales	1,634	1,565	4%	1,634	1,565	4%
Proforma recurring revenues (ARR)	1,383	1,291	7%	1,383	1,291	7%

# Other significant events during the period

## DECEMBER 13: CONVERSION OF CLASS A SHARES TO CLASS B SHARES IN VITEC

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

Following reclassification, the total number of registered and outstanding shares in the company amounts to 35,046,163, divided into 2,950,000 Class A shares and 32,096,163 Class B shares. The number of votes decreased by 900,000 from 62,496,163 to 61,596,163.

In accordance with the share conversion clause in section 5, Class of Shares, in the Articles of Association, owner Lars Stenlund has reclassified 100,000 Class A shares into the corresponding number of Class B shares. Following reclassification, Lars Stenlund holds shares that account for 24.04% of votes and 4.50% of equity.

## DECEMBER 15: VITEC'S CEO ACQUIRES 25,000 SHARES FROM THE COMPANY'S FOUNDER

Olle Backman, CEO and President of Vitec Software Group AB (publ) has signed an agreement with the company's founder and Chairman of the Board Lars Stenlund to acquire 25,000 Class B shares. After the acquisition, Olle Backman will hold 35,000 Class B shares, convertibles corresponding to 516 Class B shares and warrants for 20,000 Class B shares. After the transaction, Lars Stenlund will hold 1,470,000 Class A shares, 82,715 Class B shares, and warrants for 10,000 Class B shares.

# Significant events after the period

## VITEC ACQUIRES THE SOFTWARE COMPANY 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.

The software company 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 is in cash and with a convertible, with deviation from shareholders' preferential rights in accordance with the au-

thorization 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.

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 receivables, and acquired assets and liabilities. We expect the future items of a detailed acquisition analysis 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 2020 Annual Report under "Risks and uncertainties" on pages 48–50, in Note 1, under the section, Assessments and estimates on pages 76–77, and in Note 11 "Financial risks and the management of such risks" on pages 111–113. No material changes have occurred since then.

### CORONAVIRUS PANDEMIC

In March 2020, the World Health Organization (WHO) declared the spread of the coronavirus and COVID-19 to be a pandemic. Shortly thereafter, Group Management appointed a work group that was responsible for organization, coordination and communication at the Group level. Most decisions involving operations, however, are taken by each business unit according to our decentralized governance model. The Group's decisions and communication are based on:

- Trust and respect for government and local authorities, as well as their appointed experts.
- Care for all employees and their health.
- Our responsibility in society is to maintain functionality – our products support important societal functions.

Our focus continues to be on helping to reduce the risk of spreading the virus and protecting the health of our employees and customers, at the same time that we are working to minimize the impact on our business.

At the beginning of the pandemic, we changed how we work. We have greatly benefited from our well-developed IT infrastructure, which enabled us to transition to a distributed workplace essentially overnight. Software development is carried out through our usual development environments, which can be accessed remotely and securely by our developers. In addition, our leaders have switched to lead their business units through collaboration and meeting platforms such as Teams. We have largely replaced physical trainings, gatherings and strategic meetings with equivalent digital solutions.

Working in a number of niche markets provides good risk diversification and our business model has proven to be both sustainable and expandable during the pandemic.

## Parent Company

Net sales totaled SEK 130.0 million (110.6) and essentially comprised invoicing to subsidiaries for services rendered. Profit after tax was SEK 183.9 million (211.2). Parent Company earnings were charged with unrealized foreign-exchange

losses totaling SEK -16.6 million (46.7). 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 defined as business units, of which there were 31 as at the balance-sheet date, each generating revenue and incurring costs. Their operating profit/loss is regularly followed up by the highest executive decision-maker, the CEO and group chief executive. Separate financial information is available for each unit. The operating segments form the operational structure for internal governance, follow-ups, and reporting. Based on the character of the services offered with their high proportion of recurring revenues, similar range of products, and similar financial characteristics, all of the group's operating segments/business units were aggregated into one operating segment in the financial reports as of 1 January 2020 in accordance with the rules of IFRS 8.

