PROACT

Annual Report 2023

Contents

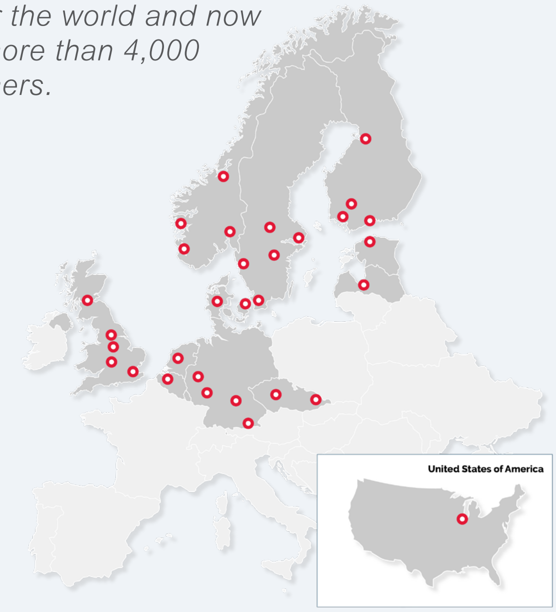
Pages 4-9 and 18-30 show the reviewed statutory sustainability report.

N.B This English version of the Annual Report is an unofficial translation. In case of any discrepancies in relation to the Swedish version of the Annual Report, the Swedish version shall prevail.

Welcome to Proact

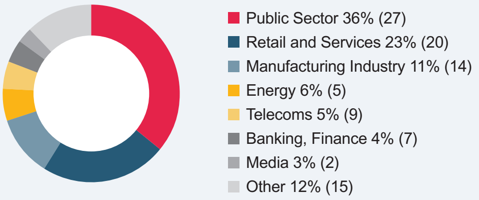
Proact is Europe's leading data and information management specialist, focusing on sustainable cloud services and data centre solutions. We help our customers to store, network, protect, secure and add value from data by means of increased flexibility, productivity and efficiency.

Proact has about 1,200 specialists in more than 30 offices in 12 countries across Europe and in the USA. With 30 years in the industry, we have completed thousands of successful projects all over the world and now have more than 4,000 customers.

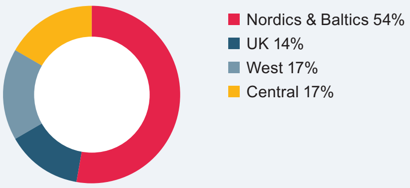


Proact's primary target group segment focuses on large and medium-sized companies and authorities with large volumes of business-critical digital information. The three biggest industry segments in 2023 were Public Sector, Retail & Services and Manufacturing Industry.

Revenues per sector



Revenues per Business Unit



Year in Review

Strong growth in service business

The positive development of the service business continued in 2023, with growth of 13.5 per cent.

Increased macroeconomic uncertainty, comparatively strong system sales in 2022 and longer sales cycles, especially for systems, all helped to bring about lower total revenue growth amounted to 1.9 per cent.

Increased share of recurring revenue

Recurring revenue from cloud and support services grew by 16 per cent and accounted for 35 per cent of total revenue.

Focus on profitability

An efficiency programme was successfully implemented during the year in order to counteract cost increases due to high inflation and a weaker Swedish krona. Adjusted EBITA amounted to SEK 302 million (315), and the adjusted EBITA margin was 6.2 per cent (6.6).

Exciting new business and partnerships

Proact has continued to strengthen its collaboration with customers and partners in 2023 by developing and broadening its offering in respect of both existing and new solutions. Proact Managed Container Platform, the new container development service, was successfully delivered to the first customer in the fourth quarter.

Proact has been recognised and received awards from customers and partners in a number of markets. Among other things, we were named “EMEA Partner of the Year” by NetApp, ranked as one of the top three leading cloud service providers in Germany, and named one of the top five suppliers in Radar’s report on supplier quality in Sweden.

Integration of new operations provides breadth and economies of scale

Acquisitions continue to be an important part of the Proact strategy. In 2023, the emphasis has been on developing processes based on best practice and integrating the companies acquired in 2022. The emphasis on integration is helping to ensure a cost-effective, reliable business where expertise and local specialist skills can be utilised across all markets.

Strengthening the service offering

Proact’s service portfolio was expanded during the year to include additional services based on Microsoft’s cloud platforms, which is helping to implement a more efficient IT environment for our customers thanks to scalability and an integrated structure. Proact is able to meet the increasing demand for infrastructure for AI use thanks to the Proact Hybrid Cloud and the proprietary Proact Managed Container Platform.

Employees our most important resource

Attracting and retaining employees continues to be one of Proact’s key focus areas and a critical success factor. A number of initiatives were implemented during the year to develop both employees and managers within the company, and once again Proact was named one of Sweden’s top ten companies for young talent.

Revenues during the year

4,847

SEK million

Earnings before tax

218

SEK million

Proposed dividend

2.00

SEK per share

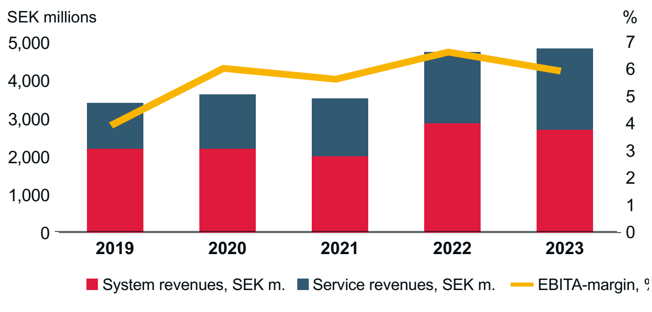
Just as customer satisfaction rose sharply, we also saw a large increase in the Employee Net Promoter Score, which makes me particularly proud of the past year.

Key ratios

Total revenues, SEK millions	2023	2022
Total revenues, SEK millions	4,847.3	4,756.8
EBITA, SEK millions	285.5	313.1
EBITA margin, %	5.9	6.6
Earings before tax, SEK millions	218.3	244.2
Net margin, %	4.5	5.1
Earnings per share (outstanding shares), SEK 1)	6.29	6.97
Dividend per share, SEK 2)	2.00	1.85

1) Proact has a long-term performance share scheme that may give rise to maximum dilution of 1.84 per cent. The company has bought back shares that are in its own custody, which affects the key ratios and figures above.
2) The Board of Directors will propose distribution of a dividend of SEK 2.00 per share to the 2024 Annual General Meeting for the 2023 fiscal year.

Revenues and EBITA margins



CEO's statement

2023 was a year in which Proact delivered strong growth in the strategically important service business, and in which the demand for our products and services held up well in the face of competition despite the weak macroeconomic developments and high inflation rate. The completed streamlining programme and our strong financial position give us plenty of opportunities to develop our customer offering still further and continue with our growth in the coming years.

Uncertain market conditions

The year was characterised by market uncertainty, with inflation extending lead times for investment decisions by our customers and increasing costs for Proact. Economic signals were slightly more positive towards the end of the year, and expectations of a recovery have strengthened.

However, the demand and sales rate in the service business has remained strong and has increased in importance, which is in line with our strategy. The volume of cloud contracts in 2023 fell slightly year-on-year on account of more flexible contracts with lower guarantee levels, but greater potential for increased recurring revenue. The market for system solutions was relatively favourable during the year despite the lower willingness to invest and the extended sales processes, while demand for consultancy services was lower.

Growth in the service business

The service business developed strongly during the year and grew by 13.5 per cent (6.3 per cent organic growth), driven by support and cloud services.

Total turnover increased by 1.9 per cent to SEK 4,847.3 million (4,756.8). Organically, adjusted for currency effects and acquisitions, revenue fell by 2.3 per cent due to lower system sales. The systems business decreased organically by 8 per cent partly due to the very strong comparison year 2022 when deliveries were made after previous periods of semiconductor shortages, but also due to a more cautious market with longer sales cycles.

A streamlining programme was launched and implemented during the year in response to increased inflation at the beginning of the year. The aim of this was to reduce underlying costs by SEK 45-50 million.

The programme focusing mainly on administrative costs and costs related to service delivery was successful and contributed to an adjusted EBITA of SEK 302 million (315), corresponding to a profitability margin of 6.2 per cent (6.6). Besides dividends, our strong balance sheet and cash position has enabled us to repay loans and reduce capital costs. We have also initiated, according to plan, a share buy-back programme as mandated by the Annual General Meeting in 2023, without reducing our ability to acquire companies.

Futureproof services

Our customers operate in different industries, but they have a common denominator: they often have extensive, complex, business-critical IT infrastructures with high demands on security, sustainability and efficiency.

We use our outstanding expertise and knowledge to help our customers with their digital transformation thanks to our services and hybrid cloud solutions. These solutions are based on the most appropriate and modern cloud technologies for each customer's specific needs.

Proact has a unique portfolio of products, services and competences that make it possible for our customers to use local and private clouds seamlessly with the public global cloud services from companies such as Microsoft and Amazon Web Services.

There is a clear trend towards hybrid cloud solutions, with public cloud services playing an important role. The development of technology is still very high, which poses challenges for customers in need of advanced and business-critical IT solutions.

We reinforced our offering during the year with services based on Microsoft's cloud platforms Azure and Microsoft 365. Proact's new services utilise the scalability and power of Microsoft's cloud platforms. Proact takes responsibility for architecture design, implementation, data management, maintenance and running of application and workstation solutions. This allows customers to focus on digital business development and rely on Proact to provide a sustainable, scalable and integrated IT infrastructure.

These new services are helping to implement a complete portfolio of hybrid cloud services that are well integrated with one another and with global cloud providers, making it possible for our customers to benefit from the latest technologies even if they themselves lack the expertise to develop and maintain the underlying infrastructure.

Artificial intelligence solutions

One of the hottest trends in the market over the past year has been the explosively increasing interest in artificial intelligence (AI), driven primarily by the Chat GPT generative AI solution. AI infrastructure is made up of specialised technology components such as powerful computational processors, machine learning software and storage of large data volumes.

Proact provides infrastructure for AI use and already has installations in the health sector and at universities. The need for specialised system and service solutions is expected to increase as the use of generative AI increases in commercial sectors with proprietary language models. Proact Hybrid Cloud and Proact Managed Container Platform are examples of services that are already prepared for AI use.

Continuing increase in customer satisfaction

We regularly gauge customer satisfaction and work systematically to continuously improve how we treat our customers and deliver our services.

It is very gratifying to see that our customers are even more satisfied with us, given these times of increased competition and general market uncertainty. Our Net Promoter Score for customer satisfaction during the year increased to 59, from last year's 46, and we are very proud of this. We also work closely with our technology suppliers. We have received several prestigious awards from our partners during the year, as well as top rankings in surveys conducted by external industry analysts.

Sustainability and safety

The demand for both resilient and sustainable IT solutions has increased significantly during the year. The number of attacks by hackers is constantly on the increase and receiving a great deal of media attention.

Modern IT solutions have to be both resilient and sustainable. Our focus on sustainability is allowing us to provide IT solutions that are energy-efficient and circular while also reducing the company's own environmental footprint. We minimise our customers' carbon footprint by means of energy-efficient data centres and equipment and extensive use of renewable electricity.

One of my top priorities is that our staff should enjoy their work and evolve with the company. Proact is a knowledge-driven company that needs to go on developing the abilities and skills of its employees if it is to remain at the forefront of technology and be relevant to its customers. As in previous years, further development of our managers and employees is important, and we have further broadened the range of Proact Academy programmes and developed our working environment during the year. The results of the annual employee survey improved significantly compared to the previous year: all the indices we measure were strengthened and are at a high level in relation to external comparisons. Just as customer satisfaction rose sharply, we also saw a large increase in the Employee Net Promoter Score, which makes me particularly proud of the past year.

Finally, I would like to thank all colleagues for their fine work and great commitment that make Proact the fine company we are.

Solna, April 2024

Jonas Hasselberg
CEO & President

" A strong year, particularly in the service business, with emphasis on business development and streamlining, ensures that Proact is well equipped for the coming year.

Value creation at Proact

Resources

Business capital
- Operations in 12 countries

Relational capital
- Close cooperation with strategically selected suppliers with good reputations

Human capital
- 1,171 employees, many with specialist expertise

Financial capital
- SEK 1,505 million in capital employed

Strategic focus areas

Broaden our market positioning

Accelerate our hybrid cloud offering and maintain our strong position in respect of data centres

High quality and standardised service delivery with satisfied customers

Focus on employees

Accelerate growth through acquisitions

Read more on page 8

Core values: Integrity Commitment Excellence

Read more on page 25

Value created

Customers
- Secured access to business-critical information and data
- Robust infrastructure
- Robust security procedures
- Reduced IT costs
- Secure, flexible IT systems
- Sustainable, customised solutions

Suppliers
- Ethical business
- Long-term partnerships

Employees
- International environment
- Specialist expertise
- Development opportunities
- Attractive employer

Communities
- Job opportunities
- Customer solutions that help to bring about more efficient utilisation of resources

Shareholders
- Dividend yield
- Value growth

Value distributed

Suppliers
3,758

SEK million
Cost of goods and services

Employees
1,310

SEK million
Salaries and remuneration

Communities
45

SEK million
Income taxes

Shareholders
54

SEK million
Dividends

The Board of Directors will propose distribution of a dividend of SEK 2.00 per share to the Annual General Meeting for the 2023 business year.
Shares corresponding to SEK 19.6 million were repurchased during the year.

Remaining in the company until new investments
118

SEK million

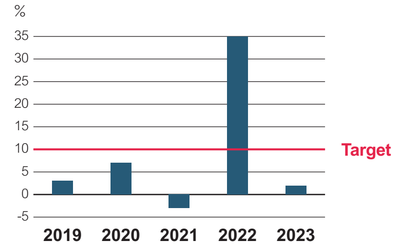
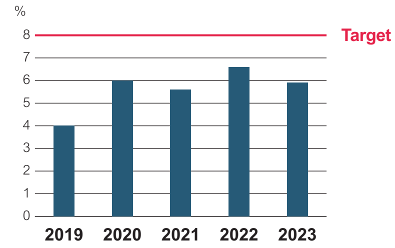
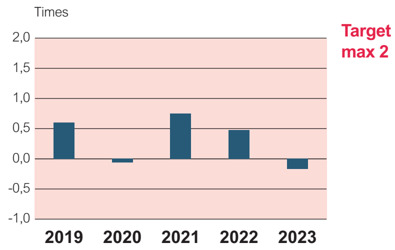
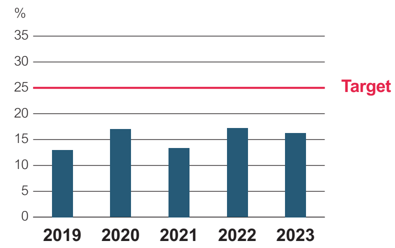
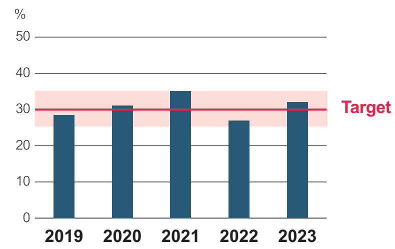
Vision, mission and targets

Vision

Our vision is to be Europe's most trusted IT services partner, enabling business value and growth for our customers.

Mission

We offer a combination of sustainable world-class hybrid cloud solutions and unique expertise to create business value and growth through IT, generating lasting value for our customers.

Long-term financial targets		Outcome	Historical outcome
>10%	**Sales growth** The average total sales growth should amount to at least 10 per cent per year.	Sales growth amounted to 1.9 per cent.	
>8%	**Margin** The EBITA margin should amount to no less than 8 per cent.	The company generated an EBITA margin of 5.9 per cent of revenues for the full year.	
<2 times	**Debt levels** Net debt should be no more than twice EBITDA.	At the end of the year, the company had a debt/equity ratio of -0.17 times EBITDA.	
>20%	**Return on capital employed** Return on capital employed should amount to at least 20 per cent.	For 2023, the return on capital employed amounted to 16.3 per cent.	
25–35%	**Dividends** In the long term, the company intends to issue a dividend of 25-35 per cent of profit after tax.	A dividend of SEK 2.00 per share is proposed for 2023, which is equivalent to 31 per cent of profit after tax.	

Sustainability targets

Updated and new sustainability targets

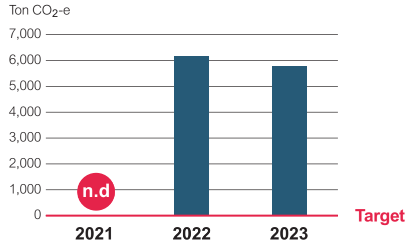
Proact's sustainability strategy was updated during the year. Revised and new long-term targets were set for the whole group at the same time. The sustainability work focuses on reducing Proact's climate footprint, enabling our customers to become more sustainable thanks to the products and services offered, and providing an attractive and gender-equal workplace.

Long-term sustainability targets	Outcome	Historical outcome

0

Net zero emissions
Proact aims to achieve net zero greenhouse gas emissions throughout its value chain by 2050.

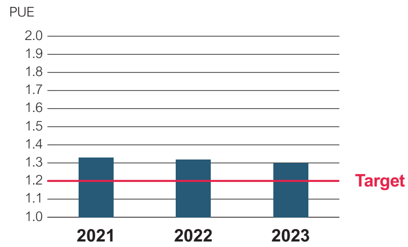
An initial calculation of emissions, in accordance with the guidelines of the GHG Protocol, was carried out during the year for 2022, Proact's base year. Proact's total greenhouse gas emissions amounted to 5,911 tonnes in 2023.
See page 19 for more information.



1.2

PUE
Average PUE, power usage effectiveness, at the data centres used by Proact will not exceed 1.2 by 2030.

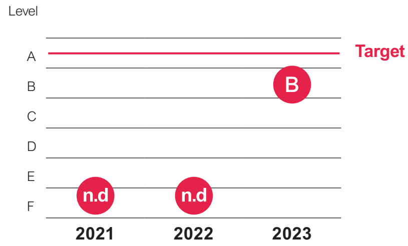
The average PUE in 2023 was 1.3.
See page 20 for more information.



A

SecurityScorecard
Proact will achieve level A in SecurityScorecard by 2025.

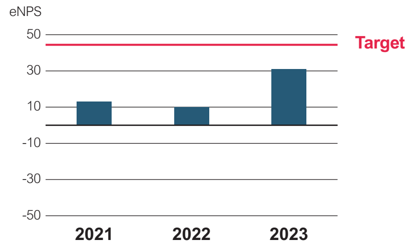
Proact's performance at group level was B at the end of the year.
See page 20 for more information.



45

eNPS
Proact's goal is to achieve an eNPS (Employer Net Promoter Score) of 45 by 2030.

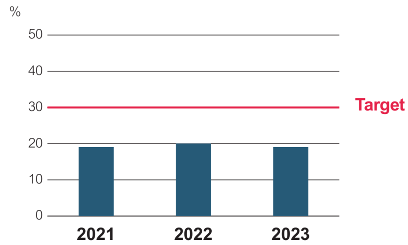
Proact's eNPS was 31 in this year's survey.
See page 24 for more information.



30%

Women
The proportion of women in the group should be at least 30 per cent by 2030.

The proportion of women was 19 per cent in 2023.
See page 23 for more information.



Strategy

Focus areas

Proact's strategy is continuing to focus on reinforcing the company's position as a sustainable provider of hybrid cloud services. Helping customers to store, protect and drive business value from data is at the heart of this strategy. The company works with five strategic focus areas in order to achieve set growth and profitability targets.

Strategic focus areas	Priorities	Follow-up, 2023
Broaden our market position Our offering, geographical spread, expertise and strong partner relations provide us with good opportunities to further strengthen our market position as a sustainable and secure provider of hybrid cloud services. In strategic partnerships, we assist our customers in their efforts to digitalise, create efficiency and flexibility, and secure their data.	• Develop value-creating hybrid solutions that leverage Proact's broad expertise and sustainable offering. • Further reinforce our position as an advisory partner for customers' digitalisation journey. • Reinforce our position on cyber-security.	Previous acquisitions and further emphasis on organic development have allowed us to increase our advisory role and strengthen our position as a hybrid cloud service provider in all our markets, through customer interactions and various brand building initiatives. We are continuing to broaden our customers' perception of Proact as a hybrid cloud specialist – which has also helped to bring about further improvement of an already strong NPS from 2022.
Accelerate our hybrid cloud offering and maintain our strong position in respect of data centres We will continue developing our portfolio in both data centres and hybrid cloud services through interaction with our partners and customers. We perceive major opportunities in value-added services on top of the public cloud with our specialist expertise and consultancy in areas such as hybrid cloud services through close collaboration with our partners and customers, Kubernetes architecture, data management and AI solutions.	• Package our own consultancy services around the public cloud. • Continue to standardise our offering in respect of our own cloud services. • Grow our sales of hybrid cloud services. • Further reinforce our data centre offering with sustainable solutions to meet future needs, including AI and application development.	We have established a strong position as an advisor in the field of transformative digitalisation journeys towards private and public clouds with delivery power from the Netherlands and Germany. We have launched a number of new packaged hybrid and public cloud services provided via our four delivery hubs. During the year, we made several successful deliveries of high-performance AI infrastructure to SaaS companies and the healthcare sector.
High quality and standardised service delivery with satisfied customers We aim to maximise cost efficiency in our delivery hubs through standardised processes and data-driven decision-making. Automation and coordination of programmes also ensure fast and accurate delivery. Our commitment to continuous improvement keeps us at the forefront, creating a dynamic organisation that is adapted to the demands of the market.	• Further improvement of quality, efficiency and the customer experience. • Reduced time-to-market and faster handover in service delivery. • Continuous development and automation of the delivery model across our four delivery hubs.	We have continued during the year to develop more efficient processes and procedures for delivery at our hubs. We have streamlined our service delivery and related administration by means of standardisation and automation, with clear monitoring of results. We have taken further steps towards sustainable, secure service delivery.
Focus on employees Our employees and our culture are at the very heart of our corporate strategy. Our core values and commitment to diversity permeate our corporate culture. We believe in the future through our staff, driven by talent, commitment and strong leadership. Proact endeavours to be an attractive employer for both current and future employees.	• To be an attractive employer with clearly defined values and added value for our staff. • Maintain a unified culture in order to clearly articulate and personalise the Proact brand. • Emphasise career development in order to realise employees' potential and allow it to evolve. • Further development of leaders is crucial for engagement and sustainable results in a diverse and inclusive environment.	We have implemented a new employee training platform where the emphasis to date has been on sales and compliance training. We have continued our global leadership development in 2023 with emphasis on strategy and employee engagement. We have initiated a project to boost the Proact employer brand, which will be launched in 2024. We are working actively on continuous improvement so that we remain an attractive employer. This year's eNPS increased to 31, compared to 10 the year before.
Accelerate growth through acquisition The emphasis remains on accelerating our strategic agenda with company acquisitions in order to further strengthen hybrid cloud competences and increase market share.	• Focus on growth and broadening the service portfolio with consultative competences in line with the company's hybrid cloud strategy. • Increase our market share in designated regions. • Integrate and develop acquired companies.	During the year, we have focused significantly on integrating and capitalising on synergies in the German organisation following the previous acquisitions of sepago GmbH and ahd GmbH. The acquisition team has been reinforced, thereby increasing our M&A capacity. We have carried on identifying potential candidates for acquisition. No acquisitions have taken place in 2023.

Åsa Olsson
Service Delivery Manager, Proact, Sweden

What roles have you had at Proact?

I've been working here for ten years. I started at the Service Desk for our customer support team in Stockholm. That was where I learned the basics of Proact's support and consultancy operations. Many of the customers I helped then are still with us now.

After my first period of parental leave, I had the opportunity to move on to our Business Support department and work on aspects such as order processing, orders and support agreements. After I returned from parental leave the second time, I was invited to return to the support department as an Incident Manager. I was able to make great use of my previous experience there, because I already knew most of the customers and all the colleagues who help our customers on a daily basis.

After a few years as an Incident Manager, I applied for the job of Service Delivery Manager for our Managed Cloud Services team in Örebro. I'm still there now, and I'm very happy with my job.

You have been with the company for a long time. Why is that?

The development opportunities available to me are one of the reasons. I also feel everyone is treated with respect, and that we employees can assist with influencing business, deliverables and approaches. Proact listens to its employees.

Parental leave, for both men and women, has always been encouraged by Proact. As a woman, telling your employer that you're going off on parental leave for any length of time can be a delicate issue. All my experiences at Proact have been positive – I've been trusted to take on new positions after my two periods of parental leave. Employees are willing to go that extra mile when you feel the company has trust in you. I'd like to think most of us employees feel that way.

How would you describe Proact as a place to work?

Very informal, you can express yourself freely, colleagues are helpful. We all share the desire to help our customers, do business that benefits all parties and contribute to the transfer of expertise.

New things are happening all the time in our industry, and there's always something new to learn. Proact encourages and supports learning, and there are all kinds of opportunities for development here. And we really enjoy working together!

Market review
– The three most important trends

Proact operates in a market affected by challenging macro trends and rapid technological development. By actively monitoring developments, we endeavour to go on developing new business opportunities while working to reinforce both our own competitiveness and that of our customers. We monitor market developments and conduct regular interviews with our customers to ensure that we are positioned correctly.

The three key customer trends

- Digitalisation remains a key driver for increasing value creation and reinforcing competitiveness. This trend is further reinforced by differentiation opportunities arising on account of the use of artificial intelligence (AI) and machine learning
- Use of hybrid cloud architecture to create sustainable, flexible, scalable and cost-effective IT support for business operations
- Cybersecurity has become a high priority for businesses due to the increasing risk of cyberthreats, and this is viewed as a hygiene factor in all solutions

Trends

Digitalisation and AI

Customer challenges and opportunities

Digitalisation remains a prominent trend across all industries. Organisations are investing in new technologies such as artificial intelligence, machine learning and big data analytics in order to improve efficiency and create value. The aim is not only to improve operational efficiency, but also to create competitive advantages on account of faster decision-making processes and enhanced customer experiences. Generative AI is being developed and will revolutionise our work processes and decision-making capabilities. The Internet of Things is acting as a catalyst for digitalisation in manufacturing, healthcare, transport and smart cities. Rapid digitalisation is paving the way for new IT-driven, data-driven business models where companies can identify new opportunities for growth. This transformation is being enabled by new ways of analysing and processing data. That said, IT departments have to manage the balance between these opportunities and risks, including increased complexity, limited resources and tighter IT budgets.

Opportunities for Proact

Proact has the expertise and experience to support companies' digitalisation journeys; not only by conceptualising, implementing and building IT solutions, but also by helping them to achieve the effects of digitalisation and extract the benefits from data analysis using AI and machine learning. The fact it is becoming increasingly difficult for customers to find specialist expertise for this complex digitalisation journey makes Proact's consultancy operations even more important. Proact is well positioned in the market thanks to its geographical presence, focus on consultancy, technical expertise and a strong portfolio of products and services.

This development is also generating new regulatory requirements, particularly in sectors such as finance, healthcare and law, where Proact's experience is able to support its customers in all aspects of digitalisation.

Enabling flexible and sustainable IT through hybrid clouds

Customer challenges and opportunities

The accelerating pace of digitalisation, in combination with high levels of acceptance for cloud services, is driving the emergence of hybrid clouds in the market. The increasing need for sustainable, flexible, scalable and cost-effective IT systems is reinforcing this trend. Businesses are more mature in their use of the benefits of hybrid clouds combining their own data centres and private and public cloud infrastructure. With varying requirements for business data, workflows and applications, companies have to carefully assess the need for scalability, flexibility, uptime, security and legal aspects so that they can choose the most suitable solution.

Opportunities for Proact

The combination of software as a service, various cloud solutions and the need for improved IT infrastructure all add to the complexity. With Proact's strong portfolio and expertise, we are well positioned to guide our customers through the challenges of complex hybrid cloud structures. Clients' lack of resources and internal expertise of their own increases the need for Proact's services. Proact also has a significant opportunity to support customers' sustainability agenda thanks to its efficient, secure and sustainable IT services.

Cybersecurity

Customer challenges and opportunities

The number of cyberthreats and data breaches has increased significantly on account of geopolitical developments and rapid advances in AI. The demand for direct access to data and information platforms regardless of time and place is increasing, which in turn increases the risk of intrusion. Hackers are using AI and machine learning to carry out increasingly sophisticated attacks. Cyberhacking is now a billion-dollar business with its own R&D budgets. Many organisations lack in-house resources with sufficient knowledge and expertise in both cybersecurity and the ever-expanding regulatory framework for information management. Nowadays, we are unable to provide IT services and solutions without taking security aspects into account.

Opportunities for Proact

Having Proact as an IT security partner gives our customers unique access to local and international specialist expertise over much of Europe. This collective expertise, integrated with our advanced security solutions and services, has a crucial part to play in proactively preventing intrusions, enabling rapid detection and effective and timely response to threats thanks to round-the-clock monitoring via our Security Operations Centre (SOC).

Our backup and disaster recovery solutions and services provide important peace of mind to our customers by ensuring rapid recovery of data and applications. This allows for a straightforward return to normal operations, with minimal impact on both employees and customers. Our secure solutions provide a foundation for long-term digital and sustainable operations.

WHY PROACT?

Proact is a long-term provider of sustainable and competitive hybrid cloud services. We provide unique specialist expertise in services and IT infrastructure, regardless of whether it is needed for customers' own data centres, private, public or hybrid cloud solutions.

Proact has around 1,200 specialists at more than 30 offices in 12 countries across Europe and in the US. Hence we can benefit from economies of scale thanks to our size, while also being locally based and having a good understanding of our customers and maintaining an agile approach to their needs.

Competitive situation

Proact's geographical presence, together with our strong portfolio of market-leading products and services (own consultancy, support and cloud services), gives us a clear competitive advantage. We have strengthened our competitiveness in recent years through acquisitions, recruitment and service development, as reflected in customer satisfaction (NPS), increased additional sales and new business in our growth areas.

Proact's competitors can be categorised into three main segments:

- **Local and regional resellers and integrators** who, like Proact, sell infrastructure products from global manufacturers. They provide varying degrees of added value in terms of technical expertise, consultancy services and support services.
- **Global product manufacturers** who work with resellers and integrators such as Proact, and who also sell their products and services directly to customers. They usually offer limited or no local technical expertise or local consultancy and support services.
- **Local and regional providers of operating services and cloud services.** These competitors are either resellers of standardised cloud services or offer their own operating services and cloud services with an ambition to develop a portfolio of services (or hybrid cloud services) and expertise that matches the Proact offering.

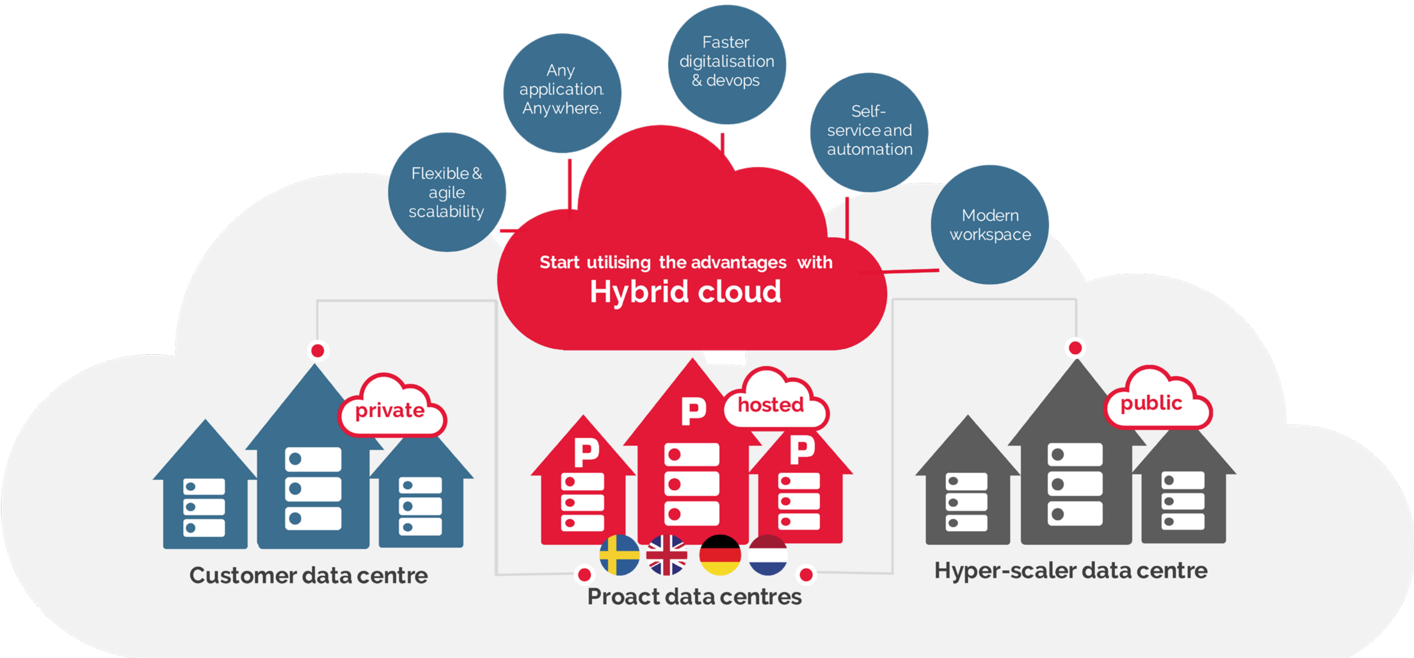
Offering

The Proact offering reflects our clear strategic positioning as a specialist in the field of sustainable and hybrid cloud services.

New demands are placed on IT architecture in a market with an increasingly rapid pace of change and new, more digital players. It is necessary to match the demands of a high pace of change and increasing regulatory requirements with effective supply of IT. Proact helps customers to streamline their supply of IT to meet the demands of their operations and the market.

To take full advantage of the different options for the supply of IT, the key for Proact's customers is to find their own unique hybrid cloud mix by combining their own data centres with services from local cloud providers, as well as global public clouds.

Proact is in a unique position to deliver all elements of a hybrid cloud architecture. We can cope effectively with our customers' specific challenges and needs with the right combination of cloud services and our own IT infrastructure.



#ThePowerOfData

Private clouds
Proact provides technology and expertise to create private clouds that can be combined with Proact's IT as a Service. Everything is managed by Proact at the customer's own data centre in order to meet maximum security requirements.

Local clouds
Proact offers local provision of cloud services from its own data centres. These cloud services are managed in accordance with local laws and regulations in order to meet the needs for local delivery with complete control over all data.

Public clouds
The final building block involves guiding customers towards effective utilisation of public cloud services from global cloud providers as an integral part of the customer's hybrid cloud architecture.

Customers and partners

Proact's customers are information-intensive companies and authorities with large volumes of business-critical digital information. The efficient supply of IT is completely crucial to the company's customers.

Customers

All industries need IT environments which work well, so Proact has customers who operate in a wide range of different fields.

Proact works in close cooperation with customers on a local level, and at the same time makes the most of its strength as an international company. As an independent specialist, Proact's objective is always to understand customers' needs and requirements from both a business and a technical perspective.

Proact's customers are mainly large and medium-sized enterprises and authorities, and Proact currently enjoys balanced revenue distribution between different industries. The three biggest industries are Public Sector, Retail & Services and Manufacturing Industry. Proact's customer relations are often long-term, and in 2023 repeat custom accounted for around 97 per cent (93) of the Group's revenues. The ten biggest customers in 2023 were responsible for 20 per cent (21) of revenues, and no one customer represented more than 3 per cent (6). The biggest customers are active in a number of the countries in which Proact operates.

Partners

Proact has long-term close relationships with a small number of carefully selected strategic suppliers. Proact has a well-defined innovation process which allows it to evaluate new services and products from existing partners in a structured manner while also seeking and taking on services and products from new partners. This process ensures that Proact is always at the cutting edge of technical development and thereby able to use the very latest technology when designing new services and new IT infrastructure for its customers.

Examples of top providers include Azure, Cisco, Commvault, Dell, Equinix, Isovalent, Juniper, NetApp, Nvidia, Palo Alto Networks, Red Hat, Securonix, Veeam and VMware. In most cases, Proact works in partnership with two or more different suppliers within each technical field. This makes it possible for Proact to maintain extremely high levels of specialist expertise and awareness with regard to each product, while also reducing the risk of business disruptions should the relationship with any supplier be altered for any reason.

Customer surveys

One of the strongest driving forces for Proact is to establish good, long-term relationships with our customers. Proact continuously measures customer satisfaction and monitors and improves services in order to provide the best possible customer experience. That is why it is pleasing to see that these efforts have been recognised in external surveys as well.

iSCM Institute and Radar

Proact was recognised as a leading cloud service provider in Germany in 2023. This award was based on the outcome of a customer evaluation of cloud partners and managed service providers (MSPs) conducted by the iSCM Institute on behalf of ChannelPartner and COMPUTERWOCHE.

This survey compiles its rankings by regularly asking German companies how satisfied they are with the services of their cloud partners. Proact was ranked among the top three managed service providers in its category.

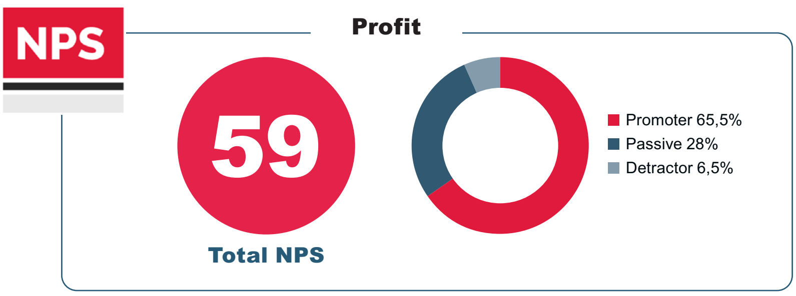
Independent analysis company Radar Ecosystem Specialists gauges quality and value creation in the relationship between customers and suppliers in the IT sector in Sweden. In its Supplier Quality 2023 report, Proact defends its place in the top 5 for two of the four areas covered by the report: Infrastructure and Operations and Consultancy Services.

"The Radar Supplier Quality 2023 results show that proactivity in the relationship is being increasingly valued during a period in which we're seeing tight budgets, economic uncertainty and increased cyberthreats on the buyer side," says Hans Werner, CEO of Radar Ecosystem Specialists.

2023 Net Promoter Score (NPS)

NPS measures customers' responses when asked how likely they are to recommend Proact to others. The purpose of this metric is to gauge customer experience, and it indicates opportunities for growth. The measured value can vary from -100 to +100. The average NPS for Proact's industry is around 25. This year, Proact received an NPS of 59 (46).

