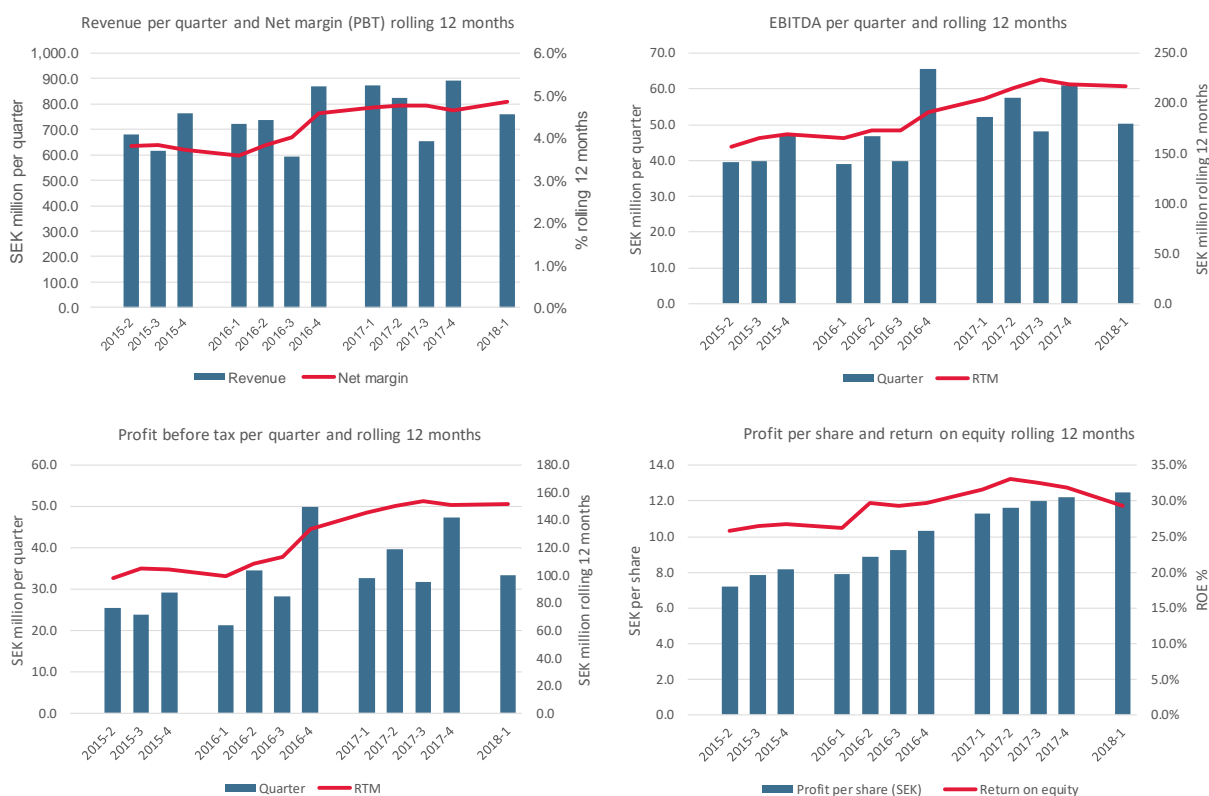


## Interim Report, January – March 2018

### The first quarter in brief

- As from January 1, 2018, the company applies the new accounting standard IFRS 15. In conjunction to this, the company has changed accounting principle for the part of system revenues referring to supplier's guarantees and maintenance. In total, these changes have had a negative effect on the quarter's revenues with SEK 95 million, at the same time costs of goods and services sold have been affected positively. These revenues and costs will be recognized over future periods, over a period of one to three years.
- Revenues decreased by 13% to SEK 759 (873) million. Growth in local currencies was -15%.
- EBITDA decreased by 4 % and amounted to SEK 50.2 (52.2) million.
- Profit before tax increased by 2% to SEK 33.2 (32.7) million. Adjusted for items affecting comparability (SEK 2.6 million), relating to costs for change of CEO, the increase was 10%.
- Profit after tax increased by 6% to SEK 25.3 (23.9) million.
- Profit per share amounted to 2.76 (2.52) SEK.
- Return on equity over the last 12 months amounted to 29.3% (31.6%).



## Report by the CEO of Proact

### Continued positive development for profits

I would like to begin with describing the effects of the new accounting principles implemented by the company from January 1, 2018. The changed accounting principles imply that revenues and costs attributable to professional services delivered in conjunction with the implementation of the company's cloud services as well as the part of system sales, which are attributable to supplier guarantees and maintenance from January 1, 2018 will be recognized over the term of the agreement. Previously these revenues and costs have been recognised at the time of delivery. In total, these changes have affected the company's revenues negatively by SEK 95 million during the quarter, while the cost of goods sold has been affected positively. Related revenues and costs will be recognized over future periods, of one to three years. The changed accounting principles will affect the financial comparative figures, primarily regarding the company's system sales, for the remainder of the year 2018. The changed accounting principles have no impact on the company's business and cash flows.

With the above as background, I am proud to be able to show a positive development in terms of profit. This means that we are reporting the best profits, for a first quarter, in the history of the company. We have also continued to improve the company's margin throughout the quarter, compared with the same period last year, which clearly is also pleasing to see.