## 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 liabilities at fair value and financial liabilities measured 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 company's financial instruments that are subject to measurement at fair value are classified as level 3 and pertain to contingent considerations in conjunction with acquisitions.

Recurring measurements at fair value, at December 31, 2021, SEK thousands

	Level 1	Level 2	Level 3	Book value
Contingent consideration, ALMA Consulting Oy			7,141	7,141
Contingent consideration Appva AB			45,000	45,000
Contingent consideration Travelize International AB			32,487	33,000
Total			84,628	85,141

# Signatures

## 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 11, 2022

Lars Stenlund  
Chairman of the Board

Anna Valtonen  
Board member

Birgitta Johansson-Hedberg  
Board member

Crister Stjernfelt  
Board member

Jan Friedman  
Board member

Kaj Sandart  
Board member

Olle Backman  
Chief Executive Officer

# Condensed consolidated statement of comprehensive income

SEK THOUSANDS	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
<b>OPERATING REVENUES</b>				
Recurring revenues	349,671	284,625	1,324,214	1,080,421
License revenues	7,650	9,002	27,295	14,682
Service revenues	58,685	60,089	194,368	189,238
Other revenues	5,439	8,404	25,432	28,449
<b>NET SALES</b>	<b>421,445</b>	<b>362,119</b>	<b>1,571,309</b>	<b>1,312,789</b>
Capitalized development costs	56,621	42,324	209,115	161,909
Reversal of supplementary purchase consideration	-	-	1,095	-
<b>TOTAL</b>	<b>478,066</b>	<b>404,443</b>	<b>1,781,519</b>	<b>1,474,697</b>
<b>OPERATING EXPENSES</b>				
Goods for resale	-5,074	-6,454	-24,911	-24,761
Subcontractors and subscriptions	-42,407	-38,487	-175,544	-146,993
Other external expenses	-51,776	-38,814	-168,704	-138,325
Personnel expenses	-228,829	-189,365	-828,528	-694,690
Depreciation of property, plant and equipment	-16,079	-14,024	-62,323	-49,768
Amortization and impairment of intangible fixed assets	-20,763	-18,763	-79,981	-75,420
Impairment of intangible assets	-	-	-1,095	-
Unrealized exchange-rate gains/losses (net)	-232	-550	-610	46
<b>TOTAL EXPENSES</b>	<b>-365,160</b>	<b>-306,458</b>	<b>-1,341,696</b>	<b>-1,129,912</b>
<b>EBITA</b>	<b>112,906</b>	<b>97,985</b>	<b>439,823</b>	<b>344,786</b>
Acquisition-related costs	-257	-1,951	-14,574	-12,933
Acquisition-related amortization and impairment losses	-42,260	-31,125	-142,199	-109,419
<b>OPERATING PROFIT/LOSS</b>	<b>70,389</b>	<b>64,910</b>	<b>283,050</b>	<b>222,434</b>
Financial income	59	-209	290	313
Financial expenses	-4,667	-3,817	-21,235	-15,115
<b>TOTAL FINANCIAL ITEMS</b>	<b>-4,608</b>	<b>-4,027</b>	<b>-20,945</b>	<b>-14,802</b>
<b>PROFIT AFTER FINANCIAL ITEMS</b>	<b>65,782</b>	<b>60,883</b>	<b>262,105</b>	<b>207,632</b>
Tax	-10,107	-14,348	-55,164	-46,922
<b>NET PROFIT FOR THE PERIOD</b>	<b>55,675</b>	<b>46,533</b>	<b>206,941</b>	<b>160,710</b>
<b>OTHER COMPREHENSIVE INCOME, ITEMS THAT MAY BE RECLASSIFIED AS PROFIT/LOSS FOR THE YEAR</b>				
Restatement of net investments in foreign operations and hedge accounting of the same	16,651	-29,197	49,871	-63,970
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>16,651</b>	<b>-29,197</b>	<b>49,871</b>	<b>-63,970</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>72,326</b>	<b>17,336</b>	<b>256,812</b>	<b>96,741</b>
<b>PROFIT FOR THE PERIOD ATTRIBUTABLE TO</b>				
– Parent Company shareholders	55,676	46,533	206,941	160,710
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO</b>				
– Parent Company shareholders	72,326	17,336	256,812	96,741