Participants who rate companies in the survey are divided into groups based on the score they give a company. Participants who give scores of 9-10 are deemed to be active promoters of the company. "Passives" give scores of 7-8, and participants who give scores of 6 or less are considered detractors. Using this classification, 65.5 per cent (56) of Proact's customers in the survey are promoters, 28 per cent (34) are passives and 6.5 per cent (10) are detractors.



Northern Care Alliance

– Remote radiology services

The demand for radiology services has increased dramatically in recent years, and there is a shortage of radiologists in the UK. These two circumstances presented operational challenges for the radiology department at Northern Care Alliance. They needed to come up with a solution so that they could provide radiology services remotely and therefore access radiologists both nationally and globally.

Northern Care Alliance implemented a new, advanced VDI solution based on Dell VXRail and Nvidia. This allowed graphics-intensive radiological processes to be performed from any location, which paved the way for a global talent pool, greater employee flexibility and expanded capacity for the existing workforce.

Working with clinical stakeholders, Proact helped the Northern Care Alliance team to define, test and implement an innovative VDI solution to manage images anywhere.

Working with Proact has enabled us to deliver radiology transformation very quickly. Some trusts can take a couple of years to deliver projects like this; with Proact, we did it in 6 months. Their breadth of knowledge, experience and in-house skills really add value.

Jav Yaqub, Head of Infrastructure at Northern Care Alliance.

Fortnox

– One-third of Sweden's business data passes through IT systems built by Proact

Fortnox is Sweden's biggest provider of fintech services for small and medium-sized enterprises. They offer a proprietary cloud-based enterprise platform with stringent demands in terms of data security and resilient systems.

Proact's expert consultants have designed a first-class storage solution for Fortnox's internal data centre, complemented by ongoing operations and maintenance, premium support and backup as a service. This service is both resilient and geographically redundant thanks to Proact's load-balanced and energy-efficient data centres.

The data from about a third of all Swedish companies is now stored at Proact thanks to the collaboration with Fortnox.

We want a supplier with whom we maintain close cooperation and who wants to work like this, and this is what Proact gives us.

Peter Hall, Head of IT operations at Fortnox.

Municipality of Amstelveen

– Future-proof and flexible workplaces

The Dutch municipality of Amstelveen, just outside Amsterdam, has more than 92,300 residents.

The need for video calls and chat features escalated during the pandemic as working from home became more common. The municipality then introduced the Microsoft Teams platform. After a while, Amstelveen's employees needed an even more flexible and efficient way of working with additional
collaboration features.

Proact put together a team of specialists who designed a secure, cloud-based workplace solution. Users can easily access the applications and the municipality's own systems for which they hold authorisation, regardless of where and when they are working. This solution is scalable and well suited to future changes.

Increased security, more functions and greater flexibility mean that users are happier and more efficient in their work, resulting in shorter lead times for the municipality's residents.

Proact helped us by working with us on the basis of our existing solution and looking at what we wanted to achieve and how we have to be ready to cope with future needs.

Michael Caspers, IT Project Manager, Head of IT at the municipality of Amstelveen.

Joseph-Stiftung

– Flexible cloud solution, increased performance and reduced administration

Joseph-Stiftung (the Joseph Foundation), is a housing association belonging to the Catholic Church. Like many other organisations, they have seen an increasing demand for remote work, a need to replace outdated hardware and a desire for cost-effective solutions with as few in-house IT staff as possible.

The Joseph Foundation has been a Proact customer for almost a decade and has recently entered into its third Managed Cloud Services agreement, which includes networking, workstation virtualisation for 300 users and virtualised storage as a service through Proact Hybrid Cloud to more than ten different locations.

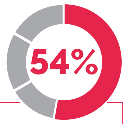
This means that the Joseph Foundation is equipped to cope with the challenges of tomorrow and can concentrate on its core duties instead of worrying about maintaining its infrastructure. Minimising local infrastructure also provides greater flexibility, security and significant independence from energy costs.

We enjoyed working with Proact's specialists. Our step into the "cloud" with Proact was more than successful for us.

Christian Diller, Head of the IT department at the Joseph Foundation

Our Business Units

Nordics & Baltics



FACTS
Revenues: SEK 2,619 million
Adjusted EBITA: SEK 206.9 million
EBITA Margin: 7.9%
Profit before tax: SEK 206.8 million
Countries: Denmark, Estonia, Finland, Latvia, Lithuania (divested on 28 August 2023), Norway, Sweden and the US.

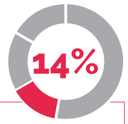
Growth and increased margins

2023 was a very strong year financially, with growth in terms of both revenue and EBITA margin. A developed offering in the service business, including container and security-related solutions, has driven this positive development. Demand for system solutions has also remained buoyant in 2023.

Revenues increased by 4.4 per cent during the year, while increasing by 3.9 per cent organically. System revenues increased by 0.8 per cent, while organic growth amounted to 0.7 per cent. Systems revenue developed favourably, especially in Sweden and Norway, thanks to good demand. Service revenue grew by 13.9 per cent and organically 12.4 per cent), with good demand primarily in the support and cloud service segments.

Adjusted EBITA amounted to SEK 206.9 million (174.1) and the EBITA margin was 7.9 per cent (6.9) for the year. In Nordic & Baltics, EBITA and the EBITA margin developed favourably due to increased revenue combined with increased gross margin, offset in part by higher sales costs.

UK



FACTS
Revenues: SEK 662 million
Adjusted EBITA: SEK 21.3 million
EBITA Margin: 3.2%
Profit before tax: SEK 12.2 million
Countries: United Kingdom.

Longer sales cycles affected growth

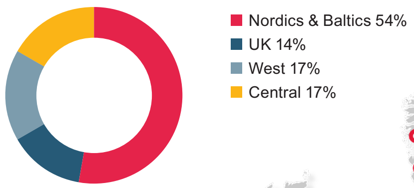
In 2023, the emphasis was on continued development and growth in hybrid and public cloud services driven by increased customer demand.

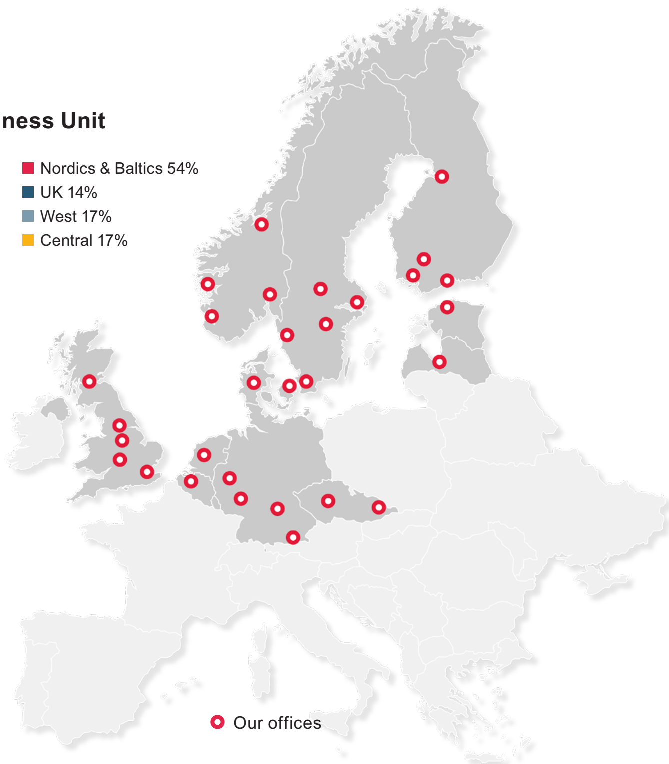
Revenue decreased by 7.0 per cent during the year, and organically by 12.1 per cent. The difference is explained by currency effects. Compared to the previous year, system revenues decreased by 24.2 per cent and organically by 28.4 per cent due to a more cautious market and longer sales cycles as a consequence. Service revenues increased by 12.1 per cent and organically by 5.9 per cent, with cloud services showing good growth, offset by decreased consultancy revenues connected to lower system sales.

Adjusted EBITA amounted to SEK 21.3 million (36.4) and the EBITA margin was 3.2 per cent (5.1) during the year. EBITA and the EBITA margin were negatively impacted by lower revenues, offset in part by increased gross margins compared to the same period last year.

> **"The customer offering was further broadened in 2023. This included the delivery of container platform development solutions to the first customers.**

Revenues per Business Unit





West

FACTS
Revenues: SEK 823 million
Adjusted EBITA: SEK 23.2 million
EBITA Margin: 2.8%
Profit before tax: SEK -1.8 million
Countries: Belgium, Netherlands and Spain.

New cloud agreements drive growth

The growth in the service segment and in particular with regard to cloud and support services is a result of efforts to develop the offering and add value for the public cloud.

Revenues increased by 2.2 per cent during the year, but organically there was a decrease of 5.4 per cent. System revenues decreased by 16.8 per cent and organically by 22.9 per cent, the difference being explained by currency effects. Service revenue increased by 10.2 per cent and organically by 2.1 per cent, with a good underlying demand and focus primarily on cloud and support services in, while consultancy revenue decreased due to lack of personnel in some competence areas and lower demand in other areas.

Adjusted EBITA amounted to SEK 23.2 million (45.3) and the EBITA margin was 2.8 per cent (5.6) for the year. This decrease is attributable to lower revenues, but also to higher sales and administration costs due to cost inflation and increased usage of extrnal subcontractors.

Central

FACTS
Revenues: SEK 833 million
Adjusted EBITA: SEK 34.0 million
EBITA Margin: 4.1%
Profit before tax: SEK -5.1 million
Countries: Czech Republic and Germany.

Integration of new activities

The emphasis during the year was on continuing the integration of ahd and sepago with extensive expertise in hybrid cloud services. The result is reflected in the growth of the service segment, where further transfer of expertise and synergies remain to be gained.

Revenues increased by 5.6 per cent due to currency effects and the acquisition of sepago but decreased organically by 6.8 per cent. System revenues decreased by 10.7 per cent and organically by 18.9 per cent due to longer sales cycles and macroeconomic uncertainty. Service revenues increased by 23.4 per cent and organically by 6.2 per cent thanks to good organic growth in all service areas.

Adjusted EBITA amounted to SEK 34.0 million (45.7) and the EBITA margin was 4.1 per cent (5.8) for the year. In Central, EBITA and the EBITA margin were negatively affected mainly by lower organic sales in the systems business, in combination with increased sales and administration costs, linked in part to cost inflation and to integration costs for acquisitions.

Jade Frangleton, Workspace Engineer, Proact, UK

What is your educational background?

I've almost always been interested in computers, and I started studying video editing but switched to computer science later on. When I was one year into my university studies, personal circumstances meant I had to work while I was studying. I was given the opportunity to try out an IT role at Proact, and accepting that was the best decision I've ever made.

How does learning work at Proact?

The field I work in is very broad, which means that keeping my knowledge up to date is a bit of a challenge. No two working days are the same. I love the variety of the work, the fact that we work together and support and help one another. This allows me to go on evolving.

Besides our day-to-day work, we have scheduled training sessions to increase our knowledge of the technologies that we don't actively use. We attend conferences for upcoming features so that we're ready as soon as they're released.

What are your future ambitions as part of Proact?

I hope to move towards a Professional Service role in the future, preferably specialising in Azure and Cloud. I'm working towards certification as a Microsoft Azure administrator at the moment, and I hope to get a Modern Workspace role when the opportunity arises. This would build on my experience so that I can then work in a more project-based role.

Contributing to a sustainable future

Proact has a great opportunity to contribute to sustainable development by minimising our own environmental impact, offering resilient and sustainable IT services and being an employer of choice.

Proact maintains a holistic approach to sustainability. Our ambition is to create long-term value for our company and our employees, our customers and shareholders, and society in general. With a business strategy that focuses on economic as well as ethical, social and environmental factors, we can help to bring about sustainable development and ensure the long-term success of our company.

Sustainability strategy

Our sustainability strategy includes relevant targets and activities in areas that are important to our stakeholders, areas that affect us most, and areas where our activities have the greatest opportunity to contribute. Proact's long-term sustainability ambition is "The power of together – for a better future. Supporting a green and sustainable world through IT." To achieve this ambition, we are working in three focus areas:

- Minimise environmental footprint
- Resilient and sustainable IT services
- Employer of choice

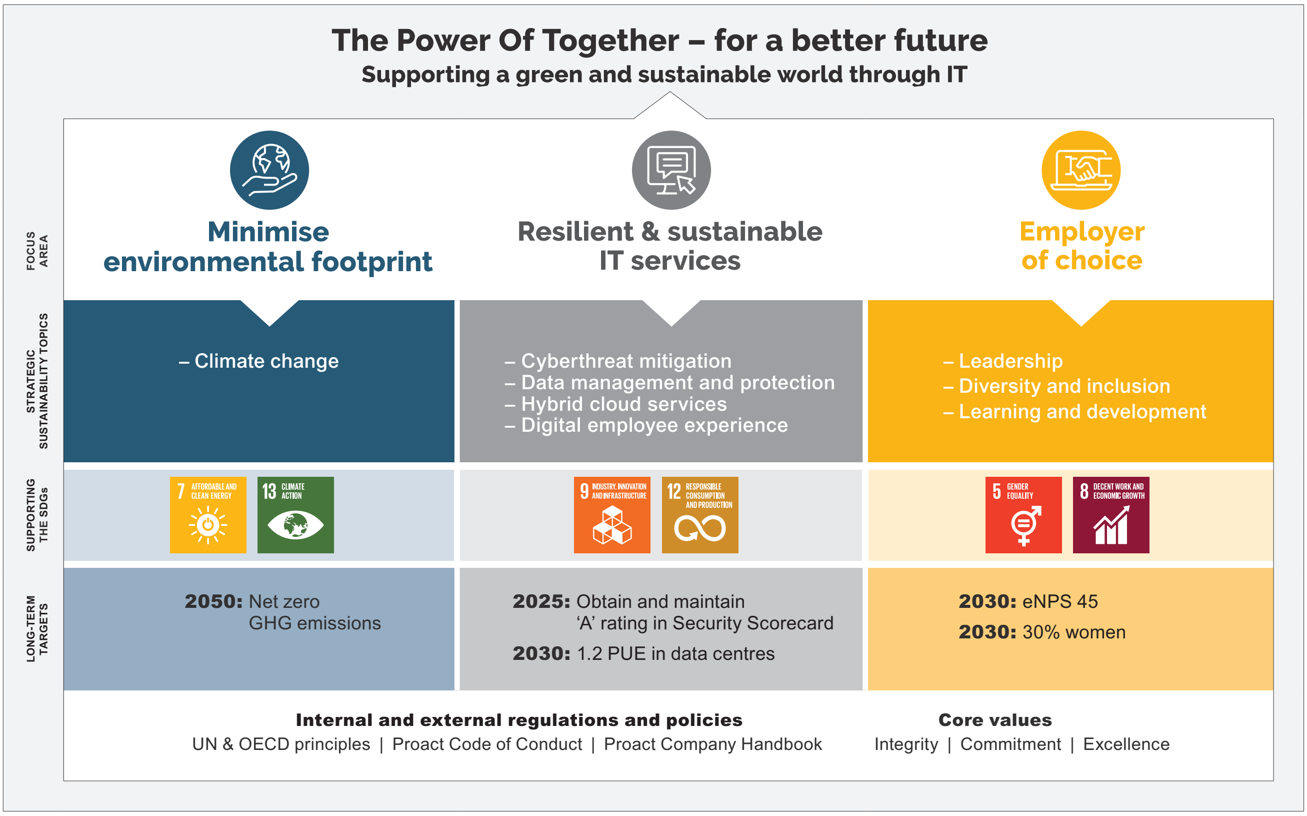
Each focus area includes one or more strategic sustainability topics. These focus areas facilitate structured sustainability work and simplify communication and reporting.

The Sustainable Development Goals

Proact confirms the importance of the UN's Sustainable Development Goals (SDGs) as a collective global objective: to protect our planet and create prosperity for all. As a company, we can contribute by adapting the way in which we work to meet the needs of the generations of tomorrow. In our sustainability strategy, we have integrated the goals where we believe that our operations primarily contribute: goals 5 Gender equality, 7 Affordable and clean energy, 8 Decent work and economic growth, 9 Industry, innovation and infrastructure, 12 Responsible consumption and production, and 13 Climate action.

Pages 4–9 and 18–30 include the sustainability report for the Group in accordance with Chapter 6 of the Swedish Company Accounts Act. Proact reports sustainability data annually through CDP (score C) and EcoVadis (score 46).

Proacts sustainabillity strategy



Low greenhouse gas emissions must be reduced even further

Climate change is one of the greatest challenges of our time. To achieve the ambitions of the Paris Agreement, it is essential that everyone plays their part in reducing greenhouse gas emissions. During the year, Proact decided on a long-term target to achieve net zero emissions by 2050.

Proact is a technology and IT services company that does not manufacture products, does not have extensive logistics and does not own data centres. This means that our activities have a limited direct impact on the environment, and limited direct greenhouse gas emissions. By placing demands on our suppliers and partners, we are working to reduce the negative impact of our operations.

Environmental impact

In 2023, Proact conducted an initial greenhouse gas emissions screening in accordance with the guidelines of the GHG Protocol. The calculation was made using 2022 data, which is Proact's base year.

Energy use, especially related to data centres, is generally a major source of greenhouse gas emissions in the IT sector. This is not the case for Proact, however, as most of the data centres Proact uses are powered by renewable energy. Proact's main carbon footprint is in scope 3, indirect emissions, where the two categories of upstream leased assets (mainly cars) and business travel account for almost 90 per cent of emissions. In the next few years, the emphasis will be on reducing the carbon footprint in these categories. In parallel, Proact will be developing its calculation method with more granular data. With more insight into where the greatest emissions occur, both organisationally and within each category, a roadmap to achieve the net zero goal will be developed.

During the year, 172 solar panels were installed on the roof of Proact IT UK's office building in Chesterfield in the UK. These panels have a maximum capacity of 78.26 kWp and will help reduce the need for purchased electricity.

Proact's ambition is to only use data centres powered by renewable energy. In 2023, 98 (95) per cent of electricity consumption was renewable. We are also working in accordance with a devised schedule to reduce the number of data centres used within the Group. In 2023, the number of data centres decreased by 4 (1), and 1 (0) additional data centre has been added, which means that the total number of data centres has decreased by three. Further consolidation is planned for 2024.

Focusing on renewable energy and using fewer data centres will help to reduce the overall carbon footprint of data centre operations. Proact's target of 100 per cent renewable energy at data centres remains in place going forward, as it is essential to achieving our net zero target and a key to supporting our customers' carbon targets. Another key factor involves working with suppliers who are committed to reducing their emissions. Find out more on page 20 about how we can help our customers reduce their carbon footprint.

Greenhouse gas emissions, tonnes CO_2e

	2023	2022
Breakdown by scope		
Scope 1	0	0
Scope 2, market-based [1)]	0	0
Scope 3	5,911	6,168
TOTAL	**5,911**	**6,168**

	2023	2022
Scope 2, location-based [1)]	60	9

Proact reports according to the guidelines in the GHG Protocol Corporate Standard, Appendix F: Categorising GHG Emissions Associated with Leased Assets, as well as the equity share method, which means that activities associated with leased assets are reported in scope 3. Proact's calculation basis has been refined for 2023, which means that some categories have been adjusted and total emissions have decreased.

1) Scope 2 only includes electricity consumption from an office building owned by Proact in the UK. The increase for location-based in 2023 compared to the base year is due to the inclusion of additional parts of the building, which were previously included in scope 3 category 8.

Scope 3 greenhouse gas emissions, tonnes CO_2e

	2023	2022
1: Purchased goods and services	84	305
2: Capital goods	48	820
3: Fuel and energy-related activities not included in scope 1 or 2 (leased office premises)	329	477
4: Upstream transportation and distribution	140	97
5: Waste generated in operations	2	i.u
6: Business travel	1,774	2,229
8: Upstream leased assets (company cars, goods, data centres)	3,470	2,240
9: Downstream transportation and distribution	64	i.u
TOTAL	**5,911**	**6,168**

Data is unavailable for categories 7 (employee commuting), 11 (use of products sold), 12 (waste management of products sold) and 13 (downstream leased assets). Category 10 (processing of products sold) is not applicable. Proact's calculation basis has been refined for 2023, which means that some categories have been adjusted.

Circular economy

Taking care not to waste finite resources is a prerequisite for sustainable development. Methods and processes devised are used to ensure that material is composted, that end-of-life electronics are reused or recycled to the greatest extent possible and the paper and packaging are recycled correctly at Proact companies. We aim always to use resources efficiently and securely in order to prevent or reduce any harmful impact on the environment as a consequence of what we do.

How we are enabling our customers to become sustainable

Proact has a great opportunity to support our customers' sustainability ambitions by offering resilient and sustainable IT services.

Digitalisation in society is increasing at a rapid pace, and both private and public stakeholders are now dependent on secure and reliable IT operations. Finding efficient and secure solutions for customers that are sustainable in the long term, often relating to large volumes of information, is at the very heart of what Proact does.

We have a history of long and close relationships with our customers. They can be found in many sectors of society, and include both private companies and public organisations. The needs of customers are at the heart of how we develop our products, services and processes – through both close cooperation and continuous and systematic feedback.

Mitigation of cyberthreats

Shortcomings in IT security can lead to business disruptions, with disastrous consequences. The number of cyberthreats and data breaches has been increasing significantly for a number of years. Ensuring that data is protected and secure is at the heart of everything Proact does. Our expertise, combined with our security solutions and services, enables our customers to prevent intrusions and quickly detect and manage any incidents.

SecurityScorecard is one way to rate cybersecurity. SecurityScorecard assesses a company's cybersecurity from a hacker's perspective on a monthly basis by analysing ten risk factors. Proact's performance was at group level B in December 2023. The goal going forward is to achieve and maintain level A.

In 2023, Proact IT Sweden was again ranked in the top five in Infrastructure and Operations and in Consultancy Services, in an annual report on supplier quality conducted by the independent analysis company Radar. According to this report, customers are generally seeing increased proactivity from leading service providers, including combating threats such as third-party intrusions, disruptions and attacks on outsourcing or cloud service providers.

Data management and protection

Data is the lifeblood of any modern business. Data is analysed, sent, stored, replicated and protected. Every terabyte of data stored is both replicated and backed up frequently, which increases the amount of storage capacity required. It is not uncommon for every terabyte of primary data to be stored three to five additional times for protection. Moreover, around 60 per cent of all primary data stored is never used again, but is protected to the same extent. We can drastically reduce the amount of unnecessary data (known as data waste), and hence the need for storage, by helping our customers to analyse and optimise their storage infrastructure and review backup and protection. This in turn means reduced costs for our customers and lower climate impact from their IT operations.

In order to manage the trust which our customers have placed in us, our services are supplied in accordance with established standards such as "ITIL Service Management", which includes a number of processes for the supply of cost-effective IT services based on the customer's business.

Hybrid cloud services

Proact does not own any data centres of its own but works in partnership with leading suppliers who provide and manage the running of the data centre. In general, data centres are very energy-intensive operations compared to typical commercial office buildings. Proact can help reduce energy demand per terabyte by offering sustainable hybrid cloud services, with energy-efficient data centres and equipment, combined with optimised hardware capacity and high infrastructure utilisation.

The PUE (power usage effectiveness) metric is used to measure energy efficiency at a data centre. This is the ratio of the total amount of energy used by the facility to the energy delivered to the computing equipment. The lower the PUE value, the more energy-efficient the data centre is. The PUE value of the data centres used by Proact was 1.30 (1.32) on average in 2023, which is relatively good compared to an EU market average estimated at around 1.7. Proact has a clear objective to use data centres with high energy efficiency and to consolidate and increase the utilisation rate at the data centres used. The goal is to achieve a PUE value of 1.2 on average for all data centres by 2030.

Digital employee experience

Since the outbreak of the COVID-19 pandemic, working from home has become the norm for millions of people in the EU and all over the world. Proact designs, installs and manages modern IT environments and offers services enabling fast and secure access to relevant data, regardless of where our customers' employees are located. This allows our clients to offer their employees hybrid work, which help achieve a better work-life balance. It can also mean less travelling to and from the workplace and provide the option of online meetings. This means reducing our customers' carbon footprint while also keeping their business data accessible and secure.

Suppliers

Proact partners with suppliers who have high ambitions and are committed to corporate responsibility, which in turn has an impact on value chains for both Proact and our customers. Most of our suppliers are located in Europe and North America, where compliance with basic human rights, environmental considerations and labour law conditions are good. Our suppliers are normally also major corporations that have devised extensive schemes relating to responsible, sustainable business. All our suppliers undergo an approval process which involves evaluation of both product safety and sustainability aspects.

As part of our process, we have an extensive questionnaire in order to gain a clear understanding of our suppliers' standards in terms of sustainability. The approval process is also documented in our Company Handbook. We also conduct regular follow-ups and reviews. Our aim is to ensure compliance with international principles relating to human rights, labour law, the environment and anti-corruption.

Sievera Andela, Application Engineer, Proact, Netherlands

How did your journey in the IT sector begin?

I wanted to study a subject where I could be creative, but I also wanted a job that was sustainable in the long term. As soon as I walked into the IT classroom, I was hooked – this was the combination of both the things I wanted. I found it hard to find work when I finished school. Lots of companies wanted highly skilled young people who already had IT experience. Eventually I got a position as an SQL engineer at PeopleWare, which became part of Proact a few years later.

I'm really grateful to PeopleWare/Proact for giving me the opportunity to show what I could do in the workplace when no one else wanted to take me on. I'm a woman working in a male-dominated industry, but Proact have never treated me differently.

What do you do now?

I'm an applications administrator at the moment, working mainly with standardisation in ServiceNow, our case management system. I help my colleagues so that they in turn can continue to serve our customers. No two days are the same, which challenges me and ensures I'm never bored.

What has been your proudest moment at Proact so far?

I'm proud of the many projects of all sizes that I've been involved in. My proudest moment was when the Schiphol-Rijk office went fully live on ServiceNow, which required many hours of work with my Proact colleagues all over Europe.

What are your thoughts on the future?

I have no definite plans for the future, but I've done a lot of work with reports and I'd like to explore that again. In the past, I've come across opportunities when I least expected it, so I'm excited to see what the future holds.

Proact employees are key to our success

We believe in success through our people – the talent and commitment of exceptional individuals working together for a common purpose.

Our employees are our most valuable asset. Their commitment and continued development is fundamental to fulfilling our vision and strategy, where the emphasis is on developing our customer offering and increasing growth, both organically and through acquisitions. We consider a number of areas to be particularly important for continued further development over the next few years.

Employer brand and recruitment

Proact wants to be an attractive employer for both current and potential employees. We recognise the importance of strengthening our employer brand in the long term and clearly showing who we are, what we stand for and do, and what we offer our employees. A project, our EVP (Employer Value Proposition), was launched during the year to clarify our offering to employees. Our EVP is our promise to current and future employees and forms the basis of our employer brand. Having clarity on what to expect as an employee at Proact is a necessity if we are to achieve our growth goals. Given current competition for talent, this is both a challenge and a task that requires our closest attention.

The recruitment process is owned by every manager with the support of the HR function. In 2023, we implemented a new system, the Applicant Tracking System (ATS), for recruitment and management of our talent pools so as to further improve the process and the candidate experience.

To recruit new employees, we promote Proact in digital campaigns, at fairs and in partnership with universities and colleges. There are also a number of several local initiatives in respect of recruitment programmes, where young people or recent graduates can try out different tasks and thus get job opportunities in the IT industry.

In 2023, we took on 133 (270) new employees. Providing a warm welcome and introducing new employees is a high priority at Proact. Our active acquisition agenda means that induction is important not only for new employees, but for newly acquired companies as well.

Talent development

If Proact is to be able to offer our customers relevant solutions and our employees interesting work to do, talent development is not an opportunity – it is a must. For the most part, employees learn things as they go about their day-to-day work together with colleagues and customers. We offer rewarding roles and tasks so that our employees feel they are being challenged and helping to further Proact's business development.

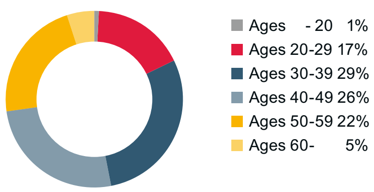
We also offer in-house training through our very own Proact Academy. Employees receive education and training here, particularly in areas relating to sales and technology, but also on internal policies and compliance. We increased investments in the Proact Academy in 2023 to facilitate learning still further and increase the pace of induction for new employees. A new Learning Management System (LMS) was implemented in order to streamline the Proact Academy and improve active learning in key areas. Other learning platforms are also used locally, such as Good Habitz and LinkedIn learning.

The annual appraisals between employees and managers are another important factor in individual development. These appraisals ensure that employees are given the opportunity for discussion and to devise plans for development.

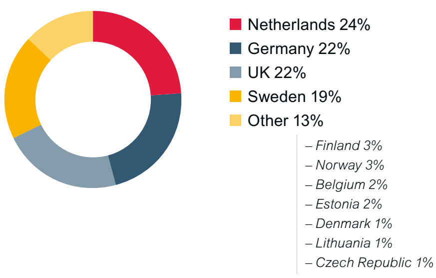
Proact supports and encourages internal promotion. We are proud of the number of employees who have progressed in their roles, sometimes from junior positions, to various senior positions. This is well structured, particularly in larger teams.

For the second year in a row, Proact IT Sweden was voted one of the top ten IT employers for young talent in Sweden in a survey conducted by Årets Karriärföretag, Career Company of the Year. This award recognises employers who offer unique career and development opportunities for talented young people. The voting takes place in the Karriärsföretagen qualified Young Professionals network, which comprises more than a thousand system scientists.

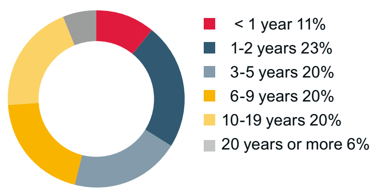
Age structure



Employees per country



Employees per employment time



Leadership

Leadership is one of our priorities, as we feel that this is the strongest driving force for both our success and a strong culture. Leadership is all about creating sustainable results by developing both business and employees. Our leaders live our culture and values, communicate our vision and strategy and inspire us to give of our best in our day-to-day work.

At Proact, we want to give our leaders both the knowledge and the tools they need to develop. We work in a structured manner and maintain a long-term approach, identifying people with management talent and planning for promotion and succession. Leadership and succession planning takes place annually for all country managers and other people who report directly to the Group Management Team.

Development among our leaders takes place through various initiatives and is continuously implemented at local level in our countries. Our global leadership development continued for around 70 of our top leaders in 2023, including a physical full-day meeting at the start of the year and a digital half-day meeting in the autumn. The emphasis was on strategy and employee engagement, as well as continuing to strengthen the Proact management network.

The leadership index was surveyed in 2023 as part of the employee survey, where Proact generally shows very good results in comparison with other companies. It is also encouraging to see that we also strengthened our leadership index this year compared to the previous year, a trend that has been ongoing since 2020. See the table on page 24.

Proportion of women, total

19%

Proportion of women, senior management

22%

Proportion of women, Board of Directors

40%

Culture

We are proud of our inclusive corporate culture and how our employees live up to our values and #ThePowerOfTogether. We have a special Proact spirit of openness and inclusion, high levels of commitment, professionalism and constant learning. We value diversity and appreciate the things that make our employees different. Having a strong Proact culture is crucial as we welcome new colleagues and work together to achieve common goals. We are committed to offering a place of work that gives our employees positive experiences in terms of both physical and mental health and well-being.

We are committed to ensuring that new Proact employees receive a welcoming and thorough induction. Over the years, we have been hugely appreciated for our well-structured process. Locally, there are a number of examples of how the induction process reflects the Proact spirit, including various meetings for new employees, buddy systems and induction groups.

Employee surveys

We conduct surveys every year in order to give all our employees the opportunity to make their voices heard and let us know how we can work together to improve Proact. We use a platform that enables us to follow up on the annual employee survey with pulse surveys in selected survey areas and selected parts of the organisation. The platform is also providing greater ease of use for the survey itself, and especially when it comes to working with the results.

The employee survey is a valuable tool and provides a foundation for structured discussion and improvement of working methods and commitment. Working with the results of the survey is a high priority for Proact. The executive team makes decisions on measures of key importance for the company as a whole. Managers present results and work with their teams to devise activity plans for their respective fields of responsibility.

This year's survey achieved a response rate of 94 (90) per cent, a very high response frequency. The high response rate indicates a high level of commitment among Proact employees. Proact also performs very well overall against the benchmark, which includes all industries. It is particularly gratifying to see that Proact's Employer Net Promoter Score (eNPS) has increased significantly to 31 in 2023, compared to 10 the previous year.

Diversity and inclusion

The IT sector is one of the fastest growing industries. While the need for skilled labour is high, the industry faces challenges in terms of representation and diversity and, despite its growth, the percentage of women in the industry is not increasing. Diversity and inclusion are key to driving innovation and reinforcing competitiveness. Employees with a wealth of backgrounds, perspectives and experience make Proact more robust and dynamic.

Proact must provide equal opportunities for employment, promotion, development, remuneration and all other employee-related processes and practices without discrimination on the basis of gender, transgender identity or expression, ethnicity, religion or other beliefs, disability, sexual orientation or age. Our goal is to achieve a gender balance of at least 30 per cent women in the overall workforce by 2030. At the end of 2023, the proportion was 19 (20) percent.

Several initiatives to support diversity and inclusion have been implemented during the year. For instance, Proact IT UK has provided training on unconscious bias and developed an equality, diversity and inclusion calendar to recognise a number of events during the year, such as Pride Week. Proact IT Netherlands has started a network for female employees called Women at Proact.

Employee Index

	Proact 2023	Benchmark, all industries 2023	Proact 2022
Leadership Index	87	81	84
Team Efficiency Index	83	77	79
Engagement Index	83	81	80
OSI Work Environment Index	82	74	78
Management Index	69	66	66
eNPS Index	31	14	10

Sustainability governance

Structure of our sustainability work

Guidelines for our sustainability efforts are established by the Board of Directors. The Chief Executive Officer bears ultimate responsibility for successful implementation of our sustainability strategy. The Group Management Team is responsible for devising a strategy and following up the results of the Group's sustainability work. A member of the Group Management Team is responsible for the sustainability work, and there is regular reporting on this work at Group Management Team meetings. Day-to-day operational responsibility rests with the relevant business units, with the assistance of the expertise functions Legal, People & Sustainability, Portfolio & Technology, Service Operations, Corporate Development and Finance. Sustainability in respect of employees is one of the targets for all members of the Group Management Team's performance-based annual bonus scheme. Each member of the Group Management Team may also be allocated personalised sustainability targets.

Policies and policy documents

Proact is an international company operating in a number of countries, all of which have different laws, cultures and traditions. All business must be run sustainably, in compliance with applicable legislation and in line with the company's policies and values.

Our Code of Conduct includes 13 key principles applicable to all our employees and suppliers. It provides guidance on doing ethically correct business, respecting human rights and labour law, and operating in compliance with legislation and practice in respect of the environment, anti-corruption, competition and anti-discrimination.

Besides Proact's Code of Conduct, the following documents and policies are relevant to our business ethics and compliance:

- Company Handbook
- Data Privacy Policy
- Finance Policy
- Insider Policy
- Authorisations Policy
- Statement on slavery and human trafficking
- Vendor onboarding process

Compliance with laws and regulations is always a top priority for us, and in a changing world we are of the opinion that it is every bit as important to adopt a broader approach as regards compliance. Our Company Handbook includes guidelines, policies and processes to ensure social, environmental and ethical responsibility, both internally and with external parties.

Proact has a whistleblower policy that provides all employees with information on how suspected deviations from the company's Code of Conduct are to be reported. All Proact employees must report, without delay, every known breach of the Code of Conduct or any concerns they may have with regard to breaches as specified in the policy.

Such reports and concerns will be examined in depth as a matter of urgency. Anyone reporting such fears in good faith will be protected by Proact from all forms of reprisal. The whistleblower policy is part of our Code of Conduct, which is communicated to all employees.

Two whistleblowing cases were received and investigated in 2023, and appropriate action was taken.

Proact's core values

Integrity

- We are independent and navigate by our own compass, on the basis of honesty and respect.
- We are open and clear in our communication.
- We rely on one another and the people with whom we do business.
- We keep our promises and deliver on agreements made.

Commitment

- This constitutes the foundation for all our relationships.
- We formulate clear targets and have the best interests of our customers at heart.
- We guarantee the most outstanding service level possible for the projects we implement.
- We share our knowledge, our experience and our commitment.

Excellence

- Excellence is the very essence of what we supply.
- Decades of experience have given us a knowledge base that we always apply.
- Recruitment, training and development are reflected in our specialist expertise.
- We use our specialist expertise and experience to create custom solutions which add value in both the short and the long term.

How we work

Proact has a compliance monitoring function in its legal team to investigate compliance and any grievances. This is headed by General Counsel and includes the CFO and VP People & Sustainability. Our compliance function conducts audits which are compiled and presented to the Chief Executive Officer along with proposals for action.

Existing violations relate primarily to "Contract playbook rules", where customer contracts have failed to comply with the internal process for compilation or approval. Legal expertise has been reinforced since 2022, with locally employed representatives in our biggest countries.

Training on the Code of Conduct and Company Handbook and all policies is important, and forms part of the local induction programme for new employees. The Proact Code of Conduct also constitutes a framework for our employees, allowing them to behave professionally with our customers and do responsible business. Ethical assessments and positions in respect of the business in which we want to be involved are discussed at the business areas' quarterly progress checks with the Chief Executive Officer.

Certifications

The company's objective is for all operations to have relevant certification so that they can be pursued in a safe, structured manner in accordance with the local requirements on the market in question. The certifications are specific to each country and require annual updates and audits. In most cases, the companies in the countries in which Proact works extensively hold accreditation to ISO 9001 (quality), ISO 14001 (environment) and ISO 27001 (data security), but the companies in the countries in which Proact works less extensively are also certified in accordance with of the most common ISO systems. Proact in Estonia received ISO 27001 certification during the year, for example.

Materiality analysis and stakeholder dialogue

A materiality analysis has been conducted in order to determine which sustainability topics are most strategic for Proact. Each material sustainability topic has been analysed on the basis of how the topic may affect Proact financially and what impact Proact can have on the topic (double materiality). The perspective of Proact's key stakeholder groups – employees, customers, shareholders, suppliers and partners, and the local community and the surrounding world – has also been taken into account. Proact's most essential topics are judged to be:

- Climate change
- Cyberthreat mitigation
- Data management and protection
- Hybrid cloud services
- Digital employee experience
- Leadership
- Diversity and inclusion
- Learning and development

Open discussion with our stakeholders is crucial so that we can successfully identify factors that are crucial to our stakeholders, global trends and market expectations. We adopt a structured approach to stakeholder involvement, with regular surveys of customers and employees and investor meetings and gatherings. Interacting with our stakeholders on social media has become increasingly important as a way of understanding our stakeholders' perceptions in the countries in which we operate, and also at Group level.

Consolidated information under Article 8 of the Taxonomy Regulation

Revenues

Parts of Proact's revenue in cloud services are covered by the EU Taxonomy Regulation in area 8.1, "Data processing, hosting and related activities" and contribute – where taxonomy-aligned – to the EU's environmental objective 1 on climate change mitigation. Proact's interpretation is that the cloud services where Proact is responsible for the processing of data constitute an activity that is covered by area 8.1 and thus constitute what is known as eligible turnover. However, other cloud services such as monitoring, network services or public cloud services are not eligible. Nor are other revenue streams – i.e. systems, support and consultancy services – eligible under the EU Taxonomy Regulation.

Total revenue is recognised under IFRS in accordance with the accounting policies set out in Note 3 of the annual report and corresponds to the total revenue recognised in the consolidated statement of comprehensive income. Eligible turnover is the portion of total revenue that is attributable to performance obligations for services as defined above.

CapEx

CapEx consists of investments in tangible and intangible fixed assets, including acquired assets and investments in right-of-use assets. The CapEx eligible to Proact according to the EU Taxonomy Regulation is that which is directly attributable to the cloud services in activity 8.1. According to the guidance from the European Commission in the FAQ published in 2022, it has been clarified that purchases of outputs from economic activities that are compliant with the taxonomy requirements and individual measures that enable the target activities to become low-carbon or lead to reduced greenhouse gas emissions are also eligible. This is the case even if the investments are not related to a turnover activity conducted by an enterprise. In Proact's case, this means that investments in buildings and leases under activity 7.7, and investments in leased vehicles under activity 6.5 are also eligible CapEx.

CapEx consists of the new investments in accordance with IFRS in Note 15 of the annual report for intangible assets (excluding goodwill), Note 16 for Tangible assets and as additional rights of use in Note 27 for Leased assets.

OpEx

As OpEx, Proact has identified the costs that are directly related to maintenance and repairs of equipment reported as CapEx as stated above, as well as renovation costs and short-term leases where applicable. This includes both the cost of external purchases and the cost of Proact's own employees when performing this type of activity.

Eligible OpEx is such OpEx that is directly related to activity 8.1. Eligible OpEx is also such OpEx that is eligible in itself as described above; although Proact has not identified any such OpEx.

EU Taxonomy-aligned activities

To be taxonomy-aligned, activities in area 8.1 require the data centres used to process data to meet a number of technical screening criteria. In addition, the suppliers of the equipment used must fulfil a number of other technical screening criteria.

As Proact does not own its own data centres and purchases all equipment from suppliers, the suppliers of data centres and equipment are required to meet all relevant technical screening criteria, including verifying and documenting the fact that they Does Not Significantly Harm (DNSH) any of the other environmental objectives. This needs to be confirmed by all suppliers, which has not been done in full. This means that we are not reporting any taxonomy-aligned activities for 2023.

The same assessment has been made for suppliers of company cars and premises. Proact's policy is to promote sustainable choices of cars and premises. However, Proact has not been able to ensure that suppliers fulfil all screening criteria, and therefore no taxonomy-aligned activities are reported for 2023.

Minimum safeguards and Does Not Significantly Harm (DNSH) criteria

The fulfilment of minimum safeguards and whether any significant harm is being done to any of the other EU environmental objectives are not reported as no taxonomy-aligned activities have been identified.

Taxonomy tables

Proportion of taxonomy-aligned economic activities, Turnover

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023.

Financial year 2023				Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)									
Ekonomic Activities	Code(s)	Turnover (MSEK)	Proportion of turnover, year 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or -eligible (A.2.) turnover, year 2023	Category enabling activity	Category transitional activity
			%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES			**12%**																
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Data processing, hosting and related activities	CCM 8.1	0	0%																
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)			**0%**	**%**	**%**	**%**	**%**	**%**	**%**										
Of which Enabling			0%	%	%	%	%	%	%									E	
Of which Transitional			0%	%															T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Data processing, hosting and related activities	CCM 8.1	603	12%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		603	12%	%	%	%	%	%	%										
A. Turnover of Taxonomy eligible activities (A.1+A.2)		603	12%	%	%	%	%	%	%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		4,244	88%																
TOTAL		**4,847**	**100%**																

	Proportion of turnover/Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	12%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Proportion of taxonomy-aligned economic activities, CapEx

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023.

Financial year 2023				Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)									
Ekonomic Activities	Code(s)	CapEx (MSEK)	Proportion of CapEx, year 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, year 2023	Category enabling activity	Category transitional activity
			%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES			**85%**																
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Data processing, hosting and related activities	CCM 8.1	0	0%																
Acquisition and ownership of buildings	CCM 7.7	0	0%																
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0	0%																
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)			**0%**	**%**	**%**	**%**	**%**	**%**	**%**										
Of which Enabling			0%	%	%	%	%	%	%									E	
Of which Transitional			0%	%															T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Data processing, hosting and related activities	CCM 8.1	63	46%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Acquisition and ownership of buildings	CCM 7.7	14	10%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	40	29%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		117	85%	%	%	%	%	%	%										
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		117	85%	%	%	%	%	%	%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy – non-eligible activities		21	15%																
TOTAL		**138**	**100%**																

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	85%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Proportion of taxonomy-aligned economic activities, OpEx

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023.

Financial year 2023				Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)									
Ekonomic Activities	Code(s)	OpEx (MSEK)	Proportion of OpEx, year 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year 2023	Category enabling activity	Category transitional activity
			%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES			29%																
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Data processing, hosting and related activities	CCM 8.1	0	0%																
Acquisition and ownership of buildings	CCM 7.7	0	0%																
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0	0%																
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)			%	%	%	%	%	%	%										
Of which Enabling			0%	%	%	%	%	%	%									E	
Of which Transitional			0%	%															T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Data processing, hosting and related activities	CCM 8.1	3	29%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Acquisition and ownership of buildings	CCM 7.7	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		3	29%	%	%	%	%	%	%										
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		3	29%	%	%	%	%	%	%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		8	71%																
TOTAL		12	100%																

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	29%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Auditor’s statement on the statutory sustainability report

To the Annual General Meeting of Proact IT Group AB (publ), co. reg. no. 556494-3446

Mission and division of responsibility
The Board of Directors is responsible for the sustainability report for 2023 on pages 4-9 and 18-30, and for ensuring that it is compiled in accordance with the Swedish Company Accounts Act.

Focus and scope of the review
Our review was conducted in accordance with FAR recommendation RevR 12 Auditor’s statement on the statutory sustainability report. This means that our review of the sustainability report has a different focus and is on a significantly smaller scale than the focus and scale of any audit in accordance with International Standards on Auditing and generally accepted accounting policies in Sweden. We consider that our review gives us sufficient grounds for our opinions.

Opinions
A sustainability report has been compiled.

Stockholm, 3 April 2024
Öhrlings PricewaterhouseCoopers AB

Nicklas Kullberg
Authorised Public Accountant

The share

Proact shares have been listed on Nasdaq Stockholm with ticker symbol PACT since July 1999. The share capital amounts to SEK 10,618,837, divided over 28,001,658 shares with a quotient value of 0.38. All shares entitle the holder to an equal share of the company's assets and profits and entitle the holder to one vote at the Annual General Meeting. At the Annual General Meeting, every individual entitled to vote may vote for the full number of shares owned and represented by the shareholder without any restriction on voting rights.

Stock exchange

11.3 million Proact shares to a value of SEK 967.7 million were traded in 2023 at an average price of SEK 85.4. The share price at the start of the year was SEK 83.00, compared with SEK 94.00 at year-end.

Ownership structure

Proact had 7,498 shareholders as at 31 December 2023, of whom most were private individuals with small holdings. There were 73 shareholders with holdings in excess of 20,000 shares, the largest of these being Aktiebolaget Grenspecialisten with a holding of 3,207,334 shares and Livförsäkringsbolaget Skandia with 3,041,823 shares.

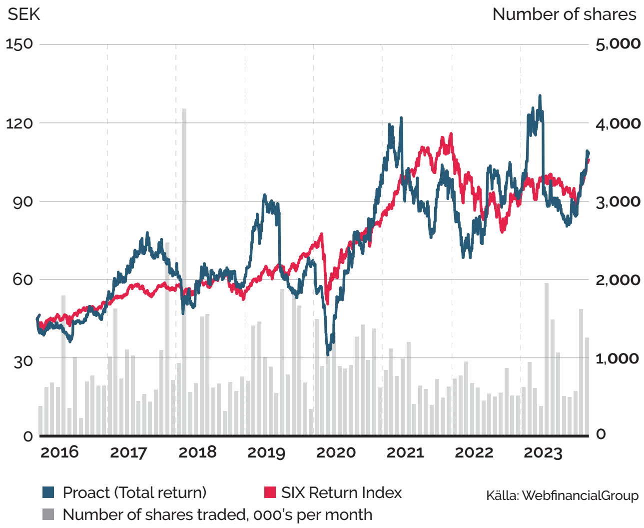
At the Annual General Meeting held on 4 May 2023, the Board of Directors was authorised to acquire up to 10 per cent of the company's shares by the next Annual General Meeting. As at 31 December 2023, 218,500 shares have been bought back under this authorisation. The company holds 720,210 shares in its own custody as at 31 December 2023.

As far as the Board of Directors is aware, there are no contracts between shareholders requiring specific information in accordance with the Swedish Company Accounts Act.

Shareholder value

Shareholder value arises when the company is positioned correctly and has long-term profitability. Proact upholds its creation of long-term profitability for its shareholders by constantly focusing on good business development with improved profitability within the Company and reinforcement of the Company's market-leading position as a specialist and independent integrator in Europe.

Share price trends



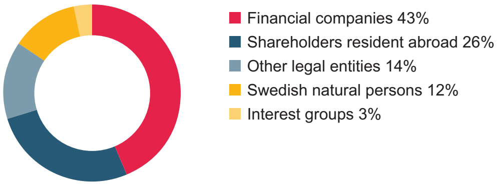
Number of shares per shareholder

Holding	Number of share-holders	Percentage of share-holders	Number of shares	Percentage of share capital
1-500	5,811	77.5%	703,210	2.5%
501-1,000	722	9.6%	526,618	1.9%
1,001-5,000	748	10.0%	1,605,072	5.7%
5,001-10,000	100	1.3%	703,602	2.5%
10,001-15,000	31	0.4%	375,728	1.3%
15,001-20,000	13	0.2%	227,802	0.8%
20,001-	73	1.0%	23,859,626	85.2%
Total, 31/12/2023	**7,498**	**100.0%**	**28,001,658**	**100.0%**

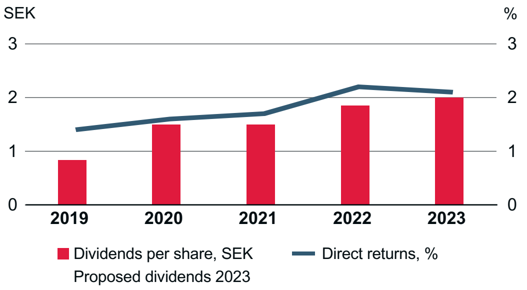
Shareholders as at 31 December 2023

	Number of shares	Percentage of capital and votes
Aktiebolaget Grenspecialisten	3,207,334	11.5%
Livförsäkringsbolaget Skandia	3,041,823	10.9%
Alcur Select	2,164,587	7.7%
Ing Luxembourg SA	1,970,127	7.0%
Handelsbanken Nordiska Småbolag	1,350,000	4.8%
Länsförsäkringar Småbolag Sverige Vision	1,184,618	4.2%
State Street Bank and Trust CO, W9	1,016,628	3.6%
HSBC Bank Plc, W8IMY	945,241	3.4%
Unionen	859,046	3.1%
Avanza Pension	803,941	2.9%
Other	11,458,313	40.9%
Total	**28,001,658**	**100.0%**

Distribution of ownership, % of capital (Euroclear)



Dividends



Key ratios per share [1]

	2023	2022	2021	2020	2019
Earnings after tax, SEK [2]	6.29	6.97	4.27	4.80	2.92
Share price, 31 December, SEK	94.00	83.00	87.00	91.00	61.33
Dividend, SEK [3]	2.00	1.85	1.50	1.50	0.83
Direct returns, %	2.1	2.2	1.7	1.6	1.4
Equity, SEK [4]	36.97	33.49	25.88	21.93	19.09
Average number of shares, thousands	27,467	27,455	27,455	27,455	27,455
Number of outstanding shares at end of period, thousands	27,281	27,455	27,455	27,455	27,455
Number of bought-back own shares at end of period, thousands	720	547	547	547	547

1) Key ratios recalculated after the split in May 2021.
2) Calculated on the basis of the weighted average number of outstanding shares. There is no dilution in the periods reported above. Proact have a long-term performance share scheme that may involve dilution not exceeding 1.84 per cent.
3) The Board of Directors will propose distribution of a dividend of SEK 2.00 per share to the 2024 Annual General Meeting for the 2023 business year.
4) Calculated on outstanding shares at end of period.

Four reasons to own shares in Proact

Growing market with stable demand

The market for hybrid cloud services is continuing to grow at a good pace, driven by a number of general trends:

– Focus on digital transformation and innovation through IT

– Use of hybrid clouds to increase speed, flexibility and availability

– Greater focus on cybersecurity and data compliance

– IT as a tool for achieving sustainability goals

Market-leading position

Proact has a comprehensive, competitive offering relating to hybrid cloud solutions for data centres, including consultancy and support services and cloud services. With specialist expertise and extensive experience, Proact supplies sustainable, flexible and secure IT solutions that help customers reduce risks, lower costs and increase productivity.

Attractive financial profile with strong cash flow

Proact's leading position in a non-cyclical, growing market is enabling good organic growth, which together with acquisitions is providing a growth rate exceeding that of the market. Scale effects in combination with continued streamlining and investments in automation will in turn lead to increasing EBITA margins. With limited capital requirements and little working capital tied up, Proact generates a very good cash flow that can be used for acquisitions or direct returns to shareholders.

Clear strategy to good future returns

Proact has a well-developed strategy for achieving its financial targets and thereby enabling continued good returns to shareholders. The focus on offering competitive cloud services is leading to a growing share of recurring revenues, which is increasing both the rate of growth and the stability of earnings capacity. The emphasis on attracting and developing the company's expertise ensures continued competitiveness, which is complemented by acquisitions in growth areas such as public cloud services.

Directors' report

The Board of Directors and the Chief Executive Officer of Proact IT Group AB (publ), corporate ID number 556494-3446, hereby submit the annual financial statements and consolidated financial statements for the 2023 financial year. The consolidated balance sheet and income statement and the balance sheet and income statement for the parent company will be ratified at the Annual General Meeting on 7 May 2024.

General information

The name of the company is Proact IT Group AB (publ), and the company has its registered office in Solna, Sweden, at the address Frösundaviks Allé 1, 169 04 Solna. The company has been listed on Nasdaq Stockholm under the ticker symbol PACT since 1999.

Business approach

Proact is one of Europe's leading data and information management specialists, focusing on cloud services and data centre solutions. We help our customers to store, network, protect and secure their data and add value using it, focusing on increased flexibility, productivity and efficiency. Proact has implemented thousands of successful projects, mainly in Europe, has more than 4,000 customers and manages hundreds of petabytes of information in the cloud. Proact comprises wholly owned subsidiaries in Europe, North America and Japan. As at 31 December 2023, Proact employed 1,171 staff in Belgium, the Czech Republic, Denmark, Estonia, Finland, Germany, Latvia, the Netherlands, Norway, Sweden, the United Kingdom and the USA.

Proact Finance AB is a wholly-owned subsidiary which offers customers financial services for both services and products via the Group's other subsidiaries.

The parent company, Proact IT Group AB (publ), is globally responsible for issues relating to the Group as a whole.

The past year

The company has continued to develop its portfolio in 2023, primarily with regard to cloud services, and a number of new products and solutions have been introduced.

There was good demand for Proact's solutions during the year, especially in respect of support and cloud services. A more uncertain market situation with longer lead times for investment decisions and increased costs for Proact has affected revenue growth rate and profitability, which fell slightly compared to a very strong 2022. A streamlining programme was introduced in the second quarter in order to address the current situation, which resulted in reduction of underlying selling costs and administrative expenses by SEK 50 million.

The company saw growth of 1.9 per cent (34.9) in 2023 while also concluding cloud contracts worth a total of SEK 548 million (563), representing a decrease of 2.7 per cent compared with the previous year. Adjusted EBITA amounted to SEK 302 million (315). This decrease is due mainly to lower revenue growth in relation to fixed costs, which was adversely affected by continued high inflation. Cash flow has been positive, and the company has net cash amounting to SEK 80 million (-227).

Group revenue and profit

For 2023 as a whole, the company's revenues amounted to SEK 4,847 million (4,757), representing an increase of 1.9 per cent.

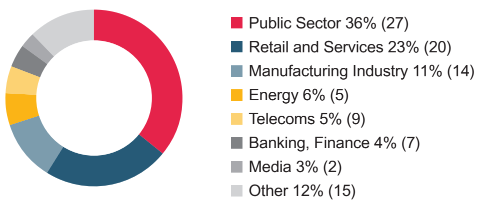
Revenues per Business Unit

SEK millions	Jan-Dec 2023	Jan-Dec 2022	Jan-Dec 2021
Nordics & Baltics	2,619	2,508	1,884
UK	662	712	630
West	823	806	671
Central	833	789	388
Groupwide	-90	-58	-48
Total revenues	**4,847**	**4,757**	**3,525**

For Business Unit Nordics & Baltics, total revenues increased by 4.4 per cent over the year. System revenues increased by 0.8 per cent, while service revenues increased by 13.9 per cent. Organic growth amounted to 3.9 per cent. For Business Unit UK, total revenues decreased by 7.0 per cent. Organically, the decrease amounted to 12.1 per cent. System revenues decreased by 24.2 per cent, while revenues from service operations increased by 12.1 per cent. For Business Unit West, total revenues increased by 2.2 per cent. Organically, the decrease amounted to 5.4 per cent. System revenues decreased by 16.8 per cent, while service revenues increased by 10.2 per cent. For Business Unit Central, total revenues increased by 5.6 per cent. Organically, revenues decresed by 6.8 per cent. System revenues decreased by 10.7 per cent, while service revenues increased by 23.4 per cent. Future contracted cash flows from Proact Finance amounted to SEK 67 million (101) as at 31 December 2023.

Proact has good revenue distribution in respect of its various industry segments. The three biggest industry segments are Public Sector, Retail & Services and Manufacturing Industry.

Revenues per sector



Revenues per operating segment

SEK millions	Jan-Dec 2023	Jan-Dec 2022	Jan-Dec 2021
System sales	2,698	2,861	2,002
Service operations	2,145	1,889	1,519
Other revenues	5	6	3
Total revenues	**4,847**	**4,757**	**3,525**

System revenues fell compared with the previous year, amounting to SEK 2,698 million (2,861) during the year. When adjusted for currency effects[1] and acquisitions and divestments, system revenues decreased by 8.0 per cent. The revenues for the services business, attributable to consultancy services, contract customer support, management and cloud services, increased by 13.5 per cent compared to the previous year. When adjusted for currency effects[1] and acquisitions and divestments, system revenues increased by 6.3 per cent.

New contracts have been concluded relating to cloud services to the value of SEK 548 million (563). The revenues from cloud services are recognised as income over the term of the contract, which is normally between 3 and 5 years. Both customer support and cloud services are contributing to a positive development of the company's total recurring revenues, which
is important for the company's future growth in profits. Revenues for the year from cloud services totalled SEK 1,097 million (944), an increase of 16.3 per cent. Revenues for the year from support services totalled SEK 595 million (513), an increase of 16.0 per cent. Revenues for the year from consultancy services totalled SEK 452 million (432), an increase of 4.6 per cent.

Adjusted operating profit before depreciation of intangible assets, adjusted EBITA, for the full year 2023 totalled SEK 302 million (315), which is a decrease of 4.1 per cent compared to the previous year. During the same period, the profit before tax totalled SEK 218 million (244), which is a decrease of 10.6 per cent.

EBITA per Business Unit

SEK millions	Jan-Dec 2023	Jan-Dec 2022	Jan-Dec 2021
Nordics & Baltics	206.9	174.1	115.3
UK	21.3	36.4	34.7
West	23.2	45.3	22.8
Central	34.0	45.7	30.9
Groupwide	16.7	13.7	0.6
Adjusted EBITA (before exceptional items)	**302.1**	**315.1**	**204.4**
Exceptional items	-16.6	2.0	-6.9
EBITA	**285.5**	**313.1**	**197.5**

For Business Unit Nordics & Baltics, EBITA increased due to increased revenue in the service business. For Business Unit UK as well as West and Central, EBITA fell as a consequence of lower organic revenue growth, mainly in the systems business, and increased costs driven by continued high inflation.

The reported tax expense over the financial year amounted to SEK 45 million (53), equivalent to an effective tax rate of 21 per cent (22).

Earnings per share amounted to SEK 6.29 (6.97).

Financial position and cash flow

The Group's liquid funds amounted to SEK 548 million (505) as at 31 December 2023. In addition to this, the Group has an unused overdraft facility of SEK 155 million (159). The equity ratio was 24.9 per cent (21.8) as at 31 December 2023. Net debt has decreased by SEK 307 million during the year, while in 2022 net debt decreased by SEK 34 million. As per 31 December 2023, the company has net cash amounting to SEK 80 million (-227). Excluding leasing liabilities, the Group has net cash amounting to SEK 326 million (64).

Cash flow amounted to SEK 50 million (12) for the year as a whole, of which SEK 532 million (443) was from operating activities. SEK 51 million (41) has been invested in fixed assets, of which SEK 9.1 million (9.8) was invested in Proact Finance in respect of customer deliverables, and SEK 8 million (153) has been paid out in respect of acquisition of companies. A change in loans from credit institutes and use of overdraft facilities have had a total impact of SEK 224 million (-62) on cash flow. Dividends paid to the parent company's shareholders amounted to SEK 51 million (41).

Of total bank overdraft facilities of SEK 155 million (159), SEK 0 million (0) has been utilised. Bank loans amount to SEK 222 million (441). The parent company has bank loans amounting to SEK 222 million (441): a three-year loan facility of EUR 20 million from Svensk Exportkredit and a three-year revolving credit facility agreed in the third quarter of 2021. The revolving credit facility amounts to a total of SEK 600 million, of which SEK 0 million was utilised as at 31 December 2023; and the facility has been extended by a maximum of two years, which means that it will run until the third quarter of 2026. This bank loan includes lending terms in respect of net debt in relation to EBITDA. The lending terms have been met by a good margin in 2023 and as at 31 December 2023. The Group also uses invoice factoring in Sweden and Finland.

Total goodwill for the Group amounts to SEK 984 million (984), attributable primarily to the operations in the Netherlands, the United Kingdom, Sweden, Germany and Norway. Other intangible assets amount to SEK 177 million (231) and are depreciated over a useful life of five to ten years.

The Group's total deductions for losses amount to SEK 36 million (96). It has been assessed that of this amount, SEK 18 million (29) can be made use of against future taxable profits and the tax effect of the estimated future deduction has been recorded as a deferred tax claim. As at 31 December 2023, a total of SEK 23 million (26) has been recorded as deferred tax receivables, of which SEK 5 million (7) is attributable to fiscal deficits. Tax expense for the year amounts to SEK 45 million (53). Tax paid throughout the year amounts to SEK 55 million (47).

Employees

The average number of employees over the year was 1,160 (1,160). On 31 December 2023, the company employed 1,171 people (1,253).

Parent company

The parent company's revenues totalled SEK 152 million (140). Earnings before tax for the year amounted to SEK 142 million (74). This result is largely due to dividends and Group contributions from subsidiaries. The parent company's liabilities in a joint Group currency account amounted to SEK 409 million (313) as at 31 December 2023. At the end of the period, the number of people employed by the parent company totalled 20 (18).

The parent company's operations remained unchanged during the period and comprise Group-wide functions and work relating to capital market and shareholder relations. There have been no significant transactions with related parties besides those with the executive in the capacity of employees.

Environment

The company does not carry on any business affected by registration or licence obligations under the Swedish Environmental Code.

Research and development

The company's research and development operations are run by means of an innovation process established within the company. This process is ensuring that the company will meet the market's needs and requirements as effectively as possible, and also that new products and services will be developed in a time-efficient, cost-effective manner. No research and development expenditure has been capitalised.

The company also maintains close contact with the leading and most important suppliers of data storage and cloud service solutions. The company also keeps track of technical developments in the company's focus areas by means of participation in trade fairs and seminars.

Risks and uncertainty factors

The Group manages financial risks on the basis of a finance policy laid down by the Board. The Group's operational risks are mainly assessed and managed by the Group executive and reported to the company's audit committee and Board of Directors.

See the section entitled "Risks and risk management" for a detailed description of risks and risk management.

Board and executive

Jonas Hasselberg has been Chief Executive Officer and President of Proact IT Group AB since 1 September 2018.
Other senior executives in 2023 were Danny Duggal (VP Commercial & Communications) (until August 2023). Jonas Ekman (VP Corporate Development), Paul de Freene (VP Service Operations), Linda Höljö (CFO), Mark van Liempt (Business Unit Director West) (until April 2023). Alexander Lechthaler (Business Unit Director West) (from May

1) Currency effects are the differences between revenues for the year, translated at the currency exchange rates for the year and the previous year respectively.

2023). Magnus Lönn (Business Unit Director NOBA) and (Deputy CEO in Proact IT Group AB) (from October 2023). Madeleine Samuelson (VP People & Sustainability), René Schülein (Business Unit Director Central) (up to and including September 2023). Jonas Hasselberg (Interim Business Unit Director Central) (from October 2023 until 7 January 2024). Per Sedihn (CTO & VP Portfolio & Technology), and Martin Thompson (Business Unit Director UK).

Anna Söderblom was re-elected Chair of the Board at the Annual General Meeting held on 4 May 2023. Martin Gren, Erik Malmberg, Annikki Schaeferdiek and Thomas Thuresson were re-elected to the Board.

Each year, the Board defines an agenda for the Board and instructions for the Chief Executive Officer. This agenda determines – among other things – which issues are to be discussed at the Board meetings, the forms of Board meetings, minutes and reports, as well as the distribution of work between the Board and the Chief Executive Officer.

The Board has met 8 times in 2023. At all ordinary general meetings, the Board has discussed Proact's operations and financial position, looking at lines of business and financial administration. In addition, the Board has discussed strategic issues such as financial targets, the establishment of business and operational plans, acquisitions, issues relating to personnel and organisation, legal issues and essential policies. Individual Board members have assisted the Group executive on various issues of a strategic nature. The Board has appointed two Board members to make up an audit committee, two to make up a remuneration committee, and two to make up an M&A committee.

The company's auditor participates in Board meetings at least once a year and on such occasions reports on observations from the inspection. The audit committee has met five times over the year.

The company's auditor has participated in all meetings of the audit committee throughout the year.

Guidelines on remuneration for senior executives

The 2020 Annual General Meeting decided that the following guidelines for remuneration to senior executives should apply until the 2024 Annual General Meeting, unless circumstances arise that necessitate revision of this at an earlier stage.

These guidelines include the Chief Executive Officer, the Deputy Chief Executive Officer and the corporate management team. The guidelines must be applied to remuneration agreed and amendments made to remuneration agreed previously when the guidelines have been adopted by the 2020 Annual General Meeting. The guidelines do not cover remuneration decided upon by the Annual General Meeting.

Promotion of the company's business strategy, long-term interests and sustainability by the guidelines

The combination of digitisation and rapid technical development in the fields of data analytics and artificial intelligence, for example, means that customers' IT infrastructures are becoming increasingly complex, with growing information volumes.

If Proact is to be relevant to customers, it must go on ensuring an excellent customer experience and providing a market-leading offering and delivery model.

Essentially, Proact is working in accordance with the following strategies in order to achieve this:

- **Broadening our market position**
  Our offering, geographical spread, expertise and strong partner relations provide us with good opportunities to strengthen our market position further. In strategic partnerships, we assist our customers in their efforts to digitalise, create efficiency and flexibility, and secure their data.
- **Accelerate our hybrid cloud offering and maintain our strong data centre position**
  We will go on developing our portfolio in respect of both data centres and hybrid cloud services by means of interaction with our partners and customers. We perceive major opportunities in value-added services on top of the public cloud with our specialist expertise and consultancy in areas such as Kubernetes architecture, data management and AI solutions.
- **High-quality, standardised service delivery with satisfied customers**
  We endeavour to achieve maximum cost efficiency at our delivery hubs by means of consistent processes and data-driven decision-making. Automation and orchestration also ensure fast and accurate delivery. Our commitment to continuous improvement keeps us at the forefront, creating a dynamic organisation that is adapted to the demands of the market.
- **Focus on employees**
  Our employees and our culture are at the very heart of our corporate strategy. Our core values and commitment to diversity permeate our corporate culture. We believe in the future through our staff, driven by talent, commitment and strong leadership. Proact endeavours to be an attractive employer for both current and future employees.
- **Accelerate growth through acquisition**
  The emphasis remains on accelerating our strategic agenda with company acquisitions in order to further strengthen hybrid cloud competences and increase market share.

Successful implementation of the company's business strategy and safeguarding of the company's long-term interests, including its sustainability, require the company to be able to recruit and retain qualified employees. For this, the company needs to be able to offer competitive remuneration. These guidelines make it possible to offer senior executives competitive overall remuneration.

Long-term share-related incentive programme have been established within the company. Decisions on these have been made by the Annual General Meeting, so they are not covered by these guidelines. This is why the long-term share related incentive programme proposed by the Board for adoption by the 2023 Annual General Meeting is not covered either. This programme essentially corresponds to existing programmes. These programmes include the Chief Executive Officer and corporate management team, among others. The performance requirements used to assess the outcome of the programmes are clearly linked with the business strategy, and hence to the company's long-term value creation, including its sustainability. These performance requirements currently include earnings per share, net revenues and return on capital employed. The programmes also define requirements for personal investment and multi-year holdings. Flexible cash remuneration covered by these guidelines must aim to promote the company's business strategy and long-term interest, including its sustainability.

Forms of compensation, etc.

Remuneration must be in line with market conditions and must comprise the following components: fixed cash salary, flexible cash remuneration, pension benefits and other benefits. The Annual General Meeting may also - independently of these guidelines - make decisions on remuneration related to shares and share prices, for example.

It must be possible to gauge compliance with criteria for the payment of flexible cash remuneration over a period of one or more years. The flexible remuneration must be limited in terms of the maximum amount paid annually and on average, and flexible cash remuneration for senior executives must amount to no more than 70 per cent of the fixed annual cash salary.

Further flexible cash remuneration may be payable under extraordinary circumstances, provided that such extraordinary events are limited in time and are implemented merely at individual level, either with a view to recruiting or retaining employees or as compensation for extraordinary effort that goes above and beyond the individual's regular work. Such remuneration must not exceed an amount equivalent to 50 per cent of the fixed annual cash salary, and it must not be paid more than once per year per individual. Decisions on such remuneration must be made by the Board pursuant to proposals by the remuneration committee.

Pension benefits, including health insurance, must be of defined-contribution type for the Chief Executive Officer. Flexible cash remuneration must not be pensionable. The pension premiums for defined-contribution pension must amount to no more than 30 per cent of the fixed annual cash salary. Pension benefits, including health insurance, must be of defined-contribution type for other senior executives unless the executive is covered by a defined-benefit pension according to compulsory collective agreement provisions.

Flexible cash remuneration must the pensionable to the extent defined by compulsory collective agreement provisions that are applicable to the executive. The pension premiums for defined-contribution pension must amount to no more than 25 per cent of the fixed annual cash salary.

Other benefits may include life insurance, health insurance and car benefits. Premiums and other expenses relating to such benefits must not exceed, in total, a maximum of 20 per cent of the fixed annual cash salary. As regards employment conditions governed by regulations other than Swedish ones, in respect of pension benefits and other benefits, appropriate adjustments may be implemented in order to ensure mandatory compliance with such regulations or defined local practice, complying with the overall purpose of these guidelines as far as possible.

Termination of employment

When employment is terminated by the company, the notice period must not exceed twelve months. In total, fixed cash salary during the notice period and severance pay must not exceed an amount corresponding to eighteen monthly salaries for all senior executives. When employment is terminated by the executive, the notice period must not exceed six months, with no entitlement to severance pay.

Criteria for allocation of flexible cash remuneration, etc.

Flexible cash remuneration must be linked to predefined, measurable criteria, which may be financial or non-financial. They may also involve customised quantitative or qualitative targets. These criteria must be formulated so that they promote the company's business strategy and long-term interests, including sustainability, by maintaining a clear link to the business strategy, for example, or promoting the long-term development of the executive.

The extent to which the criteria have been met must be assessed/established when the measurement period for compliance with criteria for payment of flexible cash remuneration comes to an end. The remuneration committee prepares the assessment in respect of flexible cash remuneration to the Chief Executive Officer. The Chief Executive Officer is responsible for assessment in respect of flexible cash remuneration to other officers. As far as financial targets are concerned, this assessment must be based on the latest financial information published by the company.

Salaries and employment terms for employees

When preparing the Board's proposals for these remuneration guidelines, salaries and employment terms for the Group's employees have been taken into account in that information on employees' overall remuneration, remuneration components, increases in remuneration and the rate of increase over time have constituted elements in the decision data used by the remuneration committee and the Board when evaluating the fairness of the guidelines and the restrictions pursuant to the same. The development of the difference between remuneration to senior executives and remuneration to other employees will be outlined in the remuneration report.

The decision-making process for establishing, reviewing and implementing the guidelines

The Board has established a remuneration committee. The work of the committee includes preparing the Board's decisions regarding proposals for guidelines for remuneration to senior executives. The Board must compile proposals for new guidelines every four years as a minimum and submit these proposals to the Annual General Meeting for a decision to be made. The guidelines must apply until new guidelines have been adopted by the Annual General Meeting. The remuneration committee must also monitor and evaluate flexible remuneration schemes for the corporate executive, the application of guidelines for remuneration to senior executives and applicable remuneration structures and remuneration levels within the company. The Chief Executive Officer and other members of the corporate executive do not attend Board meetings to discuss and make decisions on issues relating to remuneration if they are impacted by the issues at hand.

Deviating from the guidelines

The Board may decide to deviate entirely or partly from the guidelines on a temporary basis if there are specific reasons for doing so in a particular case and deviation is necessary in order to safeguard the long-term interests of the company, including its sustainability, or in order to guarantee the financial strength of the company. As stated above, the work of the remuneration committee includes discussing the Board's decisions on remuneration issues, which includes decisions on deviation from the guidelines.

There have been no deviations from the guidelines in 2023.

Proposal new Guidelines on remuneration for senior executives

Resolution on principles for remuneration, and other employment conditions, for senior executives

The Board proposes that the annual general meeting 2024 resolves that the following guidelines for remuneration to senior executives shall apply until the annual general meeting 2028 unless circumstances arise that necessitate an earlier revision.

These guidelines cover remuneration to board members, the CEO, deputy CEO and the executive management. The guidelines shall be applied to remunerations agreed upon, and changes made to already agreed remunerations, after the guidelines have been adopted by the annual general meeting 2024. The guidelines do not cover remunerations resolved upon by the general meeting.

The guidelines´ promotion of the company's business strategy, long-term interests and sustainability

The combination of digitalization and rapid development in areas such as cloud technologies, cybersecurity, and artificial intelligence is making customers' IT infrastructure increasingly complex, with growing volumes of information.

To remain relevant to customers, Proact must continue to ensure a very good customer experience as well as provide a market-leading offering and delivery model.

To achieve this, Proact works according to the following strategies:

- Establish a clear position in local markets
- Offer a relevant and competitive portfolio of products and services
- Professionalize and streamline the company's service delivery
- Drive employee engagement and development
- Accelerate growth through acquisitions

A successful implementation of the company's business strategy and the achievement of the company's long-term interests, including its sustainability, requires that the company can recruit and retain qualified employees. For this, the company must be able to offer competitive remuneration. These guidelines enable senior executives to be offered competitive total remuneration.

Variable cash remuneration covered by these guidelines should aim to promote the company's business strategy and long-term interests, including its sustainability.

Forms of compensation, etc.

The remuneration should be market-based and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits, and other benefits. In addition, and independently of these guidelines, the general meeting may decide on, for example, share and share price-related remunerations.

The fixed cash salary for senior executives should be competitive within the market. The fixed cash salary for senior executives is reviewed annually. The fixed cash salary constitutes a maximum of 75 percent of the total remuneration at the maximum outcome of variable cash remuneration.

The fulfillment of criteria for the payment of variable cash remuneration shall be measurable over a period of one or several years. Variable cash remuneration constitutes a maximum of 50 percent of the total remuneration at the maximum outcome of variable cash remuneration for a certain fiscal year. The company does not have the right to reclaim variable cash remuneration. The company does not apply deferral periods for variable cash remuneration.

Additional variable cash compensation may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are time-limited and made on an individual basis either for the purpose of recruiting or retaining senior executives, or as compensation for extraordinary efforts beyond the person's regular duties. Additional variable cash compensation may not be granted more than once per year and per individual. Decisions on additional cash compensation shall be made by the Board upon recommendation from the remuneration committee. Additional variable cash compensation, together with variable cash compensation as mentioned above, may constitute a maximum of 60 percent of the total remuneration at the maximum outcome of variable cash compensation as mentioned above. Variable cash compensation shall not be pensionable, unless otherwise dictated by mandatory law or collective agreement provisions.

For the CEO, pension benefits, including health insurance, shall be defined contribution. For the CEO, pension benefits, including health insurance, constitute a maximum of 20 percent of the total remuneration at the maximum outcome of variable cash compensation. For other senior executives, pension benefits, including health insurance, shall be defined contribution unless the executive is covered by a defined benefit pension according to mandatory collective agreement provisions. For other senior executives, pension benefits, including health insurance, constitute a maximum of 20 percent of the total remuneration at the maximum outcome of variable cash compensation.

Other benefits may include, among others, life insurance, health insurance, and car benefits. Other benefits constitute a maximum of 15 percent of the total remuneration at the maximum outcome of variable cash compensation.

Regarding employment conditions subject to regulations other than Swedish, appropriate adjustments may be made to comply with mandatory rules or established local practices in the country of the individual's employment, whereby the overarching purpose of these guidelines should be fulfilled as far as possible.

Termination of employment

Employment or service contracts for senior executives should be valid permanently or for a fixed period. Upon termination by the company, the notice period may be up to twelve months. The combined fixed cash salary during the notice period and severance pay shall not exceed an amount corresponding to eighteen monthly salaries for all senior executives. Upon termination by the senior executive, the notice period may be up to six months, without the right to severance pay.

Criteria for allocation of flexible cash remuneration, etc.

The variable cash compensation should be linked to the fulfillment of criteria set annually or with another periodicity, for either the company's performance and/or the individual's performance. This makes the variable cash compensation clearly connected to the company's development and/or the individual's work effort and performance. The criteria may be financial or non-financial, qualitative or quantitative, and should be designed to promote the company's business strategy and long-term interests, including its sustainability.

After the measurement period for the fulfillment of criteria for the payment of variable cash compensation has concluded, it should be determined to what extent the criteria have been met. Variable cash compensation for the CEO should be prepared by the remuneration committee and decided by the Board. Variable cash compensation for other senior executives should be prepared and decided by the CEO. As far as financial criteria are concerned, the assessment should be based on relevant financial information.

Salaries and employment terms for employees

In the preparation of the Board's proposal for these remuneration guidelines, salary and employment conditions for the Group's employees were taken into account by including information on employees' total compensation, the components of compensation, and the rate and pace of increase in compensation over time as part of the remuneration committee's and the board's decision-making basis when evaluating the fairness of the guidelines and the limitations that follow from them. The annual change in compensation for the company's CEO and Deputy CEO on the one hand, and the change in the average compensation in full-time equivalents for the company's other employees on the other hand, will be disclosed in the compensation report.

The decision-making process for establishing, reviewing and implementing the guidelines

The Board has established a remuneration committee. The Chair of the Board may serve as the Chair of the remuneration committee. To handle conflicts of interest, the other members of the remuneration committee, elected by the general meeting, must be independent in relation to the company and its senior management. If the Board finds it more appropriate, the entire Board can perform the tasks of the remuneration committee, provided that any Board member who is part of the senior management does not participate in the work.

The tasks of the remuneration committee include preparing the Board's decisions on proposals for guidelines for remuneration to senior executives. The Board should prepare a proposal for new guidelines at least every fourth year and submit the proposal for decision at the annual general meeting. The guidelines shall apply until new guidelines are adopted by the general meeting. The remuneration committee is also responsible for monitoring and evaluating programs for variable compensation for the management, the application of guidelines for remuneration to senior executives, and the current compensation structures and compensation levels within the company. During the Board's consideration and decisions on compensation-related matters, the Chief Executive Officer or other members of the senior management do not attend, insofar as they are affected by the matters.

If the annual general meeting decides not to adopt the guidelines due to a proposal to that effect, the Board must present a new proposal before the next annual general meeting. In such cases, compensation shall be paid in accordance with the guidelines that previously applied or, if no such guidelines exist, in accordance with the company's practice.

Deviating from the guidelines

The Board may decide to temporarily deviate from the guidelines, in whole or in part, if there are special reasons for doing so in an individual case and a deviation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial stability. If such deviations occur, this must be reported in the compensation report before the next annual general meeting. As mentioned above, it is part of the remuneration committee's tasks to prepare the Board's decisions on compensation matters, which includes proposals for decisions on deviations from the guidelines.

Review of the guidelines

A review of the guidelines for remuneration to senior executives has been conducted ahead of the Annual General Meeting 2024. The review has primarily resulted in some editorial changes. The above modifications are not expected to result in any significant change to the remuneration paid according to the currently applicable guidelines.

Performance share programme

A decision was made at the Annual General Meeting on 4 May, with the requisite majority, to implement a performance share scheme in accordance with the Board’s proposal. The 2023 performance share scheme follows the same structure as the performance share scheme decided at the 2022 annual general meeting, with the same performance targets. The 2023 performance share scheme has been formulated to drive profitability and growth and includes around 21 individuals; the company’s Chief Executive Officer, the Group executive and other key individuals within the company. For more information, see Note 9 and the remuneration report.

Corporate governance

Corporate governance at Proact IT Group AB (publ) is based on the Companies Act, the Swedish Company Accounts Act, the Articles of Association, the listing agreement with Nasdaq Stockholm and the Swedish Code of Corporate Governance. The corporate governance report, including the Board of Directors’ report on internal auditing for 2023, has been compiled as a separate document which can be found on page 43. The report is also published on the Proact website.

Sustainability report

In accordance with Chapter 6, Section 11 of the Swedish Company Accounts Act, Proact IT Group AB (publ) has compiled the statutory sustainability report on pages 4-9 and 18-30 in the annual report.

Ownership structure

Proact shares have been listed on Nasdaq Stockholm with ticker symbol PACT since July 1999. Proact had 7,498 shareholders (6,903) as at 31 December 2023, most of whom were private individuals with small holdings. The two biggest shareholders, each with holdings in excess of 10 per cent, were Aktiebolaget Grenspecialisten with a holding of 11.5 per cent and Livförsäkringsbolaget Skandia with a holding of 10.9 per cent.

As far as the Board of Directors is aware, there are no contracts between shareholders requiring specific information in accordance with the Swedish Company Accounts Act.

The share

Share capital amounts to SEK 10,618,837, divided over 28,001,658 shares with a quotient value of 0.38. All shares entitle the holder to an equal share of the company's assets and profits and entitle the holder to one vote at the Annual General Meeting. At the Annual General Meeting, every individual entitled to vote may vote for the full number of shares owned and represented by the shareholder without any restriction on voting rights.

Buy-back of own shares

Shares are bought back partly with a view to adjusting the company's capital structure, and partly with a view to using bought-back shares as cash in or for the financing of acquisitions of companies or businesses.

At the Annual General Meeting held on 4 May 2023, the Board of Directors was authorised to acquire up to 10 per cent of the company's shares by the next Annual General Meeting.

Up to and including 31 December 2023, 218,500 shares have been bought back under this authorisation.

During 2023, no shares in the company's own custody have been used for acquisitions of companies.

The total number of own shares held by the company is 720,210 as at 31 December 2023, which is equivalent to 2.7 per cent of the total number of shares. The total purchase price paid for shares in own custody is SEK 52.1 million, corresponding to an average acquisition value of SEK 72.34 per share.

Significant events after the end of the fiscal year

In January, it was announced that the company has appointed Noora Jayasekara as new CFO and member of the Group Management Team, starting in the second quarter of 2024.

Expectations of the future

Most of our customers are large and medium-sized companies and organisations within a range of different industries on the majority of markets in Europe. Digitalisation continue to ba a central driving force regardless of industry. Organisations are investing in new technologies, such as artificial intelligence, automation and modern application development, to streamline their operations or create customer value. In turn, this means that the underlying growth in digital business-critical information is still high. The combination of rapid digitisation and the increasing volume of business-critical information means that IT-infrastructure is becoming increasingly complex and new demands are being made. As a result, more and more companies and organisations are evaluating options for using various services and new fields of technology in order to simplify their IT operations and ensure that their supply of IT services meets the requirements defined by business operations and their customers.

Securing business-critical information is of the utmost importance, whether it is to comply with various regulations and legal requirements or to protect oneself against mistakes and sabotage. Cyber security is today, due to the increasing risk of cyber threats, a very high priority issue for companies and organizations. Information security is thus an important part of the business and influences the business decisions that are made.

One clear market trend is that more customers want to offer in-house IT as a service, where users themselves order and consume different types of IT service based on the needs of each individual user. To facilitate the supply of IT as a service, companies and authorities are implementing a combination of private and public cloud services, known as hybrid clouds, to an ever-increasing extent. The aim of this is to be able to supply cost-effective, flexible IT services to both internal and external users.

Besides the above market trends, automation – for instance – is an area that is becoming increasingly important. This creates opportunities to facilitate administration and thereby reduce complexity and risks. Automating the underlying elements at a data centre allows IT services to be supplied more quickly, and these services are more capable of supporting the commercial requirements and needs demanded by the business.

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

Dividend policy

The company's policy on dividends is adapted to suit the Group's profit level, financial position and investment requirements. The dividend proposal is weighed up between shareholders' expectations for reasonable direct returns and the company's need to be able to finance itself. In the long term, Proact intends to issue a dividend of 25-35 per cent of profits after tax.

Dividend proposal and proposed appropriation of profits

The Board of Directors will propose a dividend of SEK 2.00 per share (1.85) to the Annual General Meeting for the 2023 business year.

The Annual General Meeting has at its disposal:

Retained earnings	309,442,736	SEK
Profit/loss for the year	141,537,391	SEK
Total non-restricted equity	**450,980,127**	**SEK**

The Board of Directors proposes appropriation of retained earnings as follows:

Dividend, SEK 2.00 per share	53,984,412	SEK
Carried forward	396,995,715	SEK
Total	**450,980,127**	**SEK**

The Board of Directors proposes appropriation of retained earnings as follows:

There are 28,001,658 registered shares within the company, of which – as at 30 March 2024 – 1,009,452 shares are bought-back own shares not entitled to dividends.

The Board submits the following statement of motivation in accordance with Chapter 18, section 4 of the Companies Act with regard to the proposed appropriation of profits:

The proposed dividend amounts to 11 per cent of the company's equity and 5 per cent of the Group's equity. Non-restricted equity in the parent company at the end of the 2023 financial year amounted to SEK 450,980,127. The annual report indicates that the Group's equity ratio amounts to 24.9 per cent. It may further be noted that the Group has cash and cash equivalents amounting to approximately SEK 548 million, unutilised bank overdraft facilities amounting to approximately SEK 155 million and net cash of SEK 80 million.

For the company's accounted profit/loss for the financial year and its situation as at 31/12/2023, please see the income statement and balance sheet below, the equity report and the cash flow analyses, as well as the notes pertaining to these.w

Risks and risk management

Proact's risk management framework aims to identify, control and reduce the risks linked with its operations. Proact ensures that decisions on risks are made at the right level in the organisation, depending on the impact a risk may have on Proact's business targets. Risks may be identified by each subsidiary or by Group functions, and actions are approved locally or at Group level as defined in the risk management framework. Risks limited to local operations are generally managed within each subsidiary or business unit, but certain legal, strategic and financial risks are managed at Group level. All risks and mitigation measures are evaluated regularly so as to determine the impact of the activities.

Business and operations / legal and regulatory issues	Handling
IT systems and cybersecurity	**IT systems and cybersecurity**
Proact operates in a complex technological landscape and manages huge volumes of mission-critical data for its customers. Cybersecurity incidents could have a significant negative impact on Proact's customers as well as on its business operations, financial performance and supplier relations.	Proact is investing significant resources in cybersecurity in order to remain resilient and support customers and the organisation. A number of staff are working to ensure that the company goes on implementing improved measures to reduce risks and unauthorised access to systems, and to protect the company from exposure to malware and security vulnerabilities. Proact operates a 24/7 Security Operations Centre that monitors and responds to security threats. Proact has internally appointed an information security officer for the Group and an internal data protection officer for the Group who are working together in close cooperation. All staff receive mandatory annual training on cybersecurity and privacy in order to enhance security and awareness of privacy.
Workers and talent management	**Workers and talent management**
An inability to recruit, develop, motivate and retain qualified staff could have a negative impact on Proact's success.	As future success is dependent on the ability to maintain its reputation as an attractive employer, Proact has a number of customised training schemes and in-house schemes. Employer branding and talent development is a focus area for Proact's People and Culture strategy. This includes further development of our ability to attract, develop and retain both employees with outstanding and/or niche skills, and young talent as well.
Acquisitions and integration	**Acquisitions and integration**
The implementation of acquisitions involves risk. The acquired company's relations with customers, suppliers and key individuals may be adversely affected. This is also a risk that integration processes may become more costly or more time-consuming than calculated, and that anticipated synergies may fail to emerge.	Proact evaluates potential candidates for acquisition on the basis of an evaluation model, which includes potential synergy effects and how well the candidate for acquisition supports Proact's strategies. A review (due diligence) of the entire company takes place in due course before a decision is made so that any risks can be evaluated. A structured integration plan in accordance with Proact's integration handbook, overseen by a Group-level steering group, is being followed. Experience gained from acquisition and integration work carried out creates a strong foundation for successful limitation of these risks in future.
Management of contracts	**Management of contracts**
Proact has a large number of service contracts with customers all over the world. Breaches of these contracts could have an adverse impact both financially and in terms of reputation. There is also an additional assumed contract risk on account of acquisitions.	Proact focuses on contract management, including training relevant new colleagues on contract compliance processes and amendment of contract documentation.
Risks involving business ethics	**Risks involving business ethics**
Risk of inappropriate business practices in our sales activities.	Proact maintains a zero tolerance approach to unethical business practices in accordance with its Code of Conduct and Company Handbook, and all employees receive mandatory training. The company has a whistleblower policy that provides all staff with information on how to report suspected deviations.
Equality and diversity	**Equality and diversity**
Risk of imbalance in workplace diversity can lead to an inability to recruit or retain staff, or harm the employer's brand.	Proact promotes diversity in the workplace and ensures that people with similar qualifications are given the same employment terms and opportunities without diction or discrimination on the basis of age, race, skin colour, national origin, religion, gender or disability.

Market and environment	Handling
The general market, political and economic situation	**The general market, political and economic situation**
The general market situation affects the options and inclination of Proact's existing and potential customers to invest. Higher inflation is also affecting Proact's cost position.	Proact operates over a significant geographical area, and the company has a broad customer base in a large number of industries. As digital information volumes for storage and archiving are growing to a great extent while Proact is at the same time offering its customers streamlining and cost savings, Proact's impact on the general market, political and economic situation is relatively limited. The fact that approximately a third of Proact's total sales are contracted for one to five years also alleviates the effects of market fluctuations. The increase in geopolitical uncertainty around the world is creating additional uncertainty for customers, as well as potential disruptions in Proact's supply chains. The Company's has every chance of continuing to provide contracted services such as support and operating services and outsourcing services. However, there is still a risk that Proact could be adversely affected financially by continued supply chain disruptions, as well as by customers' willingness to invest. Prices are adjusted regularly in order to take cost increases into account. The short-term assessment is that the situation can be managed, given the company's good liquidity and stable financing. Proact has implemented – and will continue to implement – measures that we believe are in the best interests of our employees, our customers, our suppliers and other third parties.
Customers	**Customers**
A limited geographical presence or a presence in an industry sector may affect Proact's business.	Proact has a good risk spread with regard to geographical presence and customer segments. Our biggest customers are in the trade/services sector, the public sector, telecoms and the manufacturing industry, and are spread across a number of countries. Proact's ten biggest customers are responsible for 20 per cent (21) of sales, and no one customer represents more than 3 per cent (6) of revenues.
Suppliers	**Suppliers**
Dependence on key suppliers may affect Proact's ability to deliver on customer contracts.	Proact works continuously with evaluation of various suppliers in order to minimise risk exposure and dependency. As an independent integrator, Proact has the opportunity to achieve a good balance between a number of market-leading strategic suppliers in combination with smaller niche suppliers in the respective product areas.
Products and technology	**Products and technology**
Risk of not meeting market requirements. The IT sector is constantly undergoing development as regards products and technology, with requirements for more efficient solutions helping users to save money.	Proact is constantly evaluating new technologies and developing new products and services in close partnership with its customers and suppliers to be able to provide the best solutions possible for the market.
Competitors	**Competitors**
Most competition comes from integrators focusing on general IT business, public cloud services suppliers and global IT service companies.	Proact's competitive advantages lie mainly in being an independent integrator with specialist expertise and extensive experience with regard to data centres with associated consultancy and support services, and also in the field of cloud services. Our international geographical spread, close customer relations on a local level and diverse customer base from an industry perspective place us in a strong competitive position. Results from customer satisfaction surveys remain strong, with higher scores since last year. We are constantly developing our product portfolio, expertise and partner relations in order to further reinforce our market position and competitive advantage.
Social and environmental responsibility	**Social and environmental responsibility**
Risk of inappropriate practices in respect of human rights, health, safety and the environment in our supply chains.	Proact maintains a zero tolerance approach to violations of human rights and has a process in place to ensure compliance with all applicable laws and industry standards in the supply chain. Proact endeavours to use limited environmental resources efficiently.
Climate change	**Climate change**
Failure to meet customers' and investors' demands and expectations in respect of climate action may lead to lost contracts, financial impact or damage to the Proact brand. Difficulties in finding suppliers that meet Proact's climate ambition requirements in terms of renewable energy at data centres, low PUE or net zero targets, for instance, may impact on Proact's ability to deliver on customer requirements or achieve our own net zero target.	An initial calculation of Proact's emissions, in accordance with the guidelines of the GHG Protocol, was carried out in 2023. This shows that Proact's climate impact is mainly indirect and can be found in the supply chain. Targets were set during the year to reduce greenhouse gas emissions, with a view to achieving net zero by 2050. Proact's previous goal of using only data centres with renewable energy remains in place. Going forward, efforts will focus on reducing the carbon footprint in the supply chain. One key factor involves working in partnership with suppliers who are committed to reducing their emissions.

Financial risks	Handling
Liquidity risk	**Liquidity risk**
Liquidity risk is the risk of the company not being able to meet its payment obligations in full, or of only doing so on significantly unfavourable terms due to a shortage of cash.	Fundamentally, liquidity risk is managed with caution at Proact. Liquidity planning, in combination with credit limits and lending facilities, is used to ensure that the Group has sufficient liquid funds at all times. At the end of the year, Proact had cash and cash equivalents amounting to SEK 548 million (505) and an unutilised overdraft facility of SEK 155 million (159), and at the same time net debt has been reduced from SEK 307 million to net cash of SEK 80 million during the 2023 financial year. Liabilities relating to leasing in accordance with the IFRS 16 accounting rules - see also Note 27 - has had a negative impact on net liabilities in the amount of SEK 246 million. Excluding leasing liabilities, the company has net cash amounting to SEK 326 million. According to the company's finance policy, the parent company must manage the Group's investments of surplus liquidity. Investments must be made in bank accounts or in interest-bearing securities. Securities must relate to government bonds or treasury bills. Investments may only be made with counterparties with a high credit rating of at least A- (Standard & Poor's) or A2 (Moody's). Short-term liquidity requirements are currently provided for by overdraft facilities. To ensure that these needs can be met, a strong financial position is required in combination with active efforts to gain access to such credit.
Finance risk	**Finance risk**
"Finance risk" relates to the risk of the financing of the Group's capital requirements and refinancing of outstanding loans being impaired or made more expensive.	Bank loans amount to SEK 222 million (441). The bank loan consists of both a three-year loan facility of EUR 20 million from Svensk Exportkredit and also a three-year revolving credit facility that Proact signed in the third quarter of 2021. The revolving facility amounts to a total of SEK 600 million, of which SEK 0.0 million was utilised as at 31 December 2023; and it has been extended by a maximum of two years, which means that it will run until the third quarter of 2026. This bank loan includes lending terms in respect of net debt in relation to EBITDA. The lending terms have been met by a good margin in 2023 and as at 31 December 2023. See Note 24 for further information. The company also uses invoice factoring in Sweden and Finland. With invoice factoring, the risk remains with the company until the customer pays. Overdraft facilities granted amounted to SEK 155 million, of which SEK 155 million was unutilised as at 31 December 2023. The company is unable to guarantee that no capital requirement will arise. Failure to generate profits or meet future needs for finance may substantially affect the market value of the company.
Capital	**Capital**
The group's objective is to maintain a stable financial position which safeguards the Group's ability to continue operating and generating returns for shareholders, while also benefiting other stakeholders.	Proact's managed capital consists of equity. The company's objective is to use established strategies to achieve a good financial position and so prepare profits for shareholders by increasing the value of the managed capital. There are no external capital requirements other that those referred to in the Swedish Companies Act. A dividend of SEK 50,791,474, equivalent to SEK 1.85 per share, was issued in 2023 for the 2022 business year.
Credit/counterparty risk	**Credit/counterparty risk**
Credit risk is the risk that the counterparty in a transaction will not meet its financial obligations and that collateral does not cover the company's receivables.	The predominant element of Proact's credit risk relates to receivables from customers. Proact's sales are divided over a large number of end-customers spread over a broad geographical area, which limits the concentration of credit risk. The credit risk within the Group must be kept to a minimum by establishing a credit limit for each customer and partner, as well as entering into contracts where considered necessary with a view to minimising credit risk. Below is an analysis of accounts receivable as at 31 December:

	2023	%	2022	%
Not due	632.0	88.1	712.6	83.9
<30 days	59.0	8.2	111.9	13.2
31-60 days	11.8	1.7	17.0	2.0
61-90 days	9.3	1.3	4.2	0.5
>90 days	5.5	0.8	4.2	0.5
Total	**717.7**	**100.0**	**849.8**	**100.0**

The credit quality of not due receivables is deemed to be good. Customer losses for the year amount to SEK 1 thousand (0). Reserves for uncertain receivables amount to SEK 1,121 thousand (870). Of total trade receivables, 4 per cent (3) are older than 30 days.

Financial risks	Handling
Currency risk	**Currency risk**
Currency risk is the risk of changes in currency exchange rates having an adverse effect on the income statement, balance sheet and cash flow.	Proact is particularly subject to exchange rate risks in the USD and EUR currencies, as most of its purchases are from suppliers which invoice in these currencies. The currency risk which may arise is managed by means of a currency clause with customers. This covers the currency risk which may occur from the time of tendering until delivery to the customer, and also by hedging major purchases in foreign currencies. Proact's finance policy means that exposure exceeding EUR 200 thousand / USD 250 thousand must be hedged. The fair value of outstanding forward contracts as at 31 December 2023 amounted to SEK -1,669 thousand (-5,496). The purchase and sale of foreign currencies is reported in note 14.
Interest rate risk	**Interest rate risk**
Interest risk is the risk that permanent changes in market interest rates will adversely affect cash flow or the fair value of financial assets and liabilities. Interest rate risk exposure arises mainly from outstanding external loans. The impact on net interest is partly due to average interest terms on borrowings.	In accordance with the Group's financial policy, all external borrowings have short interest terms; three months on average. No interest rate derivatives were utilised to manage this risk in 2023. Lending and interest rates are specified in greater detail in Note 24.

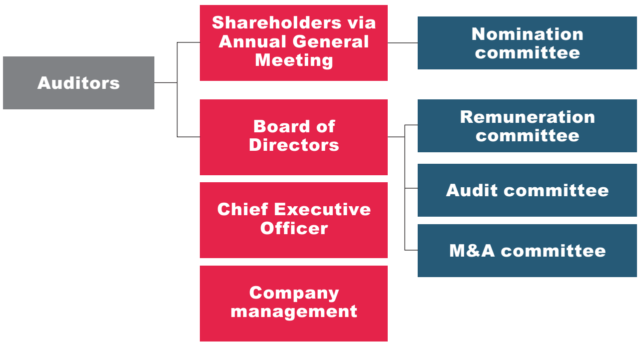
Corporate governance report

Proact IT Group AB (publ) is a parent company in the Proact Group which consists of a number of subsidiaries as outlined in the annual report, Note 17.

This corporate governance report has been compiled in accordance with the Swedish Company Accounts Act and the Swedish Code of Corporate Governance.

The parent company and Group are governed via the Annual General Meeting, the Board of Directors and the Chief Executive Officer in accordance with the Swedish Companies Act, the Swedish Company Accounts Act, the company's Articles of Association, the listing agreement with Nasdaq Stockholm and the Swedish Code of Corporate Governance. This code is based on the "comply or explain" principle. Proact deviates from the recommendations of the code in respect of one item: the company's half-yearly and nine-monthly reports have not been reviewed by the auditors. The Board has determined that based on the complexity of the company and the business risks, such a review would not add value commensurate with the resources and costs involved.

Governance structure



Annual General Meeting

The Annual General Meeting is the supreme governing body of Proact. The Annual General Meeting of Proact IT Group AB is held annually in April or May in Solna. The time and date of the meeting are published at the latest when the interim report for the third quarter is issued and published simultaneously on the company's website. The Annual General Meeting elects Proact's Board of Directors and its Chair. The other tasks of the Annual General Meeting also include

- approving and adopting the company's income statements and balance sheets
- making decisions on allocation of the company's profit
- making decisions on changes to the Articles of Association
- electing auditors
- making decisions on discharge from liability for Board members and the Chief Executive Officer
- making decisions on remuneration for the Board of Directors and auditors
- approving the appointment of the nomination committee

Shareholders who do not have the opportunity to attend the General Meeting in person may instead participate via a representative. The Board of Directors also has the option of allowing shareholders to participate by postal vote.

The "Ownership" section in the Directors' Report indicates the direct or indirect shareholdings in the company which represent at least one-tenth of the voting rights for all shares in the company.

The "Shares" section also indicates the restrictions on how many votes each shareholder can cast at an Annual General Meeting.

Annual General Meeting 2023

Proact's annual general meeting was held on 4 May 2023. 56 shareholders representing 44.5 per cent of both the number of shares and the total number of votes in the company exercised their voting rights by attendance and postal vote. Among other things, the following decisions were made:

- The income statement and balance sheet, and the consolidated income statement and consolidated balance sheet were approved and adopted.
- The Board's remuneration report was approved.
- The Board's proposal for a dividend of SEK 1.85 per share for the 2022 financial year was adopted.
- The Board of Directors and Chief Executive Officer were granted discharge from liability for the 2022 fiscal year.
- Remuneration payable to the Board of Directors was set at a total of SEK 2,090,000.
- Remuneration to the auditors will be paid in accordance with an approved invoice. PwC were re-elected as auditors.
- Anna Söderblom was newly elected as a Board member and was also elected as Chair of the Board.
  The following other Board members were re-elected:
  – Martin Gren
  – Annikki Schaeferdiek
  – Thomas Thuresson
  – Erik Malmberg
- A decision was made, with the requisite majority, to implement the performance share scheme in accordance with the Board's proposal. This scheme has been formulated to drive profitability and growth and includes around 21 individuals; the company's Chief Executive Officer, the Group executive and other key individuals within the company. For more information, see Note 9.
- Establishment of principles for the appointment of a nomination committee for the 2024 Annual General Meeting.
- A decision was made to authorise the Board to make decisions on the new issue of shares. It was noted that payment through offsetting must only take place in connection with company acquisitions.
- A decision was made to authorise the Board to implement acquisitions and transfers of the company's own shares. It was also decided that the Board can only buy back shares in such numbers that bought-back shares, together with any newly issued shares according to the authorisation decided upon in the section above, do not exceed a total of 10 per cent of the now outstanding number of shares. It was noted that payment through offsetting must only take place in connection with company acquisitions and that the company is not allowed to sell its own shares on Nasdaq Stockholm.
- A decision was made, with the requisite majority, to amend the Articles of Association so that the registered office of the Board of Directors is Solna.

Nomination committee

At the Annual General Meeting of Proact held on 4 May 2023, a decision was made for the nomination committee to comprise representatives for the four biggest shareholders or, as referred to in the paragraph below, the five biggest shareholders in terms of votes as at 30 September 2023; The nomination committee therefore has the right to require the attendance of the Chair of the Board at meetings of the nomination committee. The Chair of the Board must, without delay, contact the four biggest shareholders in terms of votes in accordance with Euroclear Sweden's list of shareholders as at 30 September 2023, and offer each and every one of them the opportunity to appoint a member of the nomination committee within a reasonable time.

If there is a change in the company's ownership structure after 30 September but before the date occurring two months before the forthcoming Annual General Meeting, and if a shareholder constituting one of the four biggest shareholders in the company in terms of votes after this change expresses a desire to the Chair of the nomination committee to become part of the nomination committee, this shareholder shall have the right to either appoint a further member of the nomination committee or, if so decided by the nomination committee, to appoint a member of the nomination committee who will replace the member that is the smallest shareholder in terms of votes after the change in ownership and that has appointed a member of the nomination committee. In addition, any member appointed by a shareholder that has sold more than half of its shareholding after 30 September and thus no longer constitutes one of the ten biggest shareholders in the company will be obliged to resign from the company's nomination committee within two weeks of the date of the sale.

The names of the members of the nomination committee must be published as soon as the nomination committee has been appointed. If any of the biggest owners declines to appoint a representative on the nomination committee, the next shareholder in order of size must be given the opportunity to appoint such a representative. A representative of the shareholders is appointed Chair of the nomination committee. The mandate period of the nomination committee continues until a new nomination committee has been appointed.

Where appropriate, the nomination committee must prepare and submit to the Annual General Meeting proposals for:

- election of a Chairman for the meeting
- election of a Chairman of the Board and other company directors
- directors' fees divided between the Chairman and other members, plus remuneration for committee work
- election of and payment to auditors (where appropriate)
- decisions on principles for the appointment of a nomination committee

Work of the nomination committee

The composition of the nomination committee was published on 20 October 2023, comprising Katarina Berggren, Chairman (Aktiebolaget Grenspecialisten), Stephanie Göthman (Livförsäkringsbolaget Skandia), Wilhelm Gruvberg (Alcur Fonder AB) and Johannes Wingborg (Länsförsäkringar Fondförvaltning AB). This nomination committee represented a total of around 36 per cent of votes in Proact as at 30 September 2023.

The nomination committee has applied rule 4.1 in the Swedish Code of Corporate Governance as its diversity policy when devising the proposal for the Board, with the aim of achieving effective composition of the Board in terms of diversity and breadth with regard to factors such as gender, nationality, age and industry experience. The ambition of the nomination committee is to propose a Board composition where members complement one another with their respective experience and skills in a manner that gives the Board the opportunity to help bring about positive development of the company. The nomination committee always focuses on diversity so as to ensure that the Board has different perspectives on its Board work and the considerations made. The nomination committee also takes into account the need for regeneration and carefully examines whether the proposed Board members have the opportunity to devote sufficient time and care to their Board work. All shareholders have the opportunity to consult the nomination committee with suggestions for Board members. The nomination committee has held several minuted meetings.

A report on the work of the nomination committee is published on the Proact website – www.proact.se, at the latest in connection with the notice to attend the 2024 Annual General Meeting.

Board of Directors

Proact's Board of Directors makes decisions on issues relating to Proact's strategic focus, investments, finance, organisational issues, acquisitions and divestments and more important policies. The Board must also ensure that correct information is given to Proact's stakeholders in accordance with the governing regulations mentioned above.

Board composition and diversity

According to the Articles of Association, the Board of Directors must consist of three to eight members, with at most five deputy members. These members, and where appropriate their deputies, are elected each year at the Annual General Meeting for the period until the next Annual General Meeting. At the Annual General Meeting held on 4 May 2023, it was decided that the Board would consist of five members and no deputies for the period until the next Annual General Meeting. The nomination committee applies the Swedish Code of Corporate Governments, section 4.1, as its diversity policy. The objective is to propose composition of a Board with complementary experience and skills, also demonstrating diversity in terms of age, gender, nationality and industry experience. The composition of the present Board is the result of the work of the nomination committee prior to the 2023 Annual General Meeting. The Board comprises members with experience of various industries, and there is even gender distribution.

The Articles of Association contain no provisions relating to the appointment or compulsory retirement of Board members or to amendments to the Articles of Association.

The Board is deemed to be compliant with the stock exchange rules from Nasdaq Stockholm and the Swedish Code of Corporate Governance in respect of requirements for independent Board members.

Every business year, the Board of Directors carries out a review of the work of the Board and CEO by means of:

- Evaluation of the work of the Board. A board evaluation is carried out in the fourth quarter of the financial year. The results of the questionnaire will be discussed by the Board and communicated to the nomination committee. The nomination committee will then hold interviews with all members during the same quarter or the first quarter of next year
- Evaluation of the work of the CEO
- The CEO's view of the work of the Board

This review forms the basis for the Board's future working methods.

Board remuneration

The Annual General Meeting on 4 May 2023 set the Board's total remuneration at SEK 2,090,000, of which the Chair of the Board will receive SEK 590,000 and the other members SEK 275,000 each. A total of SEK 400,000 will be payable for committee work. No further payments have been made to the Board over the year.

Board members are not included in any share or share price-related incentives schemes issued by the company.

The Board's procedures

The work of the Board is governed by a set of procedures established annually which regulate the members' mutual division of work, decision-making arrangements, signing on behalf of the company, a meeting agenda for the Board and the tasks of the Chair. The work of the Board follows a set agenda intended to ensure that the Board's information needs are satisfied and that there is an appropriate distribution of work between the Board and the Chief Executive Officer.

In 2023, the Board held 11 meetings compared with 13 in the previous year. The control issues arising at Board meetings are dealt with by the Board where appropriate following preparation by the remuneration committee, M&A committee or audit committee. In addition, the company's auditors report directly at least once a year to the Board their observations from the review and their assessments of the company's internal accounting control.

Besides the ongoing follow-up and monitoring of business, over the year the Board of Directors has dealt with strategies, acquisition issues, capital structure and organisational issues.

Composition of the Board and attendance at Board meetings, 2023

Board member	Remuneration committee	Audit committee	M&A committee	Attendance at Board meetings, %
Anna Söderblom	●		●	100
Annikki Schaeferdiek				100
Martin Gren	●			91
Thomas Thuresson		●		91
Erik Malmberg		●	●	100

Board members' independence in respect of Proact, Proact's executive and major owners

Board member	Function	Date of birth	Nationality	Elected	Independent	Shareholding, 31/12/2023
Anna Söderblom	Chair	1963	Swedish	2022	Yes	8,900
Martin Gren	Member	1962	Swedish	2017	No	3,237,334[1)]
Annikki Schaeferdiek	Member	1969	Swedish	2017	Yes	4,000
Thomas Thuresson	Member	1957	Swedish	2018	Yes	2,500
Erik Malmberg	Member	1982	Swedish	2020	Yes	5,000

1) Holding personally and via legal entity.

Other information on Board members

- Anna Söderblom (Teacher/researcher at the Stockholm School of Economics plus Board work, previous senior positions at Microsoft, Posten and Industrifonden, among others). Member of the Board for Länsförsäkringar Liv Försäkringsaktiebolag, BTS Group AB, HAKI Safety, Dedicare AB, Webstep ASA and Chalmers Ventures AB.
- Martin Gren (Founder and advisor to Axis Communications AB) Chairman of the Board of Axis AB and Axis Communications AB. Member of the Board at Lumen Radio AB, Askero Sagoboks Förlag AB, AB Grenspecialisten, Lumen Radio and H. Lundén Holding AB.
- Annikki Schaeferdiek (Founder and CEO of Syster P AB plus Board work, international experience in the IT/telecom industry). Chair of the Board at Formpipe Software AB Director of Syster P AB, Axiell Group AB and Addtech AB.
- Thomas Thuresson (Board work and CEO of Tetra Laval Real Estate AB, various previous positions at Alfa Laval Group, including as CFO) Chair of the Board at Terratech Group AB Director of JM AB and Skiold A/S and member of the Advisory Board for Solix Group AB.
- Erik Malmberg (Independent advisor and investor, formerly Investment Advisory Professional, Triton Advisers (Sweden) AB) and share analyst at Goldman Sachs International. No other directorships.

FEBRUARY
Year-end report, report from auditors, review of the service delivery organisation, review of BU West.

MARCH
Decision on annual reports, preparation of Annual General Meeting.

MAY
Interim report January-March, review of BU UK and BU Central, start of strategy work, Annual General Meeting, constitutive Board meeting, adoption of instructions and policies. Election of committees. Extra meeting for review of cost saving programmes.

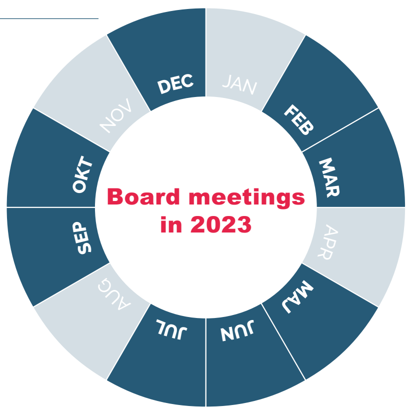
JUNE
Extension of an existing credit facility and establishment of a new one.

JULY
Interim report, January-June.

SEPTEMBER
Strategy work, review of portfolio, market and business plans and risk for business units and the Group.

OCTOBER
Interim report, January-September. Risk review and review of the sustainability strategy.

DECEMBER
Review of the business plan for 2024. Organisational development. Evaluation of the work of the Board, the Chief Executive Officer and the corporate management team. Review, BU NOBA.



Remuneration committee

The duty of the remuneration committee is to examine the principles for remuneration, including performance-based remuneration and pension terms for the company's senior executives, and to give recommendations to the Board concerning these issues. Issues relating to the Chief Executive Officer's terms of employment, remuneration and benefits are prepared by the remuneration committee and decided upon by the Board of Directors. This committee also discusses the general starting points for setting salary levels within the Group.

More information on remuneration to the Chief Executive Officer and other corporate executive staff can be found in the annual report, Note 9.

The remuneration committee comprises two Board members and has held two minuted meetings during the year, as well as maintaining constant contact by telephone and e-mail.

Audit committee

The job of the audit committee is to prepare Board work on quality assurance of the company's financial reporting. This committee maintains constant contact with the company's external auditors in order to stay abreast of the focus and scope of the audit and discuss views on the company's risks. Decisions by the Board are required for non-audit services from the selected auditor that exceed SEK 500 thousand. Total fees for non-audit services must not exceed 70 per cent of the budgeted audit fee. This committee is also tasked with providing its evaluation of the audit work to the nomination committee and with assisting the nomination committee with production of the nomination committee's proposals to the Annual General Meeting concerning the election of auditors and the size of the audit fee. The committee also deals with issues related to internal control, risks, insurance and GDPR.

After the 2023 Annual General Meeting, the audit committee comprises two Board members. The Chair of the audit committee prepares and convenes the meetings of the audit committee.

The audit committee has held five minuted meetings during the year, as well as maintaining constant contact by telephone and email.

M&A committee

The committee's job is to prepare the Board's work on acquisitions in accordance with the company's acquisition strategy. This work includes evaluating potential acquisition candidates and assisting the management in matters such as financing, business valuation and pipeline of potential acquisitions.

During the year, the M&A committee consisted of two Board members and held eight meetings for which minutes were kept.

External auditors

The Annual General Meeting which was held on 4 May 2023 elected the firm of auditors Öhrlings PricewaterhouseCoopers AB (PwC), with Nicklas Kullberg as principal auditor, for the period up to the 2024 Annual General Meeting.

The auditors review the Board's and the Chief Executive Officer's management of the company and the quality of the company's accounts documentation.

The auditors' report on the results of their review to shareholders by means of the audit report, which is presented at the Annual General Meeting. In addition, the auditors submit detailed reports at the meetings of the audit committee with the committee and to the Board of Directors at least once a year.

The company's half-yearly and nine-monthly reports have not been reviewed by the auditors. This is a deviation from the recommendation in the Swedish Code of Corporate Governance. The Board is of the opinion that any such review on the basis of a cost perspective is not necessary, given the company's degree of complexity and business risks.

PwC performs certain services for Proact in addition to audits. When PwC is engaged to provide services other than auditing, this takes place in accordance with the rules decided upon by the audit committee for approval of the nature and scope of the services and remuneration for the same. Proact is of the opinion that execution of these services is within the guidelines and has not impacted upon PwC's independence.

Further information on remuneration to the auditors can be found in the annual report, Note 8.

Chief Executive Officer and Group executive

Jonas Hasselberg has been Chief Executive Officer and President of Proact IT Group AB since 1 September 2018. Jonas Hasselberg holds a Master of Science degree in Engineering Physics from KTH Royal Institute of Technology and has experience of senior positions at Telia Company, Nokia, Mycronic and Microsoft. Jonas Hasselberg owned 35,411 shares in the company as at 31 December 2023. Jonas Hasselberg has no significant shareholdings or co-ownership in companies with which Proact has significant business relationships.

The Chief Executive Officer manages operations in accordance with the instructions of the Board of Directors and the approved distribution of work between the Board and the Chief Executive Officer. The Chief Executive Officer is responsible for keeping the Board informed and for ensuring that the Board is provided with the requisite decision data. The Chief Executive Officer presents reports to the Board but is not a Board member. This is in accordance with applicable policy, in which neither the Chief Executive Officer nor another senior executive has to be a Board member in the parent company. In ongoing contact, the Chief Executive Officer keeps the Chair informed of the development and financial position of the company and the Group besides providing periodic reporting.

The Chief Executive Officer and other members of the corporate executive hold regular meetings in order to review results development, update forecasts and plans, and make decisions on various issues.

As at 31 December 2023, Proact's Group executive consisted of the Chief Executive Officer and eight other senior executives.

The subsidiaries running operations report to the relevant Business Unit Directors, who in turn report directly to the Chief Executive Officer. Reporting takes place on a monthly basis, with more in-depth quarterly reviews of the operations in question. The Boards of Directors of the subsidiaries principally consist of members of Proact's Group executive. Chair positions at the subsidiaries are held either by the Chief Executive Officer of Proact IT Group AB or by the relevant Business Unit Directors.

Remuneration to senior executives

The Annual General Meeting held on 6 May 2020 adopted the Board's proposal concerning guidelines for remuneration to senior executives, which should apply until the 2024 Annual General Meeting, unless circumstances arise that necessitate revision of this at an earlier stage. These guidelines include the Chief Executive Officer and the corporate management team. The guidelines must promote the company's business strategy, long-term interests and sustainability.

Provision of information

Proact endeavours to maintain communication with its shareholders and other stakeholders which is correct, clear, factual, reliable and quick. It must also be characterised by openness.

Proact regularly publishes interim reports and annual reports in Swedish and English. Events which are deemed to affect rates are published as press releases. The Proact website also includes a wide range of company information which is updated regularly.

In addition, Proact communicates with the capital market and the media by means of meetings with analysts and journalists in connection with the publication of the interim reports and annual reports. Representatives of Proact also take part regularly in various meetings of shareholders and analysts.

The Board's internal control report
Control environment

Internal controls at Proact are based on a control environment which includes organisation, decision paths, authorisations and responsibilities. This is documented and communicated in steering documentation such as internal policies, guidelines and instructions. For example, this is applicable to the distribution of work between the Board of Directors and the Chief Executive Officer, and between the various units within the organisation, and also via instructions for rights of authorisation, accounting and reporting, etc. The Board follows up to ensure compliance with set principles for financial reporting and internal controls, and also maintains the appropriate relationships with the company's auditors.

The corporate executive reports to the Board based on established procedures. The corporate executive is responsible for the system of internal controls which is required for handling significant risks in ongoing operations. For example, guidelines and instructions for various officials are compiled in order to reinforce understanding and the importance of their respective roles, and hence also to contribute towards good internal control.

Risk assessment and inspection activities

The Board holds overall responsibility for risk management. Clear organisation and decision-making arrangements aim to create good awareness of risks among employees and well considered risk-taking. The risk assessment includes identification, charting and assessment of risks at all levels within the Group. Activities and reporting take place regularly in order to maintain good internal control, and hence to prevent and detect risks.

Information and communication

Essential guidelines and manuals – such as the Company Handbook and finance policy – affect financial reporting and are updated and communicated regularly to the relevant personnel within the Group. There are both formal and informal information channels for the corporate executive and Board for essential information from employees. For external communication, the company complies with the governing rules discussed previously.

Follow-up

The Board receives monthly financial statements, as well as non-conformance reports relating to the company's profit and position. Extraordinary incidents and emerging risks are also reported each month. The Board regularly evaluates the information submitted by the corporate executive. The work of the Board also includes ensuring that measures are implemented with regard to any shortcomings and proposals for measures which have arisen during external audits. Given the size of the company, there is no separate department for internal audits. Instead, this work is carried out from the Group finance function together with the company's own lawyers. The company performs regular audits of its subsidiaries. The outcome is reported to the CEO, CFO and Board of Directors.

Board of Directors

	Anna Söderblom	Martin Gren	Thomas Thuresson	Erik Malmberg	Annikki Schaeferdiek
Role	Chair	Member	Member	Member	Member
Current position	Teacher and researcher at Stockholm School of Economics.		Chief Executive Officer of Tetra Laval Real Estate AB.	Independent advisor, investor and board work.	Chief Executive Officer of Syster P AB.
Date of birth	1963	1962	1957	1982	1969
Elected	2022	2017	2018	2020	2017
Training	Bachelor's degree in mathematics, Lund University. PhD, Stockholm School of Economics.	Honorary doctorate in entrepreneurship from Lund University of Technology.	Graduate in Business Administration, Lund University BPSE, IMD.	MBA, Stockholm School of Economics.	MSc from the Institute of Technology at Linköping University.
Experience	Board work, senior positions at companies including Nokia, Ericsson, Posten och Industrifonden.	Founder of and advisor to Axis Communications AB.	Board work and Chief Executive Officer at Tetra Laval Real Estate AB, various previous positions at Alfa Laval Group.	Investment Advisory Professional at Triton Advisers (Sweden) AB and share analyst at Goldman Sachs International.	Board work, international experience of the IT/telecoms industry, Chief Executive Officer of Netwise, business area manager at an Ericsson multimedia unit, founder of Syster P.
Other directorships	Director: Länsförsäkringar Liv Försäkringsaktiebolag, BTS Group AB, HAKI Safety, Dedicare AB, Webstep ASA and Chalmers Ventures AB.	Chair: Axis Communications AB. Director: Askero Sagoboks Förlag AB, AB Grenspecialisten, Lumen Radio and H. Lundén Holding AB.	Chair: Terratech Group AB. Director: JM AB and Skiold A/S. Member of the Advisory Board: Solix Group AB.	No other directorships.	Chair: Formpipe Software AB. Director: Syster P AB, Axiell Group AB and Addtech AB.
Independence in respect of Proact, Proact's executive and major owners	Yes	No	Yes	Yes	Yes
Number of shares	8,900	3,237,334	2,500	5,000	4,000

Management



	Jonas Hasselberg	Magnus Lönn	Åsa Regen Jansson
Role	CEO & President, Acting Business Unit Director, UK	Deputy CEO, Business Unit Director, Nordics & Baltics	Acting CFO & VP Investor relations
Date of birth	1967	1974	1970
Employed since	2018	2022	2023
Number of shares	35,411	6,000	–



	Jonas Ekman	Paul de Freene	Maria Gomez
Role	VP Mergers & Acquisitions	VP Services Operation	Business Unit Director, Central
Date of birth	1975	1969	1970
Employed since	2019	2022	2024 (took office on 8 January)
Number of shares	8,905	–	2,000



	Alexander Lechthaler	Madeleine Samuelson	Per Sedihn
Role	Business Unit Director, West	VP People & Sustainability	CTO and VP Portfolio & Technology
Date of birth	1982	1972	1964
Employed since	2011	2022	1994
Number of shares	2,000	3,350	500

Contents

Consolidated statement of comprehensive income

Amounts in SEK thousand	Note	2023	2022
	1		
System revenues		2,698,001	2,861,442
Service revenues		2,144,644	1,889,002
of which support revenue		*595,165*	*513,344*
of which revenue from cloud services		*1,097,359*	*943,844*
of which consulting revenue		*452,120*	*431,814*
Other revenues		4,670	6,379
Total revenues	2.3	**4,847,315**	**4,756,823**
Cost of goods and services sold	5, 6, 7, 9, 13, 14, 19	-3,758,117	-3,704,152
Gross profit	5, 28	**1,089,198**	**1,052,671**
Sales and marketing expenses	9, 13	-504,456	-466,820
Administration expenses	5, 6, 8, 9, 13	-354,988	-325,254
Operating profit	7, 8, 13, 14, 27	**229,754**	**260,597**
Financial income	10	28,518	9,973
Financial expenses	11	-40,000	-26,416
Earnings before tax	14	**218,272**	**244,154**
Income tax	12	-45,179	-52,614
Profit/loss for the year		**173,093**	**191,540**
Other comprehensive income			
Items that can be transferred to profit/loss for the year			
Hedging of net investment in foreign operations		262	29,918
Tax effect of hedging of net investment in foreign operations		-54	-6,163
Translation differences		-4,864	29,465
Total items that can be transferred to profit/loss for the year, after tax		**-4,656**	**53,220**
Total comprehensive income for the year		**168,437**	**244,760**
Profit/loss for the year attributable to:			
Parent Company's shareholders		172,647	191,258
Non-controlling interests	17	446	282
		173,093	**191,540**
Total comprehensive income for the year attributable to:			
Parent Company's shareholders		168,728	244,122
Non-controlling interests		-291	638
		168,437	**244,760**
Earnings per share			
Earnings per share for profit/loss attributable to			
parent company shareholders, before dilution, SEK[1]	31	6.29	6.97
parent company shareholders, after dilution, SEK[1]	31	6.29	6.97
Weighted average number of outstanding shares		27,466,985	27,454,851

1) The company has a long-term performance share scheme which may involve maximum dilution of 1.84 per cent.

Consolidated balance sheet

Amounts in SEK thousand	Note	31 Dec 2023	31 Dec 2022
	1		
ASSETS			
FIXED ASSETS			
Goodwill	5, 15	983,571	983,637
Other intangible assets	5, 15	177,310	230,729
Tangible fixed assets	5, 16	74,098	74,167
Right-of-use assets	27	245,219	292,680
Other non-current receivables	18, 21, 27	544,605	548,185
Deferred tax receivables	12	22,453	25,590
TOTAL FIXED ASSETS		**2,047,256**	**2,154,988**
CURRENT ASSETS			
Inventories	19	15,442	64,065
Accounts receivable	14, 20	717,665	849,777
Current tax receivables		6,612	1,757
Other receivables		52,260	53,109
Prepaid expenses and accrued income	21	657,316	612,492
Cash and cash equivalents	26	547,897	505,684
TOTAL CURRENT ASSETS		**1,997,192**	**2,086,884**
TOTAL ASSETS		**4,044,448**	**4,241,872**
EQUITY AND LIABILITIES			
EQUITY	30		
Equity pertaining to the parent company's shareholders			
Share capital (28,001,658 shares, quotient value SEK 0.38)		10,619	10,619
Other capital contributions		297,964	297,964
Other reserves		67,598	71,963
Retained earnings including profit/loss for the year		632,423	538,987
Equity pertaining to the parent company's shareholders		**1,008,604**	**919,533**
Equity pertaining to non-controlling interests	17	**-**	**3,888**
TOTAL EQUITY		**1,008,604**	**923,421**
LIABILITIES			
Non-current liabilities			
Bank loans	24	221,920	440,665
Leasing liabilities		146,092	177,156
Other non-current liabilities	23, 24, 27	775,298	750,416
Deferred tax liabilities	12	58,186	73,121
Non-current liabilities, total		**1,201,496**	**1,441,358**
Current liabilities			
Accounts payable	14	529,970	625,050
Current tax liabilities		25,035	39,957
Bank loans	24	-	-
Leasing liabilities		100,258	113,416
Other liabilities	22, 24	166,028	161,977
Accrued expenses and prepaid income	23	1,013,057	936,693
Current liabilities, total		**1,834,348**	**1,877,093**
TOTAL LIABILITIES		**3,035,844**	**3,318,451**
TOTAL EQUITY AND LIABILITIES		**4,044,448**	**4,241,872**

Consolidated statement of changes in equity

Amounts in SEK thousand, Note 30	Share capital	Other capital contribu-tions	Hedging of net investment in foreign operations	Translation of foreign subsidiaries	Retained earnings, inc. profit/loss for the year	Total	Attributable to non-controlling interests	Total share-holders' equity
	Attributable to the parent company's shareholders							
Opening balance as at 1 January 2022	**10,619**	**297,964**	**33**	**19,066**	**382,930**	**710,611**	**3,249**	**713,860**
Profit/loss for the year	-	-	-	-	191,258	191,258	282	191,540
Other comprehensive income	-	-	23,722	29,142	-	52,864	356	53,220
Total comprehensive income for the year	**-**	**-**	**23,722**	**29,142**	**191,258**	**244,122**	**638**	**244,760**
Transactions with shareholders								
Dividends	-	-	-	-	-41,182	-41,182	-	-41,182
Long-term incentive programme	-	-	-	-	5,984	5,984	-	5,984
Total transactions with shareholders	**-**	**-**	**-**	**-**	**-35,198**	**-35,198**	**-**	**-35,198**
Closing balance as at 31 December 2022	**10,619**	**297,964**	**23,755**	**48,208**	**538,987**	**919,533**	**3,888**	**923,421**
Opening balance as at 1 January 2023	**10,619**	**297,964**	**23,755**	**48,208**	**538,987**	**919,533**	**3,888**	**923,421**
Profit/loss for the year	-	-	-	-	172,647	172,647	446	173,093
Other comprehensive income	-	-	208	-4,127	-	-3,919	-737	-4,656
Total comprehensive income for the year	**-**	**-**	**208**	**-4,127**	**172,647**	**168,728**	**-291**	**168,437**
Transactions with shareholders								
Dividends	-	-	-	-	-50,791	-50,791	-	-50,791
Buy-back of own shares	-	-	-	-	-19,588	-19,588	-	-19,588
Acquisitions from non-controlling interests	-	-	-	-446	-8,427	-8,873	-2,680	-11,553
Sales of non-controlling interests	-	-	-	-	-	-	-917	-917
Long-term incentive programme	-	-	-	-	-3,087	-3,087	-	-3,087
Sold previously repurchased shares	-	-	-	-	2,682	2,682	-	2,682
Total transactions with shareholders	**-**	**-**	**-**	**-446**	**-79,211**	**-79,657**	**-3,597**	**-83,254**
Closing balance as at 31 December 2023	**10,619**	**297,964**	**23,963**	**43,635**	**632,423**	**1,008,604**	**-**	**1,008,604**

Consolidated cash flow statement

Amounts in SEK thousand	Note	2023	2022
	26		
CASH FLOW FROM OPERATIONS FOR THE YEAR			
Operating profit for the year		**229,754**	**260,597**
Adjustment for items not affecting cash flow:			
Reversal of depreciation and impairment of fixed assets	5, 15, 16	228,211	212,576
Financial lease sales	27	32,954	36,714
Reversal of unrealised items		-	746
Reversal of other non-cash items		-9,049	5,725
Changes in provisions		-174	5,254
Income tax paid[1)]	12	-54,651	-46,886
Cash flow from operating activities before changes in working capital		**427,045**	**474,726**
Cash flow from changes in working capital			
Inventories		49,504	-45,131
Operating receivables		64,554	-447,026
Operating liabilities		-9,060	471,688
Cash flow from current operations		**532,043**	**454,257**
INVESTMENT ACTIVITIES			
Acquisition of businesses	17	-7,951	-153,357
Disposals of businesses	26	-12	-
Capital expenditure on tangible fixed assets	16	-44,347	-39,360
Disposals of tangible fixed assets	16	1,064	1,888
Investments in intangible fixed assets	15	-968	-1,648
Decrease, non-current receivables	18	333	396
Increase, non-current receivables	18	-45	-2,540
Cash flow from investment activities		**-51,926**	**-194,621**
FINANCING ACTIVITIES			
Dividends		-50,791	-41,182
Buy-back of own shares		-19,588	-
Borrowing		112,018	95,912
Repaid loans		-336,176	-158,221
Interest earned		10,366	2,905
Interest paid		-25,133	-15,215
Amortisation of leasing debt		-117,971	-133,145
Other cash flow from financing activities		-2,784	1,554
Cash flow from financing activities		**-430,059**	**-247,392**
CASH FLOW FOR THE YEAR		**50,058**	**12,244**
Cash and cash equivalents at start of year		505,684	463,934
Translation difference in cash and cash equivalents		-7,845	29,506
CASH AND CASH EQUIVALENTS AT YEAR-END		**547,897**	**505,684**

1) Income tax SEK 45,179 thousand (52,614).
Net non-cash adjustment and paid tax SEK -9,472 thousand (5,728).

Income statement, parent company

Amounts in SEK thousand	Note	2023	2022
Revenues	4, 14	152,021	139,931
Gross profit	4	**152,021**	**139,931**
Administration expenses	5, 9	-151,896	-144,421
Operating profit	9	**125**	**-4,490**
Financial income	10	187,550	96,721
Financial expenses	11	-45,396	-18,413
Earnings before tax and appropriations	14	**142,279**	**73,818**
Group contribution		-	-
Earnings before tax	14	**142,279**	**73,818**
Income tax	12	-742	-5,064
Profit/loss for the year		**141,537**	**68,754**

Statement of comprehensive income, parent company

Amounts in SEK thousand	2023	2022
Profit/loss for the year	141,537	68,754
Other comprehensive income	-	-
Total comprehensive income for the year	**141,537**	**68,754**

Balance sheet, parent company

Amounts in SEK thousand	Note	31 Dec 2023	31 Dec 2022
ASSETS			
FIXED ASSETS			
Intangible fixed assets	5, 15	8,216	13,837
Tangible fixed assets	5, 16	294	262
Shares in Group companies	17	492,383	491,802
Current receivables from Group companies		640,109	696,997
Other non-current receivables		1,448	-
Deferred tax receivables	12	1,394	1,074
TOTAL FIXED ASSETS		**1,143,844**	**1,203,972**
CURRENT ASSETS			
Current tax receivables		-	-
Current receivables from Group companies	18	81,020	94,115
Other receivables		1,696	1,310
Prepaid expenses and accrued income	21	15,031	13,497
Cash and cash equivalents	26	-	-
TOTAL CURRENT ASSETS		**97,747**	**108,922**
TOTAL ASSETS		**1,241,591**	**1,312,894**
EQUITY AND LIABILITIES			
EQUITY	30		
Restricted equity			
Share capital (28,001,658 shares, quotient value SEK 0.38)		10,619	10,619
Statutory reserve		28,236	28,236
Capitalised development costs		8,216	42,889
Total restricted equity		**47,071**	**81,744**
Non-restricted equity			
Retained earnings		309,444	276,801
Profit/loss for the year		141,537	68,754
Total non-restricted equity		**450,981**	**345,555**
TOTAL EQUITY		**498,052**	**427,299**
LIABILITIES			
Non-current liabilities			
Liabilities to credit institutions	24	221,920	440,665
Liabilities to Group companies	18	12,768	12,581
Non-current liabilities, total		**234,688**	**453,246**
Current liabilities			
Accounts payable		4,957	7,905
Current tax liabilities		3,958	-
Liabilities to Group companies	18, 26	478,401	401,789
Other liabilities	22, 24	8,181	11,696
Accrued expenses and prepaid income	23	13,354	10,959
Current liabilities, total		**508,851**	**432,349**
TOTAL LIABILITIES		**743,539**	**885,595**
TOTAL EQUITY AND LIABILITIES		**1,241,591**	**1,312,894**

Statement of changes in equity, parent company

Amounts in SEK thousand, Note 30	Number of shares	Share capital	Statutory reserve	Capitalised development costs	Retained earnings	Profit/loss for the year	Total share-holders' equity
Transfer of previous year's profit	-	-	-	-	38,468	-38,468	-
Dividends	-	-	-	-	-41,182	-	-41,182
Long-term incentive programme	-	-	-	-	5,984	-	5,984
Reversal of capitalised development costs	-	-	-	1,242	-1,242	-	-
Profit/loss for the year	-	-	-	-	-	68,754	68,754
Closing balance as at 31 December 2022	**28,001,658**	**10,619**	**28,236**	**42,889**	**276,801**	**68,754**	**427,299**
Transfer of previous year's profit	-	-	-	-	68,754	-68,754	-
Dividends	-	-	-	-	-50,791	-	-50,791
Long-term incentive programme	-	-	-	-	-3,087	-	-3,087
Sold previously repurchased shares	-	-	-	-	2,682	-	2,682
Reversal of capitalised development costs	-	-	-	-34,673	34,673	-	-
Buy-back of own shares	-	-	-	-	-19,588	-	-19,588
Profit/loss for the year	-	-	-	-	-	141,537	141,537
Closing balance as at 31 December 2023	**28,001,658**	**10,619**	**28,236**	**8,216**	**309,444**	**141,537**	**498,052**

Cash flow statement, parent company

Amounts in SEK thousand	Note	2023	2022
	26		
CASH FLOW FROM OPERATIONS FOR THE YEAR			
Profit/loss for the year		**141,537**	**68,754**
Adjustment for items not affecting cash flow:			
Depreciation and write-downs of fixed assets	5, 15, 16	6,645	11,061
Write-down of shares in subsidiaries	17	-	-
Other financial items		4,901	20,426
Other adjustments		6,513	5,981
Income tax 1)	12	-1,594	2,937
Cash flow from operating activities before changes in working capital		**158,002**	**109,159**
Cash flow from changes in working capital:			
Operating receivables		9,878	9,627
Operating liabilities		75,801	139,670
Cash flow from current operations		**243,681**	**258,456**
INVESTMENT ACTIVITIES			
Capital expenditure on tangible fixed assets	16	-217	-164
Disposals of tangible fixed assets	16	-	-
Investments in intangible fixed assets	15	-839	-1,392
Changes in non-current receivables	18	49,043	-153,811
Cash flow from investment activities		**47,987**	**-155,367**
FINANCING ACTIVITIES			
Dividends		-50,791	-41,182
Buy-back of own shares		-19,588	-
Borrowing		112,018	95,912
Repaid loans		-336,176	-158,221
Other cash flow from financing activities		2,869	402
Cash flow from financing activities		**-291,668**	**-103,089**
CASH FLOW FOR THE YEAR		**-**	**-**
Cash and cash equivalents at start of year		-	-
CASH AND CASH EQUIVALENTS AT YEAR-END		-	-

1) Income tax SEK 742 thousand (5,064), tax paid SEK 2,336 thousand (2,127).
Net non-cash adjustment and paid tax SEK -1,594 thousand (2,937).

Notes to the accounts

Note 1 ▶ Accounting policies

Corporate information
Proact IT Group AB (publ)
Frösundaviks Allé 1
SE-169 04 Solna, Sweden
Headquarters: Solna, Sweden
Company registration number: 556494-3446

The consolidated accounts and annual report relating to the 2023 financial year for Proact IT Group AB have been prepared by the Board of Directors and Chief Executive Officer, who on 3 April 2024 have approved this annual report and these consolidated accounts for publication. The annual report and consolidated accounts will be submitted to the Annual General Meeting on 7 May 2024 for approval and adoption. The parent company is a Swedish limited company (publ) listed on NASDAQ Stockholm and based in Solna, Sweden. The primary operations of the Group involve offering specialist skills in the field of storage and archiving of large volumes of business-critical information.

Subsidiary information
The following subsidiaries, as companies, a part of the consolidated statements and therefore are exempt from the obligation to prepare notes and, where applicable, a directors' report in accordance with the provisions for companies and to apply the publication provisions under Article 264 (3) of the German Commercial Code (Handelsgesetzbuch, HGB).
Proact IT Germany GmbH, HRB 132327, Hamburg.
Proact Deutschland GmbH, HRB 18320, Nuremberg. Proact IT Germany GmbH owns 100 per cent of the shares in Proact Deutschland GmbH.

General accounting policies
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB), and interpretation pronouncements from the International Financial Reporting Interpretations Committee (IFRIC) as assumed by the EU. In addition, Swedish Financial Reporting Board's recommendation RFR 1 (Supplementary accounting rules for groups) has been applied.

The annual financial statements for Proact IT Group AB have been compiled in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 (Accounting for Legal Entities). Differences between the parent company's and the Group's applied accounting policies stem from the limited opportunities for applying IFRS to the parent company as a consequence of the Annual Accounts Act, and in some cases because of applicable tax regulations.

Significant differences between the Group's and parent company's accounting policies
The parent company is compliant with the same accounting policies as the Group, with the following exceptions. Shares in subsidiaries are reported in the parent company in accordance with the cost method. There may also be Group contributions within the parent company which are reported as appropriations at the parent company. As of the 2016 financial year, the parent company is setting aside capitalised development costs relating to software to the Fund for development costs within restricted equity. This fund is being reduced with depreciation on these capitalised development costs. The parent company reports all leasing as operational leasing.

Uncertain assessments and estimates
The balance sheet includes uncertainty in assessment and estimates, primarily in the items goodwill and deferred tax receivables attributable to loss carry-forwards.

As regards goodwill and intellectual property rights, the write-down test is based on assumptions on the future on the basis of circumstances which are known at the time of testing. When calculating utilisation value of assets assumptions are made about future earnings evolution. Future earnings may not accord with the assumptions made if conditions in the market change without the company executive adapting the organisation and business in accordance with the changed market conditions; in which case future earnings may be worse and thus the need for major adjustments to recorded amounts may arise. More information on write-down testing can be found in Note 15.

Fiscal deficits are capitalised insofar as they are deemed to be potentially usable against future tax profits on the basis of assumptions on future profit development. See Note 12 for further information.

Changes to accounting policies and information
The Group applies the same accounting principles as those described in the annual report for 2022. No new standards have been adopted by the EU, and no amended or revised standards, interpretations and improvements that are to be applied as of 1 January 2023 have resulted in any changes for the Group.

2024 and ahead
IASB has not published any new standards approved by the EU application as of 1 January 2024.

Consolidated accounts
Scope of the Group
The Group includes Proact IT Group AB and all companies over which the parent company has a controlling influence. The Group checks a company when it is entitled to a variable return from its holding in the company and has the opportunity to influence this return through its influence within the company, which normally means that the parent company owns more than 50 per cent of votes for all shares and participations.

Subsidiaries are included in the consolidated financial statements from the day on which controlling influence passes to the Group. They are excluded from the consolidated financial statements from the day on which the controlling influence ceases.

Internal Group transactions, balance sheet items, revenues and expenses on transactions between Group companies are eliminated. Profit or loss arising from intra-group transactions and that are recorded as assets are also eliminated. The accounting policies for subsidiaries have been amended where necessary in order to guarantee consistent application of the Group's principles.

The purchase method
The purchase method is used to report on the Group's operating acquisitions. The purchase price for the acquisition of a subsidiary is made up of the fair value of transferred assets, liabilities and the shares issued by the Group. The purchase price also includes the fair value of all assets or liabilities which are a consequence of a contract on a contingent purchase price. Acquisition-related expenses are reported in the income statement when they arise. Identifiable acquired assets and transferred liabilities in a business combination are initially valued at fair value on the acquisition date. For every acquisition, the Group decides whether all non-controlling interests in the acquired company are recognised at fair value or at the proportional percentage of the net assets of the acquired company.

The amount by which the purchase price, any holding without a controlling influence and the fair value on the acquisition date of earlier shareholdings exceeds the fair value of the Group's share of identifiable acquired net assets is recognised as goodwill. If this amount falls below the fair value for the assets of the acquired subsidiary, in the event of what is known as a "bargain purchase", the difference is recognised directly in the statement of comprehensive income.

Translation of foreign subsidiaries
The consolidated financial statements are presented in Swedish kronor (SEK), which is the parent company's functional currency. All amounts are shown in SEK thousands unless otherwise stated.

Income statement and balance sheet items, including goodwill, of companies with functional currencies other than SEK are translated into SEK. As a result, assets and liabilities are translated at the rate on the balance sheet date and the income statement items at the average rate over the period. Translation differences are presented as a separate item under Other comprehensive income in the statement of comprehensive income. When investments are divested, the previous translation differences are recognised in the statement of comprehensive income as part of capital gains.

Transactions and balance sheet items in a currency other than the functional currency are translated in each operation to the functional currency using the average exchange rate for transactions for the period and the exchange rate as at the balance sheet date for balance sheet items.

Non-controlling interests
Non-controlling interests comprise the part of subsidiary results and net assets which are not directly or indirectly owned by the parent company. The Group handles transactions with non-controlling interests as transactions with the Group's shareholders. In the case of acquisitions from non-controlling interests, the difference between the purchase price paid and the current acquired share of the book value of the subsidiary's net assets is recognised against equity. Profits and losses on divestments to non-controlling interests are also recognised against equity.

In 2010, Proact signed a contract concerning the purchase of 60 per cent of Storyflex Inc. The business is being run under the name Proact Czech Republic, s.r.o. The parties have entered into a contract which meant that Proact had the opportunity/an obligation to acquire the remaining share within three to seven years of the time of acquisition. A further 20 per cent was acquired in 2013, along with a further 6 per cent in 2014. This agreement concerning the opportunity/obligation to acquire the remaining percentage expired in 2018. No agreement concerning buyout has been concluded, which is why the estimated value of the selling options assigned to owners without a controlling influence that were previously recognised as a financial liability in the consolidated balance sheet has been converted into a share of equity that is attributable to owners without a controlling influence. In 2023, the last 14.7 percent of Pract Czech Republic, s.r.o. were acquired which means that Proact IT Group now owns 100 percent of the company. On 28 August 2023, the subsidiary in Lithuania was divested. Including these two transactions, Proact IT Group AB no longer has a holding without controlling influence.

Note 2 ▶ Reporting by segment

The information below is presented from an executive perspective, which means that it is presented in the manner applied in internal reporting. Reportable segments are identified on the basis of internal reporting to the highest executive decision-maker. The Group has identified the Chief Executive Officer as its highest executive decision-maker.

The company manages and reports on results by operating segment, known as Business Units (BUs). Transactions between units take place under market conditions. Total assets/liabilities per segment are not reported to the highest executive decision maker. The same range of products and services is offered within each BU, with the exception of Proact Finance.

The business units are as follows:

Nordics & Baltics:	Denmark, Estonia, Finland, Latvia, Lithuania (divested on 28 August 2023), Norway, Sweden and the USA
UK:	United Kingdom
West:	Belgium and the Netherlands
Central:	Czech Republic and Germany

Financial year 2023	Nordics & Baltics	UK	West	Central	Groupwide	Eliminations	Group
External revenues	2,559,222	652,229	794,805	809,031	32,028	-	4,847,315
Internal revenues	60,036	9,489	28,379	24,123	151,988	-274,015	-
Total revenues	**2,619,258**	**661,718**	**823,184**	**833,154**	**184,016**	**-274,015**	**4,847,315**
Earnings before tax and non-recurring items	**211,606**	**13,204**	**4,670**	**-3,100**	**8,554**	**-**	**234,934**
Non-recurring items [1]	-4,760	-963	-6,450	-2,031	-2,458	-	-16,662
Earnings before tax	**206,846**	**12,241**	**-1,780**	**-5,131**	**6,069**	**-**	**218,272**
Tax							-45,179
Profit/loss for the year							**173,093**

1) This item is not presented in accordance with IFRS, but as it is included in internal reporting the company has opted to include it in the presentation above, see also Note 13.

Financial year 2022	Nordics & Baltics	UK	West	Central	Groupwide	Eliminations	Group
External revenues	2,458,360	699,317	749,392	771,117	78,637	-	4,756,823
Internal revenues	49,805	12,303	56,393	18,104	136,116	-272,721	-
Total revenues	**2,508,165**	**711,620**	**805,785**	**789,221**	**214,753**	**-272,721**	**4,756,823**
Earnings before tax and non-recurring items	**165,242**	**28,268**	**34,358**	**18,415**	**-171**	**-**	**246,112**
Non-recurring items [1]	-	-	-	-5,773	3,815	-	-1,958
Earnings before tax	**165,242**	**28,268**	**34,358**	**12,642**	**3,644**	-	**244,154**
Tax							-52,614
Profit/loss for the year							**191,540**

1) This item is not presented in accordance with IFRS, but as it is included in internal reporting the company has opted to include it in the presentation above, see also Note 13.

Geographical information	2023	2022
External revenues [1] [2]		
Sweden	1,661,086	1,506,782
United Kingdom	652,229	699,317
The Netherlands	710,602	675,903
Germany	769,121	723,220
Other countries	1,054,277	1,151,601
Total	**4,847,315**	**4,756,823**

1) These revenues are attributable to the geography in question, based on the country in which the company is located. There is no other information, e.g. on whether the company has sales to customers in other countries.
2) The section "Risks and risk management" include information stating that an individual customer is responsible for most of the net sales.

Intangible and tangible fixed assets and right-of-use assets	31 Dec 2023	31 Dec 2022
Sweden	250,870	265,188
United Kingdom	322,530	351,454
The Netherlands	274,470	311,782
Germany	548,290	583,457
Other countries	84,038	82,412
Total	**1,480,198**	**1,594,293**

Note 3 ▶ Revenues per sector

ACCOUNTING POLICIES

Revenue recognition
Proact is applying IFRS 15 "Revenue from Contracts with Customers" as of 1 January 2018. The basic principle for revenue reporting is that Proact should report revenues on the basis of the fact that everything commences from a contract concerning the sale of a product or service between two parties. Thus the first action is to identify a customer contract, which generates an asset (rights, i.e. a promise of obtaining remuneration) and a liability (commitment, i.e. a promise to transfer goods/services) for the vendor. The commitments (performance commitments) in the contract are identified and the transaction price is distributed over various commitments, if there is more than one. Income is recognised when the commitment to supply promised goods or services to the customer is fulfilled.

Revenue streams
The Group mainly generates revenues through:
- System sales – sale and installation of hardware and software
- Maintenance and support services
- Independent IT consultancy services
- Cloud services

System sales
Every item of hardware and software is a separate performance undertaking. Income from the sale of hardware and software is recognised when Proact has transferred all material risks and benefits associated with ownership of the product, i.e. when the customer takes control of hardware and/or software. In most cases this is at the time of transferring legal ownership and when the goods are physically handed over to the purchaser. The sale has not been completed in cases where material risks associated with the ownership of the goods remain. The income is recognised only when the sale has been completed.

Invoicing takes place at the time of delivery, or in certain cases at the time of approval of the deliverable. Customer does not have the right to return hardware or software after the time of delivery or approval of the deliverable. The payment terms are normally between 30 and 90 days. Proact has no guarantee obligations to the customer.

Proact acts as the principal for the sale of supplier guarantees and maintenance. Income and expenses for this are recognised gross in the income statement and on a straight-line basis over the contract period.

Services
Maintenance and support income
Maintenance and support income stems mainly from fixed price service agreements. Maintenance and support are two different performance commitments, and the income is recognised on a straight-line basis over the contract period.

IT consultancy services
IT consultancy services have been divided into six different performance commitments: Analysis and Design, Implementation (Installation, Project Management, Documentation, Training) and Operation.

Proact sells consultancy services with three different charging options: current account, fixed price and time banks. Income is reported as the work is carried out in the case of sales on a current account basis. Fixed price projects, or capped current account, are recognised as they are completed. Of the estimated total income for a project, during each period the proportion settled corresponds to the share of estimated total costs accumulated during the period. Time banks are billed in advance and income is recognised as consultancy hours are used.

Cloud services
Income from cloud services has been divided into five different performance commitments: Service Management, Premium Support Plus, Customer Support, Private Cloud and Shared Cloud.

Income from cloud service activities is recognised when the performance commitments are fulfilled, which normally takes place on a straight-line basis over the term of the contract. If the cloud services are sold together with installation, any income for installation and costs for installation are reported on a straight-line basis over the term of the contract.

Proact charges cloud services on the basis of two different measurement methods: a fixed basic charge and a fixed price per unit for any usage in excess of an agreed volume included in the fixed basic charge.

The various services (performance commitments) included in a cloud service offering can be recognised as a single performance commitment if the services mean that all performance commitments are fulfilled over the same period. In these cases, the income is recognised for the charge per unit that is charged to the customer on a monthly basis.

If any performance commitment – such as customer support – is performed over any period of time, part of the income per unit must be allocated to that service and recognised when this performance commitment is fulfilled.

Volume discounts
Proact has contracts with customers for the storage of data where the pricing model means that the customer pays a certain price per GB stored. The contract includes volume discounts where the price per GB is reduced for every additional GB stored if the customer exceeds certain levels during the specific measurement period (month/quarter). With these contracts, the customer is charged monthly for a minimum capacity (GB).

Income and usage measured on a monthly basis
With use of storage space (GB) measured on a monthly basis, the amount of income to which Proact is entitled for the period is determined at the end of the month. The income is recognised on the basis of the amount invoiced during the month.

Income and usage measured on a quarterly basis
Proact has to calculate performance-related pay for volume discounts (price per GB) where usage is measured per quarter. Proact has to estimate how many GB the customer will use during the period, and hence how much expected remuneration is to be recognised.

Rental income
Income from leasing operations is generated on an ongoing basis, and rental income is recognised on a straight-line basis over the rental period. Sale of leasing income amounts to SEK 31,987 thousand (43,065). These are included in the Group-wide segment report.

Composite customer contracts
Sales in the form of what are known as composite customer contracts, which may include hardware, software and service in a single contract, are common in the Group's business. If the contract includes various services and/or products and services (a composite customer contract), it is necessary to calculate distribution of the transaction price between each service and product (performance commitment) promised in the contract on the basis of the independent selling price of the products and services. More information on the various performance commitments that can be included in a composite contract is provided above, and when income is recognised for each performance commitment.

Costs for obtaining customer contracts
Costs for obtaining customer contracts are capitalised in accordance with IFRS 15. In Proact's case, this relates to sales commissions only. The costs are then charged to expenses over the period that Proact believes the customer will remain with Proact. For 2023, expensed sales commissions for obtaining customer contracts amounted to SEK 17,395 thousand (14,798).

	Group	
Revenues per operating segment	**2023**	**2022**
System sales	2,698,001	2,861,442
Service operations	2,144,644	1,889,002
of which support revenue	*595,165*	*513,344*
of which revenue from cloud services	*1,097,359*	*943,844*
of which consulting revenue	*452,120*	*431,814*
Other revenues	4,670	6,379
Total	**4,847,315**	**4,756,823**

	Group	
Revenues per operating segment	**2023**	**2022**
Nordics & Baltics	2,619,258	2,508,165
UK	661,723	711,620
West	823,186	805,785
Central	833,155	789,221
Groupwide	184,008	214,753
Eliminations	-274,015	-272,721
Total	**4,847,315**	**4,756,823**

	Group	
Revenues per sector	**2023**	**2022**
Public sector	1,570,339	1,272,937
Retail and wholesale trade and services	987,683	970,299
Manufacturing industry	356,087	675,200
Telecoms	531,980	425,783
Banking, finance	293,677	312,847
Energy	266,049	251,155
Media	128,307	113,261
Other details	713,193	735,341
Total	**4,847,315**	**4,756,823**

Note 3 – *Continued*

Contract assets [1)]	Group Opening balance 2023	Total system and service revenues for the year	*of which revenues attributable to performance commitments fulfilled and invoiced during the year*	Contract assets settled during the year, attributable to performance commitments fulfilled in previous years	Remaining contract assets, attributable to performance commitments fulfilled in previous years	Additional contract assets, attributable to performance commitments fulfilled during the year	Closing balance 2023
Accrued system revenues	6,799	2,698,001	*2,692,529*	-6,799	-	5,472	5,472
Accrued service revenues	114,122	2,144,644	*2,022,133*	-37,797	76,325	46,186	122,511
Total contract assets	**120,921**						**127,983**

1) There have been no provisions or write-downs relating to contract assets in 2023.

Contract assets [1)]	Group Opening balance 2022	Total system and service revenues for the year	*of which revenues attributable to performance commitments fulfilled and invoiced during the year*	Contract assets settled during the year, attributable to performance commitments fulfilled in previous years	Remaining contract assets, attributable to performance commitments fulfilled in previous years	Additional contract assets, attributable to performance commitments fulfilled during the year	Closing balance 2022
Accrued system revenues	5,513	2,861,442	*2,854,643*	-5,513	-	6,799	6,799
Accrued service revenues	44,591	1,889,002	*1,774,880*	-27,359	17,232	96,890	114,122
Total contract assets	**50,104**						**120,921**

1) There have been no provisions or write-downs relating to contract assets in 2022.

Contract liabilities	Group Opening balance 2023	Total system and service revenues for the year	*of which taken up as income, attributable to contracts concluded in previous years*	*of which taken up as income, attributable to contracts concluded during the year*	Deferred revenues, attributable to contracts concluded during the year	Deferred revenues, attributable to contracts concluded during the year	Closing balance 2023
Deferred system revenues	605,531	2,698,001	*334,547*	2,363,454	360,640	340,902	701,542
Deferred service revenues	755,753	2,144,644	*364,460*	1,780,184	370,905	492,996	863,901
Total contract liabilities	**1,361,284**						**1,565,443**

Contract liabilities	Group Opening balance 2022	Total system and service revenues for the year	*of which taken up as income, attributable to contracts concluded in previous years*	*of which taken up as income, attributable to contracts concluded during the year*	Deferred revenues, attributable to contracts concluded during the year	Deferred revenues, attributable to contracts concluded during the year	Closing balance 2022
Deferred system revenues	591,146	2,861,442	*327,865*	2,533,577	291,874	313,657	605,531
Deferred service revenues	536,451	1,889,002	*331,511*	1,557,491	196,156	559,597	755,753
Total contract liabilities	**1,127,597**						**1,361,284**

Long-term contracts with performance commitments that are not yet fulfilled or are partially unfulfilled, are expected to generate revenues:	within 1 year	within 1-2 years	3 years and later	Total agreed revenues for performance commitments that are not yet fulfilled or are partially unfulfilled
Expected system revenues	376,332	170,843	199,874	747,049
Expected service revenues	721,825	320,178	280,920	1,322,923
Total	**1,098,157**	**491,021**	**480,794**	**2,069,972**

Note 4 ▶ Intra-Group purchases and sales

Of the parent company's total purchasing expenses and sales income, SEK 58,770 thousand (54,859), 41 per cent (41), refers to purchasing and SEK 151,988 thousand (136,116), 100 per cent (97), refers to sales to other Group companies.

Note 5 ▶ Depreciation and write-down of fixed assets

	Group		Parent company	
	2023	2022	2023	2022
Depreciation/write-downs included in expenses for sold goods and services				
Depreciation				
– Intangible assets	49,173	41,439	-	-
– Tangible assets	9,570	14,097	-	-
– Spare parts and demonstration equipment	2,148	2,534	-	-
– Right-of-use assets	99,631	88,591	-	-
Write-downs				
– Intangible assets	-	3,815	-	3,815
Depreciation included in administration expenses				
– Intangible assets	6,508	7,238	6,460	6,855
– Tangible assets	24,212	18,959	185	391
– Right-of-use assets	36,867	35,903	-	-
Total	**228,109**	**212,576**	**6,645**	**11,061**

Note 6 ▶ Research and development costs

No research and development costs relating to services or products were specifically charged to income or capitalised during the year.

Note 7 ▶ Operating expenses

The difference between total revenues and recognised operating profit is explained by the following expense items:

	Group	
Operating expenses by expense type	2023	2022
Product cost	2,864,708	2,875,397
Other expenses	214,254	196,052
Personnel expenses	1,310,468	1,212,201
Depreciation and write-downs	228,131	212,576
Total operating expenses	**4,617,561**	**4,496,226**

Note 8 ▶ Information about auditor's remuneration

Auditing assignments are the statutory review of the annual report and bookkeeping and administration by the Board of Directors and Chief Executive Officer.

The above statutory assignments include other quality assurance services to be implemented in accordance with statute, the articles of association, regulations or contracts.

Tax advice includes both advice and review of compliance of tax. Other services are other assignments.

	Group		Parent company	
Fees and remuneration	2023	2022	2023	2022
Öhrlings PricewaterhouseCoopers AB [1]				
Audit assignments	5,467	4,748	1,217	900
Other statutory assignments	23	-	-	-
Tax advice	-	-	-	-
Other services	109	-	50	-
Other auditors				
Audit assignments	687	619	-	-
Tax advice	158	-	-	-
Other services	110	-	-	-
Total	**6,554**	**5,367**	**1,267**	**900**

1) Öhrlings PricewaterhouseCoopers AB have been the selected auditors since the 2017 Annual General Meeting.

Of audit assignments, SEK 1,785 thousand (1,877) relates to PwC Sweden; of Other statutory assignments, SEK 0 thousand (0) relates to PwC Sweden; of Tax advice fees, SEK 0 thousand (0) relates to PwC Sweden; and of Fees for other services, SEK 50 thousand (0) relates to PwC Sweden.

Note 9 ▶ Average number of employees, salaries, other remuneration and social costs, etc.

ACCOUNTING POLICIES

Employee benefits

Pensions

In defined contribution plans the Group pays contributions to a separate legal entity. The contributions are charged to income as they arise. The Group has no legal obligations other than paying something above the ongoing contributions.

The Group has no defined benefit pension plans.

Severance pay

The Group reports expenses for severance pay in the statement of comprehensive income when it is demonstrably obliged either to give notice to employees in accordance with a detailed formal plan without the option of recall, or to provide compensation as a result of an offer made to encourage voluntary resignation from employment. Benefits due more than 12 months after the balance sheet date are discounted to net present value.

Bonus programme

Where there are legal commitments the Group recognises a liability and a cost for bonuses based on a formula that allows for sales and/or gains in accordance with the company's bonus models.

Note 9 – *Continued*

Average number of employees	Average number 2023	Average number 2022	of which women 2023	of which women 2022	of which men 2023	of which men 2022
Parent company						
Sweden	20	18	9	8	11	10
Subsidiaries						
Sweden	201	219	20	28	182	191
Norway	40	40	8	8	32	32
Finland	34	33	3	3	32	30
Denmark	14	15	-	1	14	14
Latvia	13	13	4	4	9	9
Lithuania	7	12	2	3	5	9
Estonia	16	18	3	4	13	14
Czech Republic	14	15	4	4	10	11
The Netherlands	281	282	42	41	239	241
Belgium	18	19	1	2	17	17
Spain	-	2	-	-	-	2
Germany	244	231	58	59	186	172
United Kingdom	253	249	56	56	197	193
USA	-	-	-	-	-	-
Total subsidiaries	**1,134**	**1,146**	**200**	**211**	**934**	**935**
Group total	**1,154**	**1,165**	**209**	**219**	**945**	**945**

Board members and senior executives	Number 2023	Number 2022	of which women 2023	of which women 2022	of which men 2023	of which men 2022
Group and parent company						
Board members and Chief Executive Officer/ President	6	6	2	2	4	4
Other senior executives	10	10	2	2	8	8

Salaries, remuneration and payroll overheads	Salaries and remuneration to the Board of Directors and Chief Executive Officer (of which bonuses, etc.) 2023	2022	Salaries and remuneration to other employees 2023	2022	Salaries and remuneration Total 2023	2022	Payroll overheads (of which pension expenses) 2023	2022
Parent company	8,237	8,649	23,125	26,544	31,362	35,193	16,419	16,719
	(1,244)	(2,406)			(1,244)	(2,406)	(5,851)	(4,976)
Subsidiaries	33,993	34,214	949,335	866,048	983,328	900,262	238,257	222,582
	(5,509)	(7,801)			(5,509)	(7,801)	(60,594)	(53,467)
Group total	**42,230**	**42,863**	**972,460**	**892,592**	**1,014,690**	**935,455**	**254,676**	**239,301**
	(6,753)	(10,207)			(6,753)	(10,207)	(66,445)	(58,443)

Remuneration to the Board of Directors and senior executives

	Directors' fees[1] 2023	2022	Committee fees[1] 2023	2022	Total fees 2023	2022
Chairman of the Board Eva Elmstedt (until May 2022)	-	229	-	46	-	275
Chairman of the Board Anna Söderlund (from May 2022)	584	335	110	64	694	399
Board member Martin Gren	273	262	60	60	333	322
Board member Annikki Schaeferdiek	273	262	-	-	273	262
Board member Thomas Thuresson	273	262	115	115	388	377
Board member Erik Malmberg	273	262	115	115	388	377
Total	**1,675**	**1,612**	**400**	**400**	**2,075**	**2,012**

1) Relates to the actual fee for the calendar year in question according to a resolution by the Annual General Meeting.

	Chief Executive Officer 2023 Jonas Hasselberg	Chief Executive Officer 2022 Jonas Hasselberg	Deputy CEO[1] 2023 Magnus Lönn	Deputy CEO[1] 2022 Magnus Lönn	Other senior executives 2023	Other senior executives 2022
Set salaries	4,411	4,201	624	-	21,975	18,417
Performance-related pay	597	1,545	210	-	1,660	3,453
Benefits [2]	1,071	26	9	-	3,687	712
Pension costs	1,330	1,273	76	-	1,872	1,748
Severance pay	-	-	-	-	-	-
Total	**7,410**	**7,045**	**919**	**-**	**29,194**	**24,330**

1) The role of Deputy CEO was established on 1 October 2023
2) Includes preference shares regarding the long-term incentive programme LTI 2020

Note 9 *– Continued*

All Group companies have only defined contribution pension plans. The Chief Executive Officer's pension premium is equivalent to 30 per cent of his set annual salary. The variable element of the salary provides no entitlement to a pension. Retirement age is 65. The Chief Executive Officer's pensionable salary for the year amounted to SEK 4,411 thousand (4,201). There are no other pension liabilities besides the paid-in pension contributions. The company must give the Chief Executive Officer nine months' notice of termination of employment, and the Chief Executive Officer must give the company six months' notice. If employment is terminated by the company, severance pay of nine months' basic salary will also be payable to the Chief Executive Officer. The severance pay must be offset against any payment from a new employer. The variable element of the Chief Executive Officer's salary is based on the company's growth and profit, as well as employee-related targets.

There were ten (ten) other senior executives, including Deputy CEO, in 2023. Of the other senior executives, six people are employed by the parent company and four people are employed by subsidiaries. Proact's pension terms in accordance with a defined-contribution pension plan are applicable to other senior executives. The variable element of the salary entitles the incumbent to a pension in some cases, and retirement age is 65. The pensionable salary for the Deputy CEO amounted to SEK 624 thousand (-) and for other senior executives amounted to SEK 17,574 thousand (16,164) for the year. There are no other pension liabilities besides the paid-in pension contributions. The company must give other senior executives 3-9 months' notice of termination of employment, and other senior executives must give the company 3-6 months' notice. Should the company give notice to terminate their employment, other senior executives are entitled to severance pay of 0-12 months' salary.

The variable element of the salaries of other senior executives is based on growth, earnings and employee-related targets both locally and within the Group.

During the year, Mark van Liempt Business Unit Director West, René Schülein Business Unit Director Central and Danny Duggal VP Commercial & Communications have left the group management. Alexander Lechthaler has taken office the role of Business Unit Director West and is part of the group management.

Queries relating to remuneration and benefits to the Chief Executive Officer and other senior executives will be dealt with by the Board of Directors and its remuneration committee.

Long-term incentive programme

The 2020 Annual General Meeting decided to introduce a long-term incentive programme in the form of a performance share programme, LTI 2020. This programme will run from 2020 until April 2023. The programme was designed for 17 senior executives and other key personnel. Participation in LTI 2020 requires participants to own a certain number of shares in Proact throughout the entire period, and they must also be employed by Proact throughout the entire period and at the time of allocation. The Chief Executive Officer can invest 900 shares (equivalent to 2,700 after the 2021 split), senior management 450 shares (equivalent to 1,350 after the 2021 split) and other key employees 340 shares (equivalent to 1,020 after the 2021 split). All participants have the same performance targets. The number of shares allocated will be dependent on how well the performance targets are met. Participants can be assigned a maximum of five new shares in Proact IT Group AB for every share with which they participate if the performance targets defined by the Board in respect of net revenues, profit per share and return on capital employed for 2022 are met. The shares will be allocated after the first quarterly report for 2023 is published. In 2023, the 2020 incentive programme expired. Target fulfillment for the program amounted to 98 percent of the maximum level and resulted in an allocation of 4.92 shares per invested share.

The 2021 Annual General Meeting decided to introduce a long-term incentive programme in the form of a performance share programme, LTI 2021. This programme will run from 2021 until April 2024. The programme was designed for 17 senior executives and other key personnel. Participation in LTI 2021 requires participants to own a certain number of shares in Proact throughout the entire period, and they must also be employed by Proact throughout the entire period and at the time of allocation. The Chief Executive Officer can invest up to 900 shares (equivalent to 2,700 after the 2021 split), senior management up to 450 shares (equivalent to 1,350 after the 2021 split) and other key employees up to 340 shares (equivalent to 1,020 after the 2021 split). All participants have the same performance targets. The number of shares allocated will be dependent on how well the performance targets are met. Participants can be assigned a maximum of five new shares in Proact IT Group AB for every share with which they participate if the performance targets defined by the Board in respect of net revenues, profit per share and return on capital employed for 2023 are met. The shares will be allocated after the first quarterly report for 2024 is published. A maximum of 123,000 performance shares can be awarded to participants in the programme.

The 2022 Annual General Meeting decided to introduce a long-term incentive programme in the form of a performance share programme, LTI 2022. This programme will run from 2022 until May 2025. The programme was designed for 19 senior executives and other key personnel. Participation in LTI 2022 requires participants to own a certain number of shares in Proact throughout the entire period, and they must also be employed by Proact throughout the entire period and at the time of allocation. The CEO is able to invest up to 2,700 shares, the corporate management team up to 1,350 shares and other key personnel up to 1,020 shares. All participants have the same performance targets. The number of shares allocated will be dependent on how well the performance targets are met. Participants can be assigned a maximum of five new shares in Proact IT Group AB for every share with which they participate if the performance targets defined by the Board in respect of net revenues, profit per share and return on capital employed for 2024 are met. The shares will be allocated after the first quarterly report for 2025 is published. A maximum of 122,000 performance shares can be awarded to participants in the programme.

The 2023 Annual General Meeting decided to introduce a long-term incentive programme in the form of a performance share programme, LTI 2023. The programme runs in 2023 until May 2026. The programme was aimed at approx. 21 senior executives and other key personnel. Participation in LTI 2023 presupposes that participants own a certain number of shares in Proact throughout the term and partly that the participants are employed by Proact during the entire period and at time of award. The CEO can invest up to 4,000 shares, company management up to 2,000 shares and other key personnel up to 1,250 shares. All participants have the same performance goals. The number of shares awarded depends on how well performance targets are met. For each share participant participates with participants can be awarded a maximum of seven new shares in Proact IT Group AB if they of the board set the performance targets regarding net income, profit per share and return on capital employed in 2025 are met. Allocation takes place after the first quarterly report for 2026 is published. The maximum the number of performance shares that can be allocated to the participants in the programme amounts to to 256,000 shares.

The cost of the share-based compensation is based on fair value on the grant date and is reported over the vesting period, in line with the earnings plan.

Options

There are no option programmes.

Proact shareholdings of the Board of Directors, the Chief Executive Officer and other senior executives

Board of Directors	Shareholding in Proact 31 Dec 2023
Anna Söderblom	8,900
Martin Gren [1])	3,237,334
Annikki Schaeferdiek	4,000
Thomas Thuresson	2,500
Erik Malmberg	5,000

1) Holding personally and via legal entity.

Chief Executive Officer and other senior executives	Shareholding in Proact 31 Dec 2023
Jonas Hasselberg (CEO and President)	35,411
Linda Höljö	6,950
Jonas Ekman	8,905
Paul de Freene	-
Alexander Lechtaler	2,000
Magnus Lönn	6,000
Madeleine Samuelson	3,350
Per Sedihn	500
Martin Thompson	6,219

Note 10 ▶ Financial revenues

	Group		Parent company	
	2023	2022	2023	2023
Interest income	12,368	6,456	8,860	2,702
Interest income from Group companies	-	-	38,007	15,799
Income from participations in Group companies	-	-	140,675	49,527
Other items	16,150	3,517	-	28,693
Total	**28,518**	**9,973**	**187,542**	**96,721**

The Group's entire interest income is attributable to loans and receivables. For shares in Group companies, see also Note 17.

Note 11 ▶ Financial expenses

	Group		Parent company	
	2023	2022	2023	2022
Interest expenses	29,520	20,127	17,027	12,065
Interest expenses to Group companies	-	-	23,597	5,063
Exchange rate differences	1,747	460	1,918	-
Other items	8,733	5,829	2,854	1,285
Total	**40,000**	**26,416**	**45,396**	**18,413**

All of the Group's interest expenses are attributable to loans and other liabilities.

Note 12 ▶ Income tax

ACCOUNTING POLICIES

Taxes
Deferred taxes are calculated according to the balance sheet method for all temporary differences that arise between the carrying value and the tax-related value of assets and liabilities. Deferred tax assets including as yet unexercised tax loss carryforwards are recognised only if it is deemed that they can be exercised. Deferred tax liabilities/tax assets are reassessed each year at the current tax rate and reported in the consolidated statement of comprehensive income as part of tax for the year. Tax liabilities/tax assets are assessed at nominal amounts and in accordance with the applicable tax rules and rates. Net deferred tax assets and deferred tax liabilities are recognised if they relate to the same tax authority.

	Group		Parent company	
Tax expense (-)/tax income (+)	2023	2022	2023	2022
Current tax for the year	-56,759	-76,411	-899	-6,016
Adjustment relating to previous years' tax	-339	-2,957	-163	-
Deferred tax	11,919	26,754	320	952
Tax in the income statement	**-45,179**	**-52,614**	**-742**	**-5,064**

During the year, the Group paid tax of SEK 54,651 thousand (46,866), and SEK 13 thousand (2,127) for the parent company.

	Group		Parent company	
Reconciliation of effective tax	2023	2022	2023	2022
Reported profit before tax	218,272	244,154	142,279	73,818
Tax for the parent company, based on Swedish 20.6 per cent (20.6) tax rate	-44,964	-50,296	-29,309	-15,206
Difference attributable to foreign tax rates	-3,470	-2,175	-	-
Non-deductible expenses	-61,141	-23,165	-1,866	-61
Non-taxable income	64,273	20,338	30,597	10,203
Losses for the year for which no deferred tax claims have been capitalised	-4,680	-4,942	-	-
Tax effect for the year relating to capitalised unused loss carry-forwards from previous years	800	7,492	-	-
Tax effect for the year relating to non-capitalised unused loss carry-forwards from previous years	3,909	2,430	-	-
Adjustment relating to previous years' tax	347	-2,714	-	-
Adjustment relating to previous years' deferred tax	-	-167	-	-
Other taxes	-253	585	-164	-
Tax expense (-)/tax income (+)	**-45,179**	**-52,614**	**-742**	**-5,064**

Note 12 *– Continued*

Deferred tax assets and tax liabilities
There are temporary differences in cases of differences between the reported tax values of assets or liabilities. The Group's temporary differences and loss carry-forwards have resulted from deferred tax liabilities and deferred tax assets associated with the following items:

2023 Deferred tax assets	**Opening balance**	**Deferred tax reported in income statement (+ income/- expense)**	**Recognised in other compre-hensive income**	**Deferred tax reported in balance sheet**	**Exchange rate differences**	**Closing balance**
Unused loss carryforwards	6,711	-1,912	-	-	34	4,833
Goodwill	-	-	-	-	-	-
Other intangible assets	896	351	-	-	-	1,247
Tangible fixed assets	16,903	-2,034	-	-	-21	14,848
Hedging of net investment in foreign operations	-	-	-54	54	-	-
Provisions	-499	1,073	-	-	7	581
Other details	1,709	-718	-	-	-48	943
Net reporting	-130	130	-	-	-	-
Total deferred tax assets	**25,590**	**-3,110**	**-54**	**54**	**-28**	**22,452**

2023 Deferred tax liabilities	**Opening balance**	**Deferred tax reported in income statement (- income/+ expense)**	**Recognised in other compre-hensive income**	**Deferred tax reported in balance sheet**	**Exchange rate differences**	**Closing balance**
Goodwill	7,080	-4,384	-	-	-55	2,641
Other intangible assets	58,695	-12,457	-	-148	312	46,402
Tangible fixed assets	-474	-18	-	-	-6	-498
Provisions	1,640	268	-	-	-8	1,900
Other details	6,310	1,432	-	-	-1	7,741
Net reporting	-130	130	-	-	-	-
Total deferred tax liabilities	**73,121**	**-15,029**	**-**	**-148**	**242**	**58,186**

2022 Deferred tax assets	**Opening balance**	**Deferred tax reported in income statement (+ income/- expense)**	**Recognised in other compre-hensive income**	**Deferred tax reported in balance sheet**	**Exchange rate differences**	**Closing balance**
Unused loss carryforwards	2,280	4,050	-	-	381	6,711
Goodwill	-	-	-	-	-	-
Other intangible assets	-53	949	-	-	-	896
Tangible fixed assets	14,236	2,650	-	-	17	16,903
Hedging of net investment in foreign operations	-	-	6,163	-6,163	-	-
Provisions	-878	267	-	44	68	-499
Other details	1,437	242	-	-	30	1,709
Net reporting	-156	42	-	-	-16	-130
Total deferred tax assets	**16,866**	**8,200**	**6,163**	**-6,119**	**480**	**25,590**

2022 Deferred tax liabilities	**Opening balance**	**Deferred tax reported in income statement (- income/+ expense)**	**Recognised in other compre-hensive income**	**Deferred tax reported in balance sheet**	**Exchange rate differences**	**Closing balance**
Goodwill	10,556	-3,871	-	-	395	7,080
Other intangible assets	52,892	-10,425	-	11,507	4,721	58,695
Tangible fixed assets	-463	23	-	-18	-16	-474
Provisions	-265	1,840	-	-3	68	1,640
Other details	6,619	-	-	-319	10	6,310
Net reporting	-156	42	-	-	-16	-130
Total deferred tax liabilities	**69,183**	**-12,391**	**-**	**11,167**	**5,162**	**73,121**

Note 12 – *Continued*

Net deferred tax assets and tax liabilities are reported when there is a legal set-off right for current tax assets and liabilities. Deferred tax assets have been reported for unused loss carryforwards relating to tax losses in the subsidiaries where the company has assessed that it will be possible to utilise these unused loss carryforwards against future taxable profits. Expected taxable profits have been calculated individually for each company. As at 31 December 2023, it has been deemed possible to utilise 49 per cent of total loss carryforwards in the Group against future taxable profits. Deferred tax assets/liabilities attributable to deductible temporary differences relating to interests in subsidiaries are reported insofar as it is likely that the temporary difference will be returned in the future and there will be taxable profits against which the deduction can be utilised. The profit for the year has resulted in the Group being able to report a tax expense amounting to SEK 45,149 thousand (52,614).

Parent company

2023	Opening balance	Deferred tax	Closing balance
Unused loss carryforwards	-	-	-
Temporary differences	1,074	320	1,394
Total deferred tax asset (+)/ tax liability (-)	**1,074**	**320**	**1,394**

2022	Opening balance	Deferred tax	Closing balance
Unused loss carryforwards	-	-	-
Temporary differences	122	952	1,074
Total deferred tax asset (+)/ tax liability (-)	**122**	**952**	**1,074**

Unutilised loss carryforwards
Unutilised loss carryforwards are reported as deferred tax assets when it is likely that these can be utilised to offset future taxable excesses. The parent company's unutilised loss carryforwards amount to SEK 0 thousand (0). The Group's unutilised loss carryforwards amount to SEK 36,700 thousand (96,499), of which SEK 17,901 thousand (28,740) has been deemed to be utilisable, which is why deferred tax receivables of SEK 4,833 thousand (6,711) have been reported.

Can be utilised at the latest by:

	31 Dec 2023	31 Dec 2022
Not subject to time limit	36,700	96,499
Total unutilised loss carryforwards	**36,700**	**96,499**

Note 13 ▶ Non-recurring items

Non-recurring items as stated below have affected the operating profit in 2023.

	Group	
	2023	2022
Administration expenses	-16,662	1,958
Total [1)]	**-16,662**	**1,958**

1) Non-recurring items in 2023 relate to cost SEK 16,7 million in operating profits. Non-recurring items in 2023 relate to costs associated with the cost savings programme (SEK -19.3 million) and the realised gain from the sale of Proact's Lithuanian subsidiary (SEK 3.0 million in operating profit). Exceptional items for 2022 relate to expenses of SEK 5.8 million in connection with acquisitions in operating profit. In EBITA, exceptional items amounted to SEK 3.2 million, which also includes compensation from a supplier, which in the operating profit has been offset by impairment of intangible assets.

Note 14 ▶ Foreign currencies

The currency exchange rates used for the Group's significant currencies throughout the year appear in the table below.

	Rate, balance sheet date		Average rate	
Currency	**2023**	**2022**	**2023**	**2022**
EUR	11.0960	11.1283	11.4765	10.6317
USD	10.0416	10.4371	10.6128	10.1245
GBP	12.7680	12.5811	13.1979	12.4669
NOK	0.9871	1.0572	1.0054	1.0523
CZK	0.4488	0.4607	0.4781	0.4329
DKK	1.4888	1.4965	1.5403	1.4290
JPY	0.0710	0.0792	0.0756	0.0771

Exchange rate differences affecting net result for the year (+ profit, - loss)	Group		Parent company	
	2023	2022	2023	2022
Recognised within cost of sold product	5,914	14,520	-	-
Recognised within net financial items	-1,747	540	-1,918	28,693

Invoicing and goods purchased in foreign currencies
Most goods are purchased from the USA and Europe, and therefore the company is affected by changes in the dollar, pound and euro exchange rate respectively.

Note 14 – *Continued*

Invoicing and goods purchased in: (Amounts in SEK thousand)	Group							
	2023				2022			
	Invoicing	Percentage of total revenues, %	Goods purchases	Percentage of total purchases	Invoicing	Percentage of total revenues, %	Goods purchases	Percentage of total purchases
EUR	2,222,070	46	1,560,234	42	2,208,453	46	1,480,838	40
USD	448,836	9	722,233	19	501,089	11	729,028	20
GBP	702,270	14	294,451	8	724,287	15	362,601	10
Other currencies	1,474,139	30	1,181,199	31	1,322,994	28	1,131,685	31
Total	**4,847,315**	**100**	**3,758,117**	**100**	**4,756,823**	**100**	**3,704,152**	**100**

Accounts receivable and accounts payable in foreign currencies

Accounts receivable and accounts payable in: (Amounts in SEK thousand)	Group							
	2023				2022			
	Accounts receivable	Percentage of total accounts receivable, %	Accounts payable	Percentage of total accounts payable	Accounts receivable	Percentage of total accounts receivable, %	Accounts payable	Percentage of total accounts payable
EUR	311,108	43	230,011	43	378,951	25	308,426	49
USD	19,463	3	62,342	12	54,442	4	98,600	16
GBP	77,316	11	59,465	11	91,639	6	95,181	15
Other currencies	309,778	43	178,152	34	324,745	65	122,843	20
Total	**717,665**	**100**	**529,970**	**100**	**849,777**	**100**	**625,050**	**100**

Hedges as at 31 December 2023
The Group does not utilise hedge accounting. Concluded forward contracts constitute financial hedges.

As at the balance sheet date, hedged accounts receivable amounted to USD 2,149 thousand (3,499) and EUR 2,095 thousand (2,375) in the Group. In Swedish kronor, the hedged amount totals SEK 44,787 thousand (62,941). The effect on profit is recognised within the operating profit in the statement of comprehensive income. The fair value of these forward contracts as at 31/12/2023 meant an unrealised loss of SEK 1,509 thousand, which has affected the statement of comprehensive income by an equivalent amount. The previous year's unrealised result was a loss amounting to SEK -627 thousand.

As at the balance sheet date, hedged accounts payable amounted to USD 7,964 thousand (13,643) and EUR 6,382 thousand (8,552) in the Group. In Swedish kronor, the hedged amount totals SEK 150,756 thousand (237,563). The effect on profit is recognised within the operating profit in the statement of comprehensive income. The fair value of these forward contracts as at 31 December 2023 meant an unrealised loss of SEK -5,719 thousand, which has affected the statement of comprehensive income by an equivalent amount. The previous year's unrealised result was a loss amounting to SEK -1,476 thousand.

Hedged receivables in leasing contracts as at the balance sheet date amount to EUR 2,465 thousand (3,002), GBP 2,014 thousand (3,629), USD 0 thousand (11) and NOK 3,067 thousand (7,458) within the Group. In Swedish kronor, the hedged amount totals SEK 56,092 thousand (87,065). The effect on profit is recognised within the operating profit in the statement of comprehensive income. The fair value of these forward contracts as at 31 December 2023 meant an unrealised loss of SEK -1,084 thousand (-3,809), which has affected the statement of comprehensive income by an equivalent amount.

The parent company had outstanding forward contracts as at 31 December 2021 totalling EUR 1,386 thousand (2,110) and USD 205 thousand (163).

The fair value of these forward contracts as at 31 December 2023 meant an unrealised profit of SEK 223 thousand (-361).

As at 31 December 2023, accounts receivable in foreign currencies amounted to SEK 445,626 thousand (623,152) and accounts payable amounted to SEK 386,662 thousand (534,067).

Net investments (excluding goodwill) in foreign subsidiaries
Net assets in foreign subsidiaries divided by currency. When translating foreign subsidiaries' balance sheets to Swedish kronor, the Group is exposed to exchange rate fluctuations. The effect on equity in 2023 for the translation of foreign subsidiaries' accounts to Swedish kronor was SEK -4,573 thousand (29,143).

The Group's exposure in equity to currency exchange rate fluctuations on the balance sheet date was as follows:

Amount in thousands	2023		2022	
	Amount	Converted to SEK acc. to exchange rate on balance sheet date	Amount	Converted to SEK acc. to exchange rate on balance sheet date
CZK	34,647	15,550	46,155	21,263
DKK	21,339	31,770	12,150	18,182
EUR	15,165	168,271	14,533	161,728
GBP	21,773	277,998	20,958	263,675
USD	-435	-4,368	-579	-6,043
NOK	68,199	67,319	107,950	114,122
JPY	-	-	301	24

Note 15 ▶ Intangible fixed assets

ACCOUNTING POLICIES

Goodwill
Reported goodwill is the difference between – on the one hand – the acquisition value of Group company shares, the value of non-controlling interests in the acquired operations and the actual value of a previously owned share, and on the other hand the reported value in the acquisition analysis of acquired assets and transferred liabilities. A write-down test is carried out each year, as well as when there is an indication that an asset has fallen in value. Goodwill is allocated to cash-generating units for the purposes of write-down testing. Each and every one of these cash-generating units goes to make up the Group's Business Units. In cases where the carrying amount of the asset exceeds its estimated recoverable amount, the value of the asset is written down to its recoverable amount.

Other intangible assets
Customer relations, brands and support contracts
Customer relations, brands and support contracts that are identified upon the acquisition of companies are recognised as intangible assets at acquisition value (fair value at the time of acquisition). Customer relations and brands are depreciated on a straight-line basis over a maximum of ten years. In each case a useful life is set over which the support contracts are depreciated on a straight-line basis according to plan. If there are indications of impairment, the asset's recoverable amount is assessed. In cases where the carrying amount of the asset exceeds its estimated recoverable amount, the value of the asset is written down to its recoverable amount.

Note 15 – *Continued*

Capitalised software expenses

Capitalised software expenses are made up of expenses in connection with implementation and adaptation of software which can be capitalised. Capitalised software is depreciated on a straight-line basis over a maximum of 5 years. If there are indications of impairment, the asset's recoverable amount is assessed. In cases where the carrying amount of the asset exceeds its estimated recoverable amount, the value of the asset is written down to its recoverable amount.

Proact had no cloud-based solutions in 2023.

Write-downs

Assets that have an indeterminate useful life are not amortised but are tested annually to see whether there is any need for write-down. Assets which are depreciated/amortised are assessed in terms of decrease in value whenever an event or a change in circumstances indicates that the carrying amount may not be recoverable. Write-down takes place in the amount by which the reported value of the asset exceeds its recovery value. The recovery value is the higher of an asset's fair value minus sales costs and value in use. When assessing the write-down requirement, assets are grouped at the lowest levels at which there are separately identifiable cash-generating units.

	Group				Parent company
	Goodwill	Customer relations	Other intangible assets	Total	Other intangible assets
Opening acquisition value, 1 January 2023	1,062,175	514,782	125,605	1,702,562	69,496
Acquisitions during the year	-	-	968	968	839
Accumulated acquisition values in acquired companies	-	-	-	-	-
Acquisitions for the year via corporate acquisitions	67	-	-	67	-
Sales/disposals	-	-1,681	-	-1,681	-
Exchange rate differences	-1,357	-399	-97	-1,853	-
Closing accumulated acquisition value	**1,060,885**	**512,702**	**126,476**	**1,700,063**	**70,335**
Opening depreciation and write-downs, 1 January 2023	-78,537	-315,064	-94,594	-488,195	-55,659
Depreciation for the year	-	-46,217	-9,487	-55,704	-6,460
Write-downs for the year	-	-	-	-	-
Sales/disposals	-	1,681	-	1,681	-
Exchange rate differences	1,223	1,408	405	3,036	-
Accumulated depreciation and write-downs	**-77,314**	**-358,192**	**-103,676**	**-539,182**	**-62,119**
Book value as at 31 December 2023	**983,571**	**154,510**	**22,800**	**1,160,881**	**8,216**
Opening acquisition value as at 1 January 2022	896,065	445,912	117,434	1,459,411	68,104
Acquisitions during the year	-	-	1,648	1,648	1,392
Accumulated acquisition values in acquired companies	-	-	22	22	-
Acquisitions for the year via corporate acquisitions	117,104	44,179	-	161,283	-
Sales/disposals	-	-	-	-	-
Exchange rate differences	49,006	24,692	6,500	80,198	-
Closing accumulated acquisition value	**1,062,175**	**514,782**	**125,605**	**1,702,562**	**69,496**
Opening depreciation and write-downs, 1 January 2022	-75,357	-262,372	-76,105	-413,834	-44,989
Depreciation for the year	-	-38,203	-10,473	-48,676	-6,855
Write-downs for the year	-	-	-3,815	-3,815	-3,815
Sales/disposals	-	-	-	-	-
Exchange rate differences	-3,180	-14,490	-4,200	-21,870	-
Accumulated depreciation and write-downs	**-78,537**	**-315,064**	**-94,594**	**-488,195**	**-55,659**
Book value as at 31 December 2022	**983,638**	**199,718**	**31,011**	**1,214,367**	**13,837**

Distribution of goodwill per cash-generating unit	Group	
	31 Dec 2023	31 Dec 2022
Nordics & Baltics	199,524	200,854
UK	213,889	210,759
West	192,449	193,009
Central	377,709	379,015
Total	**983,571**	**983,637**

	Group WACC, before tax		Group WACC, after tax		Group Growth in the terminal period	
Cash-generating unit	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Nordics & Baltics	10.8%	10.9%	10.6%	10.8%	2.0%	3.0%
UK	10.5%	10.6%	10.4%	10.5%	2.0%	3.0%
West	10.5%	10.6%	10.3%	10.5%	2.0%	3.0%
Central	10.7%	10.8%	10.6%	10.7%	2.0%	3.0%

Note 15 – *Continued*

Write-down test
Any goodwill write-down requirements are tested each year by calculating the future utilisation value of each cash-generating unit. Impairment requirements are present if the reported value of goodwill exceeds the calculated utilisation value.

When estimating the future utilisation value, the future cash flows of the respective cash-generating units have been calculated based on the forthcoming year's budget and forecasts for a further 4 years, assuming an eternal growth rate of 2 per cent (3).

A Weighted Average Cost of Capital (WACC) before and after tax of between 10-11 per cent (10-11) has been used for calculation, depending on risk factor in the various cash-generating units. Besides these important assumptions in respect of WACC and future growth, profitability (margin on profit before tax) of 6-8 per cent (6-8) has been estimated. The corporate executive's determination of important assumptions, and the values inherent in these, are based on a reflection of earlier experiences. Eternal growth of 2 per cent has been deemed reasonable on the market in which the company is active. The assessment is based on a weighted analysis of both products and services, and also on higher growth earlier in the first years of the forecast period.

The company has implemented sensitivity analyses based on isolated changes of lower budget levels, lower growth figures and higher weighted capital costs.

In the event of an increase of 2 percentage points in weighted average cost of capital, all cash-generating units would still have good margins for the recoverable amount compared with the reported value.

If the growth rate in terms of net sales were to fall by 1 percentage point during the forecast period, the recoverable amount for all cash-generating units would still exceed the reported values by a good margin.

If the long-term growth rate in terms of net sales were to fall by 1 percentage point, the recoverable amount for all cash-generating units would still exceed the reported values by a good margin.

No write-down requirement was deemed to exist as at 31 December 2023.

Note 16 ▶ Tangible fixed assets

ACCOUNTING POLICIES

Property, plant and equipment are recognised at acquisition value less depreciation and write-downs. Expenditure that can be directly attributed to the acquisition of the asset is included in the historical cost. Depreciation of property, plant and equipment is based on the acquisition value of the assets and the estimated useful life. In this regard, a depreciation time of three years is applied for computers and technical equipment, five years for machinery and equipment, three years for spare parts and 50 years for buildings. The useful life of the assets is tested on every balance sheet date and adjusted where required. The book value of assets is written down to recovery value if the asset's book value exceeds its assessed recovery value. Profits and losses during disposal are determined through comparison between the sales income and reported value, and are reported in the statement of comprehensive income.

	Group					Parent company
	Computers and machines	**Inventories**	**Spare parts**	**Buildings**	**Total**	**Computers and machines**
Opening acquisition value as at 1 January 2023	282,941	69,683	72,433	19,033	444,090	3,833
Acquisitions during the year[1]	29,478	10,682	3,129	766	44,055	217
Accumulated acquisition values in acquired companies	-	-	-	-	-	-
Sales/disposals	-32,005	-3,431	-9,430	-73	-44,939	-
Reclassifications[1]	-	-	-	-	-	-
Exchange rate differences	-190	-398	-78	276	-390	-
Closing accumulated acquisition value	**280,224**	**76,536**	**66,054**	**20,002**	**442,816**	**4,050**
Opening depreciation and write-downs, 1 January 2023	-239,456	-55,558	-69,792	-5,117	-396,923	-3,571
Depreciation for the year	-25,414	-7,616	-2,148	-361	-35,539	-185
Sales/disposals	31,484	3,332	9,371	73	44,260	-
Reclassifications	-9,140	-	-	-	-9,140	-
Exchange rate differences	929	604	153	-62	1,624	-
Accumulated depreciation and write-downs	**-241,597**	**-59,238**	**-62,416**	**-5,467**	**-368,718**	**-3,756**
Book value as at 31 December 2023	**38,627**	**17,298**	**3,638**	**14,535**	**74,098**	**294**
Opening acquisition value as at 1 January 2022	331,342	60,427	68,834	18,414	479,017	3,702
Acquisitions during the year[1]	35,155	3,139	1,066	-	39,360	164
Accumulated acquisition values in acquired companies	501	1,558	-	-	2,059	-
Sales/disposals	-87,512	-1,159	-24	-	-88,695	-33
Reclassifications[1]	-19,061	2,049	-	-	-17,012	-
Exchange rate differences	22,516	3,669	2,557	619	29,361	-
Closing accumulated acquisition value	**282,941**	**69,683**	**72,433**	**19,033**	**444,090**	**3,833**
Opening depreciation and write-downs, 1 January 2022	-279,604	-46,345	-65,298	-4,657	-395,904	-3,213
Depreciation for the year	-27,402	-5,356	-2,534	-298	-35,590	-391
Sales/disposals	86,286	583	4	-	86,873	33
Reclassifications	1,162	-1,618	499	-	43	-
Exchange rate differences	-19,898	-2,822	-2,463	-162	-25,345	-
Accumulated depreciation and write-downs	**-239,456**	**-55,558**	**-69,792**	**-5,117**	**-369,923**	**-3,571**
Book value as at 31 December 2022	**43,485**	**14,125**	**2,641**	**13,916**	**74,167**	**262**

1) Includes SEK 9,140 thousand (17,012) reclassified from fixed assets Computers and machines to financial lease sales.

Note 17 ▶ Shares in Group companies

Shares in Group companies	Company registration number	Headquarters	Number of shares	Share of equity, %	Book value, SEK thousand 31 Dec 2023	Book value, SEK thousand 31 Dec 2022
Proact IT Sweden AB	556328-2754	Solna, SE	47,456,047	100.00	96,672	96,672
Proact IT Norge AS	971,210,737	Oslo, NO	3,475,000	100.00	49,523	49,523
Proact Finland OY	1084241-2	Espoo, FI	20,000	100.00	15,519	15,519
Proact Systems A/S	18,803,291	Brøndby, DK	600	100.00	-	-
Proact Finance AB	556396-0813	Sollentuna, SE	500,000	100.00	5,000	5,000
Proact IT Latvia SIA	LV40003420036	Riga, LV	850	100.00	8,499	8,499
Proact Lietuva UAB	110861350	Vilnius, LT	7,386	73.86	-	7,845
Proact Netherlands B.V.	20136449	Breda, NL	44,419	100.00	221,789	79,131
Proact Estonia AS	115131151	Tallinn, EE	22,757	100.00	11,388	11,388
Proact IT (UK) Ltd	07493526	Chesterfield, UK	775,000	100.00	62,112	62,112
Databasement International Holding B.V.	27326003	Zoetermeer, NL	1,802	100.00	-	142,658
Proact Belgium BVBA	090211403	Drongen, BE	6,408	100.00	-	-
Proact Czech Republic, s.r.o.	24799629	Prague, CZ	-	85.30	21,882	13,455
Proact U.S. LLC	-	Delaware, USA	-	100.00	-	-
Proact IT Germany GmbH	HRB 132327	Hamburg, DE	210,000	100.00	-	-
					492,384	**491,802**

Any impairment requirements in respect of shares in subsidiaries are tested each year by calculating the future utilisation value of each individual subsidiary, as referred to in Note 15.

In 2023, a further 14.7 per cent was acquired from non-controlling interests in Proact Czech Republic Ltd, amounting to SEK 8,427 thousand. The shares in Proact Lietuva UAB were sold during the year. The value of shares in Databasement International Holding B.V. was transferred to Proact Netherlands B.V. in 2023.

	Parent company	
Shares in subsidiaries	**31 Dec 2023**	**31 Dec 2022**
Opening book value	491,802	491,802
Acquisitions	8,427	-
Disposals	-7,845	-
Closing accumulated acquisition value	**492,384**	**491,802**
BOOK VALUE	**492,384**	**491,802**

	Parent company	
Income from participations in Group companies	**2023**	**2022**
Dividends, earned	148,520	49,527
Total	**148,520**	**49,527**

Acquisition of further interests in 2023 from non-controlling interests
In 2023, the company acquired a further 14.7 per cent of shares in Proact Czech Republic Ltd from non-controlling interests. Following the acquisition, the company holds 100 per cent of shares in the subsidiary. The purchase price amounted to CZK 17,922 thousand (SEK 8,427 thousand).

Disposal of interests in 2023 from non-controlling interests
Shares in Proact Lietuva UAB were sold on 28 August 2023. Following the disposal, the company holds 0 per cent of shares in the subsidiary. The purchase price amounted to SEK 0 thousand.

Acquisition of further interests in 2022 from non-controlling interests
No further interests from non-controlling interests have been acquired in 2022.

Profit, equity and cash flow pertaining to non-controlling interests

	Equity	Profit	Cash flow	Percentage of non-controlling interests	Equity	Profit	Cash flow	Percentage of non-controlling interests
SEK thousand	**31 Dec 2023**	**2023**	**2023**	**2023**	**31 Dec 2022**	**2022**	**2022**	**2022**
Proact Lietuva UAB	-	-384	-7,745	26	762	-217	870	26
Proact Czech Republic, s.r.o.	-	-	-	-	3,127	499	845	15
	-	**-384**	**-7,745**		**3,888**	**282**	**1,714**	

Note 18 ▶ Receivables and liabilities with Group companies and Other long-term receivables

	Parent company		
	<1 year	1-5 years	>5 years
Receivables with group companies due within	150,486	184,927	399,253
Liabilities with Group companies due within	477,818	-	13,189

There are no subordinated loans to foreign subsidiaries.

	Group	
Other non-current receivables	**31 Dec 2023**	**31 Dec 2022**
Blocked accounts of tenancy agreements	1,222	1,274
Receivables relating to financial leasing	40,255	36,669
Pre-paid expenses and accrued income – Non-current [1)]	502,622	509,495
Other non-current receivables	506	747
Total	**544,605**	**548,185**

1) See also Note 21.

Note 19 ▶ Inventories

ACCOUNTING POLICIES

Stock is valued at the lowest of the acquisition value and the net selling price. The net realisable value is the estimated sales price in operating activities, after deductions for estimated expenses for preparation and for achieving a sale.

The acquisition value for inventories is based on the first-in first-out principle (FIFO) and includes costs arising upon acquisition of the inventories and their transport to their current location and condition.

Inventories are valued at the acquisition value or the net realisable value, whichever is the lower. The reported value of goods in stock may need to be written down if they are exposed to damage, if all or some of them become too old or if their sale prices decline. Stock value as at 31 December 2023 amounted to SEK 15,442 thousand (64,065). During the year, the Group wrote down inventories to the value of SEK 276 thousand (170) due to obsolescence. At the same time, write-downs amounting to SEK 493 thousand (149) were reversed in 2023 as it was possible to sell inventories written down previously.

Note 20 ▶ Accounts receivable

ACCOUNTING POLICIES

Accounts receivable
Accounts receivable are amounts attributable to customers in respect of goods or services sold that are implemented in current operations. Accounts receivable generally fall due for payment within 30-90 days, and so all accounts receivable have been classified as current assets. Accounts receivable are initially recognised at the transaction price. The Group holds accounts receivable for the purpose of collecting contractual cash flows.

Provisions for uncertain receivables and write-downs
The Group applies the simplified method for calculating expected credit losses. This method means that expected losses throughout the entire term of the receivable are used as a basis for accounts receivable and contract assets.

Provision for expected credit loss is based on the credit risk characteristics of the accounts receivable and contract assets and the number of days of delay.

The contract assets are attributable to as yet uninvoiced work and essentially have the same risk characteristics as already invoiced work for the same type of contract.

The Group it is therefore of the opinion that the loss levels for accounts receivable is a reasonable estimate of the loss levels for contract assets.

Expected credit losses are based on customers' payment histories together with the loss history.

Accounts receivable and contract assets are impaired when it has been established that it will not be possible to recover any amount.

Credit losses are recognised in the income statement as a cost of goods and services sold.

	Group	
	31 Dec 2023	**31 Dec 2022**
Accounts receivable	718,786	850,647
Provisions for impairment of accounts receivable	-1,121	-870
Accounts receivable – net	**717,665**	**849,777**

The Group has had customer losses of SEK 49 thousand in 2023.
The Group has had customer losses of SEK 296 thousand in 2022.
See the section entitled "Risks and risk management" for risks and age analysis relating to accounts receivable.

Contract assets are reported separately: see Note 3 Revenue and Note 21 Interim receivables.

Note 21 ▶ Prepaid expenses and accrued income

	Group		Parent company	
Current	**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
Prepaid rental costs	4,559	5,081	-	-
Prepaid leasing fees	2,935	3,807	-	-
Prepaid insurance premiums	8,417	5,402	3,692	-
Prepaid maintenance charges	200,464	168,128	8,882	-
Prepaid system costs	320,233	292,207	-	-
Other prepaid expenses	52,239	78,045	2,457	12,280
Accrued service revenues	56,432	38,620	-	-
Accrued system revenues	5,472	6,799	-	-
Other accrued revenues	6,568	14,403	-	1,217
Total current interim receivables	**657,319**	**612,492**	**15,031**	**13,497**
Non-current				
Prepaid rental costs	-	22	-	-
Prepaid leasing fees	33	11	-	-
Prepaid maintenance charges	134,053	117,141	-	-
Prepaid system costs	280,748	298,573	-	-
Other prepaid expenses	17,863	12,256	1,448	-
Accrued service revenues	66,079	76,325	-	-
Accrued system revenues	-	-	-	-
Other accrued revenues	3,846	5,167	-	-
Total non-current interim receivables [1)]	**502,622**	**509,495**	**1,448**	**-**

1) Non-current interim receivables are included as part of Other non-current receivables in the balance sheet.

Note 22 ▶ Other liabilities

	Group		Parent company	
	31 Dec 2023	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
Employee tax at source	30,561	34,058	798	793
Social security contributions	44,298	14,535	6,056	7,633
VAT liabilities	50,279	70,171	1,327	-
Advance payments from customers	3,427	2,605	-	-
Deferred payment of part of purchase price	5,031	4,957	-	-
Other items	32,432	35,651	-	361
Total	**166,028**	**161,977**	**8,181**	**8,787**

All liabilities are due for payment within one year.

Note 23 ▶ Accrued expenses and deferred income

	Group		Parent company	
Current	**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
Accrued wages and salaries	60,673	62,146	3,479	5,021
Accrued holiday pay liabilities	51,783	44,640	3,485	2,372
Accrued social costs	11,355	38,617	-	373
Accrued servicing costs	11,740	14,411	-	-
Accrued non-recurring costs	6,536	2,518	1,304	-
Prepaid system revenues	342,473	289,719	-	-
Prepaid service revenues	456,613	364,480	-	-
Other items	71,881	120,162	5,086	3,193
Total current interim liabilities	**1,013,054**	**936,693**	**13,354**	**10,959**
Non-current				
Accrued servicing costs	-	3,316	-	-
Prepaid system revenues	395,980	370,905	-	-
Prepaid service revenues	359,447	360,640	-	-
Other items	1,516	-	-	-
Total non-current interim liabilities [1)]	**756,943**	**734,861**	**-**	**-**

1) Non-current interim liabilities are included as part of Other non-current liabilities in the balance sheet.

Note 24 ▶ Financial assets and liabilities

ACCOUNTING POLICIES

Financial assets and liabilities
The Group classifies its financial assets in the following categories: financial assets valued at fair value via the statement of comprehensive income, financial assets valued at accrued acquisition cost, financial instruments held to maturity and financial assets that can be sold. Classification depends on the purpose for which the instruments were acquired. The Group establishes the classification of the instruments at the time of first recognition. Only the categories relevant to the Group are described below.

The Group classifies its financial liabilities in the following categories: financial liabilities valued at fair value via the statement of comprehensive income, plus other financial liabilities valued at accrued acquisition cost.

Risks linked with financial instruments, sensitivity analyses, etc. are described in the section entitled "Risks and risk management" in the annual financial statements.

Financial assets valued at fair value via the statement of comprehensive income
Assets in this category are constantly valued at fair value with value changes recorded in the statement of comprehensive income. This category consists of two subgroups: financial assets and liabilities held for trading and other financial assets and liabilities which the company has initially opted to value at fair value in the statement of comprehensive income. A financial asset is classified as a holding for trade if it is acquired with a view to being sold in the short term. Proact only has derivatives in the group financial asset held for trading.

Financial assets valued at accrued acquisition cost
Loans receivable and accounts receivable are non-derivative financial assets with determined or determinable payments which are not listed on an active market. It is significant that they are incurred when the Group supplies money, products or services directly to a customer without the intention of purchasing with the accrued claim. They are included in current assets, with the exception of items with due dates more than 12 months after the balance sheet date which are classified as fixed assets. The Group's financial lease receivables are reported in the balance sheet in the other non-current receivables entry.

Assets in this category are valued at accrued acquisition cost after the acquisition date. Accrued historical cost is determined from the effective interest that is calculated at the date of acquisition. Accounts receivable are recognised at the amount expected to be paid following individual assessment. The expected maturity of accounts receivable is short, and so the value has been recognised at a nominal amount without discount. Provision for expected credit loss is based on the credit risk characteristics of the accounts receivable and contract assets and the number of days of delay. The contract assets are attributable to as yet uninvoiced work and essentially have the same risk characteristics as already invoiced work for the same type of contract. The Group it is therefore of the opinion that the loss levels for accounts receivable is a reasonable estimate of the loss levels for contract assets. Expected credit losses are based on customers' payment histories together with the loss history. Write-downs of accounts receivable are reported in operating expenses.

Financial liabilities valued at fair value via the statement of comprehensive income
Liabilities in this category are constantly valued at fair value with value changes recorded in the income statement. This category comprises financial liabilities reported by the company at fair value via the statement of comprehensive income. Proact has carried out present value calculation of additional purchase prices as they arise in this category, as well as derivatives.

The effective portion of the change in fair value of a derivative instrument identified as a net investment that qualifies for hedge accounting is recognised through other comprehensive income in the hedging reserve in equity. The ineffective portion of the change in value is recognised immediately in the income statement as other revenues or other expenses.

The portion of the gain or loss on a hedging instrument that is deemed to be an effective hedge is recognised in other comprehensive income and accumulated in equity. The gain or loss attributable to the ineffective portion is recognised directly in the income statement as other income or other expenses.

Other financial liabilities valued at accrued acquisition cost
Accounts payable are without security and are normally paid within 30 days. The fair value of accounts payable and other liabilities is considered to correspond to their recognised values, as they are current by nature.

Borrowing is initially recognised at fair value, net after transaction costs. Borrowing is then recognised at accrued cost and any difference between the amount received (net after transaction costs) and the repayment amount is recognised in the statement of comprehensive income, distributed across the loan period, with the application of the effective interest method. Accounts payable are without security and are normally paid within 30 days.

Inclusion of derivative instruments
Derivatives are included in the balance sheet on contract date and are valued at fair value, both at first inclusion and when subsequently reassessed. All derivatives are reported on an ongoing basis at fair value, with value changes reported in the statement of comprehensive income within cost of sold product for the derivatives linked with accounts payable or financial items respectively for the derivatives linked with financial leasing contracts.

Calculation of fair value
The fair value of financial instruments such as forward exchange contracts which are not traded on an active market is established by using valuation techniques. Such methods may include an analysis of recent transactions of similar instruments or discounting of anticipated cash flows.

The nominal value less any assessed credits, for accounts receivable and liabilities to suppliers, are assumed to correspond to their fair value.

The fair value of additional purchase prices is calculated by discounting the future contracted or assessed cash flow at the current market rate of interest available to the Group for similar financial instruments. The fair value of financial liabilities is calculated for disclosure in a note by discounting the future contracted or assessed cash flow at the current market rate of interest available to the Group for similar financial instruments.

Other financial liabilities valued at accrued acquisition cost	Group		Parent company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Non-interest-bearing				
Currency derivatives	1,669	5,496	-	361
Other liabilities[1]	42,819	57,014	2,350	20,854
Accounts payable	529,970	625,050	4,957	7,905
Total non-interest-bearing	**574,458**	**687,560**	**7,307**	**29,120**
Interest-bearing				
Liability on acquisition – Current[1]	-	4,957	-	-
Liability on acquisition – Non-current[1]	-	12,786	-	-
Bank loans, of which current portion	-	-	-	-
Bank loans, of which non-current portion	221,920	440,665	221,920	440,665
Leasing liabilities[2]	246,350	290,572	456	-
Total interest-bearing	**468,270**	**748,980**	**222,376**	**440,665**
Total other financial liabilities valued at accrued acquisition cost	**1,042,728**	**1,436,540**	**229,683**	**469,785**

1) Deferred payment of part of the purchase price for acquisition of sepago GmbH SEK 0 thousand (12,786) and SEK 5,031 thousand (4,957) for acquisition of Cetus Solutions Ltd.
2) See also Note 27.

Interest-bearing liabilities, Group, 31 Dec 2023	Interest	Maturity	Book value
Utilised overdraft facility, Nordea[1] [2]	Base rate +2.0%	31/12/2023	-
Bank loan, Nordea[2]	STIBOR 3M +1.25%	16/07/2026	-
Bank loan, Nordea[2]	EURIBOR 3M +1.25%	16/07/2026	-
Bank loan, Svensk Exportkredit[2]	EURIBOR 3M 1.8%	16/07/2026	221,920
Leasing liability[3]	4.17% - 7.48%	2024	51,565
Leasing liability[3]	3.06% - 6.19%	2025-2028	194,785
Total interest-bearing liabilities			**468,270**

1) Interest will be payable over three months.
2) The limit for the Group overdraft facility is SEK 154,488 thousand, and for the parent company SEK 150,000 thousand, of which the Group amount utilised amounted to SEK 0 thousand and SEK 0 thousand for the parent company.
3) Interest will be payable over one month.

Note 24 *– Continued*

Of the above interest-bearing liabilities, current loans that fall due in 2024 amount to SEK 0 thousand. Of the bank loans above, maturing on 16 July 2026, SEK 221,920 thousand relates to a three-year loan facility of EUR 20 million from Svensk Exportkredit and a three-year credit facility from Nordea totalling SEK 600 million. The credit facility from Nordea has two extension options of one year each, occurring after 12 and 24 months respectively. The second extension option was exercised in 2023. There are no drawings on the Nordea credit facility as at 31 December 2023. The bank loans includes lending terms in respect of net debt in relation to EBITDA. The lending terms have been met by a good margin in 2023 and as at 31 December 2023.

Interest-bearing liabilities, Group, 31 Dec 2022	**Interest**	**Maturity**	**Book value**
Liability on acquisition [1]	0% - 10%	2023-2024	17,743
Utilised overdraft facility, Nordea [2] [3]	Base rate +2.0%	31/12/2022	-
Bank loan, Nordea [3]	STIBOR 3M +1.25%	16/07/2025	154,000
Bank loan, Nordea [3]	EURIBOR 3M +1.25%	16/07/2025	286,665
Leasing liability [4]	4.17% - 7.48%	2023	113,416
Leasing liability [4]	3.06% - 6.19%	2024-2027	177,156
Total interest-bearing liabilities			**748,980**

1) The interest rate used in the present value calculation for sepago GmbH is 7.5 per cent with a term until 2023 and 10 per cent with a term until 2024, and 0 per cent for Cetus with a term until 2023.
2) Interest will be payable over three months.
3) The limit for the Group overdraft facility is SEK 159,214 thousand, and for the parent company SEK 150,000 thousand, of which the Group amount utilised amounted to SEK 0 thousand and SEK 0 thousand for the parent company.
4) Interest will be payable over one month.

Interest-bearing liabilities, parent company, 31 December 2023	**Interest**	**Maturity**	**Book value**
Bank loan, Nordea [1]	STIBOR 3M +1.25%	16/07/2026	-
Bank loan, Nordea [1]	EURIBOR 3M +1.25%	16/07/2026	-
Bank loan, Svensk Exportkredit [1]	EURIBOR 3M 1.8%	16/07/2026	221,920
Total interest-bearing liabilities			**221,920**

Of the above interest-bearing liabilities, current loans that fall due in 2024 amount to SEK 0 thousand. Of the parent company's bank loans above, maturing on 16 July 2026, SEK 221,920 thousand relates to a three-year credit facility of EUR 20 million from Svensk Exportkredit and a three-year credit facility from Nordea totalling SEK 600 million. The credit facility from Nordea has two extension options of one year each, occurring after 12 and 24 months respectively. The second extension option was exercised in 2023. There are no drawings on the Nordea credit facility as at 31 December 2023. This bank loan includes lending terms in respect of net debt in relation to EBITDA. The lending terms have been met by a good margin in 2023 and as at 31 December 2023.

1) Interest will be payable over three months.

Interest-bearing liabilities, parent company, 31 December 2022	**Interest**	**Maturity**	**Book value**
Bank loan, Nordea [1]	STIBOR 3M +1.25%	16/07/2025	154,000
Bank loan, Nordea [1]	EURIBOR 3M +1.25%	16/07/2025	286,665
Total interest-bearing liabilities			**440,665**

Of the above interest-bearing liabilities, current loans that fall due in 2023 amount to SEK 0 thousand. Of the parent company's bank loan above, maturing on 16 July 2025, this amount of SEK 440,665 thousand (482,920) relates to a three-year credit facility totalling SEK 600 million. This credit facility has two extension options of one year each, occurring after 12 and 24 months respectively. The first extension option was exercised in 2022. This bank loan includes lending terms in respect of net debt in relation to EBITDA. The lending terms have been met by a good margin in 2022 and as at 31 December 2022.

1) Interest will be payable over three months.

Group term analysis, financial liabilities as at 31 December 2023

Contractual undiscounted amounts including future interest payments

	On request	**<3 mths**	**3-12 mths**	**1-5 years**	**>5 years**
Currency derivatives	-	-	587	1,082	-
Liability on acquisition – Current element [1]	-	-	-	-	-
Liability on acquisition – Non-current element [1]	-	-	-	-	-
Bank loans, of which non-current portion	-	3,189	9,564	209,214	-
Accounts payable	-	529,970	-	-	-
Other liabilities	-	42,819	-	-	-
Leasing liabilities	-	12,891	38,674	194,785	-
	-	**588,869**	**48,825**	**405,081**	**-**

1) Liability on acquisition of sepago GmbH SEK 0 thousand (12,786), and on acquisition of Cetus Solutions Ltd SEK 5,031 thousand (4,957).

Group term analysis, financial liabilities as at 31 December 2022

Contractual undiscounted amounts including future interest payments

On request		**<3 mths**	**3-12 mths**	**1-5 years**	**>5 years**
Currency derivatives	-	-	4,030	1,466	-
Liability on acquisition – Current element [1]	-	-	-	4,957	-
Liability on acquisition – Non-current element [1]	-	-	-	12,786	-
Bank loans, of which non-current portion	-	4,056	12,168	440,665	-
Accounts payable	-	625,050	-	-	-
Other liabilities	-	57,014	-	-	-
Leasing liabilities	-	15,123	45,368	241,965	-
	-	**701,252**	**61,566**	**701,839**	**-**

1) Liability on acquisition of sepago GmbH SEK 12,786 thousand (0), and on acquisition of Cetus Solutions Ltd SEK 4,957 thousand (8,099).

Parent company term analysis, financial liabilities as at 31 December 2023

Contractual undiscounted amounts including future interest payments

	On request	**<3 mths**	**3-12 mths**	**1-5 years**	**>5 years**
Bank loans, of which non-current portion	-	3,189	9,564	209,214	-
Accounts payable	-	4,957	-	-	-
	-	**8,146**	**9,564**	**209,214**	**-**

Parent company term analysis, financial liabilities as at 31 December 2022

Contractual undiscounted amounts including future interest payments

	On request	**<3 mths**	**3-12 mths**	**1-5 years**	**>5 years**
Bank loans, of which non-current portion	-	4,056	12,168	440,665	-
Accounts payable	-	7,905	-	-	-
	-	**11,961**	**12,168**	**440,665**	**-**

Note 24 – *Continued*

Financial assets and liabilities per valuation category

Group, 2023	Assets and liabilities valued at fair value through statement of comprehensive income	Financial assets valued at accrued acquisition cost	Other financial liabilities valued at accrued acquisition cost	Total carrying amount	Fair value[2]
Lease receivables	-	46,675	-	46,675	46,675
Rent deposits	-	978	-	978	978
Accounts receivable	-	717,665	-	717,665	717,665
Other receivables	-	129,105	-	129,105	129,105
Cash and cash equivalents	-	547,897	-	547,897	547,897
Currency derivatives[1]	-	-	-	-	-
Total financial assets [3] [4]	**-**	**1,442,320**	**-**	**1,442,320**	**1,442,320**
Accounts payable	-	-	529,970	529,970	529,970
Other liabilities	-	-	42,819	42,819	42,819
Bank loans	-	-	221,920	221,920	221,920
Liabilities, acquisitions	-	-	5,031	5,031	5,031
Currency derivatives[1]	1,669	-	-	1,669	1,669
Leasing liabilities	-	-	246,350	246,350	246,350
Total financial liabilities [3]	**1,669**	**-**	**1,046,090**	**1,047,759**	**1,047,759**

1) Assets and liabilities relating to currency derivatives are recognised in Other non-current receivables, Other receivables, Other non-current liabilities, Other liabilities and Accrued expenses.
2) Recognised values are a reasonable estimate of fair value.
3) The Group's exposure to various risks associated with the financial instruments is described in the section entitled Risks and risk management. The maximum exposure to credit risk as at the balance sheet date corresponds to the fair value for each category of financial assets stated above.
4) Financial assets pledged as security, see Note 25.

Financial assets and liabilities per valuation category

Group, 2022	Assets and liabilities valued at fair value through statement of comprehensive income	Financial assets valued at accrued acquisition cost	Other financial liabilities valued at accrued acquisition cost	Total carrying amount	Fair value[2]
Lease receivables	-	70,489	-	70,489	70,489
Rent deposits	-	1,029	-	1,029	1,029
Accounts receivable	-	849,777	-	849,777	849,777
Other receivables	-	140,487	-	140,487	140,487
Cash and cash equivalents	-	505,684	-	505,684	505,684
Currency derivatives[1]	-	-	-	-	-
Total financial assets [3] [4]	**-**	**1,567,466**	**-**	**1,567,466**	**1,567,466**
Accounts payable	-	-	625,050	625,050	625,050
Other liabilities	-	-	57,014	57,014	57,014
Bank loans	-	-	440,665	440,665	440,665
Liabilities, acquisitions	-	-	4,957	4,957	4,957
Currency derivatives[1]	5,496	-	-	5,496	5,496
Leasing liabilities	-	-	290,572	290,572	290,572
Total financial liabilities [3]	**5,496**	**-**	**1,418,258**	**1,423,754**	**1,423,754**

1) Assets and liabilities relating to currency derivatives are recognised in Other non-current receivables, Other receivables, Other non-current liabilities, Other liabilities and Accrued expenses.
2) Recognised values are a reasonable estimate of fair value.
3) The Group's exposure to various risks associated with the financial instruments is described in the section entitled Risks and risk management. The maximum exposure to credit risk as at the balance sheet date corresponds to the fair value for each category of financial assets stated above.
4) Financial assets pledged as security, see Note 25.

	Group, 2023			Group, 2022		
Borrowing	**Current**	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Loans with pledged assets						
Bank loans	-	221,920	221,920	-	440,665	440,665
Total loans with pledged assets	**-**	**221,920**	**221,920**	**-**	**440,665**	**440,665**
Loans without pledged assets						
Accounts payable	529,970	-	529,970	625,050	-	625,050
Total loans without pledged assets	**529,970**	**-**	**529,970**	**625,050**	**-**	**625,050**
Total borrowing	**529,970**	**221,920**	**751,890**	**625,050**	**440,665**	**1,065,715**

Note 24 – *Continued*

Sensitivity analysis – Currency risk
The Group's profit is affected by factors such as changes in foreign currency exchange rates in relation to SEK.
Many of the Group's purchases are made in EUR and USD, while at the same time sales to end customers are made in local currency.
A 10 per cent change in currency exchange rates would affect profit before depreciation as follows:

	Group, 2023			Group, 2022		
Currency	**Change**	**Effect on profits before depreciation, SEK thousands**	**Effect on equity after tax, SEK thousands**	**Change**	**Effect on profits before depreciation, SEK thousands**	**Effect on equity after tax, SEK thousands**
SEK / EUR	+/- 10%	27,071	21,548	+/- 10%	19,291	15,355
SEK / USD	+/- 10%	27,698	22,048	+/- 10%	23,083	18,374

Calculation of fair value
According to IFRS 9, certain financial instruments must be valued at fair value in the balance sheet. To do this, information is required on valuation at fair value for each level in the following fair value hierarchy:
Level 1) Listed prices (unadjusted) on active markets for identical assets or liabilities.
Level 2) Observable inputs for assets or liabilities other than quoted prices included in level 1, either directly (i.e. prices) or indirectly (i.e. derived from prices).
Level 3) Data for assets or liabilities which is not based on observable market data (i.e. non-observable data).

In category 2, the Group has receivables and liabilities relating to currency hedges at a net value of SEK 5,314 thousand as at 31 December 2023. Receivables of SEK 0 thousand (0) are recognised in Other non-current receivables, SEK 6,938 thousand (10,358) in Other receivables and SEK 1,669 thousand (5,496) in Other liabilities.

Currency hedges are valued at market value in that early allocation of currency hedging takes place in order to find out what the forward price would be in the event of maturity at the balance sheet date. In the case of currency hedging of EUR to SEK, for example, the difference in interest rates between Sweden and Europe for the remaining original term is used, which provides the number of points to be deducted from the original forward price. The difference between the new forward price and the original forward price gives the market value of the currency hedge.

The Group has no financial assets and liabilities in category 1 and category 3. No transfers between the categories have taken place during the period.

Note 25 ▶ Assets pledged, contingent liabilities and commitments

ACCOUNTING POLICIES

Provisions
A provision is recognised in the balance sheet when there is a commitment as a consequence of an event that has occurred, and it is likely that an outflow of resources will be required to settle the obligation, and that a reliable estimate of the amount can be made. Where the time at which payment is made is material, provisions must be set at the net present value of the payments which are expected to be required to settle the liability.

Contingent liabilities
A contingent liability is present when there is a possible commitment that stems from events that have occurred and its existence is confirmed only by one or more uncertain future events. Contingent liabilities are not recognised as a liability or provision, because it is not likely that an outflow of resources will be required or the size of the commitment cannot be calculated in a reliable manner. Thus information is provided unless the likelihood of outflow of resources is extremely low.

Pledged assets

	Group		Parent company	
	31 Dec 2023	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
Chattel mortgages[1)]	7,468	7,489	-	-
Blocked resources[2)]	978	1,029	-	-
Security, bank loans[3)]	748,750	589,487	96,672	96,672
Pledged accounts receivable[4)]	11,045	11,338	-	-
Total pledged assets	**768,241**	**609,343**	**96,672**	**96,672**

1) Chattel mortgages refer to security placed for overdraft facilities in Finland amounting to SEK 7,468 thousand (7,489).
2) Security for rental contract SEK 978 thousand (1,029). Frozen liquid funds are included in the item Other non-current receivables.
3) Shares in subsidiaries as security for bank loans of SEK 221,920 thousand (440,665) with Nordea.
4) Pledged for overdraft facility in Proact Czech Republic, s.r.o.

Contingent liabilities
The parent company has contingent liabilities relating to bank guarantees and other guarantees and other business arising during normal business operations. No significant liabilities are expected to stem from these contingent liabilities.

	Group		Parent company	
	31 Dec 2023	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
Guarantees for				
Other guarantees, subsidiaries[1)]	255	256	32,568	10,549
Total contingent liabilities	**255**	**256**	**32,568**	**10,549**

1) Other guarantees, subsidiaries relates to customer commitments of SEK 1,989.6 thousand, supplier guarantees of SEK 29,699 thousand and guarantees for leased vehicles of SEK 879 thousand.

Commitments
As at 31 December 2023, the company had no contracted commitments which had not yet been reported in the financial statements which would result in significant future disbursements, except for commitments relating to operating and support activities. For leasing commitments, see Note 27.

Note 26 ▶ Supplementary information on the cash flow statement

ACCOUNTING POLICIES

Cash and cash equivalents and short-term investments
Cash and cash equivalents are deposited in bank accounts or invested in Swedish interest-bearing securities. Cash and cash equivalents belong to the category of loans and receivables. The maturity of investments included in cash and cash equivalents is three months at the most.

Cash flow analysis
The indirect method has been applied when drawing up the cash flow statement. When applying the indirect method, net payments to and from current operations are calculated by adjusting the net result for changes in operating income and expenses during the period, items which are not included in the cash flow and items which are included in the cash flow of investment and financing business. Cash and cash equivalents comprise cash balances and immediately accessible holdings in banks and corresponding institutes, and short-term investments with a maturity from the acquisition date of less than three months and which are exposed to only a minimal risk of value fluctuation.

Information concerning interest paid
During the period, interest received in the Group amounted to SEK 10,366 thousand (2,905) and SEK 8,868 thousand (2,702) in the parent company. During the period, interest paid in the group amounted to SEK 25,133 thousand (15,215) and SEK 17,027 thousand (12,065) in the parent company.

Acquisition of subsidiaries and activities
No acquisitions have taken place in 2023.

sepago GmbH in Germany was acquired in the third quarter of 2022. The purchase price for this company was settled with cash and cash equivalents, EUR 120 million being paid in 2022.

Acquisitions from non-controlling interests
In the first quarter of 2023, the company acquired a further 14.7 per cent of shares in Proact Czech Republic Ltd from non-controlling interests. Following the acquisition, the company holds 100 per cent of shares in the subsidiary. The purchase price amounted to CZK 17,922 thousand (SEK 8,427 thousand).

No acquisitions of further interests from non-controlling interests have taken place in 2022.

Divestment of subsidiaries and activities
The subsidiary in Lithuania was sold in 2023. The sale had an impact of EUR 261 thousand (SEK 2,995 thousand) on cash flow.
No subsidiaries or operations were sold in 2022.

Acquisition of intangible fixed assets
Intangible fixed assets worth SEK 968 thousand (1,648) were acquired during the year.

Acquisition of tangible fixed assets
Tangible fixed assets worth SEK 44,347 thousand (39,360) were acquired during the year.

Dividends to non-controlling interests
During the year, dividends amounting to SEK 0 thousand (0) were paid out to holders without a controlling influence in a partly-owned subsidiary in the Baltic region.

Cash and cash equivalents	Group		Parent company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Cash and cash equivalents 1) 2)	547,897	505,684	-	-

1) Of Group cash and cash equivalents, SEK 0 thousand (19,874) relates to partly-owned companies in the Baltic region and the Czech Republic.
2) The parent company's cash and cash equivalents relate to the balance of the Group account and are recognised as liabilities to Group companies, amounting to SEK 408,950 thousand (312,885) as at 31 December 2022.

Blocked liquid assets
The Group has total frozen liquid assets of SEK 1,222 thousand (1,274). Of these, SEK 1,222 thousand (1,274) are included in Other long-term receivables and relate to security for rental contracts. See Note 18.

Transactions not settled in cash and cash equivalents
There were no transactions settled by means of payment methods other than cash and cash equivalents in 2023.
There were no transactions settled by means of payment methods other than cash and cash equivalents in 2022.

Specification of cash flow from financing activities

2023	Opening balance	Cash flow	Changes not affecting cash flow: Translation differences	Acquisition-related	Other details	Closing balance
Long-term bank loans	440,665	-224,158	5,413	-	-	221,920
Other non-current liabilities 1)	881,548	17,162	4,394	-	11,391	914,495
Current bank loans	-2,530	-	-	-	156	-2,374
Other current liabilities	275,393	-127,712	14,934	19,006	84,665	266,286
Total	**1,595,076**	**-334,708**	**24,741**	**19,006**	**96,212**	**1,400,327**

2022	Opening balance	Cash flow	Translation differences	Acquisition-related	Other details	Closing balance
Long-term bank loans	482,920	-62,309	20,054	-	-	440,665
Other non-current liabilities 1)	634,191	-2,310	36,457	-	213,210	881,548
Current bank loans	-1,876	-	-	-	-654	-2,530
Other current liabilities	261,334	-132,864	-39,607	139,376	47,154	275,393
Total	**1,376,569**	**-197,483**	**16,904**	**139,376**	**259,710**	**1,595,076**

1) Non-current interim liabilities, which are included in Other non-current liabilities in the balance sheet, are classified under working capital in the cash flow statement.

Note 27 ▶ Leasing

ACCOUNTING POLICIES

In Proact operations, the Group acts as both lessor and lessee.

Proact as lessee
As of 1 January 2019, Proact is applying IFRS 16 Leases to replace IAS 17 Leases. Proact is applying the simplified transition method, and the primary impact on the company's accounts originates from the recognition of IT equipment, vehicles, office equipment and rental contracts relating to premises. This change means that leasing contracts (with the exception of short-term leasing contracts and leasing contracts of lesser value) are recognised as right-of-use assets and leasing liabilities in the balance sheet. Assets and liabilities arising from leasing agreements are initially recognised at present value. Leasing liabilities include the present value of the following lease payments:

- set charges (including set charges in substance), after deductions for any benefits that are to be obtained in connection with the conclusion of the leasing agreement
- variable lease charges dependent on an index or price, valued initially with the help of the index or price on the initial date
- amounts that are expected to be paid by the lessee according to residual value guarantees
- the redemption price for an option to buy if the company is reasonably certain to exercise such an option.

Right of use is depreciated on a straight-line basis throughout the right of use period. Short-term leasing contracts are contracts of less than 12 months, and contracts of lesser value include contracts containing assets of less than EUR 5,000. In the comprehensive income report, the linear operational leasing cost is replaced with a cost for depreciation of the right-of-use asset and an interest cost attributable to the leasing liability.

Leasing agreements may include both leasing and non-leasing components. As regards leasing agreements in respect of vehicles, the group has opted not to separate different leasing components, but instead to report these as a single leasing component. Non-leasing components are separated for other leasing agreements.

Any options to extend the agreement or terminate it early must be included when calculating the length of the leasing period, if it is reasonably certain that these options will be exercised. A thorough evaluation of the financial benefits must be performed before making a decision to exercise an option. The leasing period is equivalent to the initial term of the agreement for most of Group's agreements. Leasing contracts containing a buyout option are not treated as short-term contracts even if the term is less than 12 months.

Proact uses different discount rates depending on the terms of its agreements and the geographical market. Leasing payments are discounted by the interest rate implicit in the leasing agreement. If this interest-rate cannot be established easily – which is normally the case for the Group's leasing agreements – the lessee's marginal loan rate must be used: this is the interest rate that the individual lessee would have to pay to borrow the necessary funds to buy an asset of similar value as the right of use in a similar economic environment, with similar terms and securities. The Group determines the marginal loan rate as follows:

- when it is possible to do so, finance that has recently been obtained by a third party is used as a starting point and then adjusted in order to reflect changes in the finance criteria since the finance was obtained.
- adjustments are made for the specific terms of the agreement, e.g. the lease period, country, currency and security.

Proact is exposed to any future increases in flexible lease payments based on an index or an interest rate that are not included in the leasing liability until they come into force. When adjustments of lease payments based on an index or an interest rate come into force, the leasing liability is revalued and adjusted to the right of use. Lease payments are distributed between repayment of the loan and interest. The interest is reported in the income statement over the leasing period in a manner that means a fixed interest rate for the leasing liability recognised for the period in question.

Proact as lessor
Where Proact is a lessor in accordance with a financial leasing agreement, the transaction is recognised as a sale and a lease receivable. It comprises the future minimum lease charges and any residual values guaranteed to the lessor. Lease charges received are recognised as interest income and repayment of lease receivables.

Leasing commitments

Lessors – Financial leasing agreements
Proact offers customers lease financing, hire purchase, via Proact Finance AB. Future amortisations plus interest will be received as follows:

	Gross investment	Present value of future minimum lease payments	Gross investment	Present value of future minimum lease payments
	31 Dec 2023	31 Dec 2023	31 Dec 2022	31 Dec 2022
Within 0-1 year	26,404	24,385	36,220	33,818
Within 1-5 years	23,624	22,900	38,263	36,671
After more than 5 years	-	-	-	-
	50,028	**47,285**	**74,483**	**70,489**
Unearned finance income	-	3,353	-	3,994
	50,028	**50,638**	**74,483**	**74,483**

The total variable charge included in profit for the year amounted to SEK 2,365 thousand (1,459). Financial revenues included in profit for the year amounted to SEK 2,931 thousand (3,561). At the end of the leasing period, customers are offered the opportunity to purchase the underlying asset at the applicable market price. Profit on the sale of underlying assets during the year amounted to SEK 0.4 million.

Lessees–IFRS16
The following amounts related to leasing agreements are reported in the balance sheet:

Assets with right of use	31 Dec 2023	31 Dec 2022
IT equipment	89,220	116,603
Premises	88,180	107,816
Vehicles	58,190	52,720
Office equipment	9,629	15,541
	245,219	**292,680**

Leasing liabilities	31 Dec 2023	31 Dec 2022
Current	100,258	113,416
Non-current	146,092	177,156
	246,350	**290,572**

Additional rights of use in 2023 amounted to SEK 11,564 thousand (125,985) .

The following amounts related to leasing agreements are reported in the income statement:

Depreciation on rights of use	2023	2022
IT equipment	-66,071	-59,014
Premises	-30,584	-29,485
Vehicles	-33,349	-30,375
Office equipment	-6,494	-5,620
	-136,498	**-124,494**

Other items in the income statement	2023	2022
Interest expenses (included in financial expenditure)	-6,713	-6,192
Expenses attributable to short-term leasing agreements and leasing agreements where the asset is of low value	-	-54
Expenses attributable to variable lease payments that are not included in leasing liabilities	-	-
	-6,713	**-6,246**

The total cash flow in respect of leasing agreements in 2023 amounted to SEK 118 million (133) .

Note 28 ▶ Information on related parties

Proact IT Sweden AB has a customer contract with Axis Communications AB, co. reg. no. 556253-6143. Revenues generated from this contract amounted to SEK 37.0 million in 2023, and Proact IT Sweden AB has an outstanding receivable of SEK 2.0 million due from Axis Communications AB as at 31 December 2021. All transactions with Axis Communication AB took place at market price. Axis Communication AB is an affiliate of Proact IT Group AB via Martin Gren, who has been a Board member at Proact IT Group AB since the 2017 Annual General Meeting, while also being founder, advisor and Chairman at Axis Communication AB.

Note 29 ▶ Events subsequent to balance sheet date

In January, it was announced that the company has appointed Noora Jayasekara as new CFO and member of the Group Management Team, starting in the second quarter of 2024.

Note 30 ▶ Equity

ACCOUNTING POLICIES

Equity
Costs attributable to the new issue of shares or options are included in equity as a reduction in cash and cash equivalents. The buy-back of own shares is classified as own shares and recognised in equity as a deduction.

Dividends
Dividends proposed by the Board of Directors reduce distributable funds and are recognised as liabilities once the Annual General Meeting has approved the dividend.

Share capital
The share capital item relates to the parent company's share capital.

Total no. of shares
According to the Articles of Association, the number of shares in the company must be no fewer than 15 million and no more than 60 million. A total of 28,001,658 shares in the company had been issued as at 31 December 2023.

Total number of shares as at 1 January 2023	28,001,658
Total number of shares as at 31 December 2023	**28,001,658**
No. of shares bought back	
Opening balance, bought-back own shares in own custody, 1 January 2023	546,807
Own shares bought back over the year	218,500
Own shares sold over the year	-45,097
Number of bought-back own shares in own custody as at 31 December 2023	**720,210**

Other capital contributions
Other capital contributions comprises capital arising from transactions with shareholders, such as premium issues.

Hedging of net investment in foreign operations
Exchange rate differences concerning net investment in operations in the United Kingdom, Germany and the USA.

Translation of foreign subsidiaries
Other reserves consist of translation differences attributable to the translation of foreign subsidiaries.

Specification of translation differences	Group
Opening balance, 1 January 2023	48,208
Change, 2023	-4,573
Closing balance, 31 December 2023	**43,635**

Note 30 – *Continued*

Retained earnings
Retained earnings in the group includes results for the year and previous year, dividends to shareholders, the buy-back of own shares, disposal of businesses and acquisitions from non-controlling interests.

In December 2023, the parent company bought back a total of 218,500 shares on Nasdaq Stockholm at an average share price of SEK 89.65. A total of SEK 19,588 thousand was paid for the shares, which reduced the retained earnings. A total of 720,210 own shares were held as at 31 December 2023. All shares held as own shares were fully paid as at 31 December 2023.

Attributable to non-controlling interests
This item refers to non-controlling interests in Lithuania and the Czech Republic. Proact acquired the remaining part of the Czech Republic operation, 14.7 per cent, in March 2023 and thus owns 100 per cent of the Czech company. The company in Lithuania was divested on 28 August 2023. There are no non-controlling interests as at 31 December 2023.

Capital
Proact's managed capital consists of equity. The company's objective is to use established strategies to achieve a good financial position and so prepare profits for shareholders by increasing the value of the managed capital. There are no external capital requirements other that those referred to in the Swedish Companies Act.

Parent company
Each share entitles the holder to one vote. All shares issued are fully paid up. A dividend of SEK 50,791 thousand, equivalent to SEK 1.85 per share, was issued in 2023 for the 2022 fiscal year. The Board of Directors will propose to the AGM on 7 May 2024 the distribution of a dividend of SEK 2.00 per share for the 2023 fiscal year. The parent company has not issued any share options or conversion rights.

Proposed distribution of profits
The Board of Directors will propose a dividend of SEK 2.00 per share (1.85) to the Annual General Meeting for the 2023 fiscal year.

The Annual General Meeting has at its disposal (non-restricted equity in the parent company), SEK thousands:	2023
Retained earnings	309,443
Profit/loss for the year	141,537
Total non-restricted equity	**450,980**
The Board of Directors proposes appropriation of retained earnings as follows:	
Dividend, SEK 2.00 per outstanding share [1)]	53,984
Carried forward	396,996
Total	**450,980**

1) There are 28,001,658 registered shares within the company, of which – as at 31 March 2022 – 1,009,452 shares are bought-back shares not entitled to dividends.

The total of the dividend of SEK 53,984,412 proposed above may change, but to no more than SEK 56,003,316, if ownership of the number of bought-back own shares changes prior to the record day for dividends.

Note 31 ▶ Earnings per share

Earnings per share are calculated by dividing the result attributable to the shareholders in the parent company by the "Weighted average number of outstanding shares".

	2023	2022
Profit per share for the year pertaining to the parent company's shareholders	172,647	191,258
Weighted average total number of shares	28,001,658	28,001,658
Weighted average number of outstanding shares	27,466,985	27,454,851
Earnings per share before dilution, SEK	**6.29**	**6.97**
Earnings per share after dilution, SEK	**6.29**	**6.97**

Proact has a long-term performance share scheme which may give rise to dilution not exceeding 1.84 per cent.

Certification

The undersigned assure that the consolidated and annual financial statements have been prepared in accordance with international financial reporting standards IFRS as adopted by the EU, as well as with good accounting practice, and give a fair view of the Group's and the parent company's financial position and results, and that the Directors' Report gives a fair summary of the development of the operations, position and results of the Group and the parent company, as well as describing significant risks and uncertainty factors facing the companies which form part of the Group.

Solna 03 April 2024

Anna Söderblom
Chairman

Martin Gren
Board member

Annikki Schaeferdiek
Board member

Erik Malmberg
Board member

Thomas Thuresson
Board member

Jonas Hasselberg
Chief Executive Officer

Our audit report was submitted on 3 April 2024
Öhrlings PricewaterhouseCoopers AB

Nicklas Kullberg
Authorised Public Accountant

Audit report

To the Annual General Meeting of Proact IT Group AB (publ), co. reg. no. 556494-3446

Report on the annual financial statements and consolidated financial statements

Statements

We have performed an audit of the annual financial statements and consolidated financial statements for Proact IT Group AB (publ) for 2023, with the exception of the corporate governance report on pages 43-49. The company's annual financial statements and consolidated financial statements can be found on pages 34-84 of this document.

In our opinion, the annual financial statements have been produced in accordance with the Swedish Company Accounts Act and provide a fair view in all significant regards of the parent company's financial position as at 31 December 2023, and of its financial results and cash flows for the year in accordance with the Swedish Company Accounts Act. The consolidated accounts have been compiled in accordance with the Swedish Company Accounts Act and provide a fair view in all significant regards of the Group's financial position as at 31 December 2023, and of its financial results and cash flows for the year in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Swedish Company Accounts Act. Our statements do not include the corporate governance report on pages 45-51. The Directors' Report is in accordance with other parts of the annual financial statements and consolidated financial statements.

We therefore recommend that the Annual General Meeting adopt the income statement and balance sheet for the parent company and the consolidated statement of comprehensive income and balance sheet.

Our opinions in this report on the annual accounts and consolidated financial statements are consistent with the content in the supplementary report that has been submitted to the parent company's and the Group's audit committee in accordance with article 11 of the Audit Regulation (537/2014).

Basis for the opinion

We have conducted our audit in accordance with the International Standards on Auditing (ISA) and generally accepted auditing principles in Sweden. Our responsibility in accordance with these standards is described in greater detail in the section entitled Auditor's responsibility. We are independent in respect of the parent company and the Group in accordance with generally accepted auditing principles in Sweden and have otherwise fulfilled our professional ethical requirements in accordance with these requirements. This includes the fact that, to the best of our knowledge and belief, no prohibited services as referred to in article 5.1 of the Audit Regulation (537/2014) have been provided by the reviewed company or, where appropriate, its parent company or its controlled companies within the EU.

We are of the opinion that the audit proof we have acquired is sufficient and appropriate as a basis for our statements.

Our audit approach

Focus and scope of the audit

We formulated our audit by establishing a materiality threshold and assessing the risk of material misstatement in the financial reports. We paid particular attention to the areas where the Chief Executive Officer and Board of Directors made subjective assessments, such as important account-related estimations made on the basis of assumptions and forecasts of future events, which by their nature are uncertain. As with all audits, we have also observed the risk of the Board of Directors and the Chief Executive Officer neglecting internal control, and among other things considered whether there is any evidence of systematic non-conformances that have given rise to risk of material misstatement as a consequence of irregularities.

We adapted our audit in order to perform an effective review so that we could comment on the financial reports as a whole, taking into account the structure of the company and the Group, accounting processes and controls, as well as the industry in which the Group is active.

Materiality

The scope and focus of the audit were influenced by our assessment of materiality. An audit is formulated in order to achieve a reasonable degree of security as to whether the financial reports include any material misstatement. Misstatement may occur as a consequence of irregularities or errors. Misstatement is regarded as material if parties, individually or jointly, can reasonably be expected to influence the financial decisions made by users on the basis of the financial reports.

Based on professional judgement, we established certain quantitative materiality figures for elements such as financial reporting as a whole. We used these and qualitative considerations to establish the focus and scope of the audit and the nature, time and scope of our review methods, and also to assess the effect of individual and combined misstatement on the financial reports as a whole.

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Particularly significant areas

Particularly significant areas for the audit are the areas that, in our professional opinion, were of most significance to the audit of the annual financial statements and consolidated financial statements for the period in question. These areas were processed within the scope of the audit of the annual financial statements and consolidated financial statements as a whole and our stance on the same, but we make no separate comments on these areas.

Particularly significant area	How our audit took the particularly significant area into account
Recognition of revenues from sales of systems in the right amount and for the right period Revenues from the sale of systems account for more than half of the Proact Group's reported net sales, and these sales sometimes take place in the form of what are known as composite customer contracts, where hardware, software, services, and support and maintenance may all be included in one and the same contract. The price of the contract is normally set for the contract as a whole, and not on a per product or per service basis. Contracts are therefore divided up into components, and revenue is distributed among each element of the contract. The revenue for each subcomponent is then recognised when the customer has been given control over the element in question. Thus this means that the time of revenue recognition does not normally coincide with invoicing and payment from the customer. This means that the corporate management team has to make estimates and assessments in respect of the independent sale prices of the various elements of customer contracts, which has an influence when reporting sales margins. As a consequence of the inherent complexity of revenue recognition and the element of estimates and assessments from the corporate management team, we have deemed revenues from the sale of systems to be a particularly significant area in the audit. *Please see Notes 1 and 3 in the Annual Accounts for 2023 for the accounting policies specified above.*	We have focused a significant part of our audit on evaluating Proact's principles and underlying assumptions in order to divide revenues from system sales over different elements. This has been done by the undertaking the following review procedures: • Analysis of revenues over the year, compared with the previous year. • Surveyed and evaluated controls over revenue reporting. • Reviewing a selection of major new contracts and sales against contract terms and Proact's guidelines for assessing revenue recognition. • Performing tests of random samples to ensure that revenues have been recognised for the right period and in the right amount. • Evaluating assumptions in revenue recognition principles by comparing deviating margins for system sales.
Write-down testing The consolidated balance sheet reports acquisition-related surplus values and goodwill at a value of SEK 1,138 million, while the parent company's balance sheet reports shares in subsidiaries amounting to SEK 492 million. Goodwill and acquisition-related surplus values correspond to the difference between the value of net assets and the purchase price paid in the event of an acquisition. The resulting goodwill is distributed between cash-generating units, which may differ from the level that was once generated by the acquisition as the new business is integrated into the Group. Unlike other assets, there is no depreciation of goodwill: instead, this is examined each year for write-down or when there are any indications of a need for write-down. Other acquisition-related surplus values are depreciated over the estimated useful life. When the corporate management team examines cash-generating units for write-down, the values recognised are compared with the estimated recoverable amount. If the recoverable amount is significantly less than the recognised amount, the asset is impaired to its estimated recoverable amount. The recoverable amount is established by calculating the utilisation value of the asset. When calculating the utilisation value, the corporate management team have to make assumptions on future growth and margin development. Future events and new information may change these assessments and estimates, and it is therefore particularly important for the corporate management team to regularly reassess whether the value of the acquisition-related intangible assets can be justified with regard to assessments made. The corporate management team's calculation of the utilisation value of assets is based on the budget for the next year and forecasts for the following four years. A more detailed description of these assumptions can be found in Note 15. A weighted average cost of capital before tax of 10-11 per cent (10-11 per cent) has been used, dependent on the assessed market risk for the various cash-generating units. The corporate management team has based its assumptions on future development on historical experience and analyses performed at the time of the acquisitions. Write-down tests naturally involve more estimates and assessments from the corporate management team, which is why we have deemed this to be a particularly significant area in our audit. *Please see Notes 1 and 15 in the Annual Accounts for 2023 for the accounting policies specified above.*	In our audit, we have focused in particular on how the corporate management team has tested write-down requirements. We have undertaken the following review procedures: • Evaluating the Proact process for testing acquisition-related surplus values and goodwill, as well as shares in subsidiaries for write-down. • ▪ Reviewing how the corporate management team has identified cash-generating units and compared this with how Proact follows up goodwill internally. • Obtained market data on the discount rate applied with the assistance of PwC's in-house valuation specialists. • ▪ Evaluating the plausibility of assumptions made and performing sensitivity analyses for altered assumptions. • ▪ Evaluating the management's forecasting capability by comparing previous forecasts with actual outcomes. • ▪ Working on the basis of materiality to confirm that there are sufficient notes in the annual financial statements. Working on the basis of materiality to confirm that there are sufficient notes in the annual financial statements.

Information other than the annual financial statements and consolidated financial statements

This document also includes information other than the annual financial statements and consolidated financial statements, and this can be found on pages 2 to 33 and 88 to 90. The compensation report that can be found on the company's website is also other information. The Board of Directors and the CEO are responsible for this other information.

Our statement concerning the annual financial statements and consolidated financial statements does not include this information, and we make no statement with confirmation concerning this other information.

When performing our audit of the annual financial statements and consolidated financial statements, it is our responsibility to read the information identified above and consider whether the information is significantly incompatible with the annual financial statements and consolidated financial statements. During this review, we also take into account the knowledge that we have otherwise obtained during the audit and assess whether the information in general appears to include material misstatement.

Given the work that has been carried out in respect of this information, if we come to the conclusion that the other information includes material misstatement, we are obliged to report this. We have nothing to report in this respect.

Responsibility of the Board of Directors and the Chief Executive Officer

The Board of Directors and Chief Executive Officer are responsible for ensuring that the annual financial statements and consolidated financial statements are compiled and provide an accurate picture in accordance with the Swedish Company Accounts Act and, as regards the consolidated financial statements, in accordance with IFRS as adopted by the EU, and the Swedish Company Accounts Act. The Board of Directors and the Chief Executive Officer are also responsible for the internal control that they deem necessary for drawing up the annual report and consolidated financial statements to ensure that they do not contain any material misstatement, whether these are the result of irregularities or errors.

When compiling the annual financial statements and consolidated financial statements, the Board of Directors and Chief Executive Officer are responsible for assessment of the company's and the Group's ability to continue the business. They provide information, where applicable, on circumstances that may influence the ability to continue the business and to use the assumption of continued operation. However, the assumption of continued operation will not be applied if the Board of Directors and Chief Executive Officer intend to liquidate the company, terminate the business or have no realistic alternative to doing either of these.

Responsibility of the auditor

Our goal is to achieve a reasonable degree of certainty as to whether the annual report and the consolidated financial statements, as a whole, do not contain any material misstatements, whether these are the result of irregularities or errors and to submit a report containing our opinions. Reasonable security is a high degree of security, but it is no guarantee that an audit performed in accordance with ISA and generally accepted auditing principles in Sweden will always discover any material misstatement if such exists. Inaccuracies may occur as a result of irregularities or errors and are considered to be material if they, individually or together, can reasonably be expected to influence the financial decisions made by users on the basis of the annual report and consolidated financial statements.

A further description of our responsibility for the audit of the annual financial statements and consolidated financial statements can be found on the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the audit report.

Report on other requirements in accordance with the law and other statutes

The auditor's review of management and proposed appropriation of the company's profit or loss

Statements

In addition to our audit of the annual financial statements and consolidated financial statements, we have also performed a review of the administration of the Board of Directors and the Chief Executive Officer of Proact IT Group AB (publ) for 2023 and of the proposed appropriation of the company's profit or loss.

We recommend that the Annual General Meeting appropriate the profit as proposed in the Directors' Report and discharge from liability the members of the Board of Directors and the Chief Executive Officer in respect of the financial year.

Basis for the opinion

We have conducted the audit in accordance with generally accepted accounting policies in Sweden. Our responsibility in accordance with these is described in greater detail in the section entitled Auditor's responsibility. We are independent in respect of the parent company and the Group in accordance with generally accepted auditing principles in Sweden and have otherwise fulfilled our professional ethical requirements in accordance with these requirements.

We are of the opinion that the audit proof we have acquired is sufficient and appropriate as a basis for our statements.

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Responsibility of the Board of Directors and the Chief Executive Officer

The Board of Directors is responsible for the proposed allocation of the company's profit or loss. When a proposal for a dividend is issued, this involves, inter alia, an assessment of whether the dividend is justified with reference to the requirements such as the nature, scope and risks of the business of the company and the Group with regard to the scope of the equity of the parent company and the Group, consolidation needs, liquidity and position in general.

The Board of Directors is responsible for the company's organisation and Management of the company's affairs. This includes regularly assessing the financial situation of the company and the Group and ensuring that the company's organisation is formulated so that the accounting, the management of assets and the company's financial affairs in general are controlled in a satisfactory manner. The Chief Executive Officer shall manage the ongoing administration in accordance with the guidelines and instructions of the Board of Directors and, inter alia, undertake the action necessary to ensure that the company's bookkeeping is carried out in accordance with the law and so that assets may be managed in a satisfactory manner.

Responsibility of the auditor

Our objective concerning the audit of the administration, and hence our opinion on discharge from liability, is to obtain audit proof so as to be able to assess with a reasonable degree of security whether any Board member or the Chief Executive Officer in any significant respect:

- has undertaken any action or is guilty of any negligence that may result in liability to pay compensation to the company
- has otherwise acted in contravention of the Swedish Companies Act, the Swedish Annual Accounts Act or the company's articles of association.

Our objective concerning the audit of the proposal for appropriation of the company's profit or loss, and hence our opinion on the same, is to determine with a reasonable degree of security whether the proposal is consistent with the Swedish Companies Act.

Reasonable security is a high degree of security, but it is no guarantee that an audit performed in accordance with generally accepted auditing principles in Sweden will always discover any actions or negligence that may result in liability to pay compensation to the company, or that a proposal for appropriation of the company's profit or loss is not consistent with the Swedish Companies Act.

A further description of our responsibility for the audit of the administration can be found on the Swedish Inspectorate of Auditors website:
www.revisorsinspektionen.se/revisornsansvar. This description is part of the audit report.

Auditor's review of the ESEF report

Opinions

Besides our audit of the annual accounts and consolidated accounts, we have also verified that the Board of Directors and the Chief Executive Officer have prepared the annual accounts and consolidated accounts in a format that permits consistent electronic reporting (the ESEF report) in accordance with Chapter 16, Section 4 a of the Securities Market Act (2007:528) for Proact IT Group AB (publ) for 2023.

Our review and statement relate only to the statutory requirement.

In our view, the ESEF report has been prepared in a format that essentially allows for uniform electronic reporting.

Grounds for our opinion

We conducted our review in accordance with FAR Recommendation RevR 18 Auditor's Review of the ESEF Report. Our responsibility in accordance with this recommendation is described in greater detail in the section entitled Auditor's responsibility. We are independent in respect of Proact IT Group AB (publ) in accordance with generally accepted auditing principles in Sweden and have otherwise fulfilled our professional ethical requirements in accordance with these requirements.

We are of the opinion that the proof we have acquired is sufficient and appropriate as a basis for our statement.

Responsibility of the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for ensuring that the ESEF report has been prepared in accordance with Chapter 16, Section 4 a of the Securities Market Act (2007:528), and that there are such internal controls as the Board of Directors and the Chief Executive Officer deem necessary to allow the ESEF report to be prepared in a manner that is free from material misstatement, whether due to fraud or error.

Responsibility of the auditor

Our job is to express an opinion with reasonable assurance as to whether the ESEF report has been prepared, in all material respects, in a format that is compliant with the requirements of Chapter 16, Section 4 a of the Securities Market Act (2007:528), on the basis of our review.

RevR 18 requires us to plan and perform our review procedures in order to obtain reasonable assurance that the ESEF report is prepared in a format that meets these requirements.

Reasonable security is a high degree of security, but it is no guarantee that a review performed in accordance with RevR 18 and generally accepted auditing principles in Sweden will always discover any material misstatement if such exists. Inaccuracies may occur as a result of irregularities or errors and are considered to be material if they, individually or together, can reasonably be expected to influence the financial decisions made by users on the basis of the ESEF report.

The audit firm applies International Standard on Quality Management 1 which requires the company to design, implement a quality control system including documented policies or procedures regarding compliance with professional ethics requirements, professional standards and applicable legal and regulatory requirements.

The review includes obtaining evidence, through a variety of measures, to indicate that the ESEF report has been prepared in a format that permits consistent electronic reporting of the annual accounts and consolidated accounts. The auditor selects which measures are to be implemented by – among other things – assessing the risks of material misstatement in the reporting, whether due to irregularities or error. During this risk assessment, the auditor takes into account the elements of the internal control which are of relevance to how the Board of Directors and Chief Executive Officer compile the data in order to formulate review methods which are appropriate given the circumstances, but not in order to make a statement on the efficiency of the internal control. The review also includes evaluating the appropriateness and reasonableness of the assumptions made by the Board of Directors and the Chief Executive Officer.

The audit procedures mainly include validating the fact that the ESEF report has been prepared in a valid XHTML format and reconciling the ESEF report with the audited annual accounts and consolidated accounts.

The audit also includes an assessment of whether the Group's income statement, balance sheet, equity statement and cash flow statement and notes in the ESEF report have been tagged with iXBRL in accordance with the provisions of the ESEF Regulation.

Auditor's review of the corporate governance report

The Board of Directors is responsible for the sustainability report on pages 43-49, and for ensuring that it is prepared in accordance with the Swedish Annual Accounts Act.

Our review has been conducted in accordance with FAR's opinion RevR 16 Auditor's review of the corporate governance report. This means that our review of the corporate governance report has a different focus and is on a significantly smaller scale than the focus and scale of any audit in accordance with International Standards on Auditing and generally accepted accounting policies in Sweden. We consider our review to provide us with sufficient grounds for our opinions.

A corporate governance report has been compiled. Information in accordance with Chapter 6, Section 6(2), clauses 2 to 6 of the Swedish Company Accounts Act and Chapter 7, Article 31(2) of the same act is consistent with the other parts of the annual financial statements and consolidated financial statements and is also compliant with the Swedish Company Accounts Act.

Öhrlings PricewaterhouseCoopers AB, Torsgatan 21, SE-113 97 Stockholm, was appointed as the auditor of Proact IT Group AB (publ) by the Annual General Meeting held on 5 May 2022 and has been the company's auditor since 2 May 2018.

Stockholm, 3 April 2024
Öhrlings PricewaterhouseCoopers AB

Nicklas Kullberg
Authorised Public Accountant

Five-year summary [1]

	2023	2022	2021	2020	2019
Income statement (SEK millions)					
Total revenues	4,847.3	4,756.8	3,525.0	3,633.1	3,407.9
EBITDA	457.9	473.2	348.6	369.6	271.7
EBITA	285.5	313.1	197.5	216.7	134.2
EBIT	229.8	260.6	166.2	182.1	105.4
Earnings before tax	218.3	244.2	151.9	167.7	101.7
Profit/loss for the year	173.1	191.5	117.2	132.3	80.2
EBITDA margin, %	9.4	9.9	9.9	10.2	8.0
EBITA margin, %	5.9	6.6	5.6	6.0	3.9
EBIT margin, %	4.7	5.5	4.7	5.0	3.1
Net margin, %	4.5	5.1	4.3	4.6	3.0
Profit margin, %	3.6	4.0	3.3	3.6	2.4
Equity, provisions and liabilities (SEK millions)					
Equity	1,008.6	923.4	713.9	605.0	525.9
Balance sheet total	4,044.4	4,241.9	3,395.0	2,923.9	2,876.7
Capital employed	1,504.8	1,673.4	1,467.9	1,094.9	1,106.8
Net cash (+)/Net debt (-)	79.6	-227.0	-261	22.0	-160.7
Financial key ratios					
Equity ratio, %	24.9	21.8	21.0	20.7	18.3
Capital turnover rate, times	1.2	1.2	1.1	1.3	1.3
Cash flow, SEK millions	50.0	12.2	-26.3	126.0	95.7
Investments in fixed assets, SEK millions	148.3	397.5	550.7	269.1	440.7
Return on equity, %	18.2	23.4	17.8	23.4	16.1
Return on capital employed, %	16.3	17.2	13.4	17.1	13.2
Dividend to Parent Company's shareholders, SEK millions [2]	50.8	41.2	41.2	41.2	22.9
Key ratios per employee					
Average number of employees on annual basis	1,160	1,160	1,027	973	834
Number of employees at year-end	1,171	1,258	1,178	1,022	1,016
Profit before tax per employee, SEK thousands	188	211	148	172	122
Data per share					
Earnings per share (total number of shares), SEK	6.13	6.84	4.18	4.70	2.86
Earnings per share (outstanding shares), SEK [3]	6.29	6.97	4.27	4.80	2.92
Equity per share (total number of shares), SEK	36.02	32.84	25.38	21.50	18.72
Equity per share (outstanding shares), SEK [3]	36.97	33.49	25.88	21.93	19.09
Cash flow from current operations per share					
(total no. of shares), SEK	19.00	15.83	10.84	16.72	11.77
Cash flow from current operations per share					
(outstanding shares), SEK [3]	19.50	16.14	11.06	17.05	12.00
Total number of shares at end of period	28,001,658	28,001,658	28,001,658	28,001,658	28,001,658
Total number of outstanding shares at end of period [3]	27,281,448	27,454,851	27,454,851	27,454,851	27,454,851
Weighted average number of shares (total number of shares)	28,001,658	28,001,658	28,001,658	28,001,658	28,001,658
Weighted average number of shares (outstanding shares) [3]	27,466,985	27,454,851	27,454,851	27,454,851	27,454,851
Number of own shares held at end of period	720,210	546,807	546,807	546,807	546,807
Number of warrants at end of period	-	-	-	-	-
Share price as at 31 December, SEK	94.00	83.00	87.00	91.00	61.33

1) Key ratios recalculated after the split in May 2021.
2) The Board of Directors will propose distribution of a dividend of SEK 2.00 per share to the Annual General Meeting for the 2023 fiscal year.
3) Proact has a long-term performance share scheme which may give rise to dilution not exceeding 1.84 per cent.
The company has also bought back shares that are in its own custody, which affects the key ratios and figures above.

Definition of key ratios

Alternative key ratios

This financial report refers to a number of key ratios. Some of these are defined in accordance with IFRS, while others are alternative key ratios and are not presented in accordance with applicable regulations and frameworks for financial reporting. The key ratios are used within the Group in order to help both investors and the executive to analyse Proact's business. The key ratios used in this financial report are described, defined and justified below.

Economic key ratios	Definition	Purpose
Gross margin	Gross profit as a percentage of total revenues.	Gross profit in relation to total revenues shows profitability at gross profit level and provides profit comparability over time.
EBIT	Operating profit before net financial items and tax.	EBIT provides a general view of total profit generated by the business.
EBIT margin	Operating profit/loss as a percentage of total revenues.	EBIT in relation to total revenues shows operational profitability and provides profit comparability over time.
EBITA	Earnings after depreciation of tangible fixed assets but before depreciation of intangible assets, net financial items and tax.	EBITA gives a more correct view of which profit is generated by the business when depreciation of intangible assets – which is affected extensively by assessment of the depreciation period – is excluded.
Adjusted EBITA	Earnings after depreciation of tangible fixed assets but before depreciation of intangible assets, net financial items and tax, adjusted for exceptional items.	Adjusted EBITA gives a more correct view of which profit is generated by the business when depreciation of intangible assets affected extensively by assessment of the depreciation period, as well as exceptional items that vary from regular operations, is excluded.
EBITA margin	EBITA as a percentage of total revenues.	EBITA in relation to total revenues shows profitability at EBITA level and provides profit comparability over time.
EBITDA	Earnings before depreciation (tangible and intangible assets), net financial items and tax.	Besides depreciation of intangible assets, EBITDA also excludes depreciation of tangible assets, both of which are affected extensively by assessed depreciation periods.
EBITDA margin	EBITDA as a percentage of total revenues.	EBITDA in relation to total revenues shows profitability at EBITDA level and provides profit comparability over time.
Equity per share	Equity pertaining to the parent company's shareholders, per share.	The net worth per share provides a guideline on the valuation level of a share on the stock exchange in relation to the funds in the company.
Non-recurring items	Items in the income statement that are non-recurring and have affected the profit and are important to be aware of in order to understand the underlying result.	It is necessary to be aware of and be able to take into account expense items that deviate from normal business so that Proact's development can be analysed and assessed correctly.
Capital turnover rate, times	Revenues expressed as a percentage of the average balance sheet total.	This is used to show the efficiency of the use of total capital for the company.
Cash flow	Change in cash and cash equivalents.	The cash flow shows the net amount of cash and cash equivalents generated and used within the company.
Net cash/Net debt	Cash and cash equivalents minus interest-bearing liabilities to credit institutions.	To assess the ability to use available cash and cash equivalents to pay off all liabilities if they were to fall due on the date of the calculation.
Net margin	Earnings before tax as a percentage of total revenues.	The net margin provides comparable profitability regardless of the corporation tax rate.
Organic growth	Growth in net sales, excluding the net sales contributed to the Group by companies acquired during the year, plus currency effects.	Show the underlying growth, i.e. growth excluding acquired growth.
Earnings per share	Earnings to the parent company's shareholders per share.	Earnings per share is used to establish the value of the company's outstanding shares.
Profit per employee	Earnings before tax divided by the average number of annual employees.	This is a measure of efficiency showing profitability per employee.
Return on equity	Earnings for the period after tax, expressed as a percentage of average equity.	Return on equity shows what the company is generating in terms of profitability, returns, on capital invested by owners.
Return on capital employed	Earnings after net financial items plus financial expenses, expressed as a percentage of the average capital employed.	For evaluating the profitability and efficiency of Proact's capital employed.
Debt levels	Net debt in relation to EBITDA.	Net debt/EBITDA is a theoretical measure of how many years it would take with current earnings (EBITDA) to pay off the company's liabilities.
Equity ratio	Equity including minority interests as a percentage of balance sheet total.	The key ratio is an indicator of the company's leverage for financing the company.
Capital employed	Balance sheet total minus non-interest bearing liabilities inclusive of deferred tax liabilities.	Capital employed measures the company's ability to meet the needs of the business in addition to cash and cash equivalents.
Currency effects	Net sales and profit for the period, translated into currency exchange rates for the previous year.	Show underlying growth, i.e. growth excluding the effect of changes in currency exchange rates.
Profit margin	Earnings for the period after tax as a percentage of total revenues.	The profit margin makes it possible to compare profitability including the corporation tax rate.

Shareholder information

Annual General Meeting 2024

The Annual General Meeting will take place at 4pm on Tuesday, 7 May 2024 at Meeting Lab, Gate 01, Frösundaviks Allé 1, in Solna. The Board has decided that shareholders should also be able to exercise their voting rights by post before the meeting.

Shareholders who are entered in the shareholder register kept by Euroclear Sweden on Friday, 26 April 2024 and who have registered as described below shall be entitled to participate in the proceedings of the Annual General Meeting. Shareholders whose shares are registered to administrators must therefore temporarily register under their own names in the shareholder register to be entitled to participate in the proceedings of the Annual General Meeting, either personally or through a representative. Such re-registration must be completed in plenty of time prior to Friday, 26 April 2024.

Registration

Shareholders who wish to attend the Annual General Meeting in person must notify the company of their participation no later than Tuesday, 30 April 2024.

Registration will take place by post, telephone or email. Address for registration: Computershare AB "Proact IT Group AB:s årsstämma" [Proact IT Group AB Annual General Meeting], Box 5267, SE-102 46 Stockholm, Sweden, tel.: 0771 24 64 00, email: info@computershare.se.

Postal voting

Shareholders wishing to participate in the Annual General Meeting by means of postal voting must register by casting their postal vote no later than Tuesday, 30 April 2024 so that the postal vote is received by Computershare no later than 30 April.

The postal voting form available on the company's website, www.proact.eu, must be used for postal voting. When completed and signed, the postal voting form can be sent by post to Computershare AB, "Proact IT Group AB:s årsstämma" [Proact IT Group AB Annual General Meeting], Box 5267, SE-102 46 Stockholm, Sweden, or by email to info@computershare.se.

Future information

Interim report, 1st quarter	7 May 2024
Annual General Meeting	7 May 2024
Half-yearly report	12 July 2024
Interim report, 3rd quarter	25 October 2024
Year-end report	11 February 2025

Further information

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