



Good organic growth and maintained gross margins

January - March 2023

- Revenues increased by 14.6 per cent to SEK 1,220.3 million (1,064.5).
- Adjusted EBITA increased by 8.5 per cent and amounted to SEK 56.8 million (52.5), corresponding to an adjusted EBITA margin of 4.7 per cent (4.9).
- Profit before tax amounted to SEK 37.3 million (37.5).
- Profit after tax amounted to SEK 27.9 million (33.9).
- Profit per share amounted to SEK 1.02 (1.24).
- New contracts relating to cloud services worth SEK 116.6 million (121.6) were contracted, a decrease by 4.1 per cent.
- Recurring revenues (revenues from cloud and support services) amounted to SEK 399.1 million (346.3), corresponding to an annualized rate of SEK 1,596.4 million (1,385.2) and an increase of 15.2 per cent.

Financial summary

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Rolling 12 months	Jan-Dec 2022
Total Revenues	1,220.3	1,064.5	4,912.6	4,756.8
<i>Growth, %</i>	<i>14.6</i>	<i>19.1</i>	<i>32.9</i>	<i>34.9</i>
<i>of which currency rate effects, %</i>	<i>3.7</i>	<i>4.2</i>	<i>4.3</i>	<i>4.4</i>
<i>of which effects from acquisitions and divestments, %</i>	<i>2.5</i>	<i>10.0</i>	<i>6.7</i>	<i>7.7</i>
<i>Organic growth, %¹</i>	<i>8.5</i>	<i>4.9</i>	<i>22.0</i>	<i>22.8</i>
Adjusted EBITA ²	56.8	52.5	319.3	315.0
<i>Adjusted EBITA margin, %</i>	<i>4.7</i>	<i>4.9</i>	<i>6.5</i>	<i>6.6</i>
Operating profit (EBIT)	43.1	41.4	262.2	260.6
<i>Operating margin (EBIT), %</i>	<i>3.5</i>	<i>3.9</i>	<i>5.3</i>	<i>5.5</i>
Profit before tax	37.3	37.5	244.0	244.2
<i>Net Margin, %</i>	<i>3.1</i>	<i>3.5</i>	<i>5.0</i>	<i>5.1</i>
Profit after tax	27.9	33.9	185.6	191.5
<i>Profit Margin, %</i>	<i>2.3</i>	<i>3.2</i>	<i>3.8</i>	<i>4.0</i>
Earnings per share (outstanding shares), SEK ³	1.02	1.24	6.74	6.97
Return on capital employed, % ⁴	-	-	17.3	17.2
Cash flow from operations	30.1	38.3	294.9	442.9

1) Organic growth refers to growth excluding currency rate effects and acquired and divested companies.

2) EBITA before items affecting comparability.

3) Proact has long-term performance-based share programs that could result in dilution of maximum 1.34 percent. The company has bought back own shares which affects the key ratios above.

4) Calculated only for full year and rolling 12 months

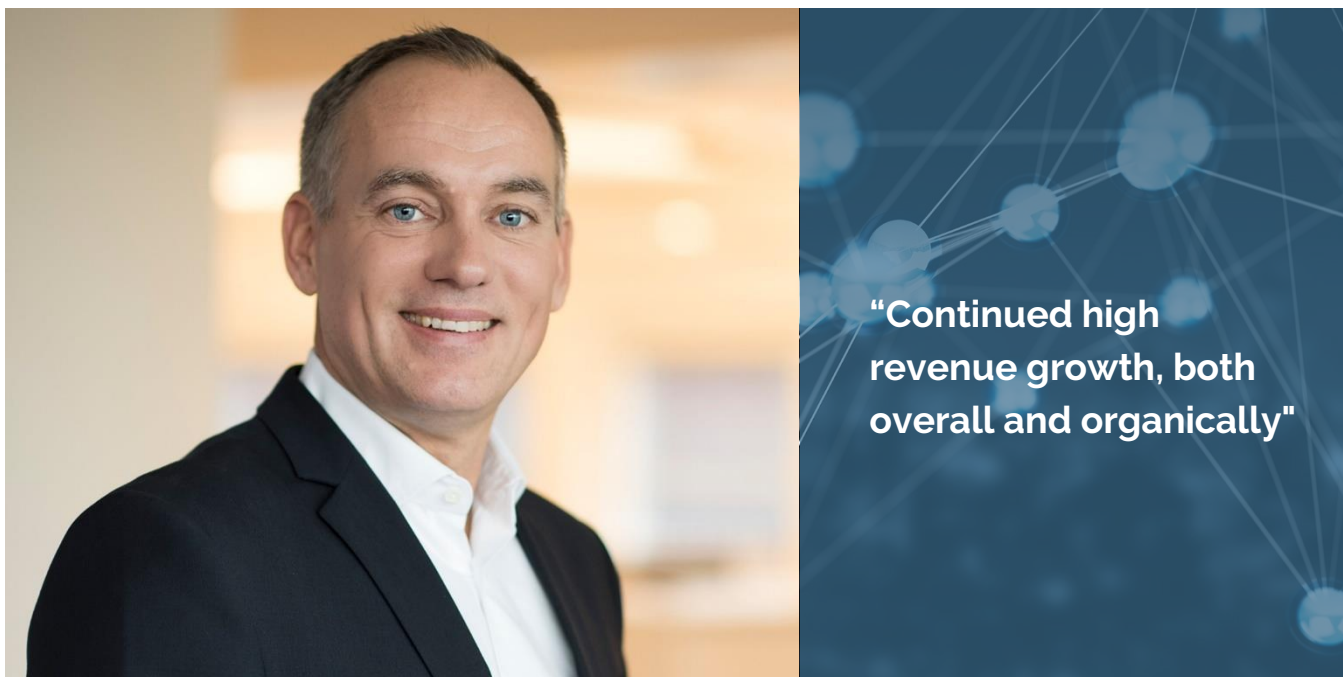
About Proact

Proact is Europe's leading specialist in data and information management with a focus on cloud services and data centre solutions. We help our customers to store, connect, protect, secure and drive value through their data whilst increasing agility, productivity and efficiency.

We have completed thousands of successful projects around the world, have more than 4,000 customers and currently manage hundreds of petabytes of information in the cloud. We employ over 1,200 people in 13 countries in Europe and in North America.