# Condensed consolidated statement of financial position

SEK THOUSANDS	Dec 31, 2021	Dec 31, 2020
<b>ASSETS</b>		
<b>FIXED ASSETS</b>		
Goodwill	1,689,392	769,988
Other intangible fixed assets	1,429,168	917,372
Tangible property, plant and equipment	163,746	104,189
Financial fixed assets	25,481	1,325
Deferred tax assets	8,061	4,517
<b>TOTAL FIXED ASSETS</b>	<b>3,315,848</b>	<b>1,797,391</b>
<b>CURRENT ASSETS</b>		
Inventories	2,788	2,958
Current receivables	313,287	271,731
Cash and cash equivalents	119,854	134,695
<b>TOTAL CURRENT ASSETS</b>	<b>435,929</b>	<b>409,384</b>
<b>TOTAL ASSETS</b>	<b>3,751,777</b>	<b>2,206,775</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
Equity attributable to Parent Company shareholders	1,989,104	843,350
Non-current interest-bearing liabilities	754,633	555,327
Deferred tax liabilities	289,291	185,799
Other non-current liabilities	161,056	91,868
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,204,981</b>	<b>832,994</b>
Accounts payable	46,784	35,094
Current portion of interest-bearing liabilities	2,767	2,763
Other current liabilities	189,918	231,442
Accrued expenses	118,774	92,819
Prepaid recurring revenues	199,449	168,313
<b>TOTAL CURRENT LIABILITIES</b>	<b>557,693</b>	<b>530,431</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>3,751,777</b>	<b>2,206,775</b>

# Condensed consolidated statement of changes in equity

SEK THOUSANDS	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
<b>EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS</b>				
Opening balance	1,914,493	825,641	843,350	759,432
Convertible debenture with stock options	-	-60	1,624	2,658
Debenture conversion	2,551	21,213	34,019	21,213
New share issue after issuing costs*	-727	-	904,378	-
Paid option premiums	-	1,044	5,104	7,279
Option premiums measured at fair value	-	-	682	-
Dividends paid	459	-21,824	-56,866	-43,974
<b>Total comprehensive income</b>	<b>72,326</b>	<b>17,336</b>	<b>256,811</b>	<b>96,741</b>
<b>CLOSING BALANCE</b>	<b>1,989,104</b>	<b>843,350</b>	<b>1,989,104</b>	<b>843,350</b>

\* Issuing costs total SEK 15.6 million.

