



High growth in recurring revenues and savings program implemented

April - June 2023

- Revenues increased by 4.2 per cent to SEK 1,201.7 million (1,153.7).
- Adjusted EBITA decreased by 0.9 per cent and amounted to SEK 81.4 million (82.1), corresponding to an adjusted EBITA margin of 6.8 per cent (7.1).
- Cost efficiency program implemented with estimated savings amounting to between SEK 45 and 50 million in the current year, which resulted in restructuring costs accounted for as items affecting comparability of SEK 19.6 million.
- Profit before tax amounted to SEK 34.4 million (64.7).
- Profit after tax amounted to SEK 28.7 million (49.1).
- Profit per share amounted to SEK 1.05 (1.79).
- New contracts relating to cloud services worth SEK 115.6 million (141.4) were contracted, a decrease by 18.2 per cent.
- Recurring revenues (revenues from cloud and support services) amounted to SEK 419.8 million (353.3), corresponding to an annualized rate of SEK 1,679.4 million (1,413.3) and an increase of 18.8 per cent.

January - June 2023

- Revenues increased by 9.2 per cent to SEK 2,422.0 million (2,218.2).
- Adjusted EBITA increased by 3.0 per cent and amounted to SEK 138.6 million (134.6), corresponding to an adjusted EBITA margin of 5.7 per cent (6.1).
- Profit before tax amounted to SEK 71.8 million (102.1).
- Profit after tax amounted to SEK 56.6 million (83.0).
- Profit per share amounted to SEK 2.06 (3.03).
- New contracts relating to cloud services worth SEK 232.2 million (262.9) were contracted, a decrease by 11.7 per cent.
- Recurring revenues (revenues from cloud and support services) amounted to SEK 818.9 million (699.6), an increase of 17.1 per cent.

Financial summary

Amounts in SEK million	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
Total Revenues	1,201.7	1,153.7	2,422.0	2,218.2	4,960.6	4,756.8
Growth, %	4.2	31.3	9.2	25.2	24.9	34.9
of which currency rate effects, %	4.5	2.9	4.1	3.6	4.3	4.4
of which effects from acquisitions and divestments, %	1.9	7.1	2.2	8.6	6.7	7.7
Organic growth, % ¹	-2.2	21.3	2.9	13.0	15.1	22.8
Adjusted EBITA ²	81.4	82.1	138.2	134.6	318.6	315.0
Adjusted EBITA margin, %	6.8	7.1	5.7	6.1	6.4	6.6
Operating profit (EBIT)	47.9	70.4	91.0	111.8	239.7	260.6
Operating margin (EBIT), %	4.0	6.1	3.8	5.0	4.8	5.5
Profit before tax	34.4	64.7	71.8	102.1	213.8	244.2
Net Margin, %	2.9	5.6	3.0	4.6	4.3	5.1
Profit after tax	28.7	49.1	56.6	83.0	165.1	191.5
Profit Margin, %	2.4	4.3	2.3	3.7	3.3	4.0
Earnings per share (outstanding shares), SEK ³	1.05	1.79	2.06	3.02	6.00	6.97
Return on capital employed, % ⁴	-	-	-	-	16.2	17.2
Cash flow from operations	128.9	129.9	159.0	168.2	445.1	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 1.82 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



During the second quarter of 2023 we have generally seen good demand in several markets, although a few countries have seen a somewhat slower sales pace connected to the macroeconomic uncertainties. Revenues in the quarter increased overall by 4% to SEK 1,202 million (1,154) and decreased organically by 2%.

After several quarters of high organic growth in the systems business, the second quarter ended with a decrease of 6% and an organic decrease of 9% compared to a record quarter last year. All Business Units except UK showed an organic decline, to a large extent because of a strong comparison quarter, and primarily in Germany also weaker demand connected to the uncertain macroeconomic situation.

The service business continues to develop well and grew by 20% to SEK 537 million (447) where the organic growth was 9%. It is primarily our recurring revenues, revenues from cloud and support services, that continue growing at a high pace with good demand in the market. In total they increased by 19% to an annualized rate of SEK 1,679 million (1,413) and organically they increased by 10% with organic growth in all Business Units. The recurring revenues also increase quarter by quarter with growth of 5% from the first quarter of 2023. We signed contracts for new cloud services of SEK 116 million (141) where Business Unit West and Business Unit NOBA decreased compared to last year, as they have closed a lower number of large deals this quarter. Just as in the first quarter this year, our assessment is that it is related to the timing of closing of deals rather than an increased cautiousness in the market, since we generally see good customer demand for our cloud solutions. The consulting business shows limited organic growth, and in some areas, we see lower demand and utilization, but for specialist competence within our strategic areas the challenge is still to recruit enough experienced colleagues.

As communicated in our latest interim report, we have implemented a cost saving program during this quarter. Cost reductions occur in most of our countries and affect all types of cost, with focus on administrative costs and costs for our service delivery.

Compared to our cost base in the first quarter we estimate that the program reduces our costs in the current year by between SEK 45 and 50 million, primarily during the third and the fourth quarter, and that we enter 2024 with a reduction of the cost base of around SEK 60 million annually. This saving gives us room to invest in future growth in the markets and segments where we continue to see good demand and compensates for the inflationary cost increases we have seen. The program has in total resulted in restructuring costs of SEK 20 million, which has been reported as items affecting comparability in the quarter.

The gross margin after depreciation increased somewhat in the quarter from 22.3% to 22.6%, where the systems margins were unchanged, while the service margin increased slightly both due to the ongoing savings program and due to the earlier implemented efficiencies especially in NOBA.

Adjusted EBITA declined marginally during the quarter to SEK 81.4 million (82.1) corresponding to a margin of 6.8% (7.1). Somewhat higher revenues and gross profits did not fully compensate for the increased sales and administration expenses compared to last year.

We continue working closely with our important partners and have received further awards during the quarter, such as for instance by NetApp in the UK for our initiative in the public sector and for our new British customers. We also continue to deliver customer value and were nominated as one of top five suppliers in Radar's annual report on supplier quality within Infrastructure and managed services and within Consulting services in Sweden. In conclusion, Proact and our employees delivered a good quarter considering the market conditions and we are strategically well positioned for continued growth in revenues and profits going forward.