For the first quarter profit before tax amounted to SEK 35.8 million, adjusted for items affecting comparability of SEK 2.6 million, representing an increase of 10% compared with the corresponding period last year. The company's gross margin has also increased by 2 percentage points, while sales and marketing expenses and administration expenses in total decreased by 5%. Service revenues continued to develop positively during the quarter and amounted to 276 MSEK, an increase of 1%. Service revenues relating to cloud services amounted to 110 MSEK, an increase of 9%. The financial development is in line with established strategy, which among other things involves ensuring good cost control, regular improvement and streamlining in respect of the services operation, ensuring that necessary measures are taken in countries failing to meet set financial targets and increasing the emphasis on sales and marketing within the company. Through this work, the company will achieve a cost-effective and consistent organisation, a market-leading offering independent of suppliers, as well as an increased proportion of contracted revenues. Overall, I see the efforts made within above mentioned focus areas are giving good results, which makes us even more competitive. During the quarter we have successfully completed a number of customer cases, examples of customer cases are mentioned under the heading "Events during the quarter".

Proact's objective is to act as a partner to our customers and offer high-quality services and market-leading technologies. We supply flexible services and solutions which quickly add sustainable, long-term value. Overall, it is clear to me that the initiatives implemented in various fields are continuing to pay off, making us even more competitive. Our ability to help our customers to minimise risks and reduce costs, and also to supply flexible IT services and products, places us in a strong position on the European market, giving us good opportunities for continued positive development in terms of both revenues and profits.

Kista, 18 April 2018

Peter Javestad  
Acting CEO

#### About Proact

Proact is Europe's leading independent data centre and cloud services provider. By delivering flexible, accessible and secure IT solutions and services, we help companies and authorities reduce risk and costs, whilst increasing agility, productivity and efficiency. We have completed over 5,000 successful projects around the world, have more than 3,500 customers and currently manage in excess of 100 petabytes of information in the cloud.

The Proact Group has more than 800 employees and operates in 15 countries in Europe and in the USA. Proact was founded in 1994, and its parent company Proact IT Group AB (publ) has been listed on Nasdaq Stockholm under the symbol PACT since 1999.

For further information about Proact's activities please visit us at [www.proact.eu](http://www.proact.eu)

## Market review

The ever-increasing pace of digitisation is the megatrend of greatest significance to Proact's operations. This trend is leading in turn to user demands for greater uptime and simplicity. It also means that criteria for new business opportunities and business models are being created for companies and organisations, which in turn means that the underlying growth of digital business-critical information remains high. All in all, IT is therefore of increasingly strategic importance.

An IT function that works well is frequently a prerequisite for efficient running of the core business. The combination of rapid digitisation and the increasing volume of business-critical information means that IT infrastructure is becoming increasingly complex and new demands are being made. All companies and authorities are dependent on access to information of various kinds to allow their operations to work, and accessibility and security are even more important for business-critical information in particular. Shortcomings in security procedures and uptime can lead to disruptions within the business, with disastrous consequences. This

is why more and more companies and authorities are using different services and new technologies in order to simplify their IT operations and ensure that their supply of IT services meets the requirements defined by business operations and customers.

Another clear market trend is that more and more customers want to offer IT as a service, where in-house and external users themselves order and consume different types of IT service based on the needs of each individual user. To facilitate the supply of IT as a service, companies and authorities are implementing a combination of private and public cloud services, known as hybrid clouds, to an ever-increasing extent in order to automate internal IT processes, among other things.

The need for ongoing streamlining means a growing demand for solutions and services in Proact's specialist fields, which indicates major potential for growth for the company. Proact has established methods, processes and services to offer to meet demand on the market and provide the most effective support to its customers.

## Major events during the quarter

A number of major contracts have been concluded during the quarter, with enterprises such as Belmedis and Descartes in Belgium, Grintec in Denmark, Helmes in Estonia, Medbit in Finland, DSW and Kwik-Fit in the Netherlands, Verisure in Spain, ATG, Axis, Spotify and Vattenfall in Sweden, Colsys and ON Semiconductor in Czech Republic, Patrizia Immobilien in Germany.

## Events during the quarter

### **Samhall chooses Proact for Office 365 implementation**

Samhall is a state-owned Swedish limited company with the primary task of creating rewarding jobs for people with disabilities. The company is one of Sweden's biggest service providers and offers services in fields such as cleaning, laundry and property maintenance, logistics, manufacture and care, and employs more than 24,000 staff and operates in more than 600 locations throughout Sweden.

Proact has been responsible for the operation of Samhall's mail servers for a number of years. Because of its specialist knowledge and experience, Proact has been entrusted with the task of advising on efforts to design and commission a new IT environment.

Samhall mainly decided to choose Office 365 with functionality and economy in mind. For example, user functionality will be improved as

both mail services and other IT services will become more readily accessible to users. The objective is to use Office 365 and various mobile apps included in the service to provide all staff with access to Samhall.se via their own user accounts.

When the new IT environment has been commissioned, Proact will be responsible for the "Proactive 365" service, which means that Samhall will go on obtaining information and advice from Proact's specialists. This in turn will facilitate ongoing efforts to adapt and update the new IT environment.

### **Proact to supply new IT infrastructure solution to Pro-Duo**

Pro-Duo is part of the Sally Beauty Holdings Inc. group, an international distributor of professional beauty products from brands such as

L'Oréal, Schwarzkopf, Wella and Tigi. The company has more than 4700 stores all over the world and annual revenues of USD 3.6 billion. Pro-Duo makes stringent demands in terms of scalability, uptime and performance with regard to its IT infrastructure, and it also makes stringent demands in terms of redundancy and cost-effectiveness for its IT environment. In order to meet the company's increasing demands, a procurement procedure took place in which Proact was entrusted with the task of supplying a new IT infrastructure with associated consultancy and support services thanks to its specialist expertise and experience.