Founded in 1994, our parent company, Proact IT Group AB (publ) was listed on Nasdaq Stockholm in 1999 (under the symbol PACT).

Comments from the CEO of Proact



2023 has begun with continued high revenue growth, both overall and organically. Generally, we do not see any significant changes in demand due to worsening macro-economic conditions, although some isolated markets see somewhat prolonged sales cycles and a certain degree of uncertainty. Revenues for the quarter amounted to SEK 1,220 million (1,064), corresponding to growth of 15 per cent. Organically revenues increased by 8 per cent, with organic growth of 10 per cent for systems and 6 per cent for services.

Our recurring revenues, revenues from cloud and support services, continue to develop well. Overall, they grew by 15 per cent to an annualized rate of SEK 1,596 million (1,385) and organically they grew by 8 per cent. The recurring revenues also grow quarter over quarter, with a growth of 3 per cent from the fourth quarter of 2022. We signed contracts for our cloud services of SEK 117 million (122), where Business Unit West declined from a strong first quarter last year, while the remaining Business Units grew. Our assessment is that so far, the decline is not a result of increased cautiousness in the market, but rather is a timing effect as it is based on a relatively limited number of deals in any single quarter.

The systems growth in the quarter was very good in all Business Units except UK, and all Business Units showed organic growth for services. Support as well as cloud services showed good organic growth, both because of won deals in the previous year and through price increases. Revenues from consulting services decreased somewhat organically, primarily due to fewer employed consultants connected to a strong labor market.

We continue to see an impact on our costs from the high inflation. Price increases and efficiencies in our service operations has enabled us to maintain our gross margins, but the increase in sales and

administration costs impact the EBITA margin negatively. To secure our long-term competitiveness and enable us to move towards our EBITA margin target of 8 per cent, we have decided to initiate a cost saving program.

Adjusted EBITA during the quarter increased to SEK 57 million (52) corresponding to a margin of 4.7 per cent (4.9), as a result of the increased revenues in combination with relatively unchanged gross margins, offset by higher sales and administration costs.

We see that customers have large needs of help with hybrid cloud solutions that combine the best of private and public clouds to solve their business demands. One example is the migration from traditional infrastructure to a hybrid cloud solution based on Proact Hybrid Cloud and Microsoft Azure that we helped a longtime customer in the UK with during the quarter.

Our success is dependent on our employees and our partners, and it is thus gratifying that our partners continue to give us awards, such as NetApp's EMEA Partner of the Year that we received during the quarter. Together we continue to deliver value to our customers, and we see that they appreciate us in customer surveys, such as the one in Germany where we this quarter were selected as one of the three leading cloud services suppliers in our size category.

Solna 4 May, 2023

Jonas Hasselberg
CEO

The Group's development January-March

Revenues and result

For the first quarter, total revenues amounted to SEK 1,220.3 million (1,064.5), an increase by 14.6 per cent. Currency rate effects affected positively by 3.7 per cent, and acquisitions and divestments affected by 2.5 per cent. Organically, revenues increased by 8.5 per cent.

System revenues increased by 14.0 per cent to SEK 699.3 million (613.6) and organically by 10.1 per cent, compared to the same period previous year, due to good underlying demand in all Business Units except UK.

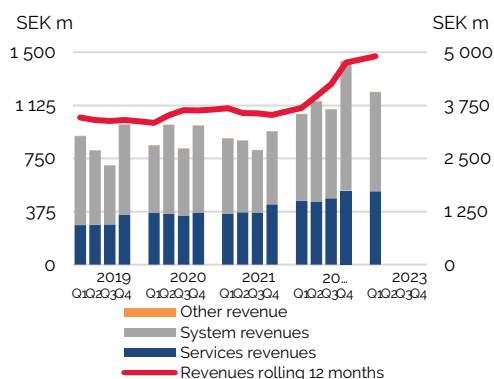
Service revenues increased by 15.3 per cent to SEK 519.4 million (450.5) and organically by 6.0 per cent, as a result of won support and cloud business during the previous year and during the quarter.

Service revenues accounted for 42.6 per cent (42.3) of the company's total revenues for the quarter.

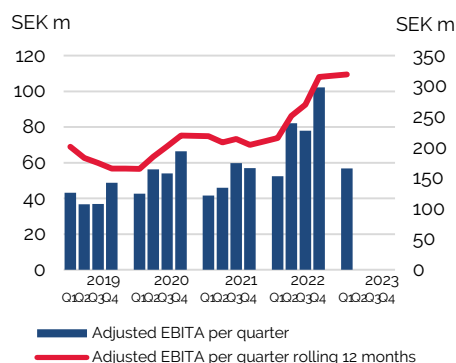
New contracts relating to cloud services worth SEK 116.6 million (121.6) were contracted during the quarter. The contracts normally have a term of three to five years. Total revenues from cloud services increased by 15.6 per cent and amounted to SEK 261.8 million (226.4). Organically they increased by 7.9 per cent. Recurring revenues, revenues from cloud and support services, amounted to SEK 399.1 million (346.3), corresponding to an annualized rate of SEK 1,596.4 million (1,385.2). This corresponds to an increase of 15.2 per cent, of which the organic increase was 7.9 per cent.

The gross margin increased slightly in the quarter, compared to the same period previous year, and amounted to 21.7 per cent (20.9), with an increased gross margin within the system business, while the service margin was unchanged compared to the previous year. Cost increases due to inflation and hired personnel have been compensated in the quarter by price increases and continued efficiencies.

Revenues



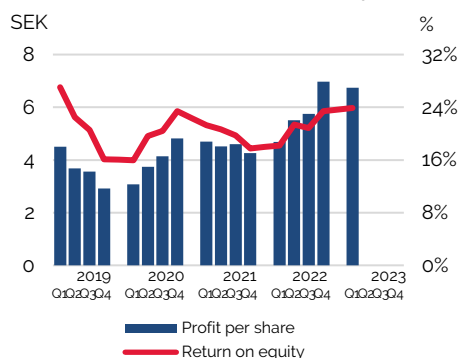
Adjusted EBITA



Recurring Revenues



Profit per share, and return on equity 12 months, %



The Group's development January-March

Revenues and result, cont.