Solna 14 July, 2023

Jonas Hasselberg
CEO

The Group's development April-June

Revenues and result

For the second quarter, total revenues amounted to SEK 1,201.7 million (1,153.7), an increase by 4.2 per cent. Currency rate effects affected positively by 4.5 per cent, and acquisitions and divestments affected by 1.9 per cent. Organically, revenues decreased by 2.2 per cent.

System revenues decreased by 6.1 per cent to SEK 663.1 million (706.0) and organically they decreased by 9.5 per cent, compared to the same period previous year, primarily due to a strong comparison quarter. In some of our markets, primarily in Business Unit Central, weaker demand and longer sales cycles are also impacting.

Service revenues increased by 20.1 per cent to SEK 537.2 million (447.4) and organically by 9.0 per cent, as a result of good demand for support and cloud services both in the current and previous quarters. Service revenues accounted for 44.7 per cent (38.8) of the company's total revenues for the quarter.

New contracts relating to cloud services worth SEK 115.6 million (141.4) were contracted during the quarter. The contracts normally have a term of three to five years. Total revenues from cloud services increased by 18.7 per cent and amounted to SEK 271.1 million (228.3). Organically they increased by 8.5 per cent. Recurring revenues, revenues from cloud and support services, amounted to SEK 419.8 million (353.3), corresponding to an annualized rate of SEK 1,679.4 million (1,413.3). This corresponds to an increase of 18.8 per cent in the quarter, of which the organic increase was 10.4 per cent.

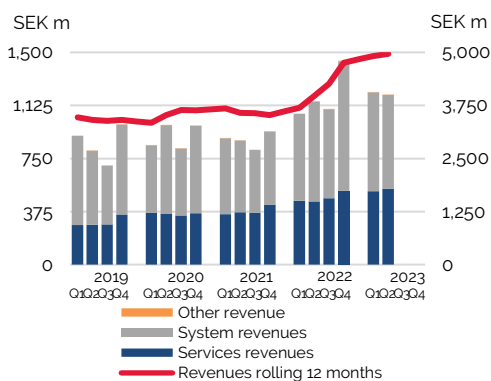
The gross margin after depreciation increased slightly in the quarter, compared to the same period previous year, and amounted to 22.6 per cent (22.3), with an unchanged gross margin within the system business, while the services margin increased slightly compared to the previous year. Cost increases due to inflation and contracted staff were in the quarter compensated by price increases and continued efficiencies as well as some effects from the implemented cost saving program.

Sales and administration expenses increased organically by 1.8 per cent, where increases in selling expenses were largely offset by lower administrative costs.

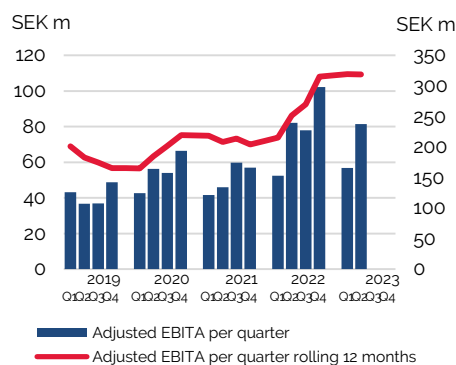
Adjusted EBITA decreased marginally by 0.9 per cent compared to the same period previous year and amounted to SEK 81.4 million (82.1) as the increase in revenues did not fully compensate for the increase in selling and administrative expenses. The adjusted EBITA margin decreased to 6.8 per cent (7.1). Profit before tax amounted to SEK 34.4 million (64.7) where the decline primarily is related to items affecting comparability and increased interest rate costs.

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 second quarter of 2023, non-recurring items in EBITA amounted to SEK 19.6 million (0.8), which consisted of restructuring costs related to the cost saving program implemented during the quarter.

Revenues



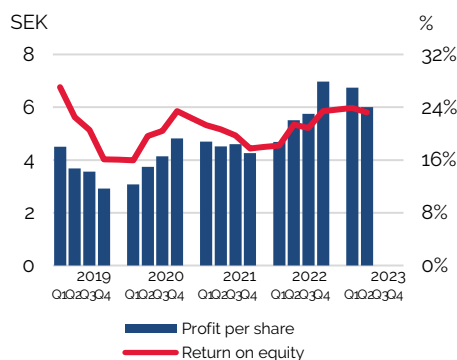
Adjusted EBITA



Recurring Revenues



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



The Group's development January-June

Revenues and result

For the first six months, total revenues amounted to SEK 2,422.0 million (2,218.2), an increase by 9.2 per cent. Currency rate effects affected positively by 4.1 per cent, and acquisitions and divestments affected positively by 2.2 per cent. Organically, revenues increased by 2.9 per cent.

System revenues increased by 3.3 per cent to SEK 1,362.5 million (1,319.6) and organically they decreased by 0.4 per cent.

Service revenues increased by 17.7 per cent to SEK 1,056.5 million (897.9) and the organic increase was 7.5 per cent. Service revenues accounted for 43.6 per cent (40.5) of the company's total revenues for the first six months.

New contracts relating to cloud services worth SEK 232.2 million (262.9) were contracted during the first six months. The contracts normally have a term of three to five years. Total revenues from cloud services increased by 17.2 per cent and amounted to SEK 532.9 million (454.7). Organically they increased by 9.7 per cent.

The gross margin increased slightly for the first six months, compared to the same period previous year, both within the system and services business.

Sales and administration expenses increased organically by 8.4 per cent, primarily due to increased sales related costs connected to increased sales, but also due to a generally increasing cost levels.

Adjusted EBITA increased by 3.0 per cent compared to the same period previous year and amounted to SEK 138.6 million (134.6). The adjusted EBITA margin amounted to 5.7 per cent (6.1). Profit before tax amounted to SEK 71.8 million (102.1).

Revenue by industry

Amounts in SEK million	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
Telecom	112.1	163.7	187.5	266.4	347.0	425.8
Bank, Finance	84.3	74.4	147.9	142.9	317.9	312.8
Energy	50.4	62.7	153.2	120.1	284.3	251.2
Manufacturing	152.2	165.6	282.9	324.5	633.6	675.2
Media	29.1	24.5	59.8	54.5	118.6	113.3
Services	215.9	226.9	457.4	414.2	1,013.5	970.3
Public sector	407.1	255.5	757.4	561.8	1,468.6	1,272.9
Other	150.7	180.3	375.8	333.8	777.3	735.3
Total revenue	1,201.7	1,153.7	2,422.0	2,218.2	4,960.6	4,756.8

During the first six months, non-recurring items amounted to SEK 19.6 million (0.8) and relates to the cost saving program communicated during the first quarter and implemented during the second quarter.

