

Revenue growth and stronger cash flow

SUMMARY FOR JANUARY - JUNE 2016

- Net sales SEK 318 M (296)
- Profit before tax SEK 40,5 M (43,8)
- Operating margin 13,6 % (15,8)
- Earnings per share before dilution SEK 1,08 (1,15)
- Cash flow from operations SEK 105,8 M (99,4)

SUMMARY FOR APRIL - JUNE 2016

- Net sales 161 M (153)
- Profit before tax SEK 22,5 M (22,2)
- Operating margin 14,8 % (15,4)
- Earnings per share before dilution SEK 0,60 (0,57)
- Cash flow from operations SEK 21,8 M (25,8)
- New Head of Business Area Finance & Insurance in Denmark

CEO's comments

The second quarter lacks major events and the period's characteristic is daily work with deliveries, development, sales, and continuous strive for efficiency. Unrealized currency effects affected the operating profit negative with SEK 6 million for the first six months of 2016 compared with the same period last year, of which SEK 4 million refers to for the second quarter. The underlying business developed better than the marginal improvement in operating income in the second quarter.

The number of ongoing acquisition dialogues has increased during the latter part of the quarter, and we continue to devote significant resources in

maintaining and further developing these dialogues. After the end of the period, this has resulted in the acquisition of the Finnish company Tietomitta OY. Vitec's financial position and readiness for future acquisitions is good, and with a prospect list of hundreds of companies

in the Nordic region, we see good opportunities for further acquisition-based growth.

Vitec's business model with the pursuit of a high proportion of recurring revenues has received a downward adjustment in the quarter to 75.4 % (78.9 %) despite that recurring revenues has increased. The decrease is due to increased service revenues mainly in the business areas Real Estate and Auto. Auto operations in Denmark has a portfolio of services and Real Estate has a high number of rollout projects.

With a clear shift from traditional license sales to a subscription model (cloud-based systems), the proportion of recurring revenues and the operating margins increase at the same time. This, together with the employees' great capacity to innovate and integrate acquisitions, provides good conditions for long-term development of our business. With the acquisition of well-established companies and a high proportion of recurring revenues, Vitec continues on this path, to act in several independent and specialized niches to achieve sustainable profitable growth.

Lars Stenlund, CEO



January - June 2016

The Vitec Group continues to grow during the first six months compared to last year. Business Area Estate Agent has decreased in size but at the same time Business Area Auto more than doubled. The Group has thus gained a better balance between the various business areas and a now has a significantly better risk diversification.

Business Area AUTO

Business Area Auto, which offers business systems for the automotive sector in Norway and Denmark, develops strongly. Compared with last year, both sales and operating profit more than doubled

through the recently acquired operations in Denmark and Norway which now have been integrated into the Group.

Business Area ENERGY

Business Area Energy develops in a stable way and continues to invest in resources and methodologies for the effective processing of the European energy market. A cloud-based offering that quickly and

effectively is deployed for customers in Europe is now ready for delivery. During the first six months they have signed agreements with 14 new customers.

Business Area REAL ESTATE

The business area is growing and maintaining its focus on delivering upgrades of its most modern product offerings. Deployment, implementation and training of the new systems continues at a high

speed. The business area has in the quarter continued to win new customers where more and more are choosing the cloud-based service that has a positive effect on our recurring revenues.



Business Area FINANCE & INSURANCE

Business Area Finance & Insurance in Sweden have now completed the delivery of a pension plan supporting system to Länsförsäkringar Fondliv. In Denmark, the rollout of the latest version of the portfolio management system Portman continues. More than 80 % of the customer base now updated to the latest

version, which gives our customers benefits in their operations and us a more efficient delivery. In Norway, there are three major implementation projects of the product Nice4Net. Lead times for sales processes against established non-life insurance companies are long.

Business Area HEALTH

The business area continues to have full focus on delivery and further development of its system to a few major customers. Roll-out projects will be continued intensively with sprints throughout 2016. In the short term, this affects profitability negatively, but in the long term, it strengthens the business area by increased recurring revenues. During the quarter,

we intensified marketing of our SMS-service where doctors can notify patients about visiting hours. The growth of the service during the quarter developed very positively albeit from low levels.

Business Area MEDIA

Business Area Media has remained stable, but profitability has been negatively affected by a continued decline in demand for services from the larger

customers who have Managed Applications. After the period, the main part of the business was sold to XLENT Consulting Holding AB.

Business Area ESTATE AGENT

Two larger Swedish customers has now fully switched to using proprietary solutions. This has led to a decreased revenue compared with last year. Meanwhile, the success of Vitec Express has continued and more brokerage chains and individual brokers have chosen Vitec new cloud-based solution. In

Norway, we modernize our brokerage offer to a completely cloud-based service that builds on the Norwegian platform and Vitec Express. The caution we saw in Q1 of the Norwegian housing market has turned in Q2 and we have seen an increase in transactions through our systems.



Financial information

SALES AND RESULTS

April-June 2016

REVENUES

Net sales for the period amounted to SEK 161,3 million (152,7), which represents an increase of 6%. Recurring revenue for the period increased by 1 % from the previous year and amounted to SEK 121,6 million (120,5), corresponding to 75,4 % (78,9) of net sales. License revenue declined marginally from the previous year and amounted to SEK 5,7 million (5,8). Service revenues increased by 25 % from the previous year and amounted to SEK 31,8 M (25,3).

RESULTS

Operating profit amounted to SEK 23,9 million (23,5) with an operating margin of 14,8 % (15,4). Profit after tax amounted to SEK 17,7 million (16,7). Earnings per share before dilution were SEK 0,60 (0,57).

January-June 2016

REVENUES

Net sales for the period amounted to SEK 318,4 million (296,1), which represents an increase of 8 %. Recurring revenue for the period increased by 6 % from the previous year and amounted to SEK 244,6 million (231,8), corresponding to 76,8 % (78,3) of net sales. License revenue declined 11 % from the previous year and amounted to SEK 9,3 million (10,4). Service revenues increased by 18 % from the previous year and amounted to SEK 60,8 M (51,7).