Sales and administration expenses increased organically by 15.1 per cent, primarily due to increased sales-related costs linked to the increased sales, but also due to inflation-driven cost increases. Adjusted EBITA increased by 8.2 per cent compared to the same period previous year and amounted to SEK 56.8 million (52.5) as a result of the increased revenues. The adjusted EBITA margin decreased due to decreased revenues to 4.7 per cent (4.9) since the increase in sales did not fully offset the increased selling administrative expenses. Profit before tax amounted to SEK 37.3 million (37.5).

Proact reports items affecting comparability separately to show the development in the underlying business. Items affecting comparability refer to items that are non-recurring and deviate from the normal business. During the first quarter of 2023, non-recurring items in EBITA amounted to SEK 0 (-0.1) million.

Revenue by industry

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Rolling 12 months	Jan-Dec 2022
Telecom	75.5	102.7	398.6	425.8
Bank, Finance	63.6	68.4	308.1	312.8
Energy	102.8	57.4	296.5	251.2
Manufacturing	130.7	158.9	647.0	675.2
Media	30.7	29.9	114.1	113.3
Trading & Services	241.5	187.3	1,024.5	970.3
Public sector	350.3	306.3	1,317.0	1,272.9
Other	225.2	153.5	807.0	735.3
Total revenue	1,220.3	1,064.5	4,912.6	4,756.8

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Rolling 12 months	Jan-Dec 2022
Total Revenues	1,220.3	1,064.5	4,912.6	4,756.8
<i>Cost of goods and services sold, excl. amortisations and depreciations</i>	-916.2	-805.2	-3,668.4	-3,557.5
Gross profit excl. amortisations and depreciations	304.1	259.2	1,244.2	1,199.3
<i>Gross margin excl. amortisations and depreciations, %</i>	24.9	24.4	25.3	25.2
Operational expenses, excl. amortisations and depreciations	-204.4	-166.5	-758.3	-720.4
Adjusted EBITDA¹	99.7	92.7	485.9	475.1
<i>Adjusted EBITDA margin, %</i>	8.2	8.7	9.9	10.0
Depreciations and write-downs of tangible assets	-42.9	-40.2	-162.8	-160.1
Adjusted EBITA¹	56.8	52.5	319.3	315.0
<i>Adjusted EBITA margin, %</i>	4.7	4.9	6.5	6.6
Amortisations and write-downs of intangible assets	-13.8	-11.0	-51.4	-52.5
Items affecting comparability in EBITA	-	-0.1	-5.7	-2.0
Operating profit/loss (EBIT)	43.1	41.4	262.2	260.6
<i>Operating margin (EBIT), %</i>	3.5	3.9	5.3	5.5

1) EBITDA and EBITA before items affecting comparability

Cash flow

January - March

Cash flow for the quarter was SEK -2.8 million (-53.9), of which SEK 30.1 million (38.3) from operating activities. Cash flow from changes in working capital amounted to SEK -60.2 million (-55.8), primarily due to decreased accounts payable and operating liabilities of SEK 318.8 million partly offset by decreased operating receivables of SEK 220.7 million.

Investments

During the first quarter 2023, SEK 14.9 million (9.9) has been invested in fixed assets, of which SEK 0 million (5.0) in Proact Finance for customer deliveries.

During the quarter, the minority in Czech subsidiary was bought out, and Proact now owns 100 per cent of the shares, which affected the cash flow from investments negatively by SEK 8.3 million.

Financial position

Cash and cash equivalents amounted to SEK 501.1 million as of March 31, 2023, compared to SEK 505.7 million previous year. Of the total bank overdraft facility of SEK 164.4 million, none was utilized. Bank loans amounted to SEK 452.5 million and relate to a three-year revolving credit facility that Proact concluded during the third quarter of 2021. The facility amounts to a total of SEK 600 million and can be extended up to two years. During 2022 the option to extend the facility by one year has been utilized.

Investments in IT equipment for the cloud operations are financed through leasing agreements.

The Group's equity ratio at the end of the period was 23.9 per cent (21.6).

Net debt

	Mar 31	Dec 31	Mar 31	Dec 31
Amounts in SEK million	2023	2022	2022	2021
Cash and cash equivalents	501.1	505.7	418.3	463.9
Bank overdraft facilities	-	-	-	-
Liabilities to credit institutions, excl. liabilities related to financial leasing	-453.8	-442.1	-435.8	-484.0
Net cash (+)/Net debt (-) excl. financial leasing	47.3	63.6	-17.5	-20.1
Financial leasing liabilities	-296.6	-290.6	-229.9	-241.2
Net cash (+)/Net debt (-) incl. financial leasing	-249.2	-227.0	-247.4	-261.3
Unutilized bank overdraft facility	164.4	159.2	158.5	158.2
Total bank overdraft facility	164.4	159.2	158.5	158.2

Income tax

The Group's tax expense includes the sum of current tax and deferred tax calculated on the basis of current tax rates in each country. The reported tax expense for the quarter amounted to SEK 9.4 million (3.6), corresponding to an efficient tax rate of 25.3 per cent (10.0).

Buy-back of own shares

The Annual General Meeting on May 5, 2022, authorized the Board to acquire up to 10.0 percent of the company's shares until the next Annual General Meeting. As of March 31, 2023, no shares have been acquired within this authorization.

As of March 31, 2023, the company holds 546,807 shares in own repository, which corresponds to 2.0 per cent of the total number of shares.

Employees

The company had 1,237 employees (1,178) as of March 31, 2023, of which the acquisition of sepago has contributed with 76 employees.

Parent Company in brief

The Parent Company's total revenues for the period amounted to SEK 38.0 million (32.5). Profit before tax amounted to SEK 11.3 million (14.1).

The Parent Company's liabilities in a joint group currency account amounted to SEK 285.2 million (257.4) as of 31 March 2023.

At the end of the period, the number of people employed by the parent company totalled 23 (18).