Amounts in SEK million	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
Total Revenues	1,201.7	1,153.7	2,422.0	2,218.2	4,960.6	4,756.8
<i>Cost of goods and services sold, excl. amortisations and depreciations</i>	-889.7	-861.9	-1,805.9	-1,667.1	-3,696.3	-3,557.5
Gross profit excl. amortisations and depreciations	312.0	291.9	616.1	551.1	1,264.3	1,199.3
<i>Gross margin excl. amortisations and depreciations, %</i>	26.0	25.3	25.4	24.8	25.8	25.2
Operational expenses, excl. amortisations and depreciations	-187.2	-171.0	-391.6	-337.5	-774.4	-720.4
Adjusted EBITDA¹	124.8	120.8	224.3	213.6	485.9	475.1
<i>Adjusted EBITDA margin, %</i>	10.4	10.5	9.3	9.6	9.8	10.0
Depreciations and write-downs of tangible assets	-43.4	-38.8	-86.3	-79.0	-167.4	-160.1
Adjusted EBITA¹	81.4	82.1	138.2	134.6	318.6	315.0
<i>Adjusted EBITA margin, %</i>	6.8	7.1	5.7	6.1	6.4	6.6
Amortizations and write-downs of intangible assets	-13.9	-10.9	-27.6	-21.9	-58.2	-52.5
Items affecting comparability in EBITA	-19.6	-0.8	-19.6	-0.8	-20.8	-2.0
Operating profit/loss (EBIT)	47.9	70.4	91.0	111.8	239.7	260.6
<i>Operating margin (EBIT), %</i>	4.0	6.1	3.8	5.0	4.8	5.5

1) EBITDA and EBITA before items affecting comparability

Cash flow

April - June

Cash flow for the quarter was SEK -77,6 million (102.8), of which SEK 128.9 million (129.9) from operating activities. Cash flow from changes in working capital amounted to SEK 42.7 million (23.0), primarily affected by increased accounts payable and operating liabilities of SEK 197.5 million partly offset by increased operating receivables of SEK 136.6 million.

Cash flow from financing activities amounted to SEK -197.3 million, affected by dividends paid of SEK 50.8 million and repayment of loans of SEK 109.2 million.

January - June

Cash flow for the first six months was SEK -80,4 million (48.9), of which SEK 159,0 million (168.2) from operating activities. Cash flow from changes in working capital amounted to SEK -17.5 million (-32.8), where decreased accounts receivable and operating receivables were offset by decreased accounts payable and operating payables. Cash flow from investing activities amounted to SEK -32.7 million (-23.0). Repayments of leasing liabilities amounted to SEK 49.3 million

Investments

During the second quarter 2023, SEK 10,1 million (18.1) has been invested in fixed assets, of which SEK 4,0 million (8.1) in Proact Finance for customer deliveries.

During the first six months, the minority in the Czech subsidiary was acquired, 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 442.9 million as of June 30, 2023, compared to SEK 528.0 million previous year. Of the total bank overdraft facility of SEK 155.0 million, none was utilized. Bank loans amounted to SEK 359.4 million and relate to a three-year revolving credit facility that Proact signed 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 was utilized, and after the end of the second quarter 2023, the option to extend the facility another year has been utilized. After the end of the quarter, a new three-year credit facility of EUR 20 million has also been signed, which secures further capacity for continued development of the business organically and through acquisitions.

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 23,2 per cent (21,6).

Net debt

	Jun 30	Mar 31	Jun 30	Mar 31
Amounts in SEK million	2023	2023	2022	2022
Cash and cash equivalents	442.9	501.1	528.0	418.3
Bank overdraft facilities	-	-	-	-
Liabilities to credit institutions, excl. liabilities related to financial leasing	-361.5	-453.8	-502.3	-436.0
Net cash (+)/Net debt (-) excl. financial leasing	81.4	47.3	25.7	-17.7
Financial leasing liabilities	-280.0	-296.6	-223.9	-229.9
Net cash (+)/Net debt (-) incl. financial leasing	-198.6	-249.2	-198.2	-247.6
Unutilized bank overdraft facility	155.0	164.4	158.6	158.0
Total bank overdraft facility	155.0	164.4	158.6	158.0

Income tax

The Group's tax expense includes the sum of current tax and deferred tax calculated based on current tax rates in each country. The reported tax expense for the first six months amounted to SEK 15,2 million (19,1), corresponding to an efficient tax rate of 21,2 per cent (18,7).

Buy-back of own shares

The Annual General Meeting on May 4, 2023, authorized the Board to acquire up to 10,0 percent of the company's shares until the next Annual General Meeting. As of June 30, 2023, no shares have been acquired within this authorization.

As of June 30, 2023, the company holds 501,710 shares in own repository, which corresponds to 1,8 per cent of the total number of shares.

Employees

The company had 1,221 employees (1,163) as of June 30, 2023, of which the acquisition of sepago has contributed with 75 employees.

Parent Company in brief

The Parent Company's total revenues for the period amounted to SEK 77,1 million (67,2). Profit before tax amounted to SEK 69,5 million (28,8).

The Parent Company's liabilities in a joint group currency account amounted to SEK 392,3 million (292,2) as of 30 June 2023.

At the end of the period, the number of employees in the parent company totalled 21 (19).

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-Jun 2023

Revenues and result

April – June

In Nordic & Baltics, revenues decreased by 0.5 per cent during the quarter and organically by 1.8 per cent, where the difference is due to exchange rate effects. System revenues decreased by 6.6 per cent and organically by 7.5 per cent primarily compared to a very strong second quarter 2022. Service revenues increased by 17.4 per cent and organically by 15.0 per cent, with good growth in all areas, partly connected to system deals won during this and previous quarters as well as won cloud service deals.

Adjusted EBITA amounted to SEK 56.2 million (46.1) and the EBITA margin was 8.7 per cent (7.1) for the quarter. EBITA and the EBITA margin increased primarily because of lower sales and administration expenses and increased gross margins in the service business as a result of implemented efficiency improvements.