RESULTS

Operating profit amounted to SEK 43,4 million (46,7) with an operating margin of 13,6 % (15,8). The decline in operating profit is attributable to higher depreciation on intangible assets and unrealized exchange losses. Profit after tax amounted to SEK 31,7 million (33,9). Earnings per share before dilution were SEK 1,08 (1,15).

LIQUIDITY AND FINANCIAL STATUS

The Group's cash and cash equivalents, including short-term investments, at end of period amounted to SEK 60,1 million (60,2). In addition to these cash and cash equivalents, was a bank overdraft facility of SEK 20 million, and SEK 170,8 million in an unused credit facility of SEK 250 million. During the period, SEK 17,0 million was repaid to the credit facility. Cash flow from operating activities was SEK 105,8 million (98,7). Investments totaled SEK 40,8 million in capitalized work, SEK 0,9 million in other intangible assets and SEK 2,4 million in tangible assets.

Total interest-bearing liabilities amounted on June 30, 2016 to SEK 230,4 million (178,7) distributed on long term debt SEK 200,9 million (149,0) and short-term interest-bearing liabilities SEK 29,5 million (29,7).

Equity attributable to Vitec's shareholders amounted to SEK 291,3 million (243,5). The equity ratio was 36 % (33). Paid dividend amounts to SEK 0,90 per share, totaling SEK 26,5 million.

Operations

Vitec Group operations are controlled and organized in seven segments (business areas). For more information on each business area, refer to www.vitecsoftware.com. The business areas are; Auto, Energy, Real Estate, Finance & Insurance, Health, Media and Estate Agent.

BUSINESS AREAS	Auto		Energy		Real Estate		Finance & Insurance		Health		Media		Estate Agent	
	2016 Jan-Jun	2015 Jan-Jun	2016 Jan-Jun	2015 Jan-Jun	2016 Jan-Jun	2015 Jan-Jun	2016 Jan-Jun	2015 Jan-Jun	2016 Jan-Jun	2015 Jan-Jun	2016 Jan-Jun	2015 Jan-Jun	2016 Jan-Jun	2015 Jan-Jun
Recurring revenues	39,1	19,6	8,9	8,5	43,1	40,2	47,5	37,9	26,1	23,0	2,2	2,4	77,5	100,1
License revenue	0,9	0,0	0,0	0,0	4,7	5,3	3,0	2,9	0,0	0,1	0,0	0,6	0,6	1,5
Services revenue	6,8	0,4	3,9	3,3	28,6	25,2	9,6	7,6	5,1	6,6	1,9	3,0	4,8	5,5
Other income	2,8	0,7	0,1	0,0	0,1	0,0	0,2	0,5	0,2	0,5	0,0	0,0	0,3	0,5
Net sales	49,6	20,7	13,0	11,9	76,5	70,7	60,3	49,0	31,4	30,1	4,2	6,1	83,3	107,5
Recurring revenue as a percentage of net sales	79%	95%	69%	72%	56%	57%	79%	77%	83%	76%	54%	40%	93%	93%
Operating profit	7,9	3,9	3,7	4,2	11,7	11,9	8,2	5,7	0,7	2,2	0,7	1,6	10,7	17,4
Operating margin	16%	19%	28%	35%	15%	17%	14%	12%	2%	7%	16%	26%	13%	16%

Business Area AUTO

The segment consists of Vitec AutoData AS, Vitec Datamann A/S and Vitec Infoeasy AS. The business area offers business systems for the automotive sector with support for sales, purchasing, stock control,

invoicing, accounting and pay administration. Datamann A/S and Infoeasy AS were consolidated as of July 1 and 2, 2015 and is the reason for the strong growth.

Business Area ENERGY

The segment consists of Vitec Energy AB. The business area offers business systems for forecasting wind power, electricity and heating needs, as well as

for the technical management and maintenance of distribution networks.

Business Area REAL ESTATE

The segment consists of Vitec Fastighetssystem AB, Vitec Förvaltningssystem AB, Vitec Capifast AB and Vitec Software AB. The business area offers

business systems for construction and real estate companies.

Business Area FINANCE & INSURANCE

The segment consists of Vitec Capitex AB, the Group Alloc A / S and Vitec Nice AS. The business area offers business systems for the finance and

insurance industry, as well as standardized software for tax calculations, pension calculations and housing calculations.

Business Area HEALTH

The segment consists of the Group Acuvitec Oy. The business area offers business systems for elec-

tronic handling of medical records for healthcare.

Business Area MEDIA

The segment consists of 3L Media AB and the Group Vitec Veriba AB. The business area offers business

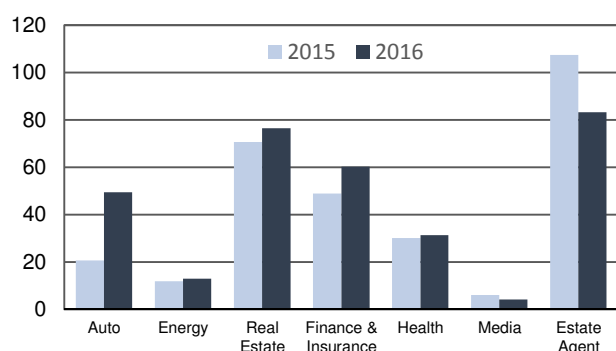
systems for newspaper publishers and companies supplying special solutions within distribution.

Business Area ESTATE AGENTS

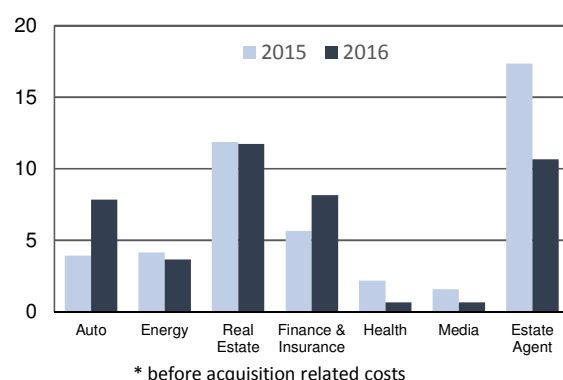
The segment consists of Vitec Mäklarsystem AB, Capitex AB, Vitec IT-Makeriet AS, the Group Vitec Megler AS, Vitec Fox AS and ADservice Scandinavia

AB. The business area offers business systems for real estate agents.