The new infrastructure is based on the data centre concept, which is a reference architecture in which components such as storage, servers and networks are all integrated with one another. Thanks to this new IT infrastructure, Pro-Duo now has improved support for its activities and users, and internal administration of systems is also considerably simpler and more cost-effective.

The contract includes implementation and configuration of the new IT infrastructure, as well as Proact Premium Support, which over time will have a positive effect on Proact's contracted revenues.

#### **Bisnode reduces IT costs with new IT infrastructure from Proact**

Bisnode operates in 18 geographical markets and is one of Europe's leading suppliers of business information. Bisnode helps to make life easier for its clients by supplying thousands of items of decision data to companies, authorities, municipalities and other organisations every day. More than 2000 experts work at Bisnode, every day interpreting, refining and understanding data that provides a basis for the business decisions made by the company's clients.

For Bisnode, handling and processing of large volumes of information is at the heart of everything it does. When the company made the decision to update its business-critical database environment, its ambition was to migrate its present IT infrastructure to a single, consolidated IT environment. The aim of this was to simplify administration, make direct savings and create a clear IT strategy for the future.

Proact was entrusted with the task of carrying out a pilot study thanks to its specialist expertise. The aim of the pilot study was to identify the needs and demands imposed on the IT in-

frastructure from both an IT and a business perspective. A new, consolidated IT environment was designed based on the outcome of the pilot study.

The new IT infrastructure is providing Bisnode with an IT environment suitable to meet business needs both now and in the future, while also helping the company to save significant amounts of money and enhancing performance and reliability. The contract also includes implementation and configuration of the new IT environment.

#### **Koncern IT chooses Proact Premium Support Plus**

Koncern IT is a company under the Finance Administration of the City of Copenhagen, which provides and runs the IT infrastructure in all municipal administrations. Koncern IT also develops new digital IT solutions for the municipalities. Koncern IT has 350 staff who provide IT services to 45,000 employees within the municipal administrations of Copenhagen, making it one of the biggest IT centres in Denmark.

The extensive IT infrastructure in Copenhagen links some 1700 locations via thousands of access points, switches, servers, storage systems and backup systems. With an extensive IT network of this kind, there is a major need to monitor all components 24 hours a day, seven days a week, 365 days a year to guarantee the accessibility of the various IT services. Although Koncern IT had monitoring and support systems in place, there was still a need for monitoring outside office hours.

The Proact Premium Support Plus service allows Proact to supply an SLA-based service, which includes monitoring of more than 100 critical components in the IT infrastructure, while also, responding to alerts outside office hours. The service provided by Proact is allowing Koncern IT to improve the security and uptime of the IT services provided, while also ensuring excellent cost-effectiveness.

## Financial overview

### Revenues

For the first quarter 2018, total revenues amounted to SEK 759 (873) million, a decrease of 13%. Growth in local currencies was -15%. The decrease mainly relates to introducing a new accounting standard, whereby SEK 95 million, which would previously had been recognized during the quarter, now will be recognized over future periods in one to three years. Adjusted for this change, revenues has decreased by 2.6%.

### Industry segments

Proact has good revenue distribution in respect of its various industry segments. The four biggest industry segments are Trade & Services (24%), Public Sector (18%), Telecoms (13%) and Manufacturing industry (13%).

### Business Units

In Nordics revenues decreased during the quarter, of which SEK 47 million relates to change in accounting principles. In addition, during the corresponding quarter previous year, a number of larger deals were made, especially in Norway, affecting system revenues positively in that quarter.

In UK, the revenues are unchanged compared to the same quarter previous year, in spite the fact that changed accounting principles has had a negative effect with SEK 18 million.

In West, the revenues decreased by SEK 15 million, however changed accounting principles has affected the revenues negatively by SEK 27 million.

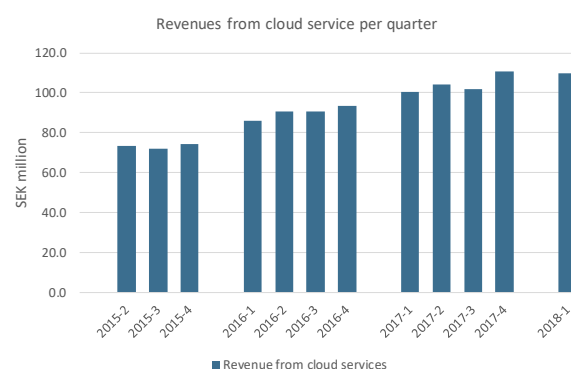
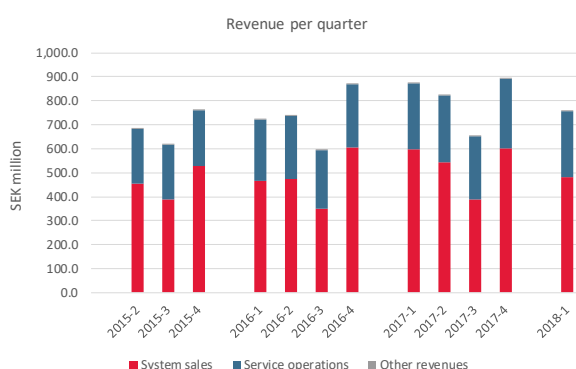
In East, total revenues increased during the quarter, both system and service revenues has developed positively. Changed accounting principles has affected the revenues negatively by SEK 3 million.

Future contracted cash flows from Proact Finance amount to SEK 166 (111) million, representing an increase by 50%.