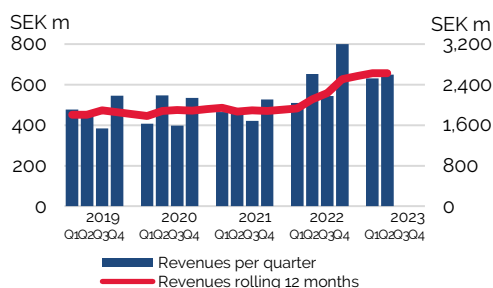
January – June

In Nordic & Baltics, revenues increased by 10.0 per cent during the first six months and organically by 8.5 per cent. System revenues increased by 7.3 per cent and organically by 6.1 per cent. System revenues developed positively in most of the countries due to good demand. Service revenues increased by 16.7 per cent and organically by 14.3 per cent, with good demand within all service segments.

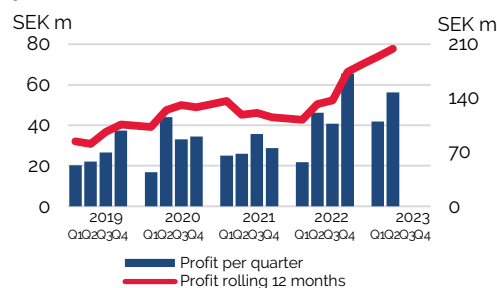
Adjusted EBITA amounted to SEK 98.0 million (67.9) and the EBITA margin was 7.7 per cent (5.8) for the first six months. In Nordic & Baltics, EBITA and EBITA margin developed positively due to increased revenues in combination with higher gross margins, partly offset by higher sales and administration expenses.

Amounts in SEK million	Apr-Jun 2023	Apr-Jun 2022	Change, %	Jan-Jun 2023	Jan-Jun 2022	Change, %	Rolling 12 months	Jan-Dec 2022
System revenues	456.4	488.5	-6.6	898.2	836.7	7.3	1,887.4	1,825.9
Service revenues	191.7	163.3	17.4	379.0	324.8	16.7	734.8	680.7
of which support revenue	87.8	72.9	20.4	169.9	142.6	19.2	330.9	303.6
of which revenue from cloud services	56.1	47.6	17.8	113.3	93.9	20.7	216.8	197.4
of which consulting revenue	47.9	42.8	11.9	95.8	88.3	8.4	187.0	179.6
Other	0.7	0.4	50.5	1.9	0.8	130.1	2.7	1.6
Total Revenues	648.8	652.2	-0.5	1,279.1	1,162.3	10.0	2,624.9	2,508.2
Adjusted EBITA	56.2	46.1	21.9	98.0	67.9	44.3	204.2	174.1
Margin, %	8.7	7.1		7.7	5.8		7.8	6.9

Revenues



Adjusted EBITA





Revenues and result

April - June

In UK, revenues increased by 31.5 per cent during the quarter and organically by 24.3 per cent, where the difference is due to currency rate effects. System revenues increased by 56.9 per cent and organically by 47.9 per cent, compared to a weak second quarter 2022. Service revenues increased by 15.4 per cent and increased organically by 8.8 per cent, with main growth in cloud services due to previously won contracts. Consulting revenues decreased due to slightly lower demand in the market.

Adjusted EBITA amounted to SEK 9.0 million (5.5) and the EBITA margin was 4.9 per cent (3.9) for the quarter. Both EBITA and EBITA margin increased because of increased revenues, partly offset by higher sales and administration expenses.

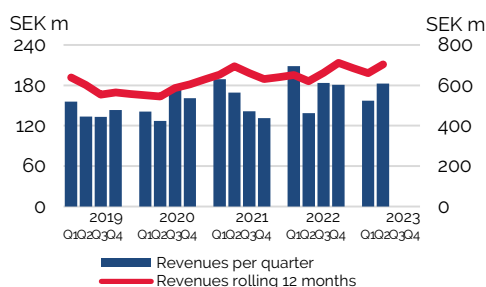
January - June

In UK, revenues decreased by 2.2 per cent during the first six months and organically by 5.6 per cent, where the difference is due to currency rate effects. System revenues decreased by 13.6 per cent and organically by 16.8 per cent due to somewhat extended sales cycles compared to previous year. Service revenues increased by 10.0 per cent and organically by 6.3 per cent, with cloud services showing good growth, which was offset by decreased support revenues connected to weaker system sales.

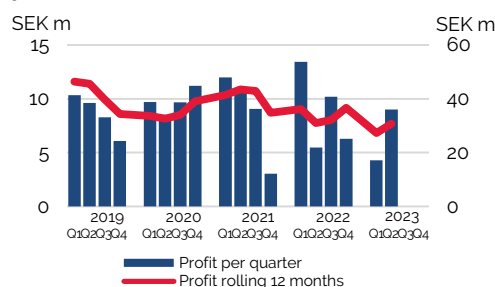
Adjusted EBITA amounted to SEK 13.3 million (18.9) and the EBITA margin was 3.9 per cent (5.4) for the first six months. Both EBITA and the EBITA margin were negatively affected by decreasing revenues and increased sales and administration costs compared to previous year.

Amounts in SEK million	Apr-Jun 2023	Apr-Jun 2022	Change, %	Jan-Jun 2023	Jan-Jun 2022	Change, %	Rolling 12 months	Jan-Dec 2022
System revenues	86.0	54.9	56.9	154.6	179.0	-13.6	348.1	372.4
Service revenues	99.6	83.7	15.4	185.2	168.4	10.0	355.8	338.4
of which support revenue	27.2	26.3	3.4	49.9	52.5	-5.0	102.1	104.1
of which revenue from cloud services	60.2	47.8	26.1	115.7	96.7	19.6	215.2	196.2
of which consulting revenue	9.2	9.6	-4.2	19.6	19.1	3.0	38.5	38.1
Other	-	-	-	-	-	-	0.8	0.8
Total Revenues	182.7	138.9	31.5	339.9	347.4	-2.2	704.7	711.6
Adjusted EBITA	9.0	5.5	64.2	13.3	18.9	-29.8	30.7	36.4
Margin, %	4.9	3.9		3.9	5.4		4.4	5.1

Revenues



Adjusted EBITA





Revenues and result

April – June

In West, revenues increased by 7.7 per cent during the quarter but decreased organically by 1.5 per cent, where the difference is due to currency effects. System revenues decreased by 2.9 per cent and organically by 11.4 per cent, due to slightly longer sales cycles. Service revenues increased by 11.9 per cent and organically by 2.3 per cent with support services showing good growth due to new won contracts, while consulting revenues decreased, partly because of a lack of personnel in some competence areas, and partly due to lower demand in other areas.