Net sales Jan-Jun (MSEK)



Operating profit* Jan-Jun (MSEK)



RESULT OVERVIEW FOR SEGMENTS, MILLION SEK

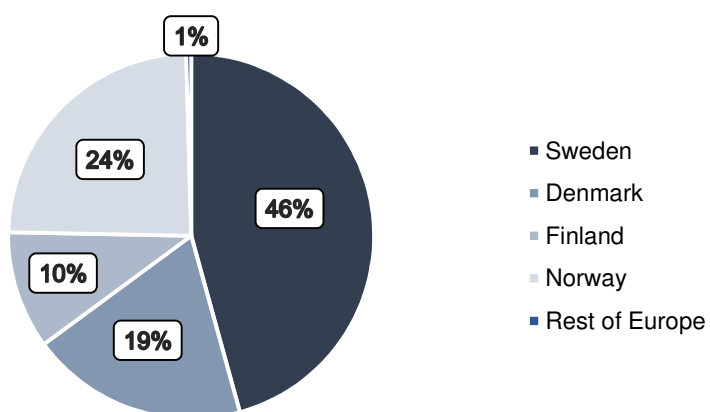
BUSINESS AREA	NET SALES (MSEK)					PROFIT BEFORE ACQUISITION RELATED COSTS (MSEK)				
	2016 Apr-Jun	2015 Apr-Jun	2016 Jan-Jun	2015 Jan-Jun	2015 Jan-Dec	2016 Apr-Jun	2015 Apr-Jun	2016 Jan-Jun	2015 Jan-Jun	2015 Jan-Dec
Auto	25,0	10,4	49,6	20,7	71,1	5,0	3,2	7,9	3,9	14,9
Energy	6,5	5,7	13,0	11,9	24,1	1,8	1,9	3,7	4,2	8,8
Real Estate	39,1	35,9	76,5	70,7	142,6	6,0	5,1	11,7	11,9	24,9
Finance & Insurance	31,2	25,0	60,3	49,0	101,2	4,8	3,2	8,2	5,7	13,9
Health	16,2	14,6	31,4	30,1	61,5	0,1	0,5	0,7	2,2	5,7
Media	2,2	2,6	4,2	6,1	10,5	0,4	0,5	0,7	1,6	2,4
Estate Agent	40,9	58,3	83,3	107,5	207,0	5,9	9,2	10,7	17,4	33,2
Shared	0,1	0,2	0,3	0,2	0,4	-	-	-	-	-
Vitec Group	161,3	152,7	318,4	296,1	618,4	23,9	23,5	43,4	46,8	103,9

SALES BY GEOGRAPHY

Vitec is a Nordic software company and our customers are mainly in Sweden, Denmark, Finland and Norway, we also have a number of customers in other parts of the world. The following table and pie chart shows the Group's revenue based on where the customer is established.

MARKET	NET SALES (MSEK)					
	2016 Jan-Jun	%	2015 Jan-Jun	%	2015 Jan-Dec	%
Sweden	145,5	45,7%	153,8	51,9%	308,1	49,8%
Denmark	61,1	19,2%	39,1	13,2%	99,8	16,1%
Finland	33,1	10,4%	31,6	10,7%	64,1	10,4%
Norway	77,2	24,2%	70,2	23,7%	142,1	23,0%
Rest of Europe	1,4	0,4%	1,4	0,5%	4,1	0,7%
Rest of world	0,1	0,0%	0,0	0,0%	0,1	0,0%
SUM	318,4	100,0%	296,1	100,0%	618,4	100,0%

MARKET



Significant events during the second quarter

MAY 31: New CEO of Vitec Business Area Finance & Insurance in Denmark

Kim Møller Jensen has September 1 assumed a position as CEO of Vitec Business Area Finance & Insurance in Denmark. Kim has long experience in the IT industry. He currently holds a position as CIO within Siemens, prior to that he was Director within EG. Kim has extensive experience in running

product development based on the unique circumstances of individual industries.

"In our opinion, Kim has both the experience and the knowledge to take this key role. He also shares our core values, which is important as a leader within Vitec", says Patrik Fransson, VP Operations Vitec.

Significant events after the end of the period

JULI 1: Vitec sells Media business to XLENT

Vitec did on July 1 agree with XLENT Consulting Holding AB on the sale of the shares of Vitec Veriba AB which constitutes most of Vitec Media business. The business, with sales of approximately SEK 9 million per year, mainly includes custom application development, and has a significantly higher share of

services sales than other parts of Vitec. The business has a good fit with XLENT, which has its focus on service sales, which will be beneficial for both employees and customers. Sale is made to the consolidated book values.

JULY 5: Vitec acquires Tietomitta OY in Finland

Vitec Software Group AB (publ) did on July 5 agree to acquire 100 % of the shares in the Finnish software company Tietomitta OY, whose product is an industry-specific software for supporting waste-management in Finland. The company reported sales

for the fiscal year 2015 of EUR 3.5 million, with approximately 65 % recurring revenue, and EBITDA of EUR 0.8 million. Payment is in cash at closing. Acquisition is expected to directly result in an increase in earnings per share for Vitec. Consolidation is done from the date of acquisition.

Risks and uncertainties

Vitec's significant risks and uncertainties are described in the Directors' Report in the Annual Report for 2015 under the heading "Risks and Uncertainties" on pages 32-33, in note 1 under "Assumptions and estimates" on page 50 and in note 20, "Financial risks and their management" on pages 63-65. No significant changes have occurred since then.

The Parent Company

Net sales amounted to SEK 40,6 million (43,5) and consisted primarily of sales to subsidiaries for services rendered. Profit after tax amounted to SEK -5,8 million (6,2). The value of shares in subsidiaries was during the period adjusted down by SEK 1,5 million and SEK 21,2 million relating to downward adjustments of contingent considerations for Fox Publish AS and Acuvitec OY. Short-term non-interest-bearing liabilities decreased correspondingly. The Parent Company is exposed to the same risks and uncertainties as the group in general, see above under section Risks and uncertainties.

Transactions with related parties

No significant related party transactions have occurred in the Group and Parent Company during the period.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK (thousands)	2016 Apr-Jun	2015 Apr-Jun	2016 Jan-Jun	2015 Jan-Jun	2015 Jan-Dec
OPERATING REVENUE					
Recurring revenues	121 622	120 525	244 577	231 761	480 552
License revenues	5 735	5 750	9 288	10 398	23 098
Service revenues	31 791	25 341	60 817	51 688	106 191
Other revenues	2 175	1 090	3 767	2 272	8 544
NET SALES	161 323	152 706	318 449	296 119	618 385
Capitalized development costs	20 594	16 300	38 525	33 347	62 108
Reversal of additional purchase price	21 176	-	22 695	-	11 213
SUM	203 093	169 006	379 669	329 466	691 706
OPERATING EXPENSES					
Goods for resale	-3 238	-999	-6 060	-2 583	-6 835
Subcontractors and subscriptions	-17 720	-23 143	-35 181	-42 233	-82 890
Other external expenses	-21 261	-19 376	-40 647	-37 435	-81 542
Staff costs	-91 001	-85 649	-183 549	-168 375	-336 133
Depreciation of tangible assets	-2 356	-3 121	-4 891	-5 675	-11 233
Depreciation of intangible assets	-18 812	-13 771	-37 179	-26 736	-63 392
Impairment of goodwill	-21 176	-	-22 695	-	-11 213
Unrealized exchange gains and losses	-3 585	578	-6 027	343	5 383
TOTAL COSTS	-179 149	-145 481	-336 229	-282 694	-587 855
OPERATING PROFIT BEFORE ACQUISITION-RELATED COSTS	23 944	23 525	43 440	46 772	103 851
Acquisition-related costs	-9	-	-9	-114	-3 244
OPERATING PROFIT AFTER ACQUISITION-RELATED COSTS	23 935	23 525	43 431	46 658	100 607
Financial income	53	90	126	211	826
Financial expense	-1 490	-1 438	-3 044	-3 072	-6 747
TOTAL FINANCIAL ITEMS	-1 437	-1 348	-2 918	-2 861	-5 921
PROFIT BEFORE TAX	22 498	22 177	40 513	43 797	94 686
Tax	-4 797	-5 522	-8 769	-9 897	-16 495
NET PROFIT	17 701	16 655	31 744	33 900	78 191
OTHER COMPREHENSIVE INCOME, ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS					
Currency translation differences	8 582	-3 835	14 426	-3 730	-19 942
TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD	8 582	-3 835	14 426	-3 730	-19 942
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	26 283	12 820	46 170	30 170	58 249
PROFIT FOR THE PERIOD ATTRIBUTABLE TO					
-Shareholders of the Parent Company	17 701	16 655	31 744	33 900	78 191
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO					
-Shareholders of the Parent Company	26 283	12 820	46 170	30 170	58 249
EARNINGS PER SHARE					
-Before dilution (SEK)	0,60	0,57	1,08	1,15	2,66
-After dilution (SEK)	0,59	0,56	1,06	1,14	2,64
Average number of shares	29 396 690	29 396 690	29 396 690	29 396 690	29 396 690
Number of shares after dilution	29 838 900	29 838 900	29 838 900	29 738 730	29 788 016

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK (thousands)	2016-06-30	2015-06-30	2015-12-31
ASSETS			
FIXED ASSETS			
<i>Intangibles assets</i>			
Capitalized development costs	130 423	97 268	109 171
Product rights	223 232	193 173	229 079
Customer agreements	61 026	50 682	62 321
Brands	8 491	7 331	8 793
Goodwill	183 674	197 957	202 103
Software	4 124	3 645	3 860
<i>Tangible fixed assets</i>			
Buildings	8 915	9 056	9 034
Equipment	19 454	21 537	20 343
<i>Finacial assets</i>			
Other long-term receivables	875	727	835
Deferred tax	6 165	5 916	5 952
TOTAL FIXED ASSETS	646 379	587 292	651 491
CURRENT ASSETS			
<i>Inventories</i>	342	317	399
<i>Receivables</i>	103 773	99 078	159 861
<i>Short-term investments</i>	-	45 000	-
<i>Cash and equivalents</i>	60 122	15 158	60 268
TOTAL CURRENT ASSETS	164 237	159 553	220 528
TOTAL ASSETS	810 616	746 845	872 019
EQUITY AND LIABILITIES			
<i>Equity</i>	291 251	243 459	271 538
<i>Long-term liabilities, interest bearing</i>	200 866	149 047	207 222
<i>Long-term liabilities, non-interest bearing</i>	106 584	93 640	102 559
<i>Short-term liabilities, interest bearing</i>	29 534	29 654	33 845
<i>Short-term liabilities, non-interest bearing</i>	182 381	231 045	256 855
TOTAL EQUITY AND LIABILITIES	810 616	746 845	872 019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK (thousands)	2016 Apr-Jun	2015 Apr-Jun	2016 Jan-Jun	2015 Jan-Jun	2015 Jan-Dec
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY					
At beginning of period	291 425	250 335	271 538	260 130	260 130
Conversion bonds	-	-	-	-27 145	-27 145
Dividend	-26 457	-19 696	-26 457	-19 696	-19 696
Total comprehensive income for the period	26 283	12 820	46 170	30 170	58 249
AT END OF PERIOD	291 251	243 459	291 251	243 459	271 538