# Condensed consolidated statement of cash flow

SEK THOUSANDS	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
<b>OPERATING ACTIVITIES</b>				
Operating profit	70,390	64,909	283,050	222,434
<b>Adjustments for non-cash items</b>				
Other operating revenues	-	189	-1,095	-
Loss on decommissioning of equipment, fixtures and fittings	-	-	-	189
Depreciation, amortization and impairment	79,102	63,913	285,598	234,607
Unrealized foreign exchange gains/losses	232	550	610	-46
Option premiums	-	1,044	682	1,044
	<b>149,724</b>	<b>130,605</b>	<b>568,845</b>	<b>458,228</b>
Interest received	58	-210	290	313
Interest paid	-3,917	-3,411	-18,080	-11,709
Income tax paid	-8,864	-6,821	-54,703	-17,539
<b>CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL</b>	<b>137,001</b>	<b>120,163</b>	<b>496,352</b>	<b>429,293</b>
<b>Changes in working capital</b>				
Increase/decrease in inventories	-52	20	186	823
Increase/decrease in accounts receivable	-151,951	-123,050	-16,331	6,396
Increase/decrease in operating receivables	35,916	15,539	15,898	22,416
Increase/decrease in accounts payable	11,519	5,842	9,368	-3,280
Increase/decrease in operating liabilities	25,627	42,754	-17,454	-19,314
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>58,060</b>	<b>61,268</b>	<b>488,019</b>	<b>436,334</b>
<b>INVESTING ACTIVITIES</b>				
Acquisition of subsidiaries, net*	-12,216	-18,986	-1,260,159	-167,238
Acquisition of shares and participations in associates	-276	-	-21,705	-
Purchase of intangible fixed assets and capitalized development costs	-56,893	-43,469	-209,614	-163,242
Purchase of property, plant and equipment	-6,574	-5,323	-18,572	-9,648
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-75,959</b>	<b>-67,778</b>	<b>-1,510,050</b>	<b>-340,128</b>
<b>FINANCING ACTIVITIES</b>				
Dividends to Parent Company shareholders	-14,369	-11,143	-53,178	-33,293
Borrowings	-	-	508,650	157,820
Repayment of loans	-312,368	-14,452	-347,119	-92,269
New share issue	-727	-	904,378	-
Paid option premiums	-	-	5,104	6,235
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-327,464</b>	<b>-25,595</b>	<b>1,017,835</b>	<b>38,493</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>-345,363</b>	<b>-32,105</b>	<b>-4,196</b>	<b>134,699</b>
<b>OPENING CASH AND CASH EQUIVALENTS, INCLUDING CURRENT INVESTMENTS</b>				
Exchange-rate differences in cash and cash equivalents	61	932	-10,642	-16,662
<b>CASH AND CASH EQUIVALENTS INCLUDING CURRENT INVESTMENTS AT THE END OF THE PERIOD**</b>	<b>119,858</b>	<b>134,695</b>	<b>119,858</b>	<b>134,695</b>

\*Payment for the acquisition of subsidiaries during the period consisted of cash for Unikum datasystem AB, Travelize International AB, Nordman & Co AB, Ecclesia Systemer AS and Vabi Holding B.V. Net cash flow was SEK 1,190.3 million. The acquisitions pertained to all shares outstanding in their entirety and entailed the gain of controlling influence. During the period contingent considerations were paid for the acquisitions of WIMS AS, M&V Software Oy, ALMA Consulting Oy, Appva AB, NexGolf Oy and Nordman AB, totaling SEK 69.9 million. The payments did not entail any changes to controlling influence or the total number of shares held.

\*Payment for the acquisition of subsidiaries during the 2020 was in cash for

Visiolink ApS, ALMA Consulting Oy, LJ System AB, Appva AB and NexGolf Oy. The net cash outflow was SEK 161.7 million. The acquisitions pertained to all shares outstanding in their entirety and entailed the gain of controlling influence. In addition, the final settlement of contingent consideration for Avoine Oy was SEK 5.5 million. The payment did not entail any changes to controlling influence or the total number of shares.

\*\*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	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Operating revenues	32,888	24,033	130,048	110,618
Operating expenses	-33,630	-24,892	-115,576	-100,218
Unrealized exchange-rate gains/losses (net)	-3,542	17,784	-16,623	46,709
<b>OPERATING PROFIT/LOSS</b>	<b>-4,284</b>	<b>16,925</b>	<b>-2,151</b>	<b>57,109</b>
Income from participation in Group companies	152,551	177,692	152,551	177,692
Interest income	116	-23	471	381
Interest expenses	-3,956	-2,876	-18,625	-12,485
<b>PROFIT AFTER FINANCIAL ITEMS</b>	<b>144,427</b>	<b>191,718</b>	<b>132,247</b>	<b>222,697</b>
Appropriations	56,899	364	56,899	364
<b>PROFIT/LOSS BEFORE TAX</b>	<b>201,326</b>	<b>192,080</b>	<b>189,146</b>	<b>223,061</b>
Tax	-7,566	-7,145	-5,198	-11,818
<b>NET PROFIT FOR THE PERIOD</b>	<b>193,760</b>	<b>184,935</b>	<b>183,948</b>	<b>211,243</b>