Adjusted EBITA amounted to SEK 0.7 million (11.5) and the EBITA margin was 0.3 per cent (6.0) for the quarter where EBITA and the EBITA margin decreased due to lower gross margins and increased sales and administration expenses both due to inflation-related cost increases and increased usage of external staff.

January – June

In West, revenues increased by 11.1 per cent during the first six months and organically by 2.8 per cent. System revenues increased by 12.5 per cent and organically by 4.1 per cent, primarily because of good demand in first quarter. Service revenues increased by 10.5 per cent and organically by 2.3 per cent, with a good underlying demand primarily for cloud and support services, while consulting revenues decreased due to lack of personnel in some competence areas and due to lower demand in other areas.

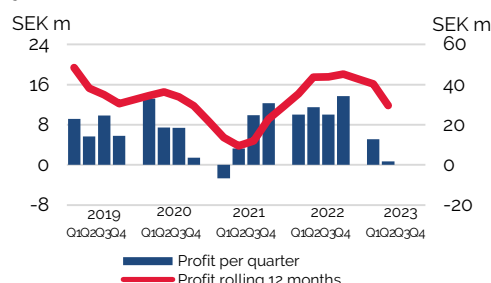
Adjusted EBITA amounted to SEK 5.8 million (21.5) and the EBITA margin was 1.4 per cent (5.6) for the first six months. The decrease is attributable to a lower gross margins and higher sales and administration expenses due to cost inflation and increased usage of external staff.

Amounts in SEK million	Apr-Jun 2023	Apr-Jun 2022	Change, %	Jan-Jun 2023	Jan-Jun 2022	Change, %	Rolling 12 months	Jan-Dec 2022
System revenues	51.9	53.4	-2.9	117.0	104.0	12.5	253.9	240.9
Service revenues	153.5	137.2	11.9	306.5	277.3	10.5	594.1	564.9
of which support revenue	17.5	13.5	29.9	34.5	26.7	29.4	62.7	54.9
of which revenue from cloud services	102.9	90.2	14.1	203.2	177.7	14.4	394.2	368.7
of which consulting revenue	33.0	33.5	-1.4	68.7	72.9	-5.7	137.2	141.3
Other	0.0	0.0	-90.0	0.0	0.0	240.0	0.1	-
Total Revenues	205.3	190.6	7.7	423.5	381.3	11.1	848.0	805.8
Adjusted EBITA	0.7	11.5	-93.9	5.8	21.5	-72.9	29.6	45.3
Margin, %	0.3	6.0		1.4	5.6		3.5	5.6

Revenues



Adjusted EBITA





Revenues and result

April – June

In Central, revenues decreased by 1.0 per cent during the quarter and organically by 21.7 per cent. The acquisition of sepago contributed positively primarily to the revenues from consulting services, but also to system and cloud revenues. System revenues decreased by 37.2 per cent and organically by 47.2 per cent, due to weaker demand connected to macroeconomic uncertainty. Service revenues increased by 48.6 per cent and organically by 13.1 per cent due to good underlying demand primarily for support and consulting services.

Adjusted EBITA amounted to SEK 9.6 million (16.6) and the EBITA margin was 5.1 per cent (8.8) for the quarter. In Central, EBITA and the EBITA margin were primarily affected negatively by organically decreasing revenues, combined with organically slightly increasing sales and administration expenses.

January - June

In Central, revenues increased by 18.8 per cent during the first six months due to the acquisition of sepago and currency effects but decreased organically by 3.8 per cent. System revenues decreased by 3.4 per cent and organically by 15.2 per cent, due to longer sales cycles in the second quarter. Service revenues increased by 45.9 per cent and organically by 9.7 per cent due to good organic growth in all services areas.

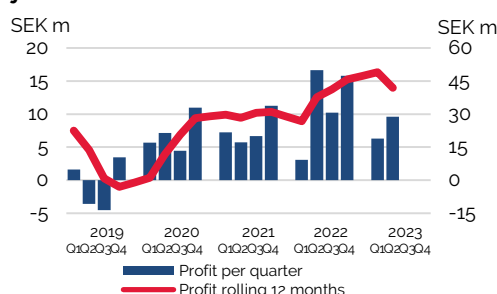
Adjusted EBITA amounted to SEK 15.9 million (19.7) and the EBITA margin was 3.8 per cent (5.5) for the first six months. In Central, EBITA and the EBITA margin were negatively affected primarily by lower organic sales in combination with increased sales and administration expenses, partly related to cost inflation, and partly to integration costs attributable to acquisitions.