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK (thousands)	2016 Apr-Jun	2015 Apr-Jun	2016 Jan-Jun	2015 Jan-Jun	2015 Jan-Dec
OPERATING ACTIVITIES					
Operating profit	23 935	23 525	43 431	46 658	100 607
<i>Adjustments for items not included in cash flow</i>					
Other operating income	-21 176	-	-22 695	-	-11 213
Depreciation/amortisation and impairment	42 344	16 892	64 765	32 411	85 838
Unrealized exchange gains/losses*	3 585	-561	6 027	-157	-5 383
	48 688	39 856	91 528	78 912	169 849
Interest received	53	90	126	211	826
Interest paid	-1 490	-1 438	-2 977	-3 072	-6 747
Tax paid	-1 461	-2 097	-15 593	-6 835	-14 177
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL	45 790	36 411	73 084	69 216	149 751
<i>Changes in working capital</i>					
Change in inventories	22	-32	57	22	51
Change in accounts receivables*	-6 082	-1 413	61 758	59 123	-6 115
Change in operating receivables	-5 530	-1 742	-5 710	-11 524	1 333
Change in accounts payable*	3 503	-258	-723	-3 498	-2 641
Change in operating liabilities	-15 934	-7 844	-22 650	-14 672	-2 587
CASH FLOW FROM CURRENT OPERATIONS	21 770	25 122	105 816	98 667	139 792
INVESTMENT ACTIVITIES					
Acquisition of subsidiaries, net**	-11 932	-	-14 877	-14 392	-85 580
Acquisition of intangible assets and capitalized development costs	-22 449	-17 385	-41 709	-35 002	-70 174
Acquisition of tangible assets	-1 724	-2 837	-2 414	-5 395	-11 821
CASH FLOW FROM INVESTMENT ACTIVITIES	-36 105	-20 222	-59 000	-54 789	-167 575
FINANCING ACTIVITIES					
Dividend	-26 457	-19 696	-26 457	-19 696	-19 696
Redemption convertible loan	-	-	-	-36 781	-36 781
New loans	-	-	17 000	25 000	102 901
Amortisation of loans	-24 375	-11 302	-32 052	-24 027	-34 478
CASH FLOW FROM FINANCIAL ACTIVITIES	-50 832	-30 998	-41 509	-55 504	11 946
CASH FLOW FOR THE PERIOD	-65 167	-26 099	5 307	-11 627	-15 837
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	125 805	85 811	60 268	71 114	71 114
Exchange-rate differences in cash and cash equivalents	-516	446	-5 453	671	4 991
CASH AND CASH EQUIVALENTS AT END OF PERIOD	60 122	60 158	60 122	60 158	60 268

*Change in accounts receivable and change in accounts payable are from this report reported separately. The adjustments for items not included in cash flow includes unrealized foreign exchange differences. Comparative figures have been restated for this, see table on next page.

** Payment for acquisition of subsidiaries consisted of additional payments for the acquisition of Fox Publish AS SEK 2,9 million and Acuvitec OY SEK 11,9 million. The payments did not result in any changes in share capital or control. Payment for acquisition of subsidiaries in 2015 consisted of proceeds for Fox Publish AS, ADservice Scandinavia AB, Datamann A/S, Infoeasy AS and Nice AS. Payment amounted to SEK 80,6 million. All acquisitions related to the entire outstanding share capital and meant that control was obtained in all companies. During the period an additional payment was made for the acquisition of Alloc A/S SEK 4,9 million. The payment did not result in any changes in share capital or control.

RESTATEMENT OF COMPARATIVE FIGURES APRIL-JUNE 2015

SEK (thousands)	Previously Reported Value 2015 Apr-Jun	Adjustment Operating liabilities and cash flow	Adjustment Operating receivables and cash flow	Reported Value 2015 Apr-Jun
Unrealized exchange gains/losses	0	-561		-561
Tax Paid	-5 353	3 256		-2 097
Cash flow from operating activities before changes in working capital	33 716	2 695		36 411
Change in accounts receivables	0		-1 413	60 536
Change in operating receivables	50 754		686	-9 782
Change in accounts payable	0	-258		-3 240
Change in operating liabilities	-9 627	-2 437		-6 828
Cash flow from current operations	73 545	0	-727	73 545
Change in long-term receivables	-727		727	0
Cash flow from investment activities	-168 076		727	-167 575

RESTATEMENT OF COMPARATIVE FIGURES JANUARY-JUNE 2015

SEK (thousands)	Previously Reported Value 2015 Jan-Jun	Adjustment Operating liabilities and cash flow	Adjustment Operating receivables and cash flow	Reported Value 2015 Jan-Jun
Unrealized exchange gains/losses	0	-157		-157
Tax Paid	-10 128	3 293		-6 835
Cash flow from operating activities before changes in working capital	66 080	3 136		69 216
Change in accounts receivables	0		59 123	59 123
Change in operating receivables	48 326		-59 850	-11 524
Change in accounts payable	0	-3 498		-3 498
Change in operating liabilities	-15 034	362		-14 672
Cash flow from current operations	99 394	0	-727	98 667
Change in long-term receivables	-727		727	0
Cash flow from investment activities	-55 516		727	-54 789

RESTATEMENT OF COMPARATIVE FIGURES JANUARY-December 2015

SEK (thousands)	Previously Reported Value 2015 Jan-Dec	Adjustment Operating liabilities and cash flow	Adjustment Operating receivables and cash flow	Reported Value 2015 Jan-Dec
Unrealized exchange gains/losses	0	-5383		-5383
Tax Paid	-14 177			-14 177
Cash flow from operating activities before changes in working capital	155 134	-5 383		149 751
Change in accounts receivables	0		-6 115	-6 115
Change in operating receivables	-4 281		5 614	1 333
Change in accounts payable	0	-2 641		-2 641
Change in operating liabilities	-10 611	8 024		-2 587
Cash flow from current operations	140 293	0	-501	139 792
Change in long-term receivables	-501		501	0
Cash flow from investment activities	-168 076		501	-167 575

INCOME STATEMENT, PARENT COMPANY

SEK (thousands)	2016 Apr-Jun	2015 Apr-Jun	2016 Jan-Jun	2015 Jan-Jun	2015 Jan-Dec
NET SALES	20 511	21 088	40 648	43 515	100 426
Operating costs	-22 796	-16 906	-43 647	-32 851	-75 494
OPERATING RESULT	-2 285	4 182	-2 999	10 664	24 932
RESULT FROM FINANCIAL INVESTMENTS					
Income from shares in group companies	-	-	-	-	39 907
Financial income	40	53	80	142	516
Financial expense	-1 412	-1 294	-2 902	-2 907	-6 235
PROFIT AFTER FINANCIAL NET	-3 657	2 941	-5 821	7 899	59 120
Appropriations	-	-	-	-	-822
PROFIT BEFORE TAX	-3 657	2 941	-5 821	7 899	58 298
Tax	-	-647	-	-1 738	-3 869
NET PROFIT	-3 657	2 294	-5 821	6 161	54 429

The results of the period are consistent with the total comprehensive income.