### Operating segment

During the first quarter, system revenues decreased by 20% and amounted to SEK 481 (598) million. The decrease, as previously mentioned, mainly relates to introducing a new accounting standard, whereby SEK 95 million, which had previously been recognized during the quarter, will be recognized over future periods in one to three years. During the same period, service revenues increased by 1% and amounted to SEK 276 (274) million. Service revenues amount to 36% of total revenues for the quarter.

New contracts relating to cloud services worth SEK 40 million, with terms of three to five years, have been concluded during the quarter. Total revenues from cloud services amounted to SEK 110 (100) million, representing an increase of 9% compared with the corresponding period in the previous year. Revenues from cloud services amount to SEK 426 million over a period of 12 consecutive months.



Revenue per Business Unit	Jan-Mar 2018	Jan-Mar 2017	12 mths Apr-Mar	Full Year 2017
Nordics	339	448	1,542	1,652
UK	147	146	552	551
West	245	260	902	916
East	36	24	142	131
Proact Finance	31	10	122	101
Group-wide	-40	-16	-131	-108
Total revenue	759	873	3,129	3,243

Revenue per operating segment	Jan-Mar 2018	Jan-Mar 2017	12 mths Apr-Mar	Full Year 2017
System sales	481	598	2,016	2,133
Services operations	276	274	1,108	1,106
Other revenue	1	1	6	5
Total revenue	759	873	3,129	3,243

## Comprehensive income

EBITDA decreased during quarter by 4% compared with the same period last year and amounted to SEK 50.2 (52.2) MSEK.

Profit before tax increased by 2% to SEK 33.2 (32.7) million. Adjusted for items affecting comparability during first quarter 2018 (SEK 2.6 million), the increase was 10%.

## Business Units

In Nordics, the result for the quarter has been affected negatively due to change of accounting principles, mainly affecting the result from system operations.

In UK, the result has developed positively during the quarter through good margin in the system operations and improved profitability in the service operations.

In West, the result has improved during the quarter compared to corresponding quarter previous year, in spite of the fact of changed accounting principles. An improved margin in the system operation, increased service revenues and improved result from the operation in Germany has contributed to the positive development in result.

In East, the result developed positively mainly related to increase in revenues from system operations combined with continued good margin development.

Proact Finance continues to show a stable development regarding earnings and profitability.

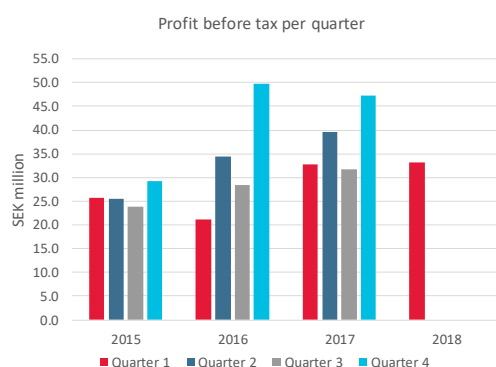
## Balance sheet and cash flow

Cash and cash equivalent amounted to SEK 180 million as at 31 March 2018, compared to SEK 221 million previous year. Of total bank overdraft facilities of SEK 245 million, SEK 34 million has been utilised. Bank loans amounted to SEK 125 million, of which SEK 39 million are due within 12 months. Operational leasing agreements are used to finance investments in IT equipment for cloud operations, which means that these investments have no direct impact on the balance sheet.

Cash flow for the quarter amounted to SEK -55 (8) million for the quarter, of which SEK -13 (43) million from operating activities. Rolling 12 months cash flow amounted to SEK -62 million.

During the quarter SEK 31 (16) million has been invested in fixed assets. Increase in investments in fixed assets is related to positive development in the own financing business, Proact Finance. During the quarter SEK 26 (45) million has been paid out in cash. Change in bank loans and use of overdraft facilities together contributed to cash flow with SEK 23 million. Buy back of own shares have been made amounting to SEK 8 million.

The Group's equity ratio at the end of the period was 21% (20%). As per year-end 2017, the equity ratio was 20%.



Profit before tax per Business Unit	Jan-Mar 2018	Jan-Mar 2017	12 mths Apr-Mar	Full Year 2017
Nordics	16.7	25.3	89.2	97.8
UK	6.9	4.4	21.3	18.8
West	12.0	1.8	30.7	20.5
East	2.9	1.6	7.7	6.4
Proact Finance	0.7	0.6	5.8	5.7
Group-wide	-3.5	-1.0	-0.6	1.9
Profit before tax and items affecting comparability	35.8	32.7	154.2	151.1
Items affecting comparability	-2.6	-	-2.6	-
Profit before tax	33.2	32.7	151.7	151.1

Financial position	Mar 31 2018	Dec 31 2017	Mar 31 2017	Dec 31 2016
Cash and cash equivalents	180	220	221	214
Bank overdraft facilities	-34	-1	-17	-29
Liabilities to credit institutions	-131	-139	-176	-143
Contract borrowing	-	-	-21	-30
Net cash (+)/Net debt (-)	15	80	7	13
Unutilized bank overdraft facility	211	240	153	151
Total bank overdraft facility	245	241	170	180



## Buy-back of own shares

At the Annual General Meeting held on 9 May 2017, the Board of Directors was authorized to acquire up to 10% of the company's shares by the next Annual General Meeting. As at 31 March 2018, 103,600 shares have been acquired under this authorisation.

The company holds 182,269 shares in its own custody as at 31 March 2018, which is equivalent to 2.0% of the total number of shares.

## Employees

The company employed 793 (804) people as at 31 March 2018.

## Parent Company in brief

Parent Company's total revenues for the period amounted to SEK 21.1 (26.2) million. Profit before tax amounted to SEK -4.7 (-0.4) million.