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

# Condensed balance sheet, Parent Company

SEK THOUSANDS	Dec 31, 2021	Dec 31, 2020
<b>ASSETS</b>		
<b>FIXED ASSETS</b>		
Intangible fixed assets	973	1,036
Tangible property, plant and equipment	12,314	10,741
Financial fixed assets	3,200,942	1,852,355
<b>TOTAL FIXED ASSETS</b>	<b>3,214,229</b>	<b>1,864,131</b>
<b>CURRENT ASSETS</b>		
Current receivables	257,280	213,310
Cash and cash equivalents	82,236	123,743
<b>TOTAL CURRENT ASSETS</b>	<b>339,517</b>	<b>337,053</b>
<b>TOTAL ASSETS</b>	<b>3,553,745</b>	<b>2,201,185</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
Shareholders' equity	1,973,077	900,187
Untaxed reserves	1,772	1,677
Non-current liabilities	830,133	600,327
Current liabilities	748,763	698,994
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>3,553,745</b>	<b>2,201,185</b>

# Acquired assets and liabilities 2021

## PRELIMINARY ACQUISITION CALCULATIONS

During the period five acquisitions were completed: Unikum datasystem AB, Travelize International AB Nordman & Co AB, Ecclesia Systemer AS and Vabi Holding B.V. Some items in the acquisition plans may be remeasured, due to our brief ownership of the companies. This applies to all assets and lia-

bilities 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 analyses for Unikum datasystem AB and Vabi Holding B.V. were updated.

Acquired assets and liabilities, SEK thousands	Book value	Fair value adjustment	Fair value recognized in the Group
Goodwill	-	910,884	910,884
Intangible fixed assets	8,177	463,601	471,778
Tangible property, plant and equipment	3,327	-	3,327
Financial fixed assets	4,217	-	4,217
Inventories	17	-	17
Current receivables	39,355	-2,550	36,805
Cash and cash equivalents	81,335	-	81,335
Deferred tax liabilities	-	-94,361	-94,361
Accounts payable	-2,301	-	-2,301
Other current liabilities	-69,237	-	-69,237
Other non-current liabilities	-1,825	-	-1,825
<b>Total</b>	<b>63,064</b>	<b>1,277,574</b>	<b>1,340,638</b>

## Effect of acquisitions on cash flow, SEK thousands

Group's purchase costs	-1,340,638
Expensed portion of purchase considerations	44,000
Convertible debentures	25,000
Acquired cash and cash equivalents	81,335
<b>Net cash outflow</b>	<b>-1,190,303</b>

# Allocation of revenues and date of revenue recognition

Allocation of revenues and date of revenue recognition, SEK million	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Recurring revenues	349.7	284.6	1,324.2	1,080.4
Other revenues	71.8	77.5	247.1	232.4
<b>Net sales</b>	<b>421.4</b>	<b>362.1</b>	<b>1,571.3</b>	<b>1,312.8</b>
<b>Date of revenue recognition</b>				
Services transferred to customers over time, flat distribution	313.7	247.5	1,158.8	939.4
Services transferred to customers over time, in pace with use	94.7	97.2	359.8	330.3
Services transferred to customers at a given time	13.1	17.4	52.7	43.1
	<b>421.6</b>	<b>362.1</b>	<b>1,571.3</b>	<b>1,312.8</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 and the Swedish Securities Market Act. The information was submitted for publication, through the agency of the contact persons set out below, at 8:00 a.m. (CET) on Friday, February 11, 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.