BALANCE SHEET, PARENT COMPANY

SEK (thousands)	2016-06-30	2015-06-30	2015-12-31
ASSETS			
FIXED ASSETS			
Intangible assets	4 087	3 645	3 827
Tangible assets	12 581	13 823	13 179
Financial assets	662 695	597 488	694 898
TOTAL FIXED ASSETS	679 363	614 956	711 904
CURRENT ASSETS			
Receivables	19 435	56 900	43 394
Short-term investments	0	45 000	-
Cash and equivalents	60 122	15 158	45 306
TOTAL CURRENT ASSETS	79 557	117 058	88 700
TOTAL ASSETS	758 920	732 014	800 604
EQUITY AND LIABILITIES			
EQUITY			
238 963	224 710	271 240	
UNTAXED RESERVES	2 222	2 500	2 222
LONG-TERM LIABILITIES	205 503	153 221	212 001
SHORT-TERM LIABILITIES	312 232	351 583	315 141
TOTAL EQUITY AND LIABILITIES	758 920	732 014	800 604

Annotations

ACCOUNTING AND VALUATION PRINCIPLES AND OTHER COMMENTS

This report has been prepared in accordance with IAS 34 Interim Financial Reporting. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, IFRS, as adopted by the EU and the Swedish Annual Accounts Act. The parent company's financial statements have been prepared in accordance with the Annual Accounts Act and recommendation RFR 2 Accounting for Legal Entities. The new standards, amendments and interpretations to existing standards that have entered into force in 2016, has had no impact on the consolidated financial position or financial reports. The accounting policies and calculation methods are unchanged from the one described in the Annual Report for 2015.

The additional purchase prices for Fox Publish AS and Acuvitec OY has during the period been adjusted down by SEK 1,5 million and SEK 21,2 million. The corrections have been recognized as revenue and as impairment of goodwill in accordance with IFRS 3:58. The corrections have no effect on reported profit.

TAXES

Tax for the year amounted to SEK 7,7 million (10,1). Deferred tax amounted to SEK 1,1 million (-0,2).

INVESTMENTS

Investments amounted to SEK 40,8 million in capitalized work, SEK 0,9 million in other intangible assets and SEK 2,4 million in tangible assets.

LONG-TERM DEBT

Long-term interest-bearing debt consists of bank loans SEK 187,3 million and a convertible loan SEK 13,6 million. Long-term non-interest bearing liabilities consist of deferred taxes SEK 92,6 million, pension liability SEK 9,4 million, a non-current portion of additional purchase price Fox Publish 2,6 million and a promissory note signed in connection with the acquisition of Nice AS SEK 2,0 million.

CONVERTIBLE DEBENTURE

Convertible debentures are included in long-term interest bearing liabilities:

- Loan 1501 (long-term debt interest bearing liabilities, staff). SEK 13,6 million. Duration of the loan is January 1, 2015 - December 31, 2017. The interest rate is Stibor 180. The conversion price is SEK 31,80. Conversion may be requested 1 November to 30 November 2017. The share capital may upon conversion increase by a maximum of 44 221 SEK. At full conversion the dilution of about 1.5% of the share capital and 0.7% of the votes. The convertible program was registered by the Swedish Companies Registration Office February 11, 2015.

EQUITY

Consolidated shareholders' equity as of June 30, 2016 was SEK 291,3 million.

ACQUISITIONS AND SALES

Sale of business area Media

On July 1, all shares of Vitec Veriba AB were sold. The sale constitutes Vitec Media business. Sales are made to the consolidated book values. Since the business area is only a small part of the group, the sale is not material enough to be reported as assets for sale in accordance with IFRS 5.

Acquisition of Tietomitta OY

On July 5, all shares in the Finnish software company Tietomitta OY were acquired. The company's product is an industry-specific software for the waste-management in Finland.

The company is consolidated as of the acquisition date. Goodwill is considered to be attributable to the expected profitability, complementing the skills needs and expected synergies in the form of joint development of our products. At the publication of this report, there are no financial statements that can be the basis for a detailed description of the acquisitions. For this reason, no information is presented about the purchased receivables and the fair value of acquired assets and liabilities. Additional items in a detailed acquisition analysis, will be product rights, brands and customer agreements.



Signatures

ASSURANCE OF THE BOARD

The Board of Directors and President hereby assure that the interim report provides a fair and true view of the company's and the Group's operation, financial position and earnings, and describes the significant risks and uncertainties facing the company and the companies included in the Group.

Umeå July 14, 2016

Crister Stjernfelt (Chairman)

Kaj Sandart

Birgitta Johansson-Hedberg

Jan Friedman

Anna Valtonen

Lars Stenlund (CEO)



The board: Crister Stjernfelt, Kaj Sandart, Anna Valtonen, Birgitta Johansson-Hedberg and Jan Friedman.

Information

PUBLICATION

The information in this report is such that Vitec Software Group AB (publ.) is obliged to publish under the Securities Market Act and the Financial Instruments Trading Act. The information was released for publication on July 14, 2016 at 08:30 CET.

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Phone: +46 90-15 49 00

E-mail: ir@vitec.se

Financial information is published on www.vitecsoftware.com immediately after publication.

FINANCIAL CALENDAR

2016-10-20 Interim Report January-September 2016 (≈08:30 CET)

2017-02-16 Year End Report 2016 (≈08:30 CET)

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.

The auditors have not audited this report.

CORPORATE REGISTRATION

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

Key figure definitions

In this interim report we refer to non-IFRS measures that Vitec and other parties use in evaluating the Company's results. These measures provide management and investors with meaningful information to analyze trends in the Company's business. These non-IFRS measure is intended to supplement, not replace, the financial measures presented in accordance with IFRS. Non-IFRS measures presented on the last page of this report are defined as follows.

RETURN ON CAPITAL EMPLOYED

Operating profit as a percentage of average capital employed attributable to parent company shareholders.

RETURN ON EQUITY

Profit/loss for the period, attributable to parent company shareholders, as a percentage of average shareholders' equity, attributable to parent company shareholders.

VALUE ADDED PER EMPLOYEE

Operating income plus depreciation and staff costs relative to the average number of employees.

ADJUSTED EQUITY PER SHARE

Equity attributable to shareholders in proportion to the number of shares issued at the closing-day.

CASH FLOW FROM OPERATING ACTIVITIES PER SHARE

Cash flow from operating activities divided by the average number of shares on the market during the period.