Parent Company's liabilities in a joint group currency account amounted as at 31 March 2018 to SEK 318 (340) million.

At the end of the period, the number of people employed by the parent company totaled 12 (13).

Parent Company's operations have remained unchanged over the period. There have been no significant transactions with related parties.

## Events after the balance sheet date

No events of significance to the Group have occurred since the end of the report period.

## Risks and uncertainty factors within the enterprise

The company has in the current situation difficulties to assess consequences of United Kingdom's forthcoming exit from EU. Short term, currency rate effects will affect the group's financial statements. Otherwise, no risks or uncertainty factors have altered, by comparison with those commented upon in the last Annual Report issued. For a more detailed description of significant risks and uncertainty factors, please see Proact's annual report for 2017, page 23.

## Alternative Performance Measures

The company presents performance measures in the interim report that are not defined under IFRS. The company believes that these performance measures provide useful supplemental information to investors and the company's management. Definitions of performance measures are available in Proact's Annual Report 2017, page 63.

## Annual General Meeting

The Annual General Meeting will take place at 6 pm on 8 May 2018 at Scandic Victoria Tower, Kista. For further information, please see the company's website at [www.proact.se](http://www.proact.se)

## Other information

This interim report has not been audited.

## Forthcoming reports

11 July 2018	Interim Report Q2 2018
18 Oct 2018	Interim Report Q3 2018
6 Feb 2019	Year-end Report 2018

---

## For further information, please contact:

	Tel.
Peter Javestad, Acting CEO	+46 733 56 67 22
Jonas Persson, CFO	+46 733 56 66 90

Email
<a href="mailto:peter.javestad@proact.eu">peter.javestad@proact.eu</a>
<a href="mailto:jonas.persson@proact.eu">jonas.persson@proact.eu</a>

The information in this interim report is such information as Proact IT Group (publ) shall publish in accordance with *lagen om värdepappersmarknad*, the Securities Market Act, and/or *lagen om handel med finansiella instrument*, the Act on Trading in Financial Instruments. This information was submitted for publication at 08:00 (CET) on 18 April 2018.

Kista, 18 April 2018

**Proact IT Group AB (publ)**

Peter Javestad  
*Acting CEO*



## Financial reports (SEK million)

### Consolidated Statement of Comprehensive Income

	Jan-Mar 2018	Jan-Mar 2017	12 mths Apr-Mar	Full Year 2017
System income	481.3	598.2	2,015.9	2,132.8
Service income	276.0	273.9	1,107.6	1,105.5
Other operating income	1.3	0.5	5.9	5.1
Total income	758.6	872.6	3,129.4	3,243.4
Cost of goods and services sold	-574.1	-681.4	-2,381.6	-2,488.8
Gross profit	184.5	191.2	747.8	754.6
Sales and marketing expenses	-94.6	-96.9	-372.1	-374.4
Administration expenses	-52.6	-58.2	-219.0	-224.6
Items affecting comparability	-2.6	-	-2.6	-
Operating profit/loss, EBIT	34.8	36.1	154.2	155.6
Net financial items	-1.5	-3.5	-2.5	-4.5
Profit before tax	33.2	32.7	151.7	151.1
Income tax	-7.9	-8.8	-36.2	-37.1
Comprehensive income for the period	25.3	23.9	115.5	114.0
<i>Other comprehensive income</i>				
<i>Items which may be reversed later in the income statement</i>				
Change of hedging reserve (net investment in foreign operations)	0.8	0.2	0.7	0.2
Tax effect of change of reserve (net investment in foreign operations)	-0.2	-0.0	-0.2	-0.0
Translation differences	16.4	-1.5	17.8	-0.1
<i>Total items which may be reversed later in the income statement</i>	<i>17.0</i>	<i>-1.4</i>	<i>18.3</i>	<i>0.0</i>
Total comprehensive income for the period	42.3	22.5	133.8	114.0
<i>Profit attributable to:</i>				
Shareholders of the Parent company	25.4	23.5	115.1	113.2
Holdings without a controlling influence	-0.0	0.4	0.4	0.8
<i>Total comprehensive income for the period attributable to:</i>				
Shareholders of the Parent company	42.4	22.3	136.6	116.4
Holdings without a controlling influence	-0.1	0.2	-2.8	-2.4

### Data per share\*

	Jan-Mar 2018	Jan-Mar 2017	12 mths Apr-Mar	Full Year 2017
Earnings per share for the period attributable to the shareholders of the parent company, SEK	2.76	2.52	12.47	12.22
Equity per share attributable to the shareholders of the parent company, SEK	44.81	39.82	44.81	44.55
Cash flow from operations per share, SEK	-2.43	4.95	18.69	18.62
Number of outstanding shares at end of period	9,151,617	9,333,117	9,151,617	9,205,317
Weighted average number of outstanding shares	9,177,274	9,326,450	9,226,463	9,263,247

\* Proact does not have any outstanding warrants, convertible debentures or other instrument that could give rise to dilution.