Amounts in SEK million	Apr-Jun 2023	Apr-Jun 2022	Change, %	Jan-Jun 2023	Jan-Jun 2022	Change, %	Rolling 12 months	Jan-Dec 2022
System revenues	68.9	109.7	-37.2	191.8	198.6	-3.4	409.7	416.4
Service revenues	117.1	78.8	48.6	230.5	158.0	45.9	444.8	372.3
of which support revenue	16.3	12.0	36.2	31.3	22.6	38.2	57.5	48.9
of which revenue from cloud services	70.6	56.6	24.6	139.1	113.1	23.0	268.3	242.2
of which consulting revenue	30.2	10.2	196.5	60.1	22.3	169.4	119.0	81.2
Other	0.6	0.0	2,709.1	1.3	0.1	1,489.3	1.8	0.5
Total Revenues	186.6	188.6	-1.0	423.6	356.6	18.8	856.2	789.2
Adjusted EBITA	9.6	16.6	-42.3	15.9	19.7	-19.2	41.9	45.7
Margin, %	5.1	8.8		3.8	5.5		4.9	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-Jun 2023	Nordics & Baltics	UK	West	Central	Groupwide	Eliminations	Group
Amounts in SEK million							
Total revenue	1,279.1	339.9	423.5	423.6	96.0	-140.0	2,422.0
EBITDA before items affecting comparability	117.4	40.9	29.3	31.2	5.5	-	224.1
Depreciations and write-downs on tangible fixed assets	-19.4	-27.7	-23.5	-15.3	-0.4	-	-86.3
EBITA before items affecting comparability	98.0	13.3	5.8	15.9	5.1	-	138.2
Items affecting comparability	-7.8	-0.9	-6.4	-2.0	-2.5	-	-19.6
EBITA	90.2	12.3	-0.5	13.5	2.7	-	118.6
Amortizations and write-downs on intangible fixed assets	-2.9	-2.6	-4.1	-14.8	-3.3	-	-27.6
EBIT	87.3	9.7	-4.6	-1.2	-0.6	-	90.9
Net Financial Items	-5.3	-1.4	-4.7	-9.4	1.7	-	-19.2
Profit before tax	82.0	8.3	-9.3	-10.7	1.1	-	71.8
Tax							-15.2
Comprehensive income for the period							56.6
Jan-Jun 2022	Nordics & Baltics	UK	West	Central	Groupwide	Eliminations	Group
Amounts in SEK million							
Total revenue	1,162.3	347.4	381.3	356.6	103.3	-132.8	2,218.2
EBITDA before items affecting comparability	86.0	41.8	38.3	33.1	14.4	-	213.6
Depreciations and write-downs on tangible fixed assets	-18.1	-22.9	-16.7	-13.4	-7.9	-	-79.0
EBITA before items affecting comparability	67.9	18.9	21.5	19.7	6.5	-	134.6
Items affecting comparability	-	-	-	-0.8	-	-	-0.8
EBITA	67.9	18.9	21.5	18.9	6.5	-	133.7
Amortizations and write-downs on intangible fixed assets	-2.9	-2.5	-4.0	-9.0	-3.5	-	-21.9
EBIT	65.0	16.4	17.5	9.9	3.0	-	111.8
Net Financial Items	-3.5	-1.5	-1.4	-2.7	-0.6	-	-9.7
Profit before tax	61.6	14.8	16.2	7.1	2.4	-	102.1
Tax							-19.1
Comprehensive income for the period							83.0

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

Digitalisation and value creation from 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

After the quarter, the option to extend the existing revolving credit facility of SEK 600 million for another year has been exercised, and it now runs until 2026. In addition, another three-year credit facility of EUR 20 million has been signed.

After the end of the quarter, Proact's CFO and VP Investor Relations, Linda Höljö, announced that she will leave Proact no later than January 2024.

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 business

Proact is not significantly affected by Russia's invasion of Ukraine. However, the development of the global economy, in the form of inflation, exchange rate fluctuations, lower economic growth and disturbances in supply chains, can entail increased risks for Proact. Delivery disruptions linked to the global semiconductor shortage at present has 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.

Annual General Meeting May 4, 2023

The Annual General Meeting held on May 4th, 2023, re-elected Anna Söderblom (chair), Martin Gren, Erik Malmberg, Annikki Schaeferdiek and Thomas Thuresson (board members). It was decided to distribute a dividend of SEK 1.85 per share for the financial year 2022, which was carried out during the quarter. For the financial year 2021 a dividend of SEK 1.50 per share was paid.

Financial calendar

27 Oct 2023 Interim Report Q3 2023
8 Feb 2024 Interim Report Q4 2023

The Board of Directors and the managing Director assure that this interim report provides a true and fair view of the activities, position, and profits of Proact IT Group AB (publ) and the Group. No new risks or uncertainty factors have arisen over the first six months of the year, compared with those commented upon in the last Annual Report issued.

Solna 14 July, 2023
Proact IT Group AB (publ)

Jonas Hasselberg
CEO

Anna Söderblom
Chairperson

Martin Gren

Annikki Schaeferdiek

Thomas Thuresson

Erik Malmberg

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 13:00 (CET) on 14 June, 2023.

CONTACT

Jonas Hasselberg, CEO +46 722 13 55 56 jonas.hasselberg@proact.eu
Linda Höljö, CFO +46 725 07 40 85 linda.holjo@proact.eu

Org.nr: 556494-3446 | Reg Office: Stockholm

Proact IT Group AB

Frösundaviks Allé 1, Solna
Tel. +46 8 410 666 00
www.proact.eu

Financial reports

Consolidated statement of comprehensive income

Amounts in SEK million	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
System revenue	663.1	706.0	1,362.5	1,319.6	2,904.3	2,861.4
Service revenue	537.2	447.4	1,056.5	897.9	2,047.7	1,889.0
of which support revenue	148.7	125.0	286.0	244.9	554.5	513.3
of which revenue from cloud services	271.1	228.3	532.9	454.7	1,022.0	943.8
of which consulting revenue	117.3	94.1	237.6	198.2	471.2	431.8
Other operating revenue	1.4	0.4	3.0	0.7	8.6	6.4
Total revenue	1,201.7	1,153.7	2,422.0	2,218.2	4,960.6	4,756.8
Cost of goods and services sold	-929.9	-896.5	-1,885.6	-1,737.9	-3,851.8	-3,704.2
Gross profit	271.8	257.3	536.4	480.3	1,108.8	1,052.7
Sales and marketing expenses	-124.7	-109.4	-254.4	-219.0	-502.2	-466.8
Administration expenses	-79.5	-76.7	-171.3	-148.6	-342.2	-319.5
Items affecting comparability	-19.6	-0.8	-19.6	-0.8	-24.5	-5.8
Operating profit/loss (EBIT)	47.9	70.4	91.0	111.8	239.7	260.6
Net financial items	-13.5	-5.7	-19.2	-9.7	-25.9	-16.4
Profit before tax	34.4	64.7	71.8	102.1	213.8	244.2
Income tax	-5.7	-15.5	-15.2	-19.1	-48.6	-52.6
Comprehensive income for the period	28.7	49.1	56.6	83.0	165.1	191.5
Other comprehensive income						
Items which may be reversed later in the income statement						
Change of hedging reserve (net investment in foreign operations)	18.1	12.3	22.9	15.7	37.2	29.9
Tax effect of change of reserve (net investment in foreign operations)	-3.7	-2.5	-4.7	-3.2	-7.7	-6.2
Translation differences from remaining operations	1.5	6.5	-17.9	13.9	-2.0	29.8
Total items which may be reversed later in the income statement	15.9	16.3	0.3	26.4	27.5	53.6
Total comprehensive income for the period, net after tax	44.6	65.4	56.9	109.4	192.6	245.1
Comprehensive income attributable to:						
Shareholders of the Parent company	28.8	49.0	56.7	83.1	164.8	191.3
Holdings without a controlling influence	-0.1	0.1	-0.1	-0.1	0.3	0.3
Total comprehensive income for the period attributable to:						
Shareholders of the Parent company	44.5	65.3	56.7	109.3	191.9	244.5
Holdings without a controlling influence	0.1	0.2	0.2	0.1	0.8	0.6
Data per share¹						
Earnings per share for the period attributable to the shareholders of the parent company, SEK	1.05	1.79	2.06	3.02	6.00	6.97
Equity per share attributable to the shareholders of the parent company, SEK	35.12	28.43	35.12	28.43	33.44	33.49
Cash flow from operations per share, SEK	4.69	4.73	5.79	6.13	15.79	16.13
Number of outstanding shares at end of period	27,499,948	27,454,851	27,499,948	27,454,851	27,499,948	27,454,851
Weighted average number of outstanding shares	27,467,761	27,454,851	27,461,342	27,454,851	27,458,070	27,454,851