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

Business Units

Nordic & Baltics Denmark, Estonia, Finland, Latvia, Lithuania, Norway, Sweden and the US

Net sales



Jan-Mar 2023

Revenues and result

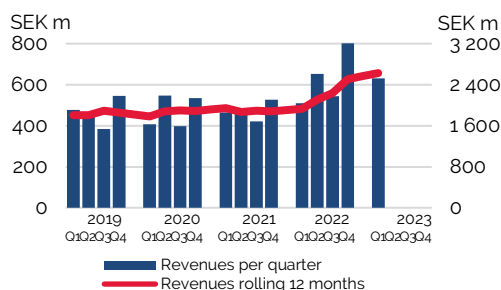
January – March

In Nordic & Baltics, revenues increased by 23.5 per cent during the quarter and organically by 21.6 per cent, where the difference is explained by exchange rate effects. System revenues increased by 26.9 per cent and organically by 25.1 per cent with a strong increase primarily in Sweden and Denmark, due to continued high demand. Service revenues increased by 15.9 per cent and organically by 13.6 per cent, with good growth in support services, partly linked to the strong system sales, as well as won cloud service deals.

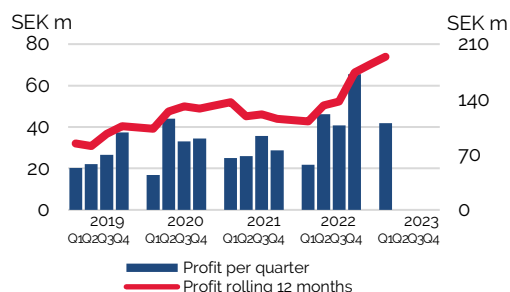
Adjusted EBITA amounted to SEK 41.8 million (21.8) and the EBITA margin was 6.6 per cent (4.3) for the quarter. EBITA was positively affected as a result by the increase in revenues as well as slightly increased gross margins, partly offset by primarily increased sales costs, which also explains the increase in the EBITA margin.

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Change, %	Rolling 12 months	Jan-Dec 2022
System revenues	441.8	348.2	26.9	1,919.5	1,825.9
Service revenues	187.2	161.5	15.9	706.3	680.7
of which support revenue	82.1	69.7	17.9	316.1	303.6
of which revenue from cloud services	57.2	46.3	23.6	208.4	197.4
of which consulting revenue	47.8	45.5	5.1	181.9	179.6
Other	1.2	0.4	219.2	2.5	1.6
Total Revenues	630.2	510.1	23.5	2,628.3	2,508.2
Adjusted EBITA	41.8	21.8	91.9	194.1	174.1
Margin, %	6.6	4.3		7.4	6.9

Revenues



Adjusted EBITA





Revenues and result

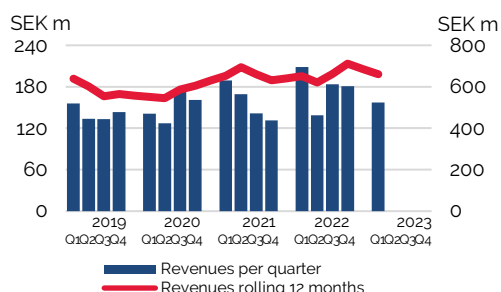
January - March

In UK, revenues decreased by 24.6 per cent during the quarter and organically by 25.4 per cent, where the difference is explained by currency rate effects. System revenues decreased by 44.7 per cent and organically by 45.4 per cent. The decrease in revenues is mainly due to extended sales cycles. Service revenues increased by 5.0 per cent and increased organically by 3.8 per cent. Revenues from cloud services grew due to previously won contracts, and the consulting business grew due to deliveries of a number of projects. Support sales continued to decline due to weak system sales and changed product mix.

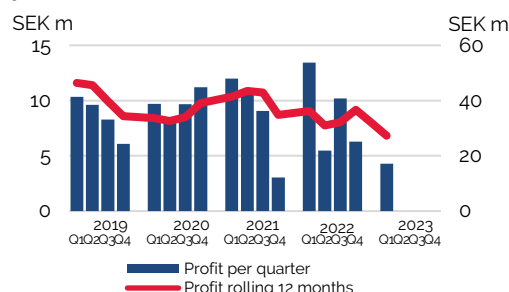
Adjusted EBITA amounted to SEK 4.3 million (13.4) and the EBITA margin was 2.7 per cent (6.4) for the quarter. Both EBITA and EBITA margin decreased as a result of decreased revenues, partly offset by lower sales and administration costs.

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Change, %	Rolling 12 months	Jan-Dec 2022
System revenues	68.6	124.1	-44.7	316.9	372.4
Service revenues	88.9	84.4	5.0	342.6	338.4
of which support revenue	22.9	26.0	-12.5	100.8	104.1
of which revenue from cloud services	55.5	49.0	13.3	202.7	196.2
of which consulting revenue	10.5	9.4	10.4	39.1	38.1
Other	-	-	-	0.8	0.8
Total Revenues	157.2	208.5	-24.6	660.3	711.6
Adjusted EBITA	4.3	13.4	-68.2	27.2	36.4
Margin, %	2.7	6.4		4.1	5.1

Revenues



Adjusted EBITA





Revenues and result

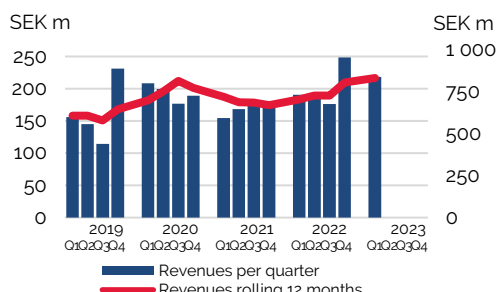
January - March

In West, revenues increased by 14.4 per cent during the quarter and increased organically by 7.1 per cent, where the difference is due to currency rate effects. System revenues increased by 28.7 per cent and organically by 20.5 per cent, due to continued good demand. Service revenues increased by 9.2 per cent and organically by 2.2 per cent where the cloud services continue to show good growth as a result of strong demand and previously won contracts. The support services also show good growth linked to system deals won, while consulting revenues are decreasing mainly as a result of lack of personnel.