## Consolidated Balance Sheet in Brief

	Mar 31 2018	Mar 31 2017	Dec 31 2017
<b>ASSETS</b>			
<u>Fixed assets</u>			
Goodwill	400.7	367.7	385.0
Other intangible fixed assets	96.1	132.4	99.4
Tangible fixed assets	68.3	67.6	62.6
Other long-term receivables	199.7	86.3	131.9
Deferred tax receivables	16.8	15.2	17.2
<u>Current assets</u>			
Inventories	37.6	21.3	37.4
Trade and other receivables	997.5	953.7	987.3
Cash and cash equivalents	180.3	220.6	220.4
<b>Total assets</b>	<b>1,996.9</b>	<b>1,864.9</b>	<b>1,941.2</b>
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to the shareholders of the parent company	410.1	371.6	380.8
Equity attributable to holdings without a controlling influence	1.7	5.5	3.6
<b>Total equity</b>	<b>411.9</b>	<b>377.1</b>	<b>384.4</b>
<u>Long-term liabilities</u>			
Long-term liabilities, interest-bearing	93.3	144.6	93.4
Long-term liabilities, non-interest-bearing	170.3	66.1	94.7
Deferred tax liabilities	22.2	26.3	21.5
<u>Short-term liabilities</u>			
Short-term liabilities, interest-bearing	114.6	82.9	87.3
Short-term liabilities, non-interest-bearing	1,184.6	1,167.8	1,259.9
<b>Total equity and liabilities</b>	<b>1,996.9</b>	<b>1,864.9</b>	<b>1,941.2</b>

## Consolidated Statement of Changes in Equity

	Jan-Mar 2018	Jan-Mar 2017	Full Year 2017
At beginning of period	384.4	332.6	332.6
		-5.4	-5.4
Total comprehensive income for the period	42.3	22.5	114.0
Dividend	-	-	-32.4
Dividend to holdings without a controlling influence	-	-	-1.3
Financial liability to holdings without a controlling influence	-	-	-26.3
Acquisition from holdings without a controlling influence	-7.3	-	0.6
Share savings and share option programs	-	27.4	27.4
Buy-back of own shares	-7.5	-	-24.9
<b>At end of period</b>	<b>411.9</b>	<b>377.1</b>	<b>384.4</b>

Holdings without a controlling influence: Proact Lietuva UAB 26.14%.

## Consolidated Cash Flow Statement in Brief

	Jan-Mar 2018	Jan-Mar 2017	12 mths Apr-Mar	Full Year 2017
Cash flow from operating activities before changes in working capital	34.3	33.7	188.7	188.0
Cash flow from changes in working capital	-47.3	9.4	-3.8	52.9
Cash flow from operating activities	-13.0	43.1	184.9	241.0
Cash flow from investing activities	-49.6	-47.8	-120.7	-118.9
Cash flow from financing activities	7.4	12.3	-126.0	-121.1
Total cash flow for the period	-55.2	7.7	-61.9	1.0
Cash and cash equivalents at beginning of the period	220.4	214.4	220.6	214.4
Currency translation difference in cash and cash equivalents	15.1	-1.6	21.5	4.9
Cash and cash equivalents at end of the period	180.3	220.6	180.3	220.4

## Key Figures

	Jan-Mar 2018	Jan-Mar 2017	12 mths Apr-Mar	Full Year 2017
Total revenue, SEK millions	759	873	3,129	3,243
EBITDA, SEK millions	50.2	52.2	216.8	218.8
EBITDA margin, %	6.6	6.0	6.9	6.7
EBITA, SEK millions	42.6	44.4	186.3	188.1
EBITA margin, %	5.6	5.1	6.0	5.8
EBIT, SEK millions	34.8	36.1	154.2	155.6
EBIT marginal, %	4.6	4.1	4.9	4.8
Profit before tax, SEK millions	33.2	32.7	151.7	151.1
Net margin, %	4.4	3.7	4.8	4.7
Profit after tax, SEK millions	25.3	23.9	115.5	114.0
Profit margin, %	3.3	2.7	3.7	3.5
Equity ratio, %	20.6	20.2	20.6	19.8
Capital turnover rate, times	0.4	0.5	1.6	1.7
Return on equity, %	6.4	6.7	29.3	31.8
Return on capital employed, %	6.2	6.4	26.5	29.2
Investments in fixed assets, SEK millions	30.6	90.5	106.8	166.7
Financial costs included in net financial items, SEK millions	3.4	4.4	10.4	11.4
Profit before tax per employee, SEK thousands	42	42	189	189
Average number of employees	797	783	805	799

For a five-year summary, see Note 7. Definitions of key ratios and figures are set out in the Annual Report 2017.

Amortizations and depreciations included in Consolidated Statement of Comprehensive Income are specified in Note 4.

Key figures Proact reports and monitors the business by are common key figures used by the industry and by companies' listed on Nasdaq Stockholm.

## Parent Company's Income Statement and Balance Sheet, in brief

	Jan-Mar 2018	Jan-Mar 2017	Full Year 2017
Net sales	21.1	26.2	96.6
Cost of goods and services sold	-	-	-
Gross profit	21.1	26.2	96.6
Administration expenses	-26.4	-24.8	-97.5
Operating profit	-5.4	1.5	-0.9
Net financial items	0.6	-1.9	97.4
Profit after financial items	-4.7	-0.4	96.5
Profit before tax	-4.7	-0.4	96.5
Income tax	1.0	0.1	0.1
Comprehensive income for the period	-3.7	-0.3	96.6

	Mar 31 2018	Mar 31 2017	Dec 31 2017
ASSETS			
Fixed assets	754.1	680.5	687.3
Current assets	72.6	153.9	104.5
Total assets	826.7	834.4	791.7
EQUITY AND LIABILITIES			
Equity	278.0	249.5	289.2
Long-term liabilities	96.1	130.8	96.9
Short-term liabilities	452.7	454.1	405.6
Total equity and liabilities	826.7	834.4	791.7

## Explanatory information

### Note 1. General information

Proact IT Group AB (publ) (org nr: 556494-3446) har sitt säte i Stockholms kommun. Bolaget är noterat på Nasdaq Stockholm sedan juli 1999 och återfinns på Small Cap under symbolen PACT.

### Note 2. Accounting policies

The consolidated accounts for the interim report, like the annual report for 2016, have been compiled in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU, and the Swedish Annual Accounts Act. The Parent Company's accounts have been compiled in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 (Accounting for Legal Entities).

The present interim report has been prepared in accordance with IAS 34, Interim Reporting, and the Swedish Company Accounts Act. The term "IFRS" in this document includes the application of IAS and IFRS, as well as the interpretations of these standards as published by the IASB's Standards Interpretation Committee (SIC) and Internal Reporting Interpretations Committee (IFRIC). The Group applies the same accounting principles as those described in the annual report for 2017 with the addition of IFRS 15 and IFRS 9, which are described below.

"IFRS 15 Revenues from Contracts with Customers" is applied for fiscal years starting January 1, 2018. The accounting standard is based on principles, specifies how and when revenue is to be reported, and requires more detailed information about the company's revenue streams. Proact applies IFRS 15 from January 1, 2018 with full retroactivity and adjustment of comparative figures using available expedients.

The analysis of the effects of IFRS 15 was completed during the fourth quarter 2017 and Proact's conclusion is that the new standard entails a change in the income statement for cloud service operations in terms of revenues and costs associated with installation and "costs to obtain a contract", which in Proact's case only comprises sales commissions. For cloud services, the difference is that installation and delivery of cloud service previously have been treated as two separate performance obligations, but is now considered one performance obligation. In the accounts, the effect is that revenues and costs associated with installation before the start of the contract will be deferred over the duration of the agreement. Sales commissions, previously incurred in connection with the conclusion of the agreement, will be capitalized and expensed over the time Proact estimates that the customer will remain with Proact.

Historically, the Group has recognized revenue and expense for system sales, including the part related to supplier's guarantees and maintenance, at the point of sale. In connection with the analysis made in respect of IFRS 15, the Group has decided to defer revenues and expenses for the part related to supplier's guarantees and maintenance over the term of the contract.

Comparison numbers in this interim report has been restated according to new accounting principles. See the following transition bridge showing the effects on first quarter 2017 accounts from introducing the new standard.

#### Transition Effects IFRS 15 for first quarter 2017

Amount in SEK million	Jan-Mar 2017	Jan-Dec Adjustment	Jan-Mar 2017	Jan-Dec 2017	Jan-Dec Adjustment	Jan-Dec 2017
System income	602.1	-4.0	598.2	2,148.7	-15.9	2,132.8
Service income	274.2	-0.3	273.9	1,104.5	1.0	1,105.5
Other operating income	0.5	-	0.5	5.1	-	5.1
Total income	876.9	-4.3	872.6	3,258.3	-14.9	3,243.4
Cost of goods and services sold	-684.3	2.9	-681.4	-2,502.3	13.5	-2,488.8
Gross profit	192.6	-1.3	191.2	756.0	-1.4	754.6
Sales and marketing expenses	-96.9	-	-96.9	-374.4	-	-374.4
Administration expenses	-58.2	-	-58.2	-224.6	-	-224.6
Operating profit/loss, EBIT	37.5	-1.3	36.1	156.9	-1.4	155.6
Net financial items	-3.5	-	-3.5	-4.5	-	-4.5
Profit before tax	34.0	-1.3	32.7	152.5	-1.4	151.1
Income tax	-9.0	0.2	-8.8	-37.5	0.4	-37.1
Comprehensive income for the period	25.0	-1.1	23.9	115.0	-1.0	114.0
Amount in SEK million	Mar 2017	IFRS 15 Adjustment	Mar 2017	Dec 2017	IFRS 15 Adjustment	Dec 2017
Assets	1,766.3	98.6	1,864.9	1,832.0	109.2	1,941.2
Total Assets	1,766.3	98.6	1,864.9	1,832.0	109.2	1,941.2
Equity - Effect on opening balance equity 2017	-	-5.4	-5.4	-	-5.4	-5.4
Equity - Effect on result for the period 2017	383.7	-1.1	382.5	390.8	-1.0	389.8
Liabilities	1,382.6	105.2	1,487.8	1,441.2	115.6	1,556.9
Total Shareholders' Equity and Liab	1,766.3	98.6	1,864.9	1,832.0	109.2	1,941.2

IFRS 9 is applied from January 1, 2018, which means that opening balances as of January 1, 2018 will be adjusted without recalculating previous periods. The main impact relates to a partially new process for credit losses, which is based on expected losses instead of losses incurred. Proact has applied the transition forward, has taken into account historical customer losses over a business cycle, and can subsequently note that the new standard will not affect the Group's accounts with significant amounts.

## Financial instruments

Proact's financial instruments consist of derivatives, accounts receivable, cash and cash equivalents, accounts payable, accrued trade creditors and interest-bearing liabilities. Derivatives are valued at fair value at level 2 as defined by IFRS 7, i.e. fair value determined using valuation techniques with observable market data, either directly (as prices) or indirectly (derived to price). All other financial assets have been classified as loans and receivables, which includes accounts receivable, cash, and cash equivalents. All other financial liabilities have been classified as other financial liabilities valued at accrued cost, which includes accounts payable, accrued trade creditors and liabilities to credit institutions. Liabilities to credit institutions have variable interest rates, and the reported interest rate is on a par with the current interest rate on liabilities to credit institutions, and other financial assets and liabilities have short terms. Based on this, the book values of all financial assets and liabilities are deemed a reasonable estimate of their fair values.