1) Proact has a long-term performance-based share program that could give rise to dilution of maximum 1.82 per cent.

Consolidated Balance Sheet in brief

Amounts in SEK million	Jun 30 2023	Jun 30 2022	31 Dec 2022
ASSETS			
Fixed assets			
Goodwill	1,037.2	844.0	983.6
Other intangible fixed assets	215.1	210.7	230.7
Tangible fixed assets	359.8	298.3	366.8
Other long-term receivables	560.0	423.4	548.2
Deferred tax receivables	24.7	22.6	25.6
Current assets			
Inventories	46.7	37.1	64.1
Trade and other receivables	1,472.4	1,262.0	1,517.1
Cash and cash equivalents	442.9	528.0	505.7
Total assets	4,158.8	3,626.0	4,241.9
EQUITY AND LIABILITIES			
Equity attributable to the shareholders of the parent company	965.8	780.4	919.5
Equity attributable to holdings without a controlling influence	0.3	3.3	3.9
Total equity	966.1	783.8	923.4
Long-term liabilities			
Long-term liabilities, interest-bearing	535.6	622.6	631.3
Long-term liabilities, non-interest-bearing	774.5	518.9	737.0
Deferred tax liabilities	65.8	60.9	73.1
Short-term liabilities			
Short-term liabilities, interest-bearing	124.6	131.0	118.7
Short-term liabilities, non-interest-bearing	1,692.2	1,508.9	1,758.4
Total equity and liabilities	4,158.8	3,626.0	4,241.9

Consolidated statement of changes in Equity

Amounts in SEK million	Jun 30 2023	Jun 30 2022	31 Dec 2022
At beginning of period	923.4	713.9	713.9
Total comprehensive income for the period	56.9	109.3	245.1
Dividend	-50.8	-41.2	-41.2
Acquisition from holdings without a controlling influence	8.4	-	-
Share savings and share option programs	16.0	1.7	6.0
At end of period	966.1	783.8	923.4

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

Consolidated Cash Flow Statement in brief

Amounts in SEK million	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
CASH FLOW FROM OPERATIONS FOR THE YEAR						
Operating profit for the year	47.9	70.4	91.0	111.8	239.7	260.6
Adjustment for items not affecting cash flow:						
Reversal of depreciation and impairment of fixed assets	57.3	61.1	113.9	112.3	214.1	212.6
Financial leasing sales	2.0	7.8	12.1	19.1	29.8	36.7
Reversal of non-cash items	-20.3	-15.6	-22.6	-16.5	0.4	6.5
Change in provisions	3.9	0.0	4.9	-0.3	10.5	5.3
Income tax paid	-4.6	-16.9	-22.8	-25.5	-44.2	-46.9
Cash flow from operating activities before changes in working capital	86.2	106.9	176.5	201.0	450.3	474.7
Cash flow from changes in working capital						
Inventories	-18.1	-16.5	19.8	-21.1	-4.3	-45.1
Operating receivables	-136.6	36.1	84.1	-129.5	-233.4	-447.0
Operating liabilities	197.5	3.5	-121.3	117.8	232.6	471.7
Cash flow from operating activities	128.9	129.9	159.0	168.2	445.1	454.3
INVESTMENT ACTIVITIES						
Acquisition of businesses	0.4	-12.3	-7.9	-12.3	-149.0	-153.4
Capital expenditure on tangible fixed assets	-9.7	-7.3	-24.6	-17.3	-46.7	-39.4
Disposals of tangible fixed assets	0.1	0.1	0.2	1.6	0.5	1.9
Investments in intangible fixed assets	-0.2	-0.5	-0.4	-0.9	-1.1	-1.6
Increase / decrease, non current receivables	0.1	-0.3	-0.0	-0.5	0.9	-2.1
Cash flow from investing activities	-9.2	-14.0	-32.7	-23.0	-204.3	-194.6
FINANCING ACTIVITIES						
Dividend	-50.8	-41.2	-50.8	-41.2	-50.8	-41.2
Borrowings and repaid loans	-109.2	58.8	-101.2	8.8	-172.3	-62.3
Interest earned	7.7	0.1	11.0	0.2	13.7	2.9
Interest paid	-6.5	-2.6	-14.9	-5.2	-24.9	-15.2
Amortisation of leasing debt	-33.0	-31.2	-49.3	-63.9	-118.5	-133.1
Other cash flow from financig activities	-5.4	2.4	-1.6	4.9	-5.0	1.4
Cash flow from financing activities	-197.3	-13.7	-206.7	-96.4	-357.8	-247.4
Total cash flow for the period	-77.6	102.8	-80.4	48.9	-117.0	12.2
Cash and cash equivalents at beginning of the period	501.1	418.3	505.7	463.9	528.0	463.9
Currency translation difference in cash and cash equivalents	19.3	7.1	17.5	15.3	31.7	29.5
Cash and cash equivalents at end of the period	442.9	528.0	442.9	528.0	442.9	505.7