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

## FINANCIAL CALENDAR

Interim report January–March	Apr 22, 2022 8:00 a.m.
Annual General Meeting	Apr 26, 2022 5:30 p.m.
Interim report January–June	Jul 15, 2022 8:00 a.m.
Interim report January–September	Oct 20, 2022 8:00 a.m.
Year-end report January–December	Feb 1, 2023 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:

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

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Vitec's 2020 annual report is available at [vitecsoftware.com](https://vitecsoftware.com)

## 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 depreciation/amortization and impairment losses, net financial items and tax.	Indicates the company's net profit/loss for the period before acquisition-related costs, acquisition-related depreciation/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 depreciation/amortization and impairment losses	Depreciation/amortization and impairment losses 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 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	The average number of shares during the period plus the number of shares added following the full conversion of convertibles.	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

		2021	2020	2019	2018	2017	2016
Net sales	SEK 000s	1,571,309	1,312,789	1,156,249	1,016,763	855,029	675,414
Recurring revenues	SEK 000s	1,324,214	1,080,421	907,535	743,856	609,970	518,512
Recurring share of net sales	(%)	84	82	78	73	71	77
Growth net sales	(%)	20	14	14	19	27	9
EBITA	SEK 000s	439,823	344,786	247,328	211,897	171,013	132,948
EBITA margin	(%)	28	26	21	21	20	20
Growth EBITA	(%)	28	39	17	24	29	1
Operating profit/loss (EBIT)	SEK 000s	283,050	222,434	143,922	128,372	106,701	88,305
Operating margin	(%)	18	17	12	13	12	13
Profit after financial items	SEK 000s	262,105	207,632	130,025	116,775	98,127	81,942
Profit after tax	SEK 000s	206,941	160,710	102,166	96,920	79,426	66,814
Profit margin	(%)	13	12	9	10	9	10
Balance-sheet total	SEK 000s	3,751,777	2,206,775	1,890,336	1,675,648	1,261,970	1,096,691
Equity/assets ratio	(%)	53	38	40	40	32	30
Equity/assets ratio after full conversion	(%)	55	41	43	42	35	32
Interest-bearing net debt	SEK 000s	637,546	423,396	453,775	273,997	348,174	302,645
Debt/equity ratio	(multiple)	1.10	1.56	1.50	1.75	2.22	2.25
Return on capital employed	(%)	14	17	12	13	14	14
Return on equity	(%)	15	20	14	18	22	22
Sales per employee	SEK 000s	1,603	1,593	1,669	1,658	1,584	1,445
Added value per employee	SEK 000s	1,439	1,413	1,339	1,316	1,258	1,198
Personnel expenses per employee	SEK 000s	845	843	879	858	828	813
Average no. of employees	(persons)	980	824	693	613	540	467
Adjusted equity per share (AES)	(SEK)	56.76	25.73	23.31	20.71	13.34	11.37
Earnings per share	(SEK)	6.14	4.93	3.16	3.23	2.70	2.27
Earnings per share after dilution	(SEK)	6.05	4.91	3.18	3.22	2.70	2.25
Resolved dividend per share	(SEK)	1.64	1.35	1.20	1.10	1.00	0.90
Cash flow per share	(SEK)	14.72	13.18	9.90	8.01	6.78	5.20
<b>Basis of computation:</b>							
Earnings from calculation of earnings per share	SEK 000s	206,941	160,710	102,166	96,920	79,426	66,814
Cash flow from calculation of cash flow per share	SEK 000s	496,352	429,293	320,627	240,477	199,612	152,757
Weighted average number of shares (weighted average)	(thousands)	33,724	32,574	32,372	30,017	29,425	29,397
Number of shares after dilution	(thousands)	34,315	32,994	32,717	30,437	29,539	29,839
Number of shares issued at balance-sheet date	( thousands)	35,046	32,773	32,573	32,339	29,839	29,397
Share price at close of the respective period	(SEK)	557.00	341.00	185.00	77.60	87.00	75.50