### Note 3. Revenues per industry

Revenue per industry	Jan-Mar 2018	Jan-Mar 2017	12 mths Apr-Mar	Full Year 2017
Telecom	210	267	736	794
Bank and Finance	150	160	569	578
Oil and Energy	64	105	405	446
Manufacturing	83	71	396	384
Media	81	87	283	289
Trading & Services	43	55	151	163
Public sector	11	14	116	119
Other	116	114	473	470
Total revenue	759	873	3,129	3,243

### Note 4. Depreciations and write-downs of fixed assets

	Jan-Mar 2018	Jan-Mar 2017	12 mths Apr-Mar	Full Year 2017
Depreciation intangible fixed assets	7.8	8.3	31.2	31.6
Write-down intangible fixed assets	-	-	0.9	0.9
Depreciation tangible fixed assets	7.6	7.8	30.5	30.7
Total	15.4	16.1	62.6	63.3

### Note 5. Income tax

The group's tax expense includes total current tax and deferred tax calculated based on applicable tax rates in the respective countries. The reported tax cost for first quarter 2018 amounts to SEK 7.9 (8.8) million.

### Note 6. Transactions with related parties

No transactions between Proact and related parties, which have significantly affected the Group's position and profits, have taken place during the quarter.

## Note 7. Operating segments

Nordics:	Sweden, Norway, Finland, USA and Denmark
UK:	United Kingdom
East:	Estonia, Latvia, Lithuania, Czech Republic and Slovakia
West:	Nederländerna, Belgien, Spanien och Tyskland
Proact Finance:	Proact's finance company under its own auspices is reported separately as this company supports all geographical regions.

Jan-Mar 2018	Nordics	UK	West	East	Proact Finance	Group-wide	Eliminations	Group
Total revenue	339	147	245	36	31	31	-70	759
Profit before tax and items affecting comparability	16.7	6.9	12.0	2.9	0.7	-3.5	-	35.8
Items affecting comparability	-	-	-	-	-	-2.6	-	-2.6
Profit before tax	16.7	6.9	12.0	2.9	0.7	-6.0	-	33.2
Tax								-7.9
Comprehensive income for the period								25.3

Jan-Mar 2017	Nordics	UK	West	East	Proact Finance	Group-wide	Eliminations	Group
	Nordics	UK	West	East	Proact Finance	Koncern-gemensamt	Elimineringar	Koncernen
Total revenue	448	146	260	24	10	34	-51	873
Profit before tax	25.3	4.4	1.8	1.6	0.6	-1.0	-	32.7
Tax								-8.8
Comprehensive income for the period								23.9

## Note 8. Five-year summary

	apr-mar 2017/2018	jan-dec 2017	jan-dec 2016 <sup>1)</sup>	jan-dec 2015 <sup>1)</sup>	jan-dec 2014 <sup>1)</sup>	jan-dec 2013 <sup>1)</sup>
Total revenue, MSEK	3,129	3,243	2,922	2,802	2,325	2,305
EBITDA, MSEK	216.8	218.8	191.4	169.2	144.2	128.0
EBITDA margin, %	6.9	6.7	6.6	6.0	6.2	5.6
EBITA, MSEK	186.3	188.1	163.9	140.4	109.5	82.8
EBITA margin, %	6.0	5.8	5.6	5.0	4.7	3.6
EBIT, MSEK	154.2	155.6	137.2	113.5	84.9	54.0
EBIT margin, %	4.9	4.8	4.7	4.1	3.7	2.3
Profit before tax, MSEK	151.7	151.1	133.7	104.1	85.2	43.7
Net margin, %	4.8	4.7	4.6	3.7	3.7	1.9
Profit after tax, MSEK	115.5	114.0	96.7	78.4	59.9	27.2
Profit margin, %	3.7	3.5	3.3	2.8	2.6	1.2
Equity ratio, %	20.6	19.8	18.4	19.2	17.5	16.9
Capital turnover rate, times	1.6	1.7	1.7	1.8	1.6	1.6
Return on equity, %	29.3	31.8	29.8	26.8	23.4	11.6
Return on capital employed, %	26.5	29.2	27.2	25.6	21.3	13.8
Dividend to shareholders of the Parent company, MSEK <sup>2)</sup>	-	32.4	25.1	15.6	11.2	10.2
Investments in fixed assets, MSEK	106.8	166.7	60.5	150.4	69.1	54.8
Financial costs included in net financial items, SEK millions	10.4	11.4	8.3	14.2	3.7	13.2
Profit before tax per employee, SEK thousands	189	189	185	156	132	67
Average number of employees	805	799	723	669	646	649
Earnings per share for the period, SEK <sup>3)</sup>	12.47	12.22	10.32	8.20	6.16	2.36

<sup>1)</sup> Years prior to 2017 has not been recalculated according to new accounting principles which are applied as from January, 2018.

<sup>2)</sup> Relates to the year in which the dividend was executed. For business year 2016 a dividend of SEK 3.50 was made.

The Board of Directors and Managing Director will propose a dividend of SEK 3.75 per share to the Annual General Meeting for the 2017 business year, totaling SEK 34.5 million.

<sup>3)</sup> Calculated on the basis of the weighted average number of outstanding shares. Proact does not have any outstanding warrants, convertible debentures or other instrument that could give rise to dilution.

## Note 9. Events after balance sheet date

No events of significance to the Group have occurred since the end of the report period.

Proact IT Group AB [publ]  
Box 1205  
Kistagången 2  
SE-164 28 KISTA

Tel: +46 8 410 666 00  
Fax: +46 8 410 668 80  
Email: [info@proact.se](mailto:info@proact.se)

Co.reg.no.: 556494-3446  
Registered office: Stockholm  
[www.proact.eu](http://www.proact.eu)