SALES PER EMPLOYEE

Net revenue, including other operating income in relation to average number of employees.

P/E RATIO

Share price at year-end divided by earnings per share.

P/ADJUSTED EQUITY PER SHARE

The share price at the balance sheet date multiplied by the number of shares issued on the closing date in relation to the equity attributable to the parent company's shareholders.

P/S

The share price at the balance sheet date multiplied by the average number of shares in relation to net sales.

EARNINGS PER SHARE

Profit/loss for the period, attributable to parent company shareholders, divided by the average number of shares on the market attributable to parent company shareholders.

OPERATING PROFIT

Operating profit as a percentage of net sales.

SOLIDITY

Shareholders' equity, including equity attributable to non-controlling interests in relation to total assets.

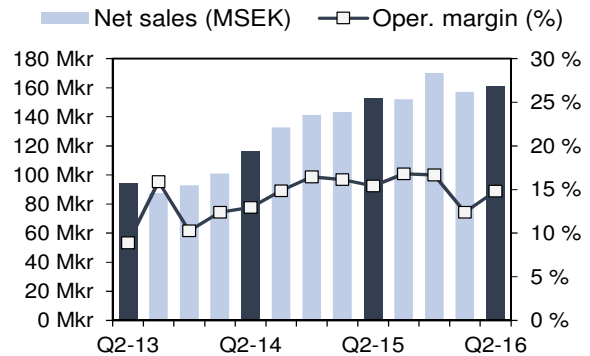
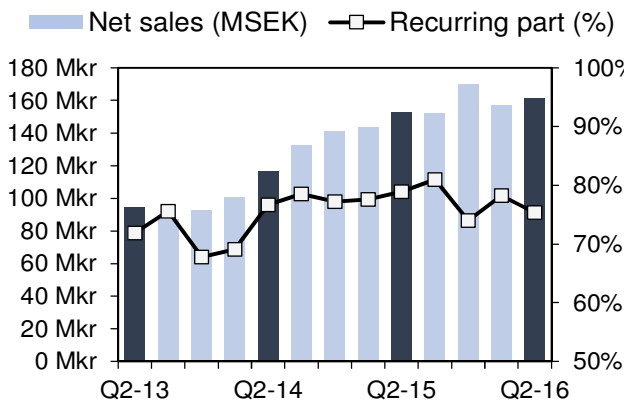
DEBT RATIO

Average liabilities in relation to average shareholders' equity and non-controlling interests.

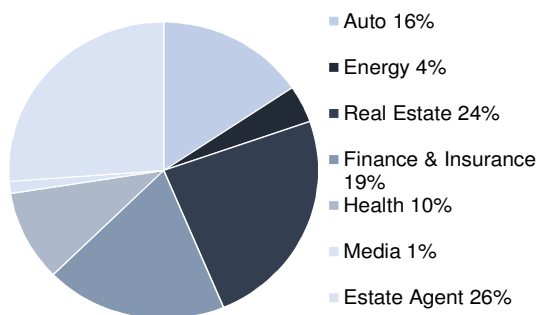
PROFIT MARGIN

Net profit after tax through the net turnover.

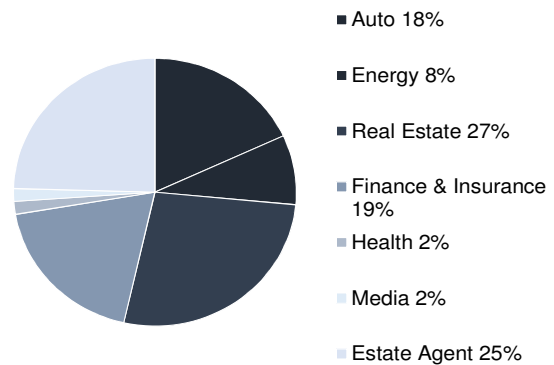
Graphs



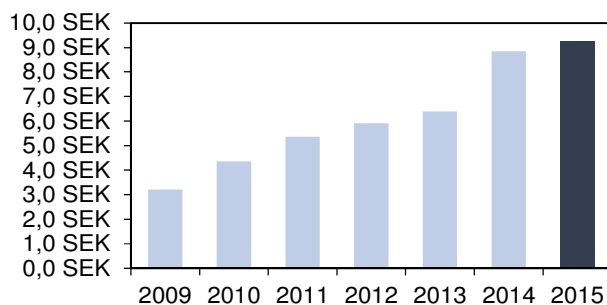
Net Sales Jan-Jun 2016



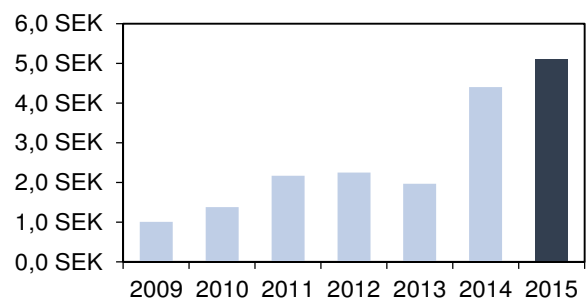
Operating profit Jan-Jun 2016



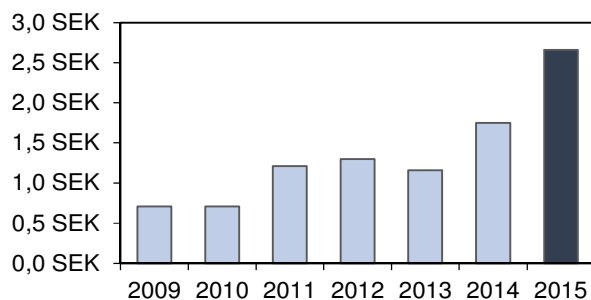
JEK per share (SEK)



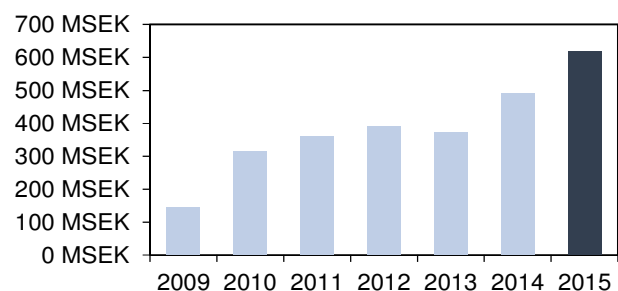
Cash flow per share (SEK)



Profit per share (SEK/share)



Net Sales (MSEK)



Vitec at a glance

INDUSTRY-SPECIFIC BUSINESS SYSTEMS

Vitec develops and supplies business-critical standardised software to satisfy industry-specific needs. Our growth is taking place through the acquisition of mature software companies in the Nordic region.