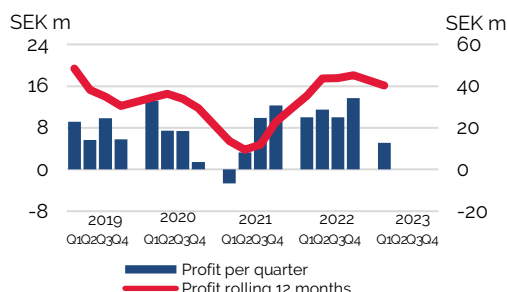
Adjusted EBITA amounted to SEK 5.1 million (10.0) and the EBITA margin was 2.4 per cent (5.3) for the quarter where EBITA and the EBITA margin decreased due to the lower gross margins and increased sales and administration costs both driven of inflation-driven cost increases and greater reliance on hired personnel.

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Change, %	Rolling 12 months	Jan-Dec 2022
Sytem revenues	65.1	50.6	28.7	255.4	240.9
Service revenues	153.0	140.1	9.2	577.8	564.9
<i>of which support revenue</i>	17.0	13.2	28.8	58.7	54.9
<i>of which revenue from cloud services</i>	100.3	87.6	14.6	381.5	368.7
<i>of which consulting revenue</i>	35.7	39.4	-9.3	137.6	141.3
Other	0.0	-	-	0.1	-
Total Revenues	218.2	190.7	14.4	833.3	805.8
Adjusted EBITA	5.1	10.0	-48.8	40.4	45.3
Margin, %	2.4	5.3		4.8	5.6

Revenues



Adjusted EBITA





Revenues and result

January - March

In Central, revenues increased by 41.0 per cent during the quarter and organically by 16.2 per cent. The acquisition of sepago contributed positively primarily to the revenues from consulting services, but also to system and cloud revenues. System revenues increased by 38.4 per cent and organically by 24.2 per cent, where several larger deals were delivered during the quarter. Service revenues increased by 43.2 per cent and organically they increased by 6.3 per cent due to good underlying demand for support services.

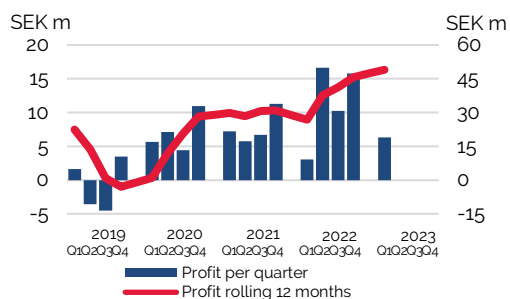
Adjusted EBITA amounted to SEK 6.3 million (3.1) and the EBITA margin was 2.7 per cent (1.8) for the quarter. In Central, EBITA was positively affected by increased revenues and increased gross margin. Selling and administrative costs increased among other things due to integration costs attributable to acquisitions.

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Change, %	Rolling 12 months	Jan-Dec 2022
Sytem revenues	123.0	88.8	38.4	450.5	416.4
Service revenues	113.4	79.2	43.2	406.5	372.3
<i>of which support revenue</i>	14.9	10.6	40.4	53.2	48.9
<i>of which revenue from cloud services</i>	68.6	56.4	21.5	254.3	242.2
<i>of which consulting revenue</i>	29.9	12.1	146.6	99.0	81.2
Other	0.7	0.1	1,056.5	1.2	0.5
Total Revenues	237.0	168.1	41.0	858.2	789.2
Adjusted EBITA	6.3	3.1	106.4	49.0	45.7
Margin, %	2.7	1.8		5.7	5.8

Revenues



Adjusted EBITA



Operating segments

Nordics & Baltics: Denmark, Estonia, Finland, Latvia, Lithuania, Norway, Sweden and USA | **UK:** United Kingdom | **West:** Belgium and the Netherlands |

Central: Czech Republic and Germany |

As the operations in Proact Finance have decreased significantly due to the decision to primarily offer financing via partners, Proact Finance is no longer reported as a separate segment, but is instead reported as part of Groupwide.

Jan-Mar 2023							
Amounts in SEK million	Nordics	UK	West	Central	Groupwide	Eliminations	Group
Total revenue	630.2	157.2	218.2	237.0	42.8	-65.2	1,220.3
EBITDA before items affecting comparability	51.8	17.9	16.7	13.8	-0.5	-	99.7
Depreciations and write-downs on tangible fixed assets	-10.0	-13.6	-11.6	-7.5	-0.2	-	-42.9
EBITA before items affecting comparability	41.8	4.3	5.1	6.3	-0.7	-	56.8
Items affecting comparability	-	-	-	-	-	-	-
EBITA	41.8	4.3	5.1	6.3	-0.7	-	56.8
Amortisations and write-downs on intangible fixed assets	-1.4	-1.3	-2.0	-7.4	-1.6	-	-13.8
EBIT	40.4	3.0	3.1	-1.0	-2.4	-	43.1
Net Financial Items	-1.3	-0.7	-2.2	-4.2	2.7	-	-5.7
Profit before tax	39.0	2.2	0.9	-5.2	0.4	-	37.3
Tax							-9.4
Comprehensive income for the period							27.9

Jan-Mar 2022							
Amounts in SEK million	Nordics	UK	West	Central	Groupwide	Eliminations	Group
Total revenue	510.1	208.5	190.7	168.1	51.6	-64.3	1,064.5
EBITDA before items affecting comparability	31.2	25.0	18.5	10.0	8.0	-	92.7
Depreciations and write-downs on tangible fixed assets	-9.4	-11.6	-8.5	-6.9	-3.8	-	-40.2
EBITA before items affecting comparability	21.8	13.4	10.0	3.1	4.2	-	52.5
Items affecting comparability	-	-	-	-0.1	-	-	-0.1
EBITA	21.8	13.4	10.0	3.0	4.2	-	52.5
Amortisations and write-downs on intangible fixed assets	-1.4	-1.3	-2.0	-4.5	-1.8	-	-11.0
EBIT	20.4	12.2	8.0	-1.5	2.4	-	41.4
Net Financial Items	-1.1	-0.8	-0.6	-1.4	-0.1	-	-4.0
Profit before tax	19.3	11.4	7.4	-2.9	2.4	-	37.5
Tax							-3.6
Comprehensive income for the period							33.9

Market review

Proact's strategic direction and operations are largely driven by the core trends in the market. Over the last few years, there have been three overarching trends:

- Digitalisation and value creation from data
- Hybrid cloud adoption for flexible and agile IT delivery
- Concerns about cybersecurity and increasing IT complexities

Digitalisering och värdeskapande från data

Businesses need to digitalise in order to streamline processes, maintain market share and drive growth as well as operational and financial efficiency. IT-driven automation, artificial intelligence and more effective delivery of internal and external IT services enable new ways of analysing and processing data. This also increases complexity, resource constraints and new IT budget needs. Proact's portfolio of professional services, infrastructure solutions, and cloud services are increasingly important as customers need the right specialist skills for digitalisation.