Key ratios

Amounts in SEK million	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Rolling 12	Jan-Dec
	2023	2022	2023	2022	months	2022
Total revenue	1,201.7	1,153.7	2,422.0	2,218.2	4,960.6	4,756.8
of which attributable to acquisition and divestments	22.0	62.7	48.4	152.0	205.8	271.0
of which currency effects	51.7	25.7	90.9	63.6	183.7	156.4
Total revenue, organic	1,128.0	1,065.3	2,282.7	2,002.5	4,571.2	4,174.0
Organic growth total revenue, %	-2.2	21.3	2.9	13.0	15.1	22.8
System revenue	663.1	706.0	1,362.5	1,319.6	2,904.3	2,861.4
of which attributable to acquisition and divestments	4.1	20.5	8.6	52.3	61.4	69.5
of which currency effects	20.1	13.0	39.2	34.6	89.2	84.5
Total system revenue, organic	638.9	672.4	1,314.6	1,232.8	2,753.7	2,707.4
Organic growth system revenue, %	-9.5	32.6	-0.4	18.3	20.8	35.2
Services revenue	537.2	447.4	1,056.5	897.9	2,047.7	1,889.0
of which attributable to acquisition and divestments	17.9	44.4	39.8	104.2	144.4	201.6
of which currency effects	31.4	12.7	51.6	29.1	94.3	71.8
Total service revenue, organic	487.9	390.3	965.2	764.6	1,809.0	1,615.7
Organic growth service revenue, %	9.0	5.9	7.5	5.5	7.1	6.3
EBITDA	104.8	120.1	204.4	212.7	464.9	473.2
EBITDA margin, %	8.7	10.4	8.4	9.6	9.4	9.9
Depreciation and write-down on tangible assets	-43.0	-38.8	-85.9	-79.0	-167.0	-160.1
EBITA	61.8	81.3	118.6	133.7	297.9	313.1
EBITA margin, %	5.1	7.0	4.9	6.0	6.0	6.6
Amortization and write-down on intangible assets	-13.9	-10.9	-27.6	-21.9	-58.2	-52.5
EBIT	47.9	70.4	91.0	111.8	239.7	260.6
EBIT marginal, %	4.0	6.1	3.8	5.0	4.8	5.5
Profit before tax	34.4	64.7	71.8	102.1	213.8	244.2
Net margin, %	2.9	5.6	3.0	4.6	4.3	5.1
Profit after tax	28.7	49.1	56.6	83.0	165.1	191.5
Profit margin, %	2.4	4.3	2.3	3.7	3.3	4.0
Equity	966.1	783.8	966.1	783.8	966.1	923.4
Total assets	4,158.8	3,626.0	4,158.8	3,626.0	4,158.8	4,241.9
Equity ratio, %	23.2	21.6	23.2	21.6	23.2	21.8
Capital turnover rate, times¹	-	-	-	-	1.3	1.2
Return on equity, %¹	-	-	-	-	18.9	23.4
Financial costs included in net financial items	17.8	6.8	27.2	11.9	41.9	26.7
Capital employed	1,626.3	1,537.3	1,626.3	1,537.3	1,626.3	1,673.4
Return on capital employed, %¹	-	-	-	-	16.2	17.2
Investments in fixed assets	33.5	27.6	85.1	58.1	424.6	397.5
Profit before tax per employee, SEK thousands	29.4	57.6	60.9	90.6	180.8	210.6
Average number of employees	1,171.2	1,121.7	1,178.4	1,127.2	1,182.2	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-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Net sales	77.1	67.2	139.9
Cost of goods and services sold	-	-	-
Gross profit	77.1	67.2	139.9
Administration expenses	-77.6	-68.9	-144.4
Operating profit	-0.5	-1.7	-4.5
Net financial items	70.0	30.5	78.3
Profit efter financial items	69.5	28.8	73.8
Provisions	-	-	-
Profit before tax	69.5	28.8	73.8
Income tax	-5.3	-2.8	-5.1
Comprehensive income for the period	64.2	26.0	68.8

Parent Company's Balance Sheet, in brief

Amounts in SEK million	Jun 30 2023	Jun 30 2022	31 Dec 2022
ASSETS			
Fixed assets	1,065.3	1,197.7	1,204.0
Current assets	134.1	113.1	108.9
Total assets	1,199.4	1,310.7	1,312.9
EQUITY AND LIABILITIES			
Restricted Equity	82.1	81.2	81.7
Non-restricted Equity	214.4	299.1	345.6
Equity	296.5	380.3	427.3
Long-term liabilities	373.1	512.6	453.2
Short-term liabilities	529.8	417.9	432.3
Total equity and liabilities	1,199.4	1,310.7	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	Jul-Jun 22/23	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2019
Total revenue	4,960.6	4,756.8	3,525.0	3,633.1	3,407.9
EBITDA	464.9	473.2	348.6	369.6	271.7
<i>EBITDA margin, %</i>	9.4	9.9	9.9	10.2	8.0
EBITA	297.9	313.1	197.5	216.7	134.2
<i>EBITA margin, %</i>	6.0	6.6	5.6	6.0	3.9
EBIT	239.7	260.6	166.2	182.1	105.4
<i>EBIT margin, %</i>	4.8	5.5	4.7	5.0	3.1
Profit before tax	213.8	244.2	151.9	167.7	101.7
<i>Net margin, %</i>	4.3	5.1	4.3	4.6	3.0
Profit after tax	165.1	191.5	117.2	132.3	80.2
<i>Profit margin, %</i>	3.3	4.0	3.3	3.6	2.4
<i>Equity ratio, %</i>	23.2	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>	18.9	23.4	17.8	23.4	16.1
<i>Return on capital employed, %</i>	16.2	17.2	13.4	17.1	13.2
Dividend to shareholders of the Parent company ¹	50.8	41.2	41.2	22.9	38.0
Investments in fixed assets	424.6	397.5	550.7	269.1	440.7
Financial costs included in net financial items	41.9	26.7	19.8	20.7	11.3
Profit before tax per employee, SEK thousands	180.8	210.6	147.9	172.3	122.0
Average number of employees	1,182.2	1,159.5	1,027.3	973.4	833.5
Earnings per share for the period, SEK ²	6.00	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 1.85, total SEK 50.8 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 1.82 per cent.