LONG-TERM CUSTOMER RELATIONS

We adopt a long-term approach, focusing on our customers' security. We create value through our supportive product offering, which facilitates development and increased profitability for our customers.

BUSINESS MODEL WITH RECURRING REVENUE

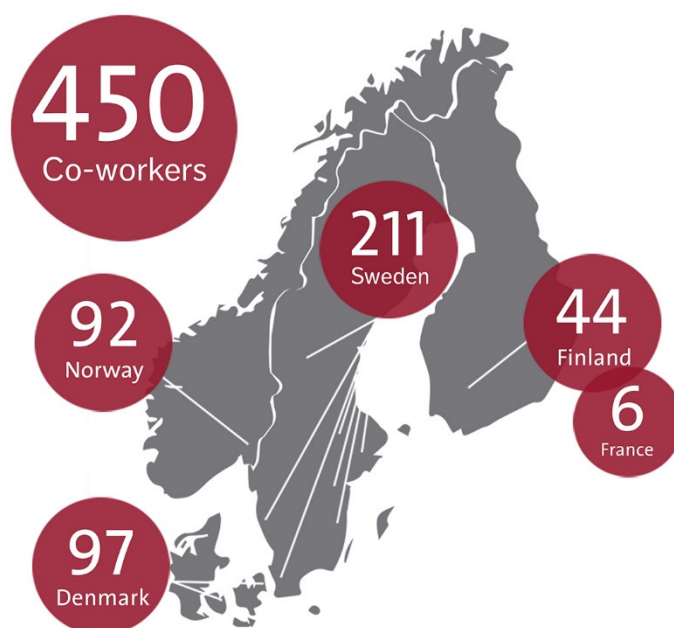
Our business model is based on a high proportion of recurring revenue. This creates the conditions to act in the long-term, as we are less sensitive to temporary downturns within individual companies.

GROWTH THROUGH ACQUISITIONS

Vitec has a pronounced acquisition-based growth strategy, with considerable focus on profitability and stable cash flows. By focusing on strong cash flows, we are creating the financial conditions for continued acquisition-driven growth.

HISTORY

Vitec was established in 1985 as a spin-off company from the University of Umeå, and since 1998 it has been a public company based on software. During our 30-year history, we have experienced continuous growth and have recorded a profit every year. Vitec is now a Nordic software Group with 450 employees.





Key figures

		2016 Jan-Jun	2015 Jan-Jun	2015 Jan-Dec
Net sales	(TSEK)	318 449	296 119	618 385
Business Area Auto	(TSEK)	49 553	20 691	71 082
Business Area Energy	(TSEK)	12 951	11 851	24 114
Business Area Real Estate	(TSEK)	76 487	70 716	142 557
Business Area Finance & Insurance	(TSEK)	60 322	48 954	101 219
Business Area Health	(TSEK)	31 401	30 109	61 492
Business Area Media	(TSEK)	4 156	6 058	10 547
Business Area Estate Agent	(TSEK)	83 285	107 505	207 011
Shared	(TSEK)	292	235	363
Growth	(%)	8%	36%	26%
Profit after financial items	(TSEK)	40 513	43 797	94 686
Profit after tax	(TSEK)	31 744	33 900	78 191
Profit after tax attributable to owners of the parent	(TSEK)	31 744	33 900	78 191
Profit growth attributable to owners of the parent	(%)	-6%	83%	59%
Profit margin	(%)	10%	11%	13%
Operating margin	(%)	14%	16%	16%
Total assets	(tkr)	810 616	746 845	872 019
Solidity	(%)	36%	33%	31%
Equity ratio after full conversion	(%)	38%	34%	33%
Degree of indebtedness	(times)	1,91	2,10	2,09
Return on capital employed	(%)	21%	21%	21%
Return on equity	(%)	28%	28%	29%
Sales per employee	(TSEK)	705	746	1 465
Value added per employee	(TSEK)	585	623	1 212
Personnel expenses per employee	(TSEK)	407	424	797
Average numbers of employees	(number)	452	397	422
Adjusted shareholders' equity per share (JEK)	(SEK)	9,91	8,28	9,24
Earnings per share	(SEK)	1,08	1,15	2,66
Earnings per share after dilution	(SEK)	1,06	1,14	2,64
Paid dividends per share	(SEK)	0,9	0,67	0,67
Cash flow per share	(SEK)	2,49	2,35	5,09
P/E		25,3	22,1	28,2
P/JEK		6,61	5,84	8,12
P/S		3,01	2,49	3,57
Calculation bases:				
Results used for the calculation of earnings per share	(TSEK)	31 744	33 900	78 191
Cash flow for the calculation of cash flow per share	(TSEK)	73 084	69 216	149 751
Average number of shares (weighted average)	(psc)	29 396 690	29 396 690	29 396 690
The number of shares after dilution	(psc)	29 838 900	29 738 731	29 788 016
The number of shares issued on the closing date	(psc)	29 396 690	29 396 690	29 396 690
Share price at end of period	(SEK)	65,50	48,40	75,00

* Values for rolling 12 months.

** Number of shares and key figures related to shares have been recalculated due to split.

*** Cash flow from operating activities before changes in working capital has been corrected for 2015 as unrealized foreign exchange differences have been reclassified.

Vitec Software Group AB (publ) is a Nordic software company that develops and delivers standardised software for industry specific needs. The Group has operations in Sweden, Denmark, Finland and Norway and grows in the mature part of the software industry by consolidating vertical software segments. Our customers include facility management companies, construction and real estate companies, banks and insurance companies, utilities and energy traders, healthcare companies, car spare part dealers and newspaper companies. The Group has 450 employees and had 2015 a turnover of SEK 618 million. Vitec is listed on Nasdaq Stockholm.