Proact helps conceptualise, implement and build IT solutions and can store, connect, protect and secure data to drive digitalisation, innovation, advanced analytics and automation.

Hybrid cloud adoption

Different types of business data, workflows and applications have different requirements. Hybrid cloud solutions seamlessly combine different types of private, hosted and public cloud services for faster, more secure and more efficient response to business needs. However, how businesses balance different IT delivery models varies depending on industry, availability of skills and strategic goals. If done in the wrong way, customers will not only fail to leverage the

advantages of hybrid cloud, but also increase the risks of security threats and accelerated costs.

Proact helps customers with everything from assessing their current IT estate and providing strategic advice to design, delivery, implementation, support and full-service management. Proact's strong portfolio and skills give customers unique flexibility to combine on-premises IT infrastructure with private, hosted and public cloud services.

Cybersecurity

The number of cyberthreats and data breaches has increased significantly due to rapid technological developments, increased digitalisation and geopolitical turmoil. Most businesses struggle with how to best manage security threats and stricter regulatory requirements, especially with distributed and unstructured data increasing potential attack points. Many organisations lack in-house resources to deal with security threats, putting them at risk of missing out on business opportunities, losing sales, and damaging their reputations.

Proact offers unique access to local and international specialist expertise, well-packaged security solutions and services, business continuity blueprints, backup and disaster recovery solutions and services as well as round-the-clock monitoring and processes via its own Security Operations Centres.

Other information

Events after the balance sheet date

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

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.

Risks and uncertainty factors within the enterprise

In the short term, Proact is not significantly affected by Russia's invasion of Ukraine. However, the impact on the global economy, in the form of inflation, exchange rate fluctuations, lower economic growth and disturbances in supply chains, can affect Proact. Delivery disruptions linked to the global semiconductor shortage at present have a limited effect on Proact, as the situation normalised during the second half of 2022, but new disturbances could negatively affect the ability for Proact to deliver customer orders received. Otherwise, no risks or uncertainties have changed in comparison to those described in the most recently published annual report. For a more detailed description of significant risks and uncertainty factors, please see Proact's annual report for 2022.

Alternative Performance Measures

The company presents financial key figures in the interim report that are not defined according to IFRS. The company believes that these key figures provide valuable supplementary information to investors and the company's management. For definitions of the financial ratios, see the Annual Report 2022.

Proposed appropriations of profits

The Board proposes a dividend of SEK 1.85 (1.50) per share for the 2022 business year, corresponding to SEK 51 million (41). This corresponds to 27 per cent (35) of the year's net profit, in line with Proact's dividend policy to distribute 25 – 35 per cent of profits after tax.

Annual General Meeting

The Annual General Meeting will be held at 4 pm on May 4, 2023, in Stockholm. The annual report and other documents for the Annual General Meeting are available on Proact's webpage, www.proact.eu.

Financial calendar

4 May 2023	Annual General Meeting 2023
14 July 2023	Interim Report Q2 2023
27 Oct 2023	Interim Report Q3 2023
8 Feb 2024	Interim Report Q4 2023

Solna 4 May, 2023
Proact IT Group AB (publ)

Jonas Hasselberg
CEO

This interim report has not been audited.

Note

The information in this interim report is such information as Proact IT Group (publ) is obliged to publish pursuant to the EU Market Abuse Regulation, the Securities Market Act, and/or the Act on Trading in Financial Instruments. This information was submitted for publication at 8:00 (CET) on 4 May, 2023.

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Financial reports

Consolidated statement of comprehensive income

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Rolling 12 months	Jan-Dec 2022
System income	699.3	613.6	2,947.1	2,861.4
Service income	519.4	450.5	1,957.9	1,889.0
<i>of which support revenue</i>	137.3	119.9	530.7	513.3
<i>of which revenue from cloud services</i>	261.8	226.4	979.2	943.8
<i>of which consulting revenue</i>	120.3	104.2	447.9	431.8
Other operating revenue	1.6	0.3	7.6	6.4
Total income	1,220.3	1,064.5	4,912.6	4,756.8
Cost of goods and services sold	-955.7	-841.5	-3,818.4	-3,704.2
Gross profit	264.6	223.0	1,094.2	1,052.7
Sales and marketing expenses	-129.7	-109.6	-486.9	-466.8
Administration expenses	-91.8	-71.9	-339.4	-319.5
Items affecting comparability	-	-0.1	-5.7	-5.8
Operating profit/loss (EBIT)	43.1	41.4	262.2	260.6
Net financial items	-5.7	-4.0	-18.2	-16.4
Profit before tax	37.3	37.5	244.0	244.2
Income tax	-9.4	-3.6	-58.5	-52.6
Comprehensive income for the period	27.9	33.9	185.6	191.5
Other comprehensive income				
Items which may be reversed later in the income statement				
Change of hedging reserve (net investment in foreign operations)	4.8	3.3	31.4	29.9
Tax effect of change of reserve (net investment in foreign operations)	-1.0	-0.7	-6.5	-6.2
Translation differences from remaining operations	-15.4	7.4	7.0	29.8
Total items which may be reversed later in the income statement	-15.6	10.1	27.9	53.6
Total comprehensive income for the period	16.3	44.0	217.5	245.1
Comprehensive income attributable to:				
Shareholders of the Parent company	27.9	34.1	185.1	191.3
Holdings without a controlling influence	-	-0.2	0.5	0.3
Total comprehensive income for the period attributable to:				
Shareholders of the Parent company	16.2	44.1	216.6	244.5
Holdings without a controlling influence	0.1	-0.1	0.9	0.6
Data per share¹				
Earnings per share for the period attributable to the shareholders of the parent company, SEK	1.02	1.24	6.74	6.97
Equity per share attributable to the shareholders of the parent company, SEK	34.62	27.49	34.62	33.49
Cash flow from operations per share, SEK	1.08	1.39	0.01	16.13
Number of outstanding shares at end of period	27,454,851	27,454,851	27,454,851	27,454,851
Weighted average number of outstanding shares	27,454,851	27,454,851	27,454,851	27,454,851

1) Proact has a long-term performance-based share program that could give rise to dilution of maximum 1.34 per cent.

