PROACT

Annual and Sustainability Report

2024

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Pages 36-79 constitute the company's annual financial statements and consolidated financial statements. The statutory sustainability report is found on pages 10-13 and 23-33.
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.

About us and the year in brief

Purpose

We unlock the power of data and technology to drive positive change.

Proact in brief

Who we are

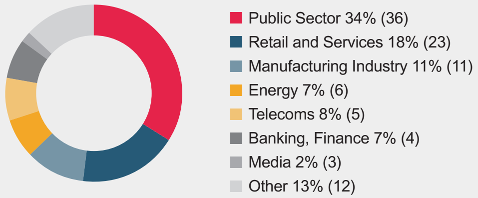
As a leading IT expert and long-term provider, we have ensured the security of our customers' business-critical information since our founding in 1994. We now have around 1,200 specialists operating in 12 countries, mainly in Europe, with a track record of over 4,000 successful projects. Our size allows us to leverage economies of scale while remaining locally rooted and maintaining a strong understanding of our customers' needs.

Net sales total SEK 4,864 million, supported by a strong financial position. We have been listed on Nasdaq Stockholm under the symbol PACT since 1999.

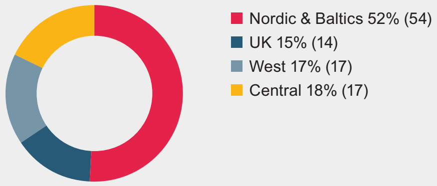
What we do

We provide unique specialist expertise in services and IT infrastructure, whether for customers' own data centre solutions, private, public or hybrid cloud solutions. We provide business-critical solutions that give our customers confidence in the availability and reliability of their IT systems, as well as the protection and security of their information.

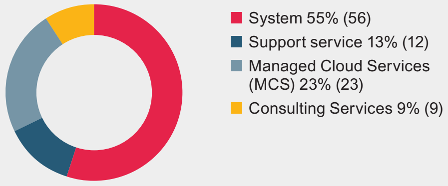
Revenue by sector



Revenue by Business Unit



Revenue by product area



How we do it

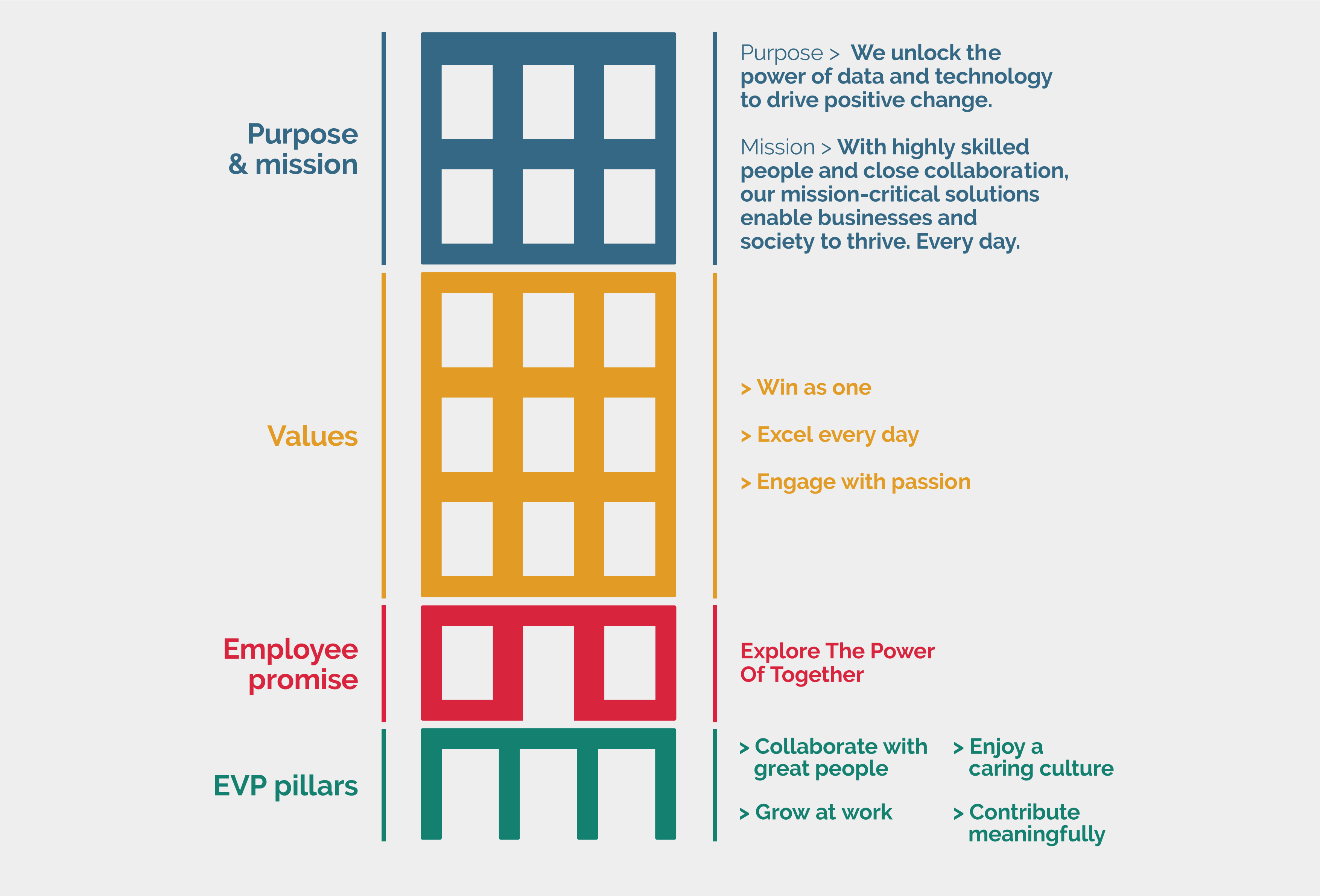
We are driven by a passion to contribute to projects that foster a better and more sustainable society, using hybrid cloud solutions, digitalisation, automation, and cybersecurity. Our specialists work closely with customers and suppliers to create solutions that truly make a difference.

In 2024, we updated our purpose, mission and values, while clarifying our employee promise, to better reflect who we are today and where we are headed. The model on the right demonstrates how the different elements work together and aims to clarify what stakeholders can expect from us.

We call it The Power Of Together.

We are big enough to act, yet small enough to care.

Magnus Lönn
CEO & President



Year in review

Strong development of the services business
In 2024, Proact continued to show stable growth, despite market challenges. The company's total revenue rose by 0.3 per cent to SEK 4,864.2 million (4,847.3), driven by robust growth in the services business, reflecting the growing demand for digitalisation and IT services. At the same time, systems revenue was somewhat adversely affected by longer sales cycles.

Growth in recurring revenue and cloud service sales
Recurring revenue from contracted cloud and support services rose by 1.9 per cent, equating to an annual rate of SEK 1,781 million (1,748). In the last quarter of the year, new cloud service agreements worth SEK 224 million (197) were signed, setting a new quarterly record. Moreover, a large number of current cloud service agreements were renewed, which not only enhances the long-term stability of our business model but also attests to the high level of customer satisfaction.

Improved profitability
Adjusted EBITA increased by 16.1 per cent to SEK 350.6 million (302.1), reflecting more efficient operations and stronger cost control. The adjusted EBITA margin reached 7.2 per cent (6.2), indicating sustained strong profitability in a market marked by uncertainty.

Strengthened position in hybrid cloud solutions
Our focus on hybrid cloud solutions has attract new customers during the year. Among these is the London-based law firm Teacher Stern, to which we sold a tailored hybrid cloud solution with accompanying security services. We also secured Dole Nordic as a new customer in Sweden, where we provided a hybrid cloud solution along with our platform for modern application development. These new deals confirm our successful hybrid cloud offering and our ability to meet customers' needs for both security and innovative IT solutions.

Completed integration of German ahd
Towards the end of the year, we achieved a significant milestone in our efforts to develop and streamline operations by completing the integration of the German company ahd, which we acquired at the end of 2021. The integration has resulted in an enhanced service portfolio and streamlined delivery processes that are now consistent across the business.
We expect these improvements to contribute to higher quality and efficiency, further strengthening our competitiveness and ability to deliver value to our customers.

Increased customer satisfaction
In the autumn, Proact conducted its annual customer survey. Our Net Promoter Score (NPS) increased to 62, compared to 59 last year. An NPS above 50 is considered very strong. Proact's score also exceeds the industry average, which stands at about 40. This clearly demonstrates that our long-term focus on enhancing the customer experience and delivering high quality is yielding tangible and valued results.

Our ability to adapt to customer needs, especially in hybrid cloud solutions, has bolstered our position and led to improved profitability and greater customer satisfaction.

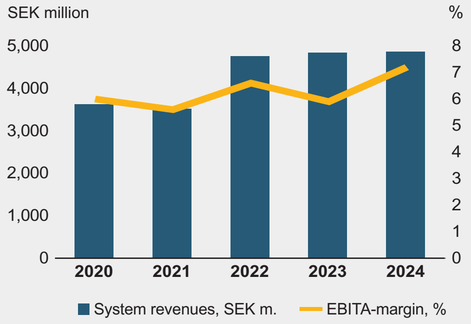
Magnus Lönn
CEO & President

Key ratios

	2024	2023
Total revenue, SEK million	4,864.2	4,847.3
EBITA, SEK million	350.6	285.5
EBITA margin, %	7.2	5.9
Earnings before tax, SEK million	278.0	218.3
Net margin, %	5.7	4.5
Earnings per share (outstanding shares), SEK [1]	8.15	6.29
Dividend per share, SEK [2]	2.40	2.00

1) Proact has a long-term performance share scheme that may give rise to maximum dilution of 2.36 per cent. The company has bought back shares that are in its own custody, which affects the key ratios and figures.
2) The Board of Directors will propose distribution of a dividend of SEK 2.40 per share to the 2025 Annual General Meeting for the 2024 financial year.

Revenue and EBITA margins



Revenue during the year
4,864
SEK million

Earnings before tax
278
SEK million

Proposed dividend
2.40
SEK / SHARE

CEO's statement

2024 was a year of profit growth and strategic progress for Proact. Despite an uncertain market, characterised by longer sales cycles and increased investment caution, we have further strengthened our position as a leader in IT services and hybrid cloud solutions. By accelerating our services business, refining our customer offering and improving operational efficiency, we have laid a solid foundation for further value creation.

Market development and growth in service business
During the year our total revenue increased slightly to SEK 4,864 million (4,847). Demand for digitisation and cloud-based solutions continued to drive our services business, while systems sales declined slightly.

We issued a profit warning in December following a temporary drop in revenue towards the end of the year. Thankfully, the quarter ended with a stronger contribution from the systems business and costs lower than expected, resulting in a smaller profit decline than anticipated.

Our contracted cloud and support services developed positively during the year, with recurring revenues increasing by 1.9 per cent to an annual rate of SEK 1,781 million (1,748). The fourth quarter was particularly strong, with a new quarterly record of SEK 224 million (197) in new contracts for cloud services. This confirms our position as a trusted partner for companies seeking stable, secure and scalable IT solutions.

Among the most significant deals of the year was our collaboration with London-based law firm Teacher Stern, where we delivered a customised hybrid cloud solution with integrated security services. The solution enables a combination of on-premises data storage and cloud services, ensuring both regulatory compliance and high performance for business-critical systems.

Improved profitability and operational efficiency
We have significantly strengthened our profitability through targeted efficiency measures. Adjusted EBITA increased by 16.1 per cent to SEK 351 million (302), while the EBITA margin improved to 7.2 per cent (6.2).

We have implemented extensive initiatives to streamline our cost structure, including improved resource allocation and increased automation in our supply flows. At the same time, we have invested in skills development and technology innovation to meet customer needs more cost-effectively and with greater scalability. These actions have not only strengthened our profitability, but also created a more flexible and competitive organisation, ready for future growth.

Increased customer satisfaction and a stronger brand
We have continued to invest in the customer experience by improving our support, delivery and proactive maintenance processes. Our focus on quality and service has produced clear results - our latest customer survey showed that our Net Promoter Score (NPS) rose to 62, up from 59 last year.

By accelerating our services business, refining our customer offerings and driving operational efficiency, we have laid a solid foundation for continued value creation.

CEO's statement

An NPS of over 50 is considered very strong, and our score is well above the industry average of around 40. We have actively listened to customer feedback and implemented changes that make a real difference. For example, we have reduced support response times, made our delivery processes more transparent and strengthened our cloud and IT security consulting services. The increase in customer loyalty shows that we are successfully building long-term relationships based on trust and quality.

Focus on security and sustainability

We see growing demand for advanced cybersecurity solutions, driven by an increasingly complex threat landscape. This year, we further strengthened our cybersecurity services portfolio with solutions that effectively protect against new and evolving security threats. We work proactively to help our customers identify, manage and mitigate security risks, from increased regulatory requirements to threats to critical infrastructure and business-critical systems.

In parallel with our focus on cyber security, we continue to develop more energy-efficient and sustainable IT solutions. By increasing the use of data centres powered by renewable energy and optimising the use of resources in our services, we are helping to reduce our carbon footprint, both for ourselves and for our customers.

Future outlook

In March, I took over as CEO after Jonas Hasselberg, who has successfully led and developed Proact for more than six years to the strong position we have today. We have worked closely together for the past three years, and I have been Deputy CEO for the past year. This has given me a deep understanding of the company and its potential.

I approach my new role with great respect and enthusiasm and look forward to continuing to create significant value for our customers together with our 1,200 employees.

The rapid pace of digitisation, the growing demand for cloud services and AI infrastructure, and the increased focus on IT security create very good market conditions for us. With a strong financial position, a broad and competitive service portfolio and a clear focus on innovation, we have a solid foundation for continued growth. We see opportunities to expand both organically and through strategic acquisitions that strengthen our offering and geographic presence.

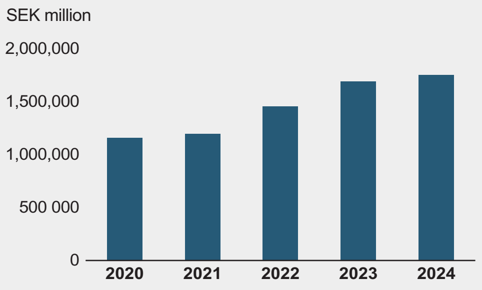
At the same time, we will continue to invest in our people, whose skills and commitment are critical to our success.

Lastly, I would like to express my sincere thanks to Jonas Hasselberg and all our employees, customers and partners. Together we are creating a more digital, sustainable and secure future.