Consolidated Balance Sheet in brief

Amounts in SEK million	Mar 31 2023	Mar 31 2022	31 Dec 2022
ASSETS			
Fixed assets			
Goodwill	994.6	826.4	983.6
Other intangible fixed assets	219.8	216.0	230.7
Tangible fixed assets	378.3	306.9	366.8
Other long-term receivables	535.0	425.6	548.2
Deferred tax receivables	24.0	23.5	25.6
Current assets			
Inventories	26.8	20.2	64.1
Trade and other receivables	1,297.0	1,270.7	1,517.1
Cash and cash equivalents	501.1	418.3	505.7
Total assets	3,976.7	3,507.6	4,241.9
EQUITY AND LIABILITIES			
Equity attributable to the shareholders of the parent company	950.5	754.7	919.5
Equity attributable to holdings without a controlling influence	0.5	3.2	3.9
Total equity	951.1	757.9	923.4
Long-term liabilities			
Long-term liabilities, interest-bearing	645.0	563.8	631.3
Long-term liabilities, non-interest-bearing	731.4	515.9	737.0
Deferred tax liabilities	70.8	63.3	73.1
Short-term liabilities			
Short-term liabilities, interest-bearing	123.4	130.9	118.7
Short-term liabilities, non-interest-bearing	1,455.1	1,475.8	1,758.4
Total equity and liabilities	3,976.7	3,507.6	4,241.9

Consolidated statement of changes in Equity

Amounts in SEK million	Mar 31 2023	Mar 31 2022	31 Dec 2022
At beginning of period	923.4	713.9	713.9
Total comprehensive income for the period	16.3	44.0	245.1
Dividend	-	-	-41.2
Acquisition from holdings without a controlling influence	8.1	-	-
Share savings and share option programs	3.2	-	6.0
At end of period	951.1	757.9	923.4

Holdings without a controlling influence: Proact Lietuva UAB 26.14 per cent.

Consolidated Cash Flow Statement in brief

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Rolling 12 months	Jan-Dec 2022
CASH FLOW FROM OPERATIONS FOR THE YEAR				
Operating profit for the year	43.1	41.4	262.2	260.6
Adjustment for items not affecting cash flow:				
Reversal of depreciation and impairment of fixed assets	56.6	51.2	218.0	212.6
Financial leasing sales	10.1	11.3	35.6	36.7
Reversal of non-cash items	-2.2	1.5	2.7	6.5
Change in provisions	1.0	-0.3	6.5	5.3
Income tax paid	-18.3	-8.6	-56.5	-46.9
Cash flow from operating activities before changes in working capital	90.3	96.6	468.4	474.7
Cash flow from changes in working capital				
Inventories	37.9	-4.5	-2.7	-45.1
Operating receivables	220.7	-165.6	-60.7	-447.0
Operating liabilities	-318.8	114.3	38.6	471.7
Cash flow from operating activities	30.1	40.8	443.6	454.3
INVESTMENT ACTIVITIES				
Acquisition of businesses	-8.3	-	-161.6	-153.4
Capital expenditure on tangible fixed assets	-14.9	-9.9	-44.4	-39.4
Disposals of tangible fixed assets	0.1	1.5	0.5	1.9
Investments in intangible fixed assets	-0.2	-0.4	-1.4	-1.6
Increase / decrease, non current receivables	-0.2	-0.2	-2.1	-2.1
Cash flow from investing activities	-23.5	-9.0	-209.1	-194.6
FINANSIERINGSVERKSAMHETEN				
Utdelning	-	-	-41.2	-41.2
Borrowings and repaid loans	8.0	-50.0	-4.3	-62.3
Interest earned	3.3	0.1	6.2	2.9
Interest paid	-8.3	-2.6	-21.0	-15.2
Amortisation of leasing debt	-16.3	-32.8	-116.6	-133.1
Other cash flow from financig activities	3.6	-0.1	5.1	1.4
Cash flow from financing activities	-9.4	-85.7	-171.2	-247.4
Total cash flow for the period	-2.8	-53.9	63.3	12.2
Cash and cash equivalents at beginning of the period	505.7	463.9	418.9	463.9
Currency translation difference in cash and cash equivalents	-1.7	8.2	19.5	29.5
Cash and cash equivalents at end of the period	501.1	418.3	501.1	505.7

Key ratios

	Jan-Mar 2023	Jan-Mar 2022	Rolling 12 months	Jan-Dec 2022
Amounts in SEK million				
Total revenue	1,220.3	1,064.5	4,912.6	4,756.8
of which attributable to acquisition and divestments	26.4	89.3	247.4	271.0
of which currency effects	39.3	37.9	157.8	156.4
Total revenue, organic	1,154.6	937.3	4,507.5	4,174.0
Organic growth total revenue, %	8.5	4.9	22.0	22.8
System revenue	699.3	613.6	2,947.1	2,861.4
of which attributable to acquisition and divestments	4.5	31.8	86.0	69.5
of which currency effects	19.1	21.5	82.1	84.5
Total system revenue, organic	675.7	560.3	2,779.1	2,707.4
Organic growth system revenue, %	10.1	4.8	33.6	35.2
Services revenue	519.4	450.5	1,957.9	1,889.0
of which attributable to acquisition and divestments	21.9	59.8	161.5	201.6
of which currency effects	20.1	16.4	75.5	71.8
Total service revenue, organic	477.3	374.3	1,720.8	1,615.7
Organic growth service revenue, %	6.0	5.1	6.7	6.3
EBITDA	99.7	92.7	480.2	473.2
EBITDA margin, %	8.2	8.7	9.8	9.9
Depreciation and write-down on tangible assets	-42.9	-40.2	-162.8	-160.1
EBITA	56.8	52.5	317.4	313.1
EBITA margin, %	4.7	4.9	6.5	6.6
Amortization and write-down on intangible assets	-13.8	-11.0	-51.4	-52.5
EBIT	43.1	41.4	262.2	260.6
EBIT marginal, %	3.5	3.9	5.3	5.5
Profit before tax	37.3	37.5	244.0	244.2
Net margin, %	3.1	3.5	5.0	5.1
Profit after tax	27.9	33.9	185.6	191.5
Profit margin, %	2.3	3.2	3.8	4.0
Equity	951.1	757.9	951.1	923.4
Total assets	3,976.7	3,507.6	3,976.7	4,241.9
Equity ratio, %	23.9	21.6	23.9	21.8
Capital turnover rate, times¹	-	-	1.3	1.2
Return on equity, %¹	-	-	21.7	23.4
Financial costs included in net financial items	9.4	5.0	31.0	26.7
Capital employed	1,719.4	1,452.6	1,719.4	1,673.4
Return on capital employed, %¹	-	-	17.3	17.2
Investments in fixed assets	51.6	30.4	418.7	397.5
Profit before tax per employee, SEK thousands	31.5	33.1	208.6	210.6
Average number of employees	1,184.9	1,133.4	1,170.1	1,159.5

1) Calculated only for full year and rolling 12 months.

For a five-year summary, see Note 2. For definitions of key ratios, see Annual Report 2022. The key ratios that Proact reports and monitors the business by are common key ratios used by the industry and by companies listed on Nasdaq Stockholm.

Parent Company's Income Statement, in brief

Amounts in SEK million	Jan-Mar	Jan-Mar	Jan-Dec
	2023	2022	2022
Net sales	38.0	32.5	139.9
Cost of goods and services sold	-	-	-
Gross profit	38.0	32.5	139.9
Administration expenses	-40.8	-31.9	-144.4
Operating profit	-2.7	0.6	-4.5
Net financial items	14.0	13.5	78.3
Profit efter financial items	11.3	14.1	73.8
Provisions	-	-	-
Profit before tax	11.3	14.1	73.8
Income tax	-1.1	-0.8	-5.1
Comprehensive income for the period	10.2	13.4	68.8

Parent Company's Balance Sheet, in brief

Amounts in SEK million	Mar 31	Mar 31	31 Dec
	2023	2022	2022
ASSETS			
Fixed assets	1,062.7	1,077.7	1,204.0
Current assets	105.2	113.3	108.9
Total assets	1,167.9	1,191.0	1,312.9
EQUITY AND LIABILITIES			
Restricted Equity	81.9	80.9	81.7
Non-restricted Equity	216.0	326.3	345.6
Equity	297.9	407.1	427.3
Long-term liabilities	465.3	446.9	453.2
Short-term liabilities	404.7	336.9	432.3
Total equity and liabilities	1,167.9	1,191.0	1,312.9

Explanatory information

Note 1. Accounting principles

The consolidated accounts for the interim report have been compiled in accordance with IAS 34 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 Group applies the same accounting principles as those described in the annual report for 2022.

Financial instruments

Proact's financial instruments consist of derivatives, accounts receivable, cash and cash equivalents, accounts payable, accrued trade creditors and interest-bearing liabilities. Derivative instruments are recognized in the balance sheet as per the contract date and are valued at fair value, both initially and in subsequent revaluations. All derivatives are reported continuously at fair value with the value changes reported in the statement of comprehensive income within cost of goods sold for those derivatives that are linked to accounts

payable and financial items for the derivatives that are linked to financial leasing contracts. Derivatives are valued at fair value within level 2, i.e. fair value determined on the basis of valuation techniques with observable market data, either directly (as price) or indirectly (hence to price). All other financial assets have been classified as loans and receivables, which includes accounts receivable and cash and cash equivalents. All other financial liabilities have been classified as other financial liabilities valued at amortised cost, which includes accounts payable, accrued supplier costs and liabilities to credit institutions. Liabilities to credit institutions run at variable interest rates and reported interest rates are on a par with current interest on liabilities to credit institutions and other financial assets and liabilities with short maturities. Based on this, the book values of all financial assets and liabilities are judged to be a reasonable estimate of fair value

Note 2. Five-year summary

Amounts in SEK million	Apr-Mar 22/23	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2019
Total revenue	4,912.6	4,756.8	3,525.0	3,633.1	3,407.9
EBITDA	480.2	473.2	348.6	369.6	271.7
<i>EBITDA margin, %</i>	9.8	9.9	9.9	10.2	8.0
EBITA	317.4	313.1	197.5	216.7	134.2
<i>EBITA margin, %</i>	6.5	6.6	5.6	6.0	3.9
EBIT	262.2	260.6	166.2	182.1	105.4
<i>EBIT margin, %</i>	5.3	5.5	4.7	5.0	3.1
Profit before tax	244.0	244.2	151.9	167.7	101.7
<i>Net margin, %</i>	5.0	5.1	4.3	4.6	3.0
Profit after tax	185.6	191.5	117.2	132.3	80.2
<i>Profit margin, %</i>	3.8	4.0	3.3	3.6	2.4
<i>Equity ratio, %</i>	23.9	21.8	21.0	20.7	18.3
Capital turnover rate, times	1.3	1.2	1.1	1.3	1.3
<i>Return on equity, %</i>	21.7	23.4	17.8	23.4	16.1
<i>Return on capital employed, %</i>	17.3	17.2	13.4	17.1	13.2
Dividend to shareholders of the Parent company ¹	41.2	41.2	41.2	22.9	38.0
Investments in fixed assets	418.7	397.5	550.7	269.1	440.7
Financial costs included in net financial items	31.0	26.7	19.8	20.7	11.3
Profit before tax per employee, SEK thousands	208.6	210.6	147.9	172.3	122.0
Average number of employees	1,170.1	1,159.5	1,027.3	973.4	833.5
Earnings per share for the period, SEK ²	6.74	6.97	4.27	4.80	2.92

1) Relates to the year in which the dividend was executed. For the fiscal year 2022 a dividend of SEK 1.50, total SEK 412 million, was made.

2) Calculated on the basis of the weighted average number of outstanding shares. The comparative figures have been adjusted for the 13 share split that was implemented in May 2021. Proact has long-term performance-based share programs that could give rise to dilution of maximum 134 per cent.