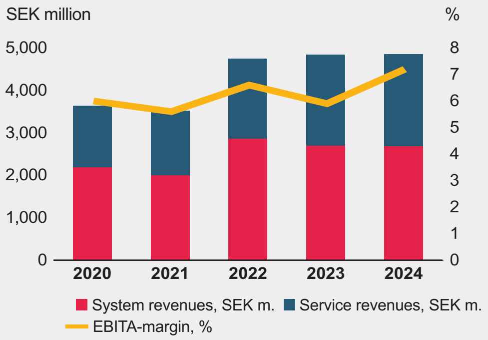
Solna, March 2024

Magnus Lönn
CEO & President

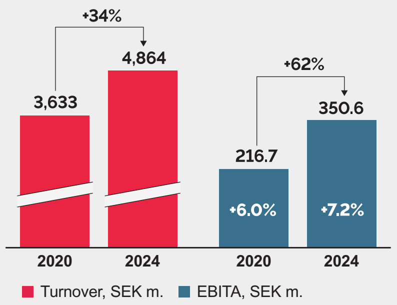
Recurring revenue



Share of revenue 2020-2024



Turnover/EBITA



Net Promoter Score among customers

62

Share of renewable electricity consumption in data centres

99%

PROACT
30
YEAR ANNIVERSARY

Celebrating a milestone!

Retrospective from one of the founders

Åke Beckman, Sr. Presales Architect, Sweden

Can you tell us about an unforgettable moment in the company's history?
For me, the most memorable moments aren't the big milestones, like the 1999 IPO or when we reached our first billion in net sales. What I truly remember are the small wins – troubleshooting a tough support issue and gaining a satisfied customer or closing a deal after a long discussion. That's what drives motivation and makes me want to reach for it time and time again. One hardware issue in southern Sweden led to an overnight stay in the data centre and a nerve-wracking morning waiting - would everything be fine when the engineers arrived? Luckily it did!

In what ways has the company evolved over the years?
The way we deliver solutions has evolved. Countless products and technologies have also emerged and disappeared; some have taken off, while others have been fleeting trends. One of our key strengths as an independent integrator is that we can choose to pass on what we don't believe in. It's fascinating to witness the arrival of technologies that create a seismic impact – flash storage and virtualisation being prime examples.

What elements of our corporate culture have endured over the years?
What I've always appreciated about Proact is its remarkable ability to focus on what truly matters: our customers. Everyone lends a hand, both within and beyond their own departments. Our successes are the result of a collective effort, a genuine commitment to support and help one another – one of the things I value most about working here.

#WinAsOne

Our business

Mission

With highly skilled people and close collaboration, our mission-critical solutions enable businesses and society to thrive. Every day.

Targets

Long-term financial targets

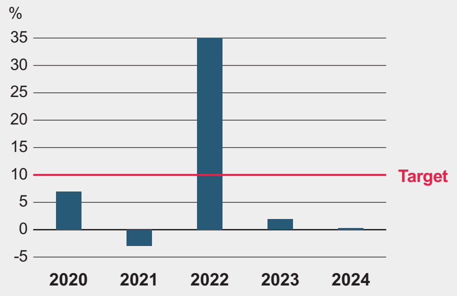
Our long-term financial targets aim to deliver sustainable and profitable growth through a balanced approach to sales growth, profitability and capital structure. By ensuring stable margins, a healthy level of debt and a responsible dividend policy, we lay the foundation for long-term value creation for our shareholders.

Sales growth

The average total sales growth should amount to at least 10 per cent per year.

>10%

Outcome 2020-2024



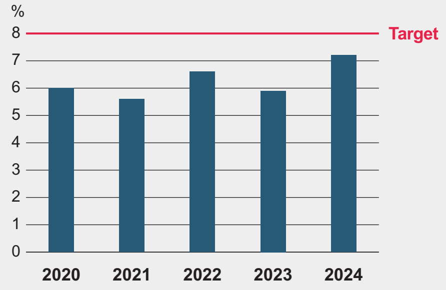
Sales growth for 2024 amounted 0.3 per cent (1.9).

Margin

The EBITA margin should amount to no less than 8 per cent.

>8%

Outcome 2020-2024



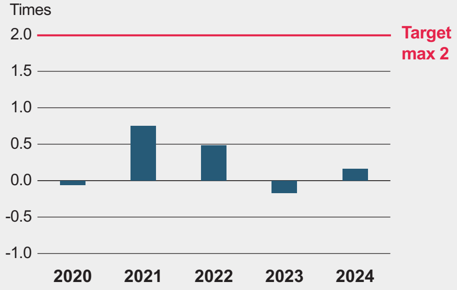
For the full year 2024, the company generated an EBITA margin of 7.2 percent (5.9) of revenue.

Debt levels

Net debt should be no more than twice EBITDA.

<2 times

Outcome 2020-2024



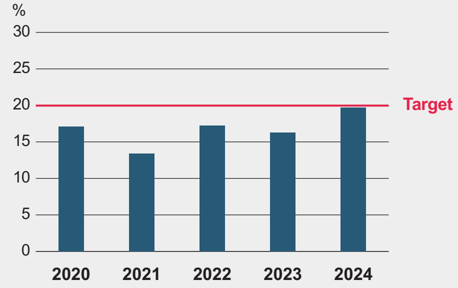
At the end of 2024, the company had a gearing ratio of 0.16 times (-0.17).

Capital employed

Return on capital employed should amount to at least 20 per cent.

>20%

Outcome 2020-2024



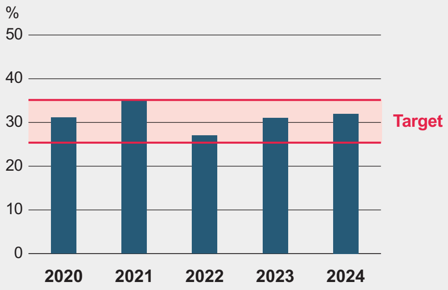
For 2024, the return on capital employed was 19.7 per cent (16.3).

Dividends

In the long term, the company intends to issue a dividend of 25-35 per cent of profit after tax.

25-35%

Outcome 2020-2024



A dividend of SEK 2.40 (2.00) per share is proposed for 2024, which is equivalent to 29 per cent (31) of profit after tax.

Long-term sustainability targets

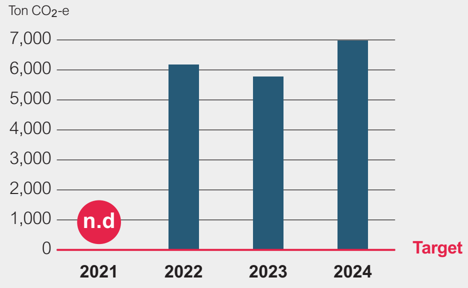
The sustainability work focuses on reducing Proact's climate footprint, enabling our customers to become more sustainable thanks to the products and services offered, and providing an attractive and gender-equal workplace. Here are the key targets that apply to the entire Group.

Net zero emissions

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

0

Outcome 2020-2024



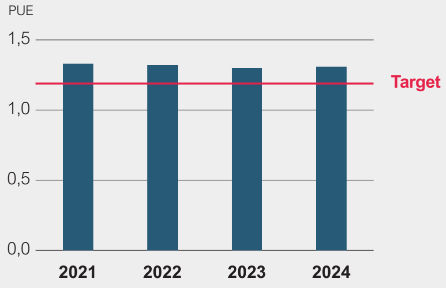
Proact's total greenhouse gas emissions amounted to 6,977 tonnes (5,911) in 2024. See page 24 for more information.

PUE

Average PUE, Power Usage Effectiveness, at the data centres used by Proact will not exceed 1.2 by 2030.

1.2

Outcome 2020-2024



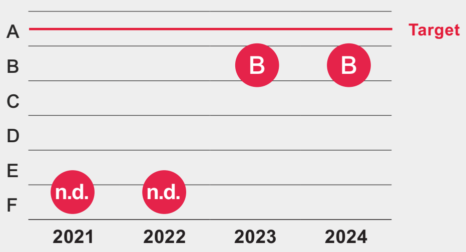
In 2024, the average PUE was 1.31 (1.30). See page 25 for more information.

SecurityScorecard

Proact will achieve level A in SecurityScorecard by 2025.

A

Outcome 2020-2024



At the end of the year, Proact's performance at group level was B (B). See page 25 for more information.

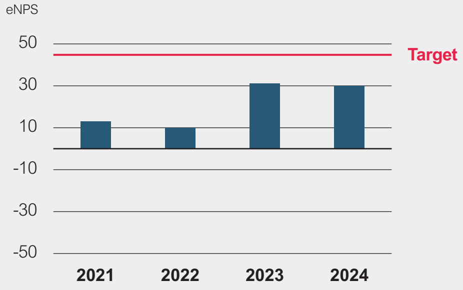
n.d. – no data available

eNPS 1)

Proact's target is to achieve an eNPS, Employer Net Promoter Score of 45 by 2030.

45

Outcome 2020-2024



Proact's eNPS was 30 (31) in this year's survey. See page 27 for more information.

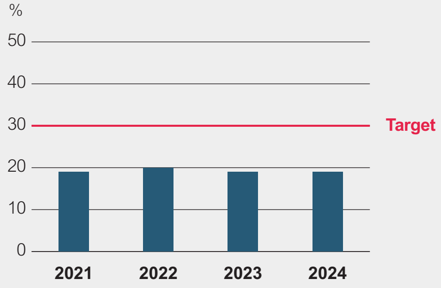
1) It was decided during the year to replace the eNPS target with the Engagement Index in 2025.

Women

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

30%

Outcome 2020-2024



The proportion of women was 19 per cent (19) in 2024. See page 27 for more information.

Strategy

The overall strategy remains stable with a continued focus on strengthening Proact's market position in hybrid cloud services. Helping customers to store, protect and drive business value from data is at the heart of this strategy. We have made significant strides in our five focus areas since last year.

Our five strategic focus areas

1. Broaden our market position
2. Accelerate our hybrid cloud offering and maintain our strong position in respect of data centres
3. High quality and standardised service delivery with satisfied customers
4. Focus on employees
5. Accelerate growth through acquisitions

Strategic focus areas	Priorities	Follow-up, 2024
1. 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 cybersecurity.	We have achieved strong returns from previous acquisitions and have further strengthened our position as a hybrid cloud service provider across all markets. We have invested in our position as an advisory partner in hybrid cloud expertise to support our customers' digitalisation journey. During the year, we strengthened our brand as a specialist in hybrid cloud services by refining the company's purpose and mission. During the year, we further improved our customer interactions, leading to an increase in an already strong NPS from 2023.
2. 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. • Broaden and deepen partnerships with leading suppliers • Further reinforce our data centre offering with sustainable solutions to meet future needs, including AI and application development.	We have further strengthened our position as an advisor on transformative digitalisation journeys towards private and public clouds. We have strengthened our hybrid cloud offering and further developed services in cybersecurity and AI. The public cloud offering has been enhanced with a cross-border delivery model for public cloud and consultancy services. During the year, we have successfully delivered several digitalisation projects for customers' business-critical infrastructure in both healthcare and industry.
3. 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 through data-driven improvements • 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 to develop more efficient processes and procedures for delivery at our hubs during the year. We have streamlined our service delivery and related administration by means of standardisation and automation, with clear monitoring of results. During the year, we have upgraded our IT support customer portal and launched automated invoicing. We have taken further steps towards sustainable, secure service delivery. At the same time, we have completed integration of the ahd acquisition in Germany, including the service portfolio and operational functions.
4. Focus on employees Our employees and our culture are at the very heart of our corporate strategy. Our core values permeate our corporate culture. We believe in the future through our employees, driven by talent, commitment and continuous improvement. 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 employees. • Maintain a unified culture in order to clearly articulate and personalise the Proact brand. • Provide our employees with opportunities to influence through their work, grow their expertise, and fulfil their potential. • Further development of leaders is crucial for engagement and sustainable results in a diverse and inclusive environment.	We have refined and launched Proact's new employee promise, which is being rolled out throughout the organisation. We have continued to invest in recruitment to further improve the candidate experience and strengthen our attractiveness as an employer. We have continued our global leadership development in 2024 with emphasis on strategy and employee engagement. We are actively working on continuous improvement so that we remain an attractive employer. We also reached a significant milestone in the company's history, inviting all employees to celebrate Proact's 30th anniversary in Stockholm.
5. 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 focused regions. • Integrate and develop acquired companies.	During the year, we have maintained our focus on integrating and leveraging synergies from past acquisitions. The acquired companies' offerings have been integrated into Proact's overall customer offering and brand We have continued to actively identify potential acquisition candidates with full dedication. We prioritise acquisition candidates whose culture, values, and leadership align with Proact's and who also have a balanced valuation. No acquisitions have taken place in 2024.

Our Business Units

Nordic & Baltics

52% of Proact's revenue

FACTS

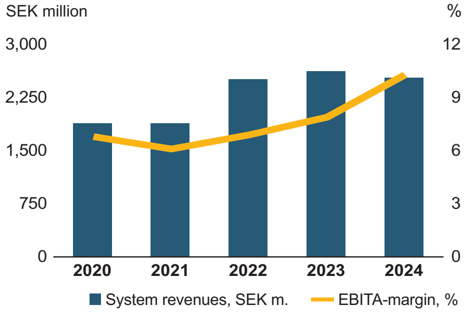
Revenue: SEK 2,529 million
Adjusted EBITA: SEK 259.5 million
EBITA margin: 10.3%
Earnings before tax: SEK 270.8 million
Countries: Denmark, Estonia, Finland, Latvia, Lithuania (divested on 28 August 2023), Norway, Sweden and the US

Improved profitability through increased gross margin

In Nordic & Baltics, profitability developed favourably, driven by the increased demand for support and cloud solutions. Revenue dropped by 3.4 per cent, including an organic decline of 2.8 per cent. Systems revenue decreased by 8.1 per cent, with an organic decrease of 7.7 per cent. At the same time, service revenue grew by 7.8 per cent, with organic growth of 8.9 per cent, mainly driven by continued positive developments in support- and cloud services.

Adjusted EBITA amounted to SEK 259.5 million (206.9) and the EBITA margin strengthened to 10.3 per cent (7.9). The improvement can be attributed to an increased gross margin, which led to a positive development of both EBITA and EBITA margin for Nordic & Baltics.

Revenue and EBITA margin, Nordic & Baltics



UK

15% of Proact's revenue

FACTS

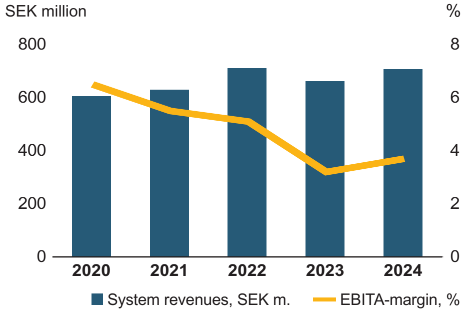
Revenue: SEK 708 million
Adjusted EBITA: SEK 26.1 million
EBITA margin: 3.7%
Earnings before tax: SEK 18.2 million
Countries: United Kingdom

Growth despite reduced demand for support services

Business Unit UK showed positive development during the year, with a revenue increase of 7.0 per cent and organic growth of 4.5 per cent. The difference can mainly be attributed to currency effects. Systems revenue showed strong growth, up 17.2 per cent, including organic growth of 14.6 per cent over the previous year. At the same time, service revenue declined by 0.7 per cent, with an organic decline of 2.9 per cent. Although growth in cloud and consultancy services was robust, it could not fully offset the lower demand for support services.

Adjusted EBITA amounted to SEK 26.1 million (21.3), and the EBITA margin improved to 3.7 per cent (3.2). Profitability was strengthened by slightly higher gross margins compared to the previous year, which contributed to a positive development in EBITA.

Revenue and EBITA margin, UK



West

17% of Proact's revenue

FACTS

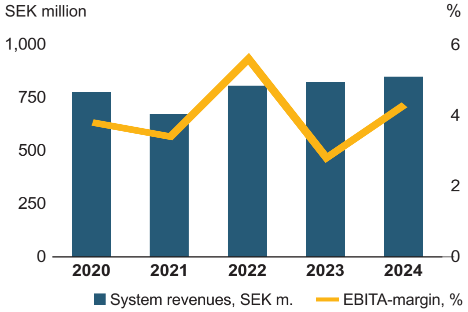
Revenue: SEK 848 million
Adjusted EBITA: SEK 36.4 million
EBITA margin: 4.3%
Earnings before tax: SEK 18.4 million
Countries: Belgium and the Netherlands

Strong demand drives system revenue

During the year, revenue growth in Business Unit West was 3.1 per cent, representing organic growth of 3.5 per cent, with currency effects explaining the difference. Systems revenue grew by 12.2 per cent, of which organic growth was 12.7 per cent, reflecting continued strong demand. Service revenue remained unchanged, but organic growth was 0.4 per cent.

Adjusted EBITA amounted to SEK 36.4 million (23.2) and the EBITA margin was 4.3 per cent (2.8). The positive development can be attributed to higher revenue and an improved gross margin.

Revenue and EBITA margin, West



Central

18% of Proact's revenue

FACTS

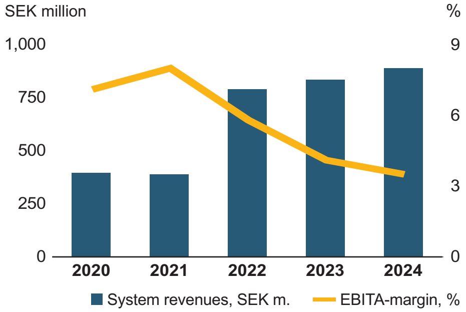
Revenue: SEK 888 million
Adjusted EBITA: SEK 31.2 million
EBITA margin: 3.5%
Earnings before tax: SEK -22.9 million
Countries: Czech Republic and Germany

Integration costs affect profitability

In Business Unit Central, revenue increased by 6.6 per cent during the year, including organic growth of 7.4 per cent, with currency effects explaining the difference. Systems revenue increased by 19.6 per cent, with organic growth of 20.8 per cent, driven by strong demand. Service revenue decreased by 4.7 per cent, with an organic decline of 4.2 per cent, mainly due to lower sales of consultancy services.

Adjusted EBITA amounted to SEK 31.2 million (34.0) and the EBITA margin was 3.5 per cent (4.1). EBITA and EBITA margin were positively impacted by higher sales in the systems business, offset in part by integration costs related to previously acquired businesses. Profit before tax is negatively affected by impairment of subsidiaries of SEK 21.5 million (0).

Revenue and EBITA margin, Central



Trends

The IT market has proven to be more resistant to economic downturns than other sectors. Economic uncertainty, rising interest rates, and geopolitical instability have weighed on the global economy, curbing spending appetite. Although companies have faced budget cuts and austerity, IT is viewed as essential for ensuring continuity and competitiveness. The three key customer trends are presented below:

Digitalisation, AI and machine learning

Customer challenges and opportunities

Digitalisation continues to be a dominant trend in all industries. In addition to digitalisation, organisations are investing in solutions that use artificial intelligence (AI) and machine learning (ML) to strengthen their competitiveness. Generative AI, which is still in development, is expected to transform workflows and empower organisations to make well-informed decisions. Data volumes requiring management are expected to expand considerably as new technologies gain wider acceptance.

At the same time, the Internet of Things serves as a catalyst for digitalisation in sectors such as manufacturing, healthcare, transport and development of smart cities. These developments are paving the way for new IT- and data-driven business models, enabling organisations to identify and leverage new growth opportunities.

New opportunities are accompanied by new challenges. IT departments are facing growing infrastructure complexity and must operate within constrained resources and tighter IT budgets. Keeping pace with rapid technological advances also brings increased risks, particularly in terms of cybersecurity and data protection. Organisations therefore need strategic and agile solutions to balance innovation and risk management in an increasingly digitalised and competitive environment.

Opportunities for Proact

Proact offers expertise, experience and services to support companies in their digitalisation journey — from concept development and IT solution implementation to enabling customers to achieve measurable results from digitalisation. Proact helps businesses transform data into a competitive edge by facilitating data analytics, AI, and machine learning.

As organisations struggle to find specialist expertise for complex digitalisation projects, Proact's consultancy services are increasingly vital. With its local presence, technical expertise and comprehensive portfolio of products and services, Proact is well positioned to meet market needs.

Moreover, the rapid pace of development is driving higher regulatory standards, especially in finance, healthcare and law. With its experience here, Proact can ensure that customers successfully navigate both digital transformation and regulatory compliance.

Enabling flexible and sustainable IT through hybrid clouds

Customer challenges and opportunities

Rapid digitalisation and the growing acceptance of cloud services are accelerating the emergence of hybrid clouds as a key market solution. The need for sustainable, flexible, resilient, scalable and cost-effective IT systems is reinforcing this trend. As companies become more mature in harnessing hybrid cloud benefits, they combine private and public clouds with their own data centres to create an optimal solution.

Given the shifting demands for data management, workflows, and applications, businesses must thoroughly assess their needs for scalability, flexibility, availability, security, and legal compliance. By making informed decisions, they can ensure that their hybrid cloud strategy fosters both business innovation and long-term targets.

Opportunities for Proact

Customers face significant challenges in leveraging software as a service and cloud infrastructure to their full potential. The potential of different cloud solutions, combined with the need for modernised IT infrastructure, is driving growing complexity for businesses. With Proact's extensive portfolio and expertise, we are well equipped to help customers navigate the challenges of hybrid cloud architectures.

Limited access to in-house resources and specialist expertise in many companies highlights the growing demand for Proact's services. Moreover, we have a key opportunity to help our customers achieve their sustainability targets by providing efficient, secure, and sustainable IT solutions.

Cybersecurity

Customer challenges and opportunities

The number of cyberthreats and data breaches has increased significantly, driven by geopolitical developments and rapid advances in AI. Meanwhile, the demand for uninterrupted access to data and information platforms, at any time and from any location, continues to grow, increasing the risk of breaches. Hackers are using AI and machine learning to carry out increasingly advanced and sophisticated attacks. Cybercrime has now developed into a multi-billion dollar industry.

Many companies lack both the resources and the expertise required in cybersecurity and the constantly evolving regulations for information management. In the current landscape, we are unable to provide IT services and solutions without first ensuring that all security considerations are properly managed.

Opportunities for Proact

As an IT security partner, Proact offers its customers unique access to both local and international specialist expertise. Our collective expertise, integrated with advanced security solutions and services, is crucial in proactively preventing intrusions, quickly identifying threats, and efficiently handling security incidents. This is accomplished through round-the-clock monitoring via our Security Operations Centre (SOC).

Our backup and disaster recovery solutions provide important peace of mind by ensuring rapid recovery of data and applications, allowing customers to rapidly return to normal operations, with minimal impact on both employees and customers. Our secure solutions serve as the basis for long-term, sustainable and digital business operations.

Competitive landscape

Proact's geographical presence, together with our strong portfolio of market-leading products and own consultancy, support and cloud services, gives us a clear competitive advantage. We have strengthened our competitiveness in recent years through 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. Our close relationships with a few carefully selected partners strengthen our offer.

New demands are placed on IT architecture in a market with an increasingly rapid pace of change and new, more digital players. The challenge lies in balancing the demands for rapid change and growing regulatory requirements with an effective supply of IT. Proact helps customers streamline their supply of IT to meet the demands of their operations and the market.

Unique hybrid cloud mix

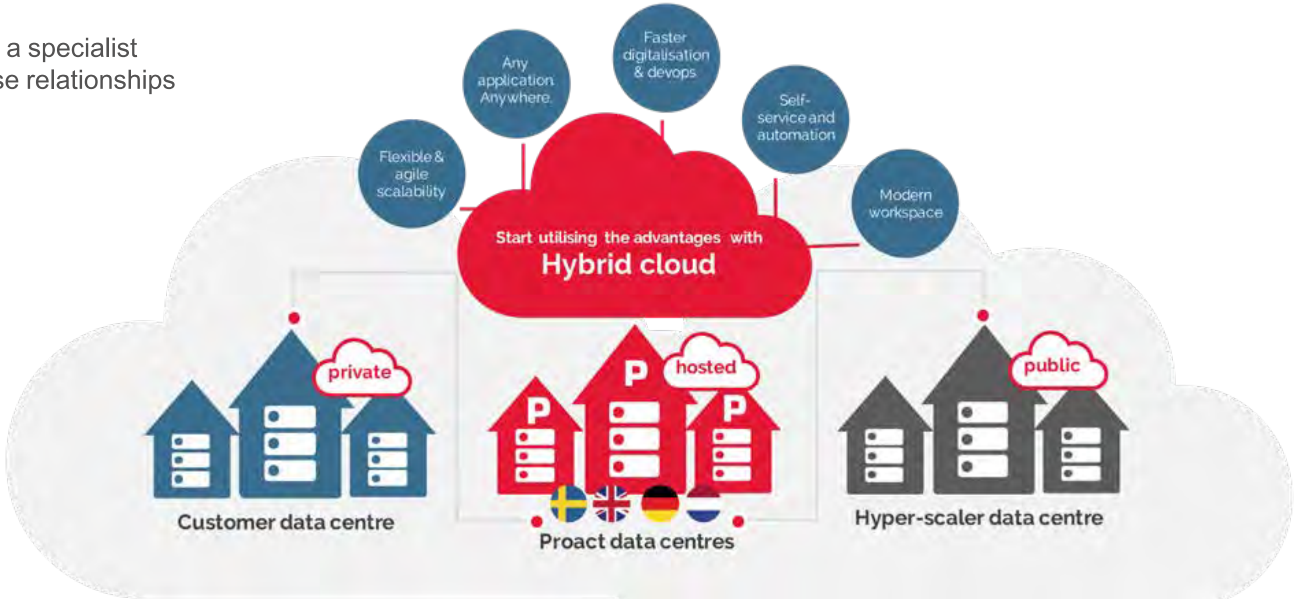
To take full advantage of the different options for the supply of IT, the key for Proact's customers is to find their own unique hybrid cloud mix by combining their own data centres with services from local cloud providers, as well as global public clouds.

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

Proact's hybrid cloud services offer infrastructure and platforms for traditional applications, while also supporting modern applications for digital transformation and AI implementations.

Products and services

Proact's offering covers everything from advisory, transformative consulting, cybersecurity, storage and backup, to disaster recovery, support, operations, monitoring, networking, and packaged cloud services and container platforms.



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 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.

Partners strengthen our offering

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.

Services and products

- Consultancy and advisory services
- Cybersecurity
- Storage
- Proact Hybrid Cloud
- Backup and disaster recovery
- Support and service management
- Networks
- Kubernetes container platform

Hybrid cloud services

How we transform IT and guide our customers on their journey to the cloud

Our customers can be found in a variety of industries. The common denominator is that their operations are based on business-critical data and advanced IT solutions. The specialists at Proact have extensive experience in understanding the challenges and operations of their customers. As a strategic partner, we guide them through their digital transformation and help them define their IT needs.

With a clear IT strategy, Proact designs a suitable solution for each customer. We are there for our customers throughout the journey, from analysis and design to implementation, optimisation, support, security and operations, regardless of the delivery model.

Customer infrastructure

We deploy the solution in the customer's own data centre when there is a preference for full control over the location of the information.

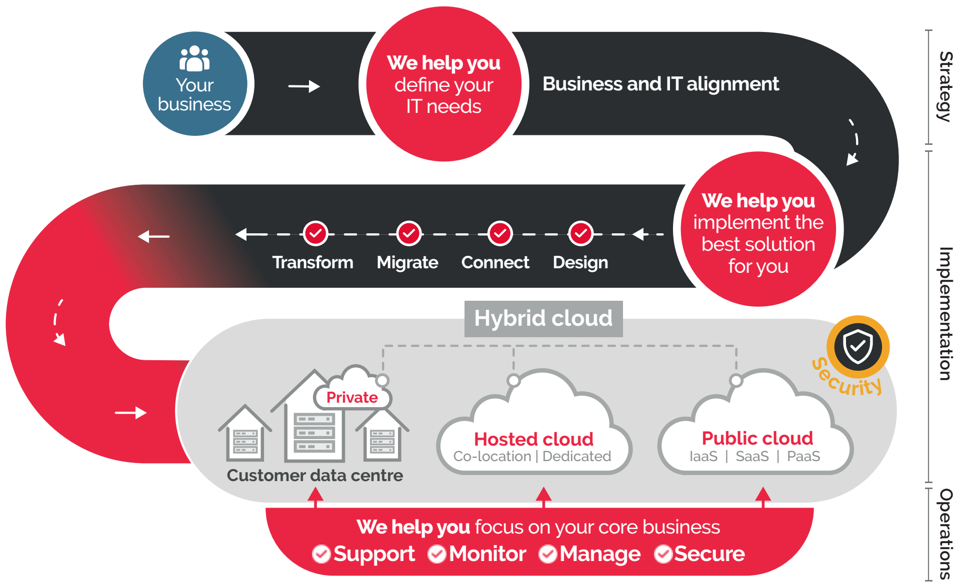
As a service

We design and deliver managed cloud services regardless of where they are located – in the customer's data centre, in Proact's data centre, or in a private, public, or hybrid cloud – providing maximum flexibility.

Support, monitoring, management and security

We provide a range of support, monitoring, management, and security services, easing the workload for our customers' IT teams and ensuring top-quality, expert assistance around the clock.

Read more about our offering on page 17.



Customers

Proact's customers are information-intensive companies and authorities with large volumes of business-critical digital information and advanced IT needs. A well-functioning supply of IT is crucial for our customers' operations.

Customers

Proact's customers are information-intensive companies and authorities with large volumes of business-critical digital information. A well-functioning supply of IT is crucial for our customers' operations.

The need for an effective IT environment spans all industries, and as a result, our customers are found in many different sectors.

Proact works closely with customers locally, while also harnessing the advantages of being 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 often has long-term customer relationships and in 2024, recurring customers accounted for approximately 97 per cent (97) of the Group's revenue. The ten largest customers in 2024 accounted for 22 per cent (20) of revenue and no single customer accounted for more than 4 per cent (3). The largest customers are active in a number of the countries in which Proact operates.

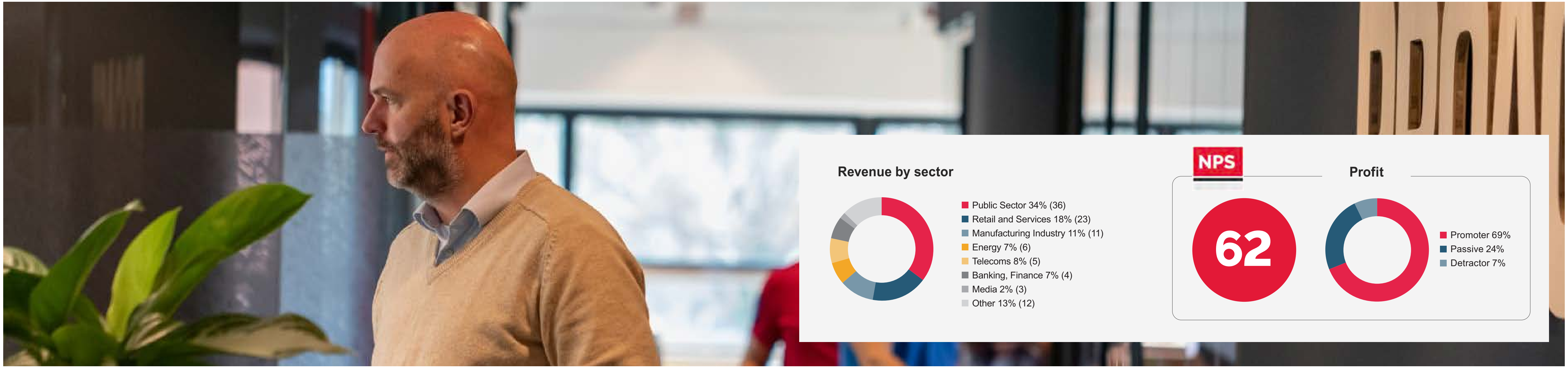
Customer surveys

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.

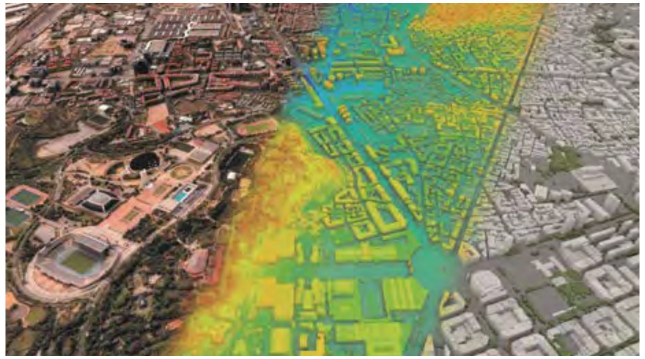
2024 Net Promoter Score (NPS)

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 indicate growth opportunities. The value of the metric can range from -100 to +100. The average NPS for Proact's industry is 39-43. This year, Proact received an NPS of 62 (59).

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, 69 per cent (65.5) of Proact's customers in the survey are promoters, 24 per cent (28) are passives and 7 per cent (6.5) are detractors.



Customer case



Maxar International Sweden

Space company with high hardware demands

Maxar has made it their mission to map the entire world in 3D and develop new tools to visualise and study it. A flexible IT infrastructure capable of performing heavy calculations and managing vast amounts of data is required to get the job done. Their 3D maps are used across various industries and sectors, for planning and navigation. Defence forces continue to be the largest customer segment. For example, Maxar has gained attention for images used as evidence of Russian war crimes in Ukraine.

Maxar reached out to Proact when they were searching for a new partner for server and storage solutions. At that point they had outgrown their current setup and Proact worked with Maxar to develop a new concept based on Dell servers and storage systems. In addition to improved performance, the solution provides efficient data reduction, allowing Maxar to free up substantial storage space for new applications.

“ We have a good dialogue with Proact. They respond quickly and are very easy to deal with.”

Tomi Ojala Carlbergh, manager of development support and 3D production

Birmingham Women's & Children's NHS Hospital

Cost-effective hosting solution for EPR systems

All hospitals in the British healthcare market are currently adopting an electronic patient record system. Birmingham Women's & Children's NHS Hospital opted for a solution from EPIC, a high-end software provider. Proact was consulted early in the process to offer options for hosting the system to manage the highly sensitive patient information. NHS England's 'Cloud First' directive ruled out the local hosting option, leaving only a third-party solution or EPIC hosting.

Proact's solution delivered 30 per cent savings over EPIC-hosted solutions. Proact set itself apart from competitors by working closely with Dell to offer a joint solution based on a reference architecture approved by EPIC with a Managed Cloud Services solution. EPIC recommended Proact because they offer the most comprehensive, secure, and robust solution, which ensured optimal software performance and delivery.

“ The EPR is a clinical and operational business process programme based on a first-class digital solution. It has been a two-year journey of great complexity, making the choice of the right supplier crucial.”

Professor Daniel Ray

Caritas in the Magdeburg Diocese

Modernising network infrastructure with SD-WAN

Caritas in the Magdeburg Diocese, along with its subsidiaries, is responsible for facilities and services in the areas of care for the elderly, care for the disabled and child and youth care.

Twenty years ago, Caritas established its own data centre for its IT systems and started offering services to other healthcare organisations via a private cloud solution. Their geographically scattered operations required stable network connections, which until recently were maintained via a virtual private network (VPN). However, dissatisfaction with the previous network provider prompted the company to initiate a new tender, and they chose Proact as their partner.

With Proact's help, Caritas' IT department has now modernised its network infrastructure and introduced a software-defined WAN (SD-WAN). The result is a more reliable and scalable network for the organisation's various healthcare facilities and a future-proof IT infrastructure.

“ For me, it was important that not only the quality was right, but also the service. Our previous experience with Proact was great, and the introduction of SD-WAN confirmed our positive view of them as an expert partner.”

Bernward Gruber, Head of IT Department

AZ Delta

Improving patient care through storage and backup

AZ Delta, a prominent healthcare provider in Belgium, has partnered with Proact to upgrade its outdated storage and backup infrastructure. The upgrade has greatly enhanced the speed, reliability, and scalability of data access, facilitating more streamlined workflows for healthcare personnel.

The new solution can handle vast volumes of medical images and patient data, improving advanced AI-driven diagnostics. Moreover, the upgraded backup system protects critical data from ransomware attacks, which enhances recovery speed and ensures compliance with data protection standards. The new infrastructure clearly enhances patient care by enabling faster access to medical images and patient data, which leads to quicker diagnoses and treatment decisions. Improved system reliability ensures the availability of critical medical applications, which minimises downtime and secures continuity of care.

“ As part of our balanced strategy between cloud and on-prem, we have now migrated to a new flash storage and backup solution. The result is a fivefold improvement in access to medical images, which facilitates examinations for our radiology, nuclear medicine and other departments. In addition, our new backup solution now fulfils NIS2 requirements.”

Peter De Jaeger, CIO

PROACT 30 YEAR ANNIVERSARY

Celebrating a milestone!

A look ahead into the crystal ball

Tilmann Sies, IT-Business Consultant, Germany

What are your hopes for the future of Proact?

I hope we will continue to foster a culture of collaboration where every employee, customer and partner feels valued and part of our shared success. I want Proact to maintain its ambition to deliver first-class IT services and to be a trusted advisor, thereby strengthening our customers' businesses. In addition, I hope we will continue to collaborate on projects, exchange ideas and deliver value between our business units across Europe.

How do you see your role evolving as the company continues its journey?

As a consultant, I envisage that my role will develop within the new IT-Business Consulting unit. I want to contribute my expertise to enable clients to shape a holistic organisational and technical approach to IT. I believe that I can make a significant contribution to projects by bridging the gap between technological change and organisational needs.

Do you think our values can help us shape our future as a company?

Our values are crucial to navigating today's ambiguous and volatile technological landscape. Proact's strategic approach drives innovation and success by combining new and old technologies. Our strong focus on integrating private, on-premises and public cloud solutions puts us at the forefront of digital transformation. Effective communication and participation ensure that all voices are heard, fostering engagement and passion. By acting as trusted, customer-centred advisors, we build strong, trust-based relationships that contribute to our customers' growth and success.

#EngageWithPassion

Sustainability

Values

Win as one.
Excel every day.
Engage with passion.

Our contribution to a sustainable future

Proact has a great opportunity to contribute to sustainable development by minimising our own environmental footprint, 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 while ensuring 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 impact. 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 10-13 and 23-33 include the sustainability report for the Group in accordance with Chapter 6 of the Swedish Company Accounts Act.

The Power Of Together - for a better future

Supporting a green and sustainable world through IT

FOCUS AREA	STRATEGIC SUSTAINABILITY TOPICS	SUPPORTING THE SDGs	LONG-TERM TARGETS
Minimise environmental footprint	• Climate change	7 AFFORDABLE AND CLEAN ENERGY; 13 CLIMATE ACTION	**2050** Net zero GHG emissions
Resilient and sustainable IT services	• Cyberthreat mitigation • Data management and protection • Hybrid cloud services • Digital employee experience	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**2025** Obtain and maintain 'A' rating in Security Scorecard **2030** 1.2 PUE in data centres
Employer of choice	• Leadership • Diversity and inclusion • Learning and development	5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH	**2030** eNPS 45 **2030** 30% women

Internal and external regulations and policies
UN & OECD principles | Proact Code of Conduct | Proact Company Handbook

Core values
Win as one | Excel every day | Engage with passion

Minimise environmental footprint

Low greenhouse gas emissions to get even lower

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. Proact's long-term target is to reach 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

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 in principle all 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.

Proact's ambition is to only use data centres powered by renewable energy. In 2024, 99 per cent (98) 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 2024, no data centre has been closed or added. Further consolidation and closure of data centres are planned for 2025.

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 25 about how we can help our customers reduce their carbon footprint.

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 that 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.

Greenhouse gas emissions, tonnes CO_2e

	2024	2023
Breakdown by scope		
Scope 1	0	0
Scope 2, market-based [1]	0	0
Scope 3	6,977	5,911
TOTAL	**6,977**	**5,911**

	2024	2023
Scope 2, location-based [1]	62	60

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. For 2024, Proact's calculation basis has been revised, which means that some categories have been adjusted and that some emissions have changed category.

1) Scope 2 only includes electricity consumption from an office building owned by Proact in the UK.

Scope 3 greenhouse gas emissions, tonnes CO_2e

	2024	2023
Breakdown by category		
1: Purchased goods and services	102	84
2: Capital goods	50	48
3: Fuel and energy-related activities not included in scope 1 or 2	n.a.	329[2]
4: Upstream transportation and distribution	184	140
5: Waste generated in operations	1	2
6: Business travel	3,154[3]	1,774
8: Upstream leased assets (company cars, goods, data centres, electricity in leased office space)	3,486	3,470
9: Downstream transportation and distribution	0	64
TOTAL	**6,977**	**5,911**

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.

2) In 2023, energy in leased office space was reported in category 3.
3) Of which 111 tonnes relate to travel in connection with Proact's 30th anniversary celebrations that have been carbon offset via the United Nations Carbon offset platform.

Resilient and sustainable IT services

How we help our customers 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.

Cyberthreat mitigation

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 (B) in December 2024. The goal going forward is to achieve and maintain level A.

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 thus 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 1.31 (1.30) on average in 2024, 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 common 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 customers to offer their employees hybrid work, which helps achieve a better work-life balance. It can also provide the option of online meetings and mean less travelling to and from the workplace. 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.

Employer of choice

Our employees are the key to our success

We believe in success through our employees – 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 profitable growth, both organically and through acquisitions.

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. During the year, we completed our EVP (Employer Value Proposition) project, which clarified our offering to employees. 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.

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 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 2024, we took on 154 new employees (133). Providing a warm welcome and introducing new employees is a high priority at Proact. Given our active acquisition agenda, the induction process is essential not only for new employees but also for those who join the company through our acquisitions.

Talent development

If Proact is to be able to offer our customers relevant solutions, 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. 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.

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 our employees and our business. 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.

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 50 of our top leaders in 2024, including a physical meeting in the spring. The focus was on strategy, leadership and continuing to strengthen the leadership network within Proact.

In 2024, Proact continues to show excellent results in the leadership index relative to other companies overall, a trend that has lasted for several years. The year's result stands at 87, maintaining the same high level as last year. See the table on page 27.

Our values

Collaboration is the heartbeat of our culture, bringing together employees, customers and partners. Every person is crucial, and every contribution drives our collective success – we win when we work together.

Win as one

The Proact way is defined by high ambitions and continuous improvement. A curious approach and excellent skills are the foundation of our success. Every day, we achieve excellence – we drive innovation, push boundaries and deliver best-in-class.

Excel every day

Our dedication and passion for what we do guides us to always walk the extra mile. We have a customer-first mindset and believe in long-lasting relationships built on trust.

Engage with passion

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 continuous 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. There are a number of examples of how our induction processes reflect the Proact spirit, including various meetings for new employees, buddy systems and induction groups.

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 belief, 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 2024, the proportion was 19 per cent (19).

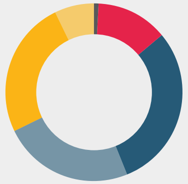
Employee surveys

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.

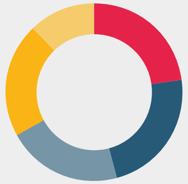
The employee survey is a valuable tool and provides a foundation for structured discussion and improvement of working methods and commitment. Working with the survey results is a high priority for Proact. Managers present results and work with their teams to devise activity plans for their respective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

This year's survey achieved a response rate of 91 per cent (94), 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) remains at a high level, 30 (31).

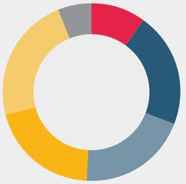
Age structure



Employees by country



Employees by employment time



Gender breakdown

	Proact 2024
Proportion of women, total	19%
Proportion of female managers who are responsible for employees	22%
Proportion of women, senior management	38%
Proportion of women, Board of Directors	40%

Employee Index

	Proact 2024	Benchmark, all industries 2024	Proact 2023
Leadership Index	87	80	87
Team Efficiency Index	84	77	83
Engagement Index	83	81	83
OSI Work Environment Index	82	76	82
Management Index	69	66	69
eNPS Index	30	15	31

Sustainability information

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 the sustainability work while Group Management is responsible for devising a strategy and following up the results of the Group's sustainability work. A member of Group Management is responsible for implementing and driving the sustainability work, and there is regular reporting on this work at both Board meetings and Group Management meetings. Day-to-day operational responsibility rests with the relevant business units, with the assistance of the expertise functions Legal, People & Sustainability, Technology & Services, Corporate Development and Finance. Sustainability in respect of employees is one of the targets for all members of Group Management's performance-based annual bonus scheme.

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, suppliers and business partners. 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:

- Anti-slavery and Anti-human trafficking statement
- Company Handbook
- Finance Policy
- Governance Framework
- Information Security Policy
- Internal Controls and Monitoring Framework
- Legal Policy
- People and Sustainability Policy
- Risk Management Framework
- Sustainability Due Diligence Process
- 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 equally important to adopt a broader approach as regards our corporate responsibility. 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 2024, and appropriate action was taken.

How we work

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

The induction programme for new employees includes training on our policies and policy documents, which are also available on our continuous learning platform. The Proact Code of Conduct and Company Handbook provide the framework for employees, enabling 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 participate 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 often certified in accordance with one of the most common ISO systems.

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 for us to successfully address their concerns, along with global trends and market expectations. We adopt a structured approach to stakeholder involvement, with regular surveys of customers and employees, investor meetings and gatherings and via our official media channels.

PROACT 30 YEAR ANNIVERSARY

Celebrating a milestone!

Company culture and revised values

Veerle Fonck, Sales Director, Belgium

What are your thoughts on our revised values?
In my view, the updated values represent Proact's working methods, with an emphasis on high ambition, continuous improvement, passion, customer focus and fostering trust. They convey our commitment and enthusiasm, highlight that success is most effectively achieved when we collaborate, and showcase our focus on innovation and our goal to be best in class.

How can we maintain and strengthen our values?
The engagement of leaders is essential, as they are expected to be role models for the values and to show commitment through their actions. A clear communication strategy and rigour across all levels of the organisation are critical to ensure that everyone understands and applies the values consistently. It is also essential to celebrate achievements and learn from mistakes by taking corrective and preventive measures. Ultimately, embracing essential changes and steering clear of stagnation is vital, given the rapid changes in the world, and the key lies in our ability to adapt.

How do you think values can help us shape our company?
After almost a year with Proact, it has become clear to me that our values are not simply a paper exercise. They act as guiding principles that shape the culture, enhance relationships with customers, employees, suppliers and other stakeholders, and promote long-term success. I have been pleasantly surprised by the consistent dedication of our leadership to improve and innovate with our values at the forefront. The values help employees understand Proact's strategy and vision. By aligning our business strategy and values, Proact will build a strong, adaptable and sustainable foundation that will support both immediate growth and long-term goals.

#ExcelEveryDay

EU taxonomy

Consolidated information under Article 8 of the Taxonomy Regulation

Revenue

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 surveillance, 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.

Capital expenditure (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-carbonor 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.

Operational expenditure (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 any 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 'Do No Significant Harm' (DNSH) to any of the other environmental objectives. This needs to be confirmed by all suppliers, which none of them have been able to do in full. Consequently, we are not reporting any taxonomy-aligned activities for 2024.

The same assessment has been made for suppliers of leased vehicles and buildings. 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 2024.

Minimum safeguards and Do No Significant 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.

Turnover

	Proportion of turnover/ Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	17%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

CapEx

	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%

OpEx

	Proportion of OpEx/ Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	28%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

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 2024.

Financial year 2024				Substantial Contribution Criteria						DNSH criteria (Do No Significant Harm)									
Economic activities	Code(s)	Turnover (SEK million)	Proportion of turnover, 2024	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, 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			**17%**														**12%**		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Data processing, hosting and related activities	CCM 8.1	0	0%														0%		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)			**0%**	**%**	**%**	**%**	**%**	**%**	**%**								**0%**		
Of which Enabling			0%	%	%	%	%	%	%								0%	E	
Of which Transitional			0%	%													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	813	17%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								12%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		813	17%	%	%	%	%	%	%								12%		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		813	17%	%	%	%	%	%	%								12%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		4,052	83%																
TOTAL		**4,864**	**100%**																

Proportion of taxonomy-aligned economic activities, CapEx

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024.

Financial year 2024				Substantial Contribution Criteria						DNSH criteria (Do No Significant Harm)									
Economic activities	Code(s)	CapEx (SEK million)	Proportion of CapEx, year 2024	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%														85%		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Data processing, hosting and related activities	CCM 8.1	0	0%														0%		
Acquisition and ownership of buildings	CCM 7.7	0	0%														0%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0	0%														0%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)			0%	%	%	%	%	%	%								0%		
Of which Enabling			0%	%	%	%	%	%	%								0%	E	
Of which Transitional			0%	%													0%		T
A2. 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	29	25%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								46%		
Acquisition and ownership of buildings	CCM 7.7	22	19%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								10%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	48	41%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								29%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		99	85%	%	%	%	%	%	%								85%		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		99	85%	%	%	%	%	%	%								85%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		17	15%																
TOTAL		116	100%																

Proportion of taxonomy-aligned economic activities, OpEx

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024.

Financial year 2024				Substantial Contribution Criteria						DNSH criteria (Do No Significant Harm)									
Economic activities	Code(s)	OpEx (MSEK)	Proportion of OpEx, year 2024	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			**28%**														**29%**		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Data processing, hosting and related activities	CCM 8.1	0	0%														0%		
Acquisition and ownership of buildings	CCM 7.7	0	0%														0%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0	0%														0%		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)			%	%	%	%	%	%	%										
Of which Enabling			0%	%	%	%	%	%	%								0%	E	
Of which Transitional			0%	%													0%		T
A2. 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	28%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								29%		
Acquisition and ownership of buildings	CCM 7.7	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
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								0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		3	28%	%	%	%	%	%	%								29%		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		3	28%	%	%	%	%	%	%								29%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)		8	72%																
TOTAL		12	100%																

Auditor's opinion on the statutory sustainability report

To the general meeting of the shareholders in Proact IT Group AB (publ), co. reg. no. 556494-3446.

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2024 on pages 10-13 and 23-33 and that it has been prepared in accordance with the Annual Accounts Act according to the prior wording that was in effect before 1 July 2024.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 12 The auditor´s opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

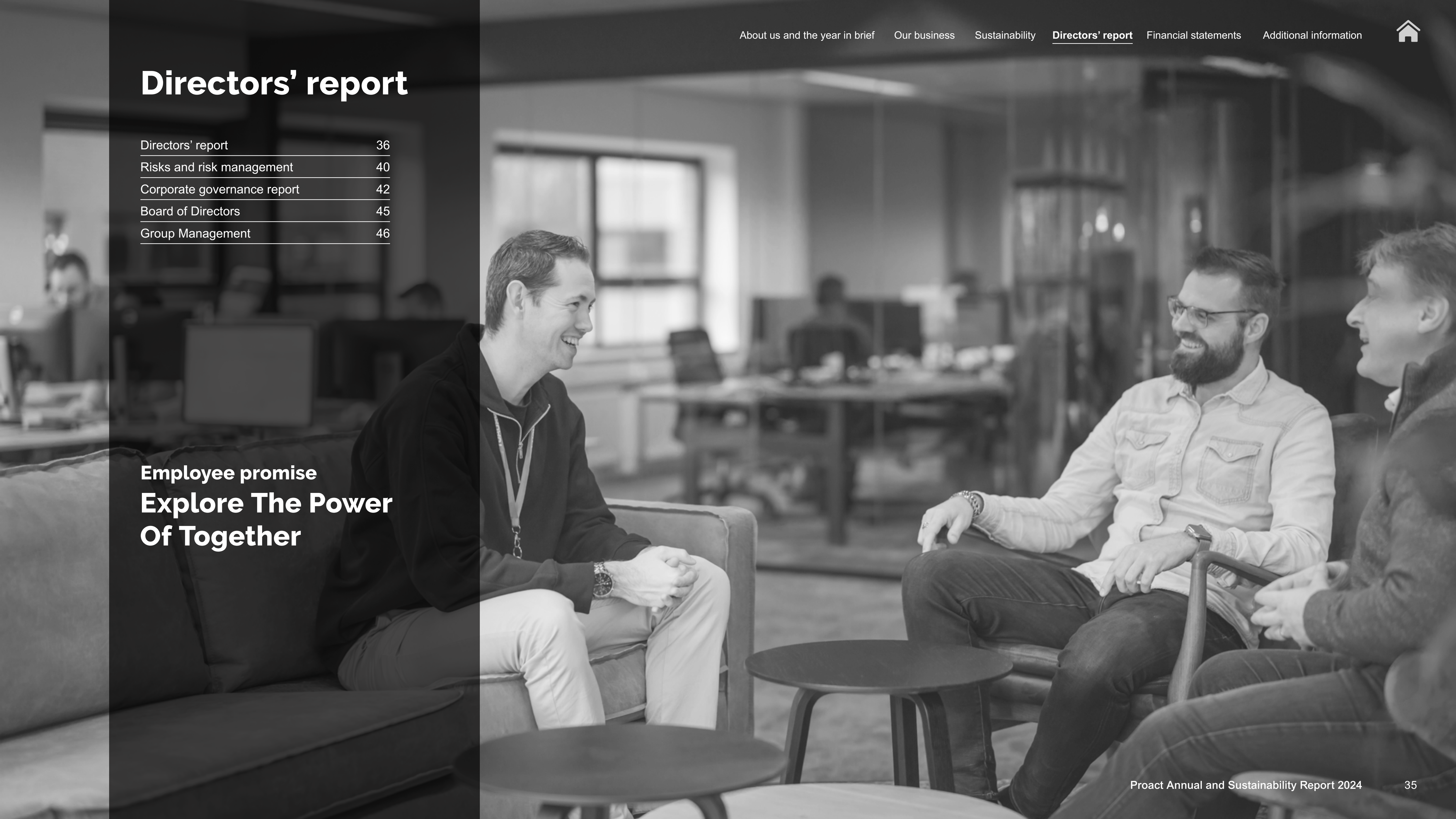
A statutory sustainability report has been prepared.

Stockholm 31 March 2025

Öhrlings PricewaterhouseCoopers AB

Magnus Thorling
Authorised Public Accountant

This is an unofficial translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.



Directors’ report

Employee promise

Explore The Power Of Together

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 2024 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 6 May 2025.

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 2024, Proact employed 1,137 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

In 2024, Proact continued to develop its portfolio with a focus on IT services and hybrid cloud solutions. Demand for our services has been strong, particularly in cloud and support services, contributing to steady growth in our services business.

At the same time, the market has been characterised by longer sales cycles and greater caution in investment decisions, which has affected system sales. To strengthen our profitability and efficiency, we have undertaken extensive efficiency measures, including optimised resource allocation and increased automation in our delivery workflows. These initiatives have contributed to an improved cost structure and higher operational efficiency.

During the year, our total revenue increased by 0.3 per cent to SEK 4,864.2 million (4,847.3), while recurring revenue from cloud and support services increased by 1.9 per cent to SEK 1,781 million (1,748). Newly signed cloud service contracts totalled SEK 224 million (197) in the fourth quarter, setting a new quarterly record. Adjusted EBITA increased by 16.1 per cent to SEK 350.6 million (302.1), mainly due to improved delivery efficiency and a stronger gross margin.

Cash flow was positive, and the company ended the year with a net cash position of SEK 330 million (80).

Group revenue and profit

For 2024 as a whole, the company's revenues amounted to SEK 4,864 million (4,847), representing an increase of 0.3 per cent.

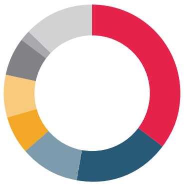
Revenue by Business Unit

SEK million	Jan-Dec 2024	Jan-Dec 2023	Jan-Dec 2022
Nordic & Baltics	2,529	2,619	2,508
UK	708	662	712
West	848	823	806
Central	888	833	789
Groupwide	**-109**	**-90**	**-58**
Total revenue	**4,864**	**4,847**	**4,757**

For Business Unit Nordic & Baltics, total revenue decreased by 3.4 per cent over the year. System revenue decreased by 8.1 per cent, while service revenue increased by 7.8 per cent. Organically, the decrease amounted to 2.8 per cent. For Business Unit UK, total revenues increased by 7.0 per cent. Organic growth amounted to 4.5 per cent. System revenue increased by 17.2 per cent, while revenue from service operations decreased by 0.7 per cent. For Business Unit West, total revenue increased by 3.1 per cent. The increase in organic growth was 3.5 per cent. System revenue increased by 12.2 per cent, while service revenue was unchanged compared with the previous year. For Business Unit Central, total revenue increased by 6.6 per cent. The increase in organic growth was 7.4 per cent. System revenue increased by 19.6 per cent, while service revenue decreased by 4.7 per cent. Future contracted cash flows from Proact Finance amounted to SEK 64 million (67) as at 31 December 2024.

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.

Revenue by sector



Revenue by operating segment

SEK million	Jan-Dec 2024	Jan-Dec 2023	Jan-Dec 2022
System sales	2,686	2,698	2,861
Service operations	2,171	2,145	1,889
Other revenue	8	5	6
Total revenue	**4,864**	**4,847**	**4,757**

System revenue fell compared with the previous year, amounting to SEK 2,686 million (2,698) during the year. When adjusted for currency effects[1]) and acquisitions and divestments, system revenue decreased by 0.2 per cent. Revenue for the services business, attributable to consultancy services, contract customer support, management and cloud services, increased by 1.2 per cent compared to the previous year. When adjusted for currency effects[1]) and acquisitions and divestments, service revenue increased by 1.4 per cent.

New contracts have been concluded relating to cloud services to the value of SEK 643 million (548). Revenue from cloud services is 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 revenue, which is important for the company's future growth in profits. Revenue for the year from cloud services totalled SEK 1,130 million (1,097), an increase of 3.0 per cent. Revenue for the year from support services totalled SEK 625 million (595), an increase of 5.1 per cent. Revenue for the year from consultancy services totalled SEK 415 million (452), a decrease of 8.1 per cent.

Adjusted operating profit before amortisation of intangible assets, adjusted EBITA, for the full year 2024 totalled SEK 351 million (302), which is an increase of 16.1 per cent compared to the previous year. During the same period, earnings before tax totalled SEK 278 million (218), which is an increase of 27.3 per cent.

EBITA per Business Unit

SEK million	Jan-Dec 2024	Jan-Dec 2023	Jan-Dec 2022
Nordic & Baltics	259.5	206.9	174.1
UK	26.1	21.3	36.4
West	36.4	23.2	45.3
Central	31.2	34.0	45.7
Groupwide	1.6	16.7	13.7
Adjusted EBITA (before non-recurring items)	**350.6**	**302.1**	**315.1**
Non-recurring items	-	-16.6	2.0
EBITA	**350.6**	**285.5**	**313.1**

For Business Unit Nordic & Baltics EBITA increased due to increased gross margin. In the UK and West, EBITA increased due to higher revenue and increased gross margin.

The reported tax expense over the financial year amounted to SEK 58 million (45), equivalent to an effective tax rate of 21 per cent (21).

Earnings per share amounted to SEK 8.15 (6.29).

1) Currency effects refer to the difference between the revenue for the year translated at the exchange rates of the current and previous years.

Financial position and cash flow

The Group's cash and cash equivalents amounted to SEK 814 million (548) as at 31 December 2024. In addition to this, the Group has an unused overdraft facility of SEK 159 million (155). The equity ratio was 26.2 per cent (24.9) as at 31 December 2024. Net debt has decreased by SEK 250 million during the year, while net debt decreased by SEK 307 million in 2023. As at 31 December 2024, the company has net cash amounting to SEK 330 million (80). Excluding lease liabilities, the Group has net cash amounting to SEK 584 million (326).

Cash flow amounted to SEK 250 million (50) for the year as a whole, of which SEK 524 million (532) was from operating activities. SEK 26 million (51) has been invested in fixed assets, of which SEK 6.6 million (9.1) was invested in Proact Finance in respect of customer deliverables, and SEK 0 million (8) has been paid out in respect of acquisition of companies. A change in loans from credit institutions and use of overdraft facilities have had a total impact of SEK 0 million (224) on cash flow. Dividends paid to the parent company's shareholders amounted to SEK 54 million (51). Buy-backs of own shares totalling SEK 43 million (20) were made during the year.

Of total bank overdraft facilities of SEK 159 million (155), SEK 0 million (0) has been utilised. Bank loans amount to SEK 230 million (222). The parent company has bank loans amounting to SEK 230 million (222): 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 facility amounts to a total of SEK 600 million, of which SEK 0 million was utilised as at 31 December 2024; it has been extended for 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 2024 and as at 31 December 2024. The Group also uses invoice factoring in Sweden and Finland.

Total goodwill for the Group amounts to SEK 1,022 million (984), attributable primarily to the operations in the Netherlands, the United Kingdom, Sweden, Germany and Norway. Other intangible assets amount to SEK 130 million (177) and are depreciated over a useful life of five to ten years.

The Group's total deductions for losses amount to SEK 116 million (36). It has been assessed that of this amount, SEK 92 million (18) can be made use of against future taxable profits and the tax effect of the estimated future deduction has been recognised as a deferred tax asset. As at 31 December 2024, a total of SEK 22 million (23) has been recognised as a deferred tax asset, of which SEK 5 million (5) is attributable to tax losses.

Tax expense for the year amounts to SEK 58 million (45). Tax paid during the year amounts to SEK 59 million (55).

Employees

The average number of employees over the year was 1,112 (1,160). On 31 December 2024, the company employed 1,137 people (1,171).

Parent company

The parent company's revenue totalled SEK 153 million (152). Earnings before tax for the year amounted to SEK 273 million (142). 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 420 million (409) as at 31 December 2024. At the end of the period, the number of people employed by the parent company totalled 21 (20).

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 management 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 ensures that the company will meet the needs and requirements of the market 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. In addition, the company keeps track of technical developments in the company's focus areas by participating in trade fairs and seminars.

Risks and uncertainty factors

The Group manages financial risks based on a finance policy laid down by the Board. The Group's operational risks are mainly assessed and managed by Group Management 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 management

Since 1 March 2025, Magnus Lönn has been President and CEO of Proact IT Group AB. Other senior executives in 2024 were Jonas Hasselberg, President and CEO (until 28 February 2025), Jonas Ekman, VP Corporate Development, Paul de Freene, VP Service Operations (until 30 April 2024), Linda Höljö, CFO (until 13 January 2024), Åsa Regen Jansson, Interim CFO (from 14 January 2024 until 1 May 2024), Noora Jayasekara, CFO (from 2 May 2024). Magnus Lönn ''Business Unit Director Nordic & Baltics'' (until 28 February 2025), 'Deputy CEO'' (from 1 October 2023 until 1 March 2025) and "Acting Business Unit Director Nordic & Baltics" (from 1 March 2025)''. Alexander Lechthaler, Business Unit Director West. Madeleine Samuelson, VP People & Sustainability. Maria Gomez, Business Unit Director Central (from 8 January 2024). Per Sedihn, CTO & VP Portfolio & Technology. Martin Thompson, Business Unit Director UK (until 12 January 2024), Jonas Hasselberg, Interim Business Unit Director UK (from 13 January 2024 to 1 September 2024) and Jamie Ford, Business Unit Director UK (from 2 September 2024).

Anna Söderblom was re-elected Chair of the Board at the Annual General Meeting held on 7 May 2024. Martin Gren, Erik Malmberg, Annikki Schaeferdiek and Thomas Thuresson were re-elected to the Board.

Each year, the Board adopts 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 2024. 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 Management 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 review. The company's auditor also attended all audit committee meetings during the year.

Guidelines on remuneration for senior executives

The 2024 Annual General Meeting resolved that the following guidelines for remuneration to senior executives shall apply until the 2028 Annual General Meeting unless circumstances arise that necessitate an earlier revision.

These guidelines cover remuneration to the CEO, Deputy CEO and senior 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 2024 Annual General Meeting. The guidelines do not cover remunerations resolved upon by the general meeting.

The guidelines promote the company's business strategy, long-term interests and sustainability.

The combination of digitalisation 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
- Professionalise 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. 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 per cent of the total remuneration at the maximum outcome of variable cash remuneration.

The fulfilment 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 per cent of the total remuneration at the maximum outcome of variable cash remuneration for a certain financial 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 per cent 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 per cent 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 per cent 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 per cent 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 until further notice 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 fulfilment 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 fulfilment 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 remuneration 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 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 senior 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 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 remuneration 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.

Performance share programme

A decision was made at the Annual General Meeting on 7 May, with the requisite majority, to implement a performance share scheme in accordance with the Board's proposal. The 2024 performance share scheme follows the same structure as the performance share scheme decided at the 2023 Annual General Meeting, with the same performance targets. The 2024 performance share scheme has been formulated to drive profitability and growth and includes around 20 individuals: the company's Chief Executive Officer, the Group Management and other key individuals within the company. For more information, see Note 9 and the remuneration report.

Corporate governance

Corporate governance in Proact IT Group AB (publ) is based on the Swedish Companies Act, the Swedish Annual 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 Control for 2024 has been prepared as a separate document, which can be found on page 42–44. 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 10-13 and 23-33 in the annual report.

Ownership structure

Proact shares have been listed on Nasdaq Stockholm with ticker symbol PACT since July 1999. Proact had 7,989 shareholders (7,498) as at 31 December 2024, most of whom were private individuals with small holdings. The largest shareholder, with a holding of over 10 per cent, was Aktiebolaget Grenspecialisten with a holding of 12.41 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 27,401,658 shares with a quotient value of SEK 0.39. 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 for payment of LTI programmes or for the financing of acquisitions of companies or businesses.

At the Annual General Meeting held on 7 May 2024, 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 2024, 97,150 shares have been bought back under this authorisation. During 2024, 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 500,189 as at 31 December 2024, which is equivalent to 1.83 per cent of the total number of shares. The total purchase price paid for shares in own custody during the year is SEK 42.8 million, corresponding to an average acquisition value of SEK 130.67 per share.

Cancellation of own shares

In accordance with the decision of the Annual General Meeting on 7 May, 600,000 shares were cancelled on 25 September at a value of SEK 227,533 from shares in own custody. At the same time, a bonus issue of the same value was made, also in accordance with the General Meeting in May.

Significant events after the end of the financial year

In February, it was announced that the Board of Directors of Proact IT Group AB ("Proact") has appointed Magnus Lönn as the new President and CEO of Proact, effective 1 March 2025. Mr Lönn succeeds Mr Hasselberg, who had previously informed the Board of his resignation.

Expectations of the future

Demand for Proact products and services is strong, although macroeconomic improvements and the anticipated acceleration in demand are still projected to be ahead of us. Our customers' needs to digitise their businesses, bolster cybersecurity, and expand the use of artificial intelligence are all crucial elements driving progress. Despite the challenging comparative figures for the first quarter, we look ahead with great confidence to 2025 and the opportunities that await us.

Our strategy is clear and we firmly believe that Proact is well positioned to support our customers in an increasingly complex digital landscape. We work with companies and organisations that are constantly searching for methods to improve their IT systems, whether it involves streamlining operations, protecting sensitive data or harnessing new technologies to create value. Rapid digitalisation and the growth of business-critical information are leading to increasingly complex IT infrastructure for companies. To address these challenges, we note a growing number of companies are exploring options to use various services and technologies to simplify their IT operations and ensure that their delivery of IT services meets both internal and external requirements.

Another driving force is the rising awareness of the significance of cybersecurity. To safeguard business-critical information from both external threats and internal errors, it is now crucial for companies and organisations to secure their IT systems. Information security is therefore an important part of the business strategy and has a significant impact on the business decisions taken.

A growing number of our customers are working towards offering IT support as a service to their users, enabling users to order and consume IT services according to their individual needs. To make this possible, businesses and public authorities are increasingly using a combination of private and public cloud services, known as hybrid clouds. This approach provides flexibility, cost-effectiveness and better adaptation to the needs of both internal and external users.

In parallel with these trends, we also see growing demand for automation. By automating the underlying processes in a data centre, IT services can be delivered with greater speed and efficiency. This strategy enables us to lower complexity and risk, while providing solutions that better meet the business needs of our customers.

Proact is well positioned to address these market trends. Our solidity in both financial position and cash flow, together with our established offering, gives us a strong foundation for organic growth. We can identify promising opportunities for continued expansion, both through growth with existing customers and by securing new business. At the same time, we also recognise opportunities for complementary acquisitions in our established markets in Europe as they arise.

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 to the Annual General Meeting the distribution of a dividend of SEK 2.40 (2.00) per share for the 2024 financial year, which corresponds to 29 per cent (31) of profit after tax.

The Annual General Meeting has at its disposal:

Retained earnings	394,237,148	SEK
Profit/loss for the year	269,812,363	SEK
Total non-restricted equity	**634,049,510**	**SEK**

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

Dividend, SEK 2.40 per share	64,563,526	SEK
Carried forward	569,485,984	SEK
Total	**634,049,510**	**SEK**

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

There are 27,401,658 registered shares in the company, of which, as at 31 March 2025, 607,689 shares are bought-back 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 10 per cent of the company's equity and 6 per cent of the Group's equity. Non-restricted equity in the parent company at the end of the 2024 financial year amounted to SEK 634,050,510. The annual report indicates that the Group's equity ratio amounts to 26.2 per cent. It may further be noted that the Group has cash and cash equivalents amounting to approximately SEK 814 million, unutilised bank overdraft facilities amounting to approximately SEK 159 million and net cash of SEK 330 million.

For the company's recognised profit/loss for the financial year and its situation as at 31/12/2024, please see the following income statement and balance sheet below, statement of changes in equity and the statement of cash flows, as well as the notes pertaining to these.

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, or by Proact's Board of Directors as defined in the risk management framework. 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, while certain legal, strategic and financial risks are managed at Group level. All risks and measures to mitigate them are regularly assessed.

Business and operations / legal and regulatory issues	Handling
Compliance	
As a cloud service provider, Proact is subject to increasing levels of regulation, including GDPR, NIS, and the EU Data Act. There is a risk of non-compliance leading to fines and reputational damage.	Proact is allocating additional resources to compliance and has appointed a dedicated Data Protection Officer, along with a legal and compliance team, responsible for implementing compliance controls and providing training.
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 its own 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 a Group Chief Information Security Officer for the Group and an internal Group Data Protection Officer for the Group who work together in close co-operation. All staff receive mandatory annual training on cybersecurity and privacy in order to enhance security and awareness of privacy.
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 customised training schemes and in-house schemes. Employer branding and talent development are focus areas 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. During the year, a new employee promise and updated values were introduced to clarify Proact's employer brand.
Acquisitions and integration	
The implementation and integration 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	
Proact has a large number of service contracts with customers all over the world. Breaches of these contracts could have an adverse impact financially and in terms of reputation. There is also an additional assumed contract risk on account of acquisitions.	Proact focuses on contract management, comprehensive contract approval processes, training new colleagues in contract compliance processes, amending contract documentation and auditing.

Business and operations / legal and regulatory issues, continued	Handling
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 is laid out in the Company Handbook so that all employees receive information on how to report suspected deviations.
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 distinction or discrimination on the basis of gender, transgender identity or expression, ethnicity, religion or belief, disability, sexual orientation or age.

Market and environment	Handling
The general market, political and economic situation	
The general market situation affects the choices and willingness of Proact's existing and potential customers to invest. The heightened geopolitical uncertainty globally has led to further uncertainty for customers, along with potential disruptions to Proact's supply chains and customers' willingness to invest. Global events such as the wars in Ukraine and the Middle East have also led to an increased inflation risk. Proact's impact on the general market, along with the political and economic landscape, is relatively limited.	Proact operates over a significant geographical area, and the company has a broad customer base in a large number of industries. The volume of digital information for storage and archiving is expanding greatly, while Proact supplies its customers with efficiency improvements and cost savings. The fact that approximately a third of Proact's total sales are contracted for one to five years alleviates the effects of market fluctuations. Price adjustments to take into account
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 account for 22 per cent (20) of sales, and no single customer represents more than 4 per cent (3) of revenue.
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	
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.

Market and environment, continued	Handling
Competitors	
Proact's business may be adversely affected by competition. 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, as well as 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	
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	
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 sustainability targets.	Proact's climate impact is mainly indirect and can be found in the supply chain. The aim is to reduce greenhouse gas emissions, with a view to reaching net zero by 2050. Moving forward, efforts will focus on minimising the carbon footprint of the supply chain. Proact's objective of using only data centres powered by renewable energy is one key factor for achieving this target. Another involves collaboration with suppliers who are dedicated to reducing their emissions.

Financial risks	Handling
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.	Liquidity risk is managed within Proact by combining liquidity planning with credit limits and lending facilities 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 814 million (548) and an unutilised overdraft facility of SEK 159 million (155), and at the same time net debt has been reduced from SEK 250 million to net cash of SEK 330 million during the 2024 financial year. Liabilities related to leases in accordance with IFRS 16 accounting rules—see also Note 27—have had a negative impact on net liabilities in the amount of SEK 254 million (246). Excluding lease liabilities, the company has a net cash position of SEK 584 million (326). According to the company's finance policy, the parent company must manage the Group's investments of surplus liquidity. Investments may be made in bank accounts or in interest-bearing securities, which must be 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 needs are currently secured with 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	
There is a risk that Proact may face challenges in securing the necessary funds for its capital requirements or in refinancing current loans, which could result in higher costs or a decline in financing.	Bank loans amount to SEK 230 million (222). 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 2024; 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 2024 and as at 31 December 2024. 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 159 million, of which SEK 159 million was unutilised as at 31 December 2024. 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.

Financial risks, continued	Handling
Capital	
The Group's objective is to maintain a stable financial position that protects its ability to operate effectively and to consistently generate returns for its shareholders and other stakeholders and to maintain an optimal capital tructure to keep the cost of capital down.	Proact's strategies ensure that it achieves a solid financial position, thereby generating profits for shareholders by increasing the value of assets under management. In order to maintain or adjust the capital structure, the group may change the dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce liabilities. There are no external capital requirements other that those referred to in the Swedish Companies Act. A dividend of SEK 53,984,412, equivalent to SEK 2.00 per share, was issued in 2024 for the 2023 financial year. The Group has met the loan covenants throughout the period. There are no indications that the Group would have difficulties in meeting the covenants when they are next tested, i.e. by the interim reporting date of 31 March 2025.
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. 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:

	2024	%	2023	%
Not due	664.3	87.2	632.0	88.1
<30 days	71.2	9.3	59.0	8.2
31-60 days	12.6	1.7	11.8	1.7
61-90 days	4.8	0.6	9.3	1.3
>90 days	9.0	1.2	5.5	0.8
Total	**761.9**	**100.0**	**717.7**	**100.0**

The credit quality of not due receivables is deemed to be good. Customer losses for the year amount to SEK 0 thousand (1). Provision for doubtful debts amount to SEK 5,540 thousand (1,121). During the year, anticipated bad debt losses totalled SEK 343 thousand. Of total accounts receivable, 3 per cent (4) are older than 30 days.

Currency risk	
Proact faces significant exchange rate risks in USD and EUR, primarily because most purchases are sourced from suppliers in these areas. As a result, fluctuations in exchange rates may adversely impact the income statement, balance sheet, and statement of cash flows.	Proact manages the currency risk that may arise through a currency clause with customers, which covers the currency risk that may occur from the time of tendering until delivery to the customer, and also by hedging major purchases in foreign currencies. According to Proact's finance policy, exposure exceeding EUR 200 thousand / USD 250 thousand must be hedged. The fair value of outstanding forward contracts as at 31 December 2024 amounted to SEK -408 thousand (-1,669). The purchase and sale of foreign currencies is reported in note 14.
Interest rate risk	
There is a risk that permanent changes in market interest rates may adversely affect Proact's 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 2024. Lending and interest rates are specified in greater detail in Note 24.

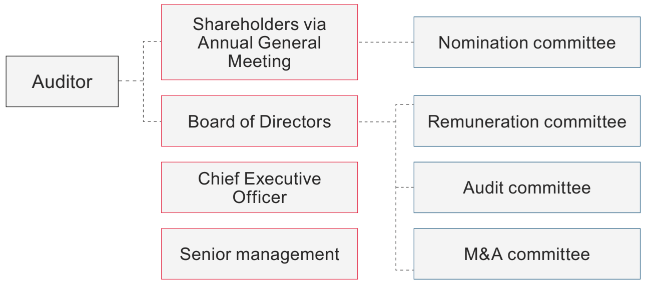
Corporate governance report

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 principles for 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.

2024 Annual General Meeting

Proact's annual general meeting was held on 7 May 2024. 69 shareholders representing 50.9 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 2.00 per share for the 2023 financial year was adopted.
- The Board of Directors and Chief Executive Officer were granted discharge from liability for the 2023 financial year.
- Remuneration payable to the Board of Directors was set at a total of SEK 2,180,000.
- Remuneration to the auditors will be paid in accordance with an approved invoice.
  PwC were re-elected as auditors.
- Re-election of Board members Anna Söderblom, Annikki Schaeferdiek, Erik Malmberg, Martin Gren and Thomas Thuresson. Re-election of Anna Söderblom as Chair of the Board.
- 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 20 individuals: the company's Chief Executive Officer, Group Management and other key individuals within the company.
  For further information, see Note 9.
- Principles for the appointment of a nomination committee for the 2025 Annual General Meeting were adopted.
- 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.
- It was decided, with requisite majority, to authorise the Board to reduce the share capital (cancellation) and to increase share capital by means of a bonus issue in accordance with the Board's proposal.

Nomination committee

At the Annual General Meeting of Proact held on 7 May 2024, 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 2024. 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 2024, 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 largest owners declines to appoint a representative on the nomination committee, the next largest 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 announced on 10 October 2024, comprising Katarina Berggren, Chair, (Aktiebolaget Grenspecialisten), Niclas Röken (Alcur Fonder AB), Jesper Bergström (Handelsbanken Fonder) and Johannes Wingborg (Länsförsäkringar Fondförvaltning AB). This nomination committee represented a total of around 33.08 per cent of votes in Proact as at 30 September 2024.

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 submit proposals for Board members to the nomination committee. The nomination committee held several minuted meetings.

A report on the work of the nomination committee is published on the Proact website – www.proact.se, most recently 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, as well as its major 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 7 May 2024, 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 Governance, section 4.1, as its diversity policy. The objective is to propose a 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 2024 Annual General Meeting. The Board consists of members with experience from various industries and is gender balanced.

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.

Once each financial year, the Board of Directors reviews the work of the Board and the CEO through:

- Evaluation of the work of the Board. A board evaluation is carried out in the fourth quarter of the financial year. The survey results are discussed by the Board and shared with the nomination committee. The nomination committee then interviews all members during the same quarter or the first quarter of following 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 of 7 May 2024 set the total remuneration of the Board of Directors at SEK 2,180,000, of which the Chairman receives SEK 625,000 and the other members SEK 285,000 each. A total of SEK 415,000 is paid for committee work. No additional remuneration was paid to the Board of Directors during 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 2024, the Board held 10 meetings (11). 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, at least once a year the company's auditors report directly to the Board regarding 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, 2024

Board member	Remuneration committee	Audit committee	M&A committee	Attendance at Board meetings, %
Anna Söderblom	•		•	100
Annikki Schaeferdiek				91
Martin Gren	•			100
Thomas Thuresson		•		100
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 31/12/2024
Anna Söderblom	Chair	1963	Swedish	2022	Yes	10,100
Martin Gren	Member	1962	Swedish	2017	No	3,400,000[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	7,000

1) Holdings directly or indirectly owned and/or controlled through legal entities or related parties.

Other information on Board members

- Anna Söderblom, teacher and researcher at the Stockholm School of Economics, Chair of the Board of Net Insight AB and Board member of Länsförsäkringar Liv Försäkringsaktiebolag, BTS Group AB, HAKI Safety, Dedicare AB and Webstep ASA. Previously held senior positions at Microsoft, Posten and Industrifonden.
- Martin Gren, founder and advisor to Axis Communications AB, Chairman of the Board of Axis AB and Axis Communications AB, and Board member of Askero Sagoboks Förlag AB, AB Grenspecialisten, Lumen Radio and H. Lundén Holding AB.
- Annikki Schaeferdiek, founder and CEO of Syster P AB, Chair of the Board of Formpipe Software AB, and Board member of Syster P AB, Axiell Group AB and Addtech AB
- Thomas Thuresson, former CFO and various senior positions within the Alfa Laval Group, Chairman of the Board of Terratech Group AB and Tetra Laval Real Estate AB, and Board member of JM AB and Skiold Group AS. Member of the Board for JM AB and Skiold Group A/S.
- Erik Malmberg, independent advisor and investor. Former Investment Advisory Professional at Triton Advisers (Sweden) AB and equity analyst at Goldman Sachs International. No other board assignments.

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 members of senior management can be found in the annual report, Note 9.

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

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

MARCH
Decision on annual report, preparation for Annual General Meeting.

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

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 senior management.
Review, BU NOBA.

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 fees. 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 2024 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 four 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 ten meetings for which minutes were kept.

External auditors

The Annual General Meeting, which was held on 7 May 2024, elected the firm of auditors Öhrlings PricewaterhouseCoopers AB (PwC), with Magnus Thorling as principal auditor, for the period up to the 2025 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 Management

From 1 September 2018 until 28 February 2025, Jonas Hasselberg was President and CEO of Proact IT Group AB. Jonas owned 39,711 shares in the company as at 31 December 2024. Since 1 March 2025, Magnus Lönn has been President and CEO of Proact IT Group AB. Magnus Lönn holds a Master of Science in Applied Physics and Electrical Engineering from the Institute of Technology at Linköping University and has experience from senior positions within Nasdaq and Time People Group. Magnus Lönn owned 7,000 shares in the company as at 31 December 2024. Magnus Lönn 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 should 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 senior management hold regular meetings in order to review results development, update forecasts and plans, and make decisions on various issues. As at 31 December 2024, Proact's Group Management 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 Management. 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 7 May 2024 adopted the Board's proposal concerning guidelines for remuneration to senior executives, which should apply until the 2028 Annual General Meeting, unless circumstances arise that necessitate revision of this at an earlier stage. These guidelines include the Chief Executive Officer and senior management. 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 Report on Internal Control

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

Present, from left:
Martin Gren, Anna Söderblom,
Erik Malmberg, Annikki Schaeferdiek.
Absent: Thomas Thuresson

	Anna Söderblom	Martin Gren	Erik Malmberg	Annikki Schaeferdiek	Thomas Thuresson
Role	Chair of the Board	Board member	Board member	Board member	Board member
Current position	Teacher and researcher, Stockholm School of Economics.		Independent advisor, investor and board work.	Chief Executive Officer of Syster P AB.	Chief Executive Officer of Tetra Laval Real Estate AB.
Date of birth	1963	1962	1982	1969	1957
Elected	2022	2017	2020	2017	2018
Training	Bachelor's degree in mathematics, Lund University. PhD, Stockholm School of Economics.	Honorary doctorate in entrepreneurship, Lund University of Technology.	Master's degree in business administration, Stockholm School of Economics.	MSc from the Institute of Technology at Linköping University.	Master's degree in business administration, Lund University BPSE, IMD.
Experience	Board work, senior positions at companies including Nokia, Ericsson, Posten and Industrifonden.	Founder of and advisor to Axis Communications AB.	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.	Board work at Tetra Laval Real Estate AB, various previous positions at Alfa Laval Group.
Other directorships	Chair of the Board: Net Insight AB Board member: Länsförsäkringar Liv Försäkringsaktiebolag, BTS Group AB, HAKI Safety, Dedicare AB and Webstep ASA.	Chairman of the Board: Axis Communications AB. Board member: Askero Sagoboks Förlag AB, AB Grenspecialisten, Lumen Radio and H. Lundén Holding AB.	No other directorships.	Chair of the Board: Formpipe Software AB. Board member: Syster P AB, Axiell Group AB, and Addtech AB.	Chairman of the Board: Terratech Group AB and Tetra Laval Real Estate. Member of the Board: JM AB and Skiold Group A/S. Member of the Advisory Board: Solix Group AB.
Independence in respect of Proact, Proact's executive and major owners	Yes	No	Yes	Yes	Yes
Number of shares	10,100	3,400,000	7,000	4,000	2,500

Group Management

Magnus Lönn
CEO & President, Acting Business Unit Director, Nordic & Baltics

Date of birth 1974
Employed since 2022
Number of shares 7,000

Nora Jayasekara
CFO & VP Investor Relations

Date of birth 1978
Employed since 2024
Number of shares 0

Jonas Ekman
VP Corporate Development

Date of birth 1975
Employed since 2019
Number of shares 12,218

Madeleine Samuelson
VP People & Sustainability

Date of birth 1972
Employed since 2022
Number of shares 5,350

Per Sedihn
VP Technology & Services

Date of birth 1964
Employed since 1994
Number of shares 500

Jamie Ford
Business Unit Director, UK

Date of birth 1976
Employed since 2024
Number of shares 500

Maria Gomez
Business Unit Director, Central

Date of birth 1970
Employed since 2024
Number of shares 3,500

Alexander Lechthaler
Business Unit Director, West

Date of birth 1982
Employed since 2011
Number of shares 4,000

Financial statements

EVP pillars

Collaborate with great people.

Grow at work.

Enjoy a caring culture.

Contribute meaningfully.

Content

Consolidated statement of comprehensive income

Amounts in SEK thousand	Note	2024	2023
	1		
System revenue		2,685,703	2,698,001
Service revenue		2,170,849	2,144,644
of which support revenue		*625,419*	*595,165*
of which revenue from cloud services		*1,130,034*	*1,097,359*
of which consulting revenue		*415,396*	*452,120*
Other revenue		7,684	4,670
Total revenue	2, 3	**4,864,236**	**4,847,315**
Cost of goods and services sold	5, 6, 7, 9, 13, 14, 19	-3,655,733	-3,758,117
Gross profit	**5, 28**	**1,208,503**	**1,089,198**
Sales and marketing expenses	9, 13	-525,348	-504,456
Administrative expenses	5, 6, 8, 9, 13	-387,619	-354,988
Operating profit	7, 8, 13, 14, 27	**295,536**	**229,754**
Financial income	10	17,599	28,518
Financial expenses	11	-35,180	-40,000
Earnings before tax	**14**	**277,955**	**218,272**
Income tax	12	-58,079	-45,179
Profit/loss for the year		**219,876**	**173,093**

Amounts in SEK thousand	Note	2024	2023
Other comprehensive income			
Items that can be transferred to profit/loss for the year			
Hedging of net investment in foreign subsidiaries		16,953	262
Tax effect of hedging of net investment in foreign subsidiaries		-3,492	-54
Translation differences		22,385	-4,864
Total items that can be transferred to profit/loss for the year, after tax		**35,846**	**-4,656**
Total comprehensive income for the year		**255,722**	**168,437**
Profit/loss for the year attributable to:			
Parent Company's shareholders		219,876	172,647
Non-controlling interests	17	-	446
		219,876	**173,093**
Total comprehensive income for the year attributable to:			
Parent Company's shareholders		255,722	168,728
Non-controlling interests		-	-291
		255,722	**168,437**
Earnings per share			
Earnings per share for profit/loss attributable to			
parent company shareholders, before dilution, SEK[1)]	31	8.15	6.29
parent company shareholders, after dilution, SEK[1)]	31	8.15	6.29
Weighted average number of outstanding shares		26,987,862	27,466,985

1) The company has a long-term performance share scheme which may involve maximum dilution of 2.36 per cent.

Consolidated balance sheet

Amounts in SEK thousand	Note	31 Dec 2024	31 Dec 2023
	1		
ASSETS			
FIXED ASSETS			
Goodwill	5, 15	1,021,733	983,571
Other intangible assets	5, 15	129,596	177,310
Tangible fixed assets	5, 16	65,776	74,098
Right-of-use assets	27	253,393	245,219
Other non-current receivables	18, 21, 27	614,916	544,605
Deferred tax receivables	12	22,177	22,453
TOTAL FIXED ASSETS		**2,107,591**	**2,047,256**
CURRENT ASSETS			
Inventories	19	20,844	15,442
Accounts receivable	14, 20	756,380	717,665
Current tax receivables		12,755	6,612
Other receivables		55,494	52,260
Prepaid expenses and accrued income	21	709,074	657,316
Cash and cash equivalents	26	813,518	547,897
TOTAL CURRENT ASSETS		**2,368,065**	**1,997,192**
TOTAL ASSETS		**4,475,656**	**4,044,448**

Amounts in SEK thousand	Note	31 Dec 2024	31 Dec 2023
EQUITY AND LIABILITIES			
EQUITY	30		
Equity attributable to the parent company's shareholders			
Share capital		10,619	10,619
Other capital contributions		297,964	297,964
Other reserves		103,444	67,598
Retained earnings including profit/loss for the year		760,401	632,423
Equity attributable to the parent company's shareholders	17	**1,172,428**	**1,008,604**
TOTAL EQUITY		**1,172,428**	**1,008,604**
LIABILITIES			
Non-current liabilities			
Loan liabilities	24	229,730	221,920
Lease liabilities		152,612	146,092
Other non-current liabilities	23, 24, 27	957,101	775,298
Deferred tax liabilities	12	47,536	58,186
Non-current liabilities, total		**1,386,979**	**1,201,496**
Current liabilities			
Accounts payable	14	561,880	529,970
Current tax liabilities		24,558	25,035
Loan liabilities	24	-	-
Lease liabilities		101,123	100,258
Other liabilities	22, 24	152,196	166,028
Accrued expenses and prepaid income	23	1,076,492	1,013,057
Current liabilities, total		**1,916,249**	**1,834,348**
TOTAL LIABILITIES		**3,303,228**	**3,035,844**
TOTAL EQUITY AND LIABILITIES		**4,475,656**	**4,044,448**

Consolidated statement of changes in equity

Amounts in SEK thousand, Note 30	Attributable to the parent company's shareholders							
	Share capital	Other capital contributions	Hedging of net investment in foreign subsidiaries	Translation of foreign subsidiaries	Retained earnings, inc. profit/ loss for the year	Total	Attributable to non-controlling interests	Total share-holders' equity
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 statement of changes in equity

Amounts in SEK thousand, Note 30	Attributable to the parent company's shareholders							
	Share capital	Other capital contributions	Hedging of net investment in foreign subsidiaries	Translation of foreign subsidiaries	Retained earnings, inc. profit/ loss for the year	Total	Attributable to non-controlling interests	Total share-holders' equity
Opening balance as at 1 January 2024	**10,619**	**297,964**	**23,963**	**43,635**	**632,423**	**1,008,604**	**-**	**1,008,604**
Profit/loss for the year	-	-	-	-	219,876	219,876	-	219,876
Other comprehensive income	-	-	13,461	22,385	-	35,846	-	35,846
Total comprehensive income for the year	**-**	**-**	**13,461**	**22,385**	**219,876**	**255,722**	**-**	**255,722**
Transactions with shareholders								
Dividends	-	-	-	-	-53,984	-53,984	-	-53,984
Buy-back of own shares	-	-	-	-	-42,801	-42,801	-	-42,801
Acquisitions from non-controlling interests	-	-	-	-	-	-	-	-
Sales of non-controlling interests	-	-	-	-	-	-	-	-
Long-term incentive programme	-	-	-	-	3,925	3,925	-	3,925
Sold previously repurchased shares	-	-	-	-	962	962	-	962
Total transactions with shareholders	**-**	**-**	**-**	**-**	**-91,898**	**-91,898**	**-**	**-91,898**
Closing balance as at 31 December 2024	**10,619**	**297,964**	**37,424**	**66,020**	**760,401**	**1,172,428**	**-**	**1,172,428**

Consolidated statement of cash flows

Amounts in SEK thousand	Note	2024	2023
	26		
CASH FLOW FROM OPERATIONS FOR THE YEAR			
Operating profit for the year		**295,536**	**229,754**
Adjustment for items not affecting cash flow:			
Reversal of depreciation and impairment of fixed assets	5, 15, 16	214,083	228,211
Financial lease sales	27	26,179	32,954
Reversal of unrealised items		-	-
Reversal of other non-cash items		2,598	-9,049
Changes in provisions		777	-174
Income tax paid[1)]	12	-58,804	-54,651
Cash flow from operating activities before changes in working capital		**480,369**	**427,045**
Cash flow from changes in working capital			
Inventories		-4,956	49,504
Operating receivables		-133,812	64,554
Operating liabilities		182,472	-9,060
Cash flow from current operations		**524,073**	**532,043**

Amounts in SEK thousand	Note	2024	2023
INVESTMENT ACTIVITIES			
Acquisition of businesses	17	-	-7,951
Divestment of businesses	26	-	-12
Capital expenditure on tangible fixed assets	16	-30,049	-44,347
Disposals of tangible fixed assets	16	-	1,064
Investments in intangible fixed assets	15	-1,177	-968
Decrease, non-current receivables	18	4,713	333
Increase, non-current receivables	18	-	-45
Cash flow from investment activities		**-26,513**	**-51,926**
FINANCING ACTIVITIES			
Dividends		-53,984	-50,791
Buy-back of own shares		-42,801	-19,588
Borrowing		-	112,018
Repaid loans		-	-336,176
Interest earned		13,237	10,366
Interest paid		-26,466	-25,133
Amortisation of lease liabilities		-135,510	-117,971
Other cash flow from financing activities		-1,627	-2,784
Cash flow from financing activities		**-247,151**	**-430,059**
CASH FLOW FOR THE YEAR		**250,409**	**50,058**
Cash and cash equivalents at start of year		547,897	505,684
Translation difference in cash and cash equivalents		15,212	-7,845
CASH AND CASH EQUIVALENTS AT YEAR-END		**813,518**	**547,897**

1) Income tax SEK 58,079 thousand (45,179). Net non-cash adjustment and paid tax SEK -722 thousand (-9,472).

Income statement, parent company

Amounts in SEK thousand	Note	2024	2023
Revenue	4, 14	152,494	152,021
Gross profit	**4**	**152,494**	**152,021**
Administrative expenses	5, 9	-161,436	-151,896
Operating profit	**9**	**-8,942**	**125**
Financial income	10	313,086	187,550
Financial expenses	11	-31,532	-45,396
Earnings before tax and appropriations	**14**	**272,612**	**142,279**
Group contribution		-	-
Earnings before tax	**14**	**272,612**	**142,279**
Income tax	12	-2,800	-742
Profit/loss for the year		**269,812**	**141,537**

Statement of comprehensive income, parent company

Amounts in SEK thousand	2024	2023
Profit/loss for the year	269,812	141,537
Other comprehensive income	-	-
Total comprehensive income for the year	**269,812**	**141,537**

Balance sheet, parent company

Amounts in SEK thousand	Note	31 Dec 2024	31 Dec 2023
ASSETS			
FIXED ASSETS			
Intangible fixed assets	5, 15	3,063	8,216
Tangible fixed assets	5, 16	311	294
Shares in Group companies	17	494,687	492,383
Current receivables from Group companies		629,884	640,109
Other non-current receivables		513	1,448
Deferred tax receivables	12	1,871	1,394
TOTAL FIXED ASSETS		**1,130,329**	**1,143,844**
CURRENT ASSETS			
Current tax receivables		-	-
Current receivables from Group companies	18	274,705	81,020
Other receivables		7,995	1,696
Prepaid expenses and accrued income	21	23,007	15,031
Cash and cash equivalents	26	-	-
TOTAL CURRENT ASSETS		**305,707**	**97,747**
TOTAL ASSETS		**1,436,036**	**1,241,591**

Amounts in SEK thousand	Note	31 Dec 2024	31 Dec 2023
EQUITY AND LIABILITIES			
EQUITY	30		
Restricted equity			
Share capital		10,619	10,619
Statutory reserve		28,236	28,236
Capitalised development costs		3,062	8,216
Total restricted equity		**41,917**	**47,071**
Non-restricted equity			
Retained earnings		364,237	309,444
Profit/loss for the year		269,812	141,537
Total non-restricted equity		**634,049**	**450,981**
TOTAL EQUITY		**675,966**	**498,052**
LIABILITIES			
Non-current liabilities			
Liabilities to credit institutions	24	229,730	221,920
Liabilities to Group companies	18	13,847	12,768
Non-current liabilities, total		**243,577**	**234,688**
Current liabilities			
Accounts payable		3,173	4,957
Current tax liabilities		-	3,958
Liabilities to Group companies	18, 26	487,693	478,401
Other liabilities	22, 24	8,151	8,181
Accrued expenses and prepaid income	23	17,476	13,354
Current liabilities, total		**516,493**	**508,851**
TOTAL LIABILITIES		**760,070**	**743,539**
TOTAL EQUITY AND LIABILITIES		**1,436,036**	**1,241,591**

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	-	-	-	-	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**
Transfer of previous year's profit	-	-	-	-	141,537	-141,537	-
Dividends	-	-	-	-	-53,984	-	-53,984
Long-term incentive programme	-	-	-	-	3,925	-	3,925
Sold previously repurchased shares	-	-	-	-	962	-	962
Reversal of capitalised development costs	-	-	-	-5,154	5,154	-	-
Buy-back of own shares	-	-	-	-	-42,801	-	-42,801
Cancellation of own shares	-600,000	-	-	-	-	-	-
Profit/loss for the year	-	-	-	-	-	269,812	269,812
Closing balance as at 31 December 2024	**27,401,658**	**10,619**	**28,236**	**3,062**	**364,237**	**269,812**	**675,966**

Statement of cash flows, parent company

Amounts in SEK thousand	Note	2024	2023
	26		
CASH FLOW FROM OPERATIONS FOR THE YEAR			
Profit/loss for the year		**269,812**	**141,537**
Adjustment for items not affecting cash flow:			
Depreciation and impairment of fixed assets	5, 15, 16	6,469	6,645
Impairment of shares in subsidiaries	17	-	-
Other financial items		7,927	4,901
Other adjustments		1,513	6,513
Income tax[1)]	12	-4,326	-1,594
Cash flow from operating activities before changes in working capital		**281,395**	**158,002**
Cash flow from changes in working capital:			
Operating receivables		-207,142	9,878
Operating liabilities		11,600	75,801
Cash flow from current operations		**85,853**	**243,681**
INVESTMENT ACTIVITIES			
Capital expenditure on tangible assets	16	-229	-217
Disposals of tangible assets	16	-	-
Investments in intangible assets	15	-1,105	-839
Changes in non-current receivables	18	10,225	49,043
Cash flow from investment activities		**8,891**	**47,987**
FINANCING ACTIVITIES			
Dividends		-53,984	-50,791
Buy-back of own shares		-42,801	-19,588
Borrowing		-	112,018
Repaid loans		-	-336,176
Other cash flow from financing activities		2,041	2,869
Cash flow from financing activities		**-94,744**	**-291,668**
CASH FLOW FOR THE YEAR		**-**	**-**
Cash and cash equivalents at start of year		-	-
CASH AND CASH EQUIVALENTS AT YEAR-END		**-**	**-**

1) Income tax SEK 3,277 thousand (742), tax paid SEK 7,603 thousand (2,336). Net non-cash adjustment and paid tax SEK -4,326 thousand (-1,594).

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 2024 financial year for Proact IT Group AB have been prepared by the Board of Directors and Chief Executive Officer, who on 31 March 2025 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 6 May 2025 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, are part of the consolidated statements and therefore 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.

AP 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, the 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 leases as operating leases.

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 carryforwards.

As regards goodwill and intellectual property rights, the impairment test is based on future assumptions derived from conditions that are known at the time of the assessment. When calculating the value in use of assets, assumptions are made about future performance. Future earnings may not deviate from the assumptions made if conditions in the market change without the company's management adapting the organisation and business in accordance with the changed market conditions. In such a case, there is a risk that the future earnings trend will be less favourable and thus there is a risk of material adjustments to the amounts recognised. More information on impairment testing can be found in Note 15.

Tax losses 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 in accounting policies and information
The Group applies the same accounting policies as those described in the annual report for 2023. 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 2024 have resulted in any changes for the Group.

2025 and beyond
IASB has not published any new standards approved by the EU for application as of 1 January 2025.

IFRS 18 Presentation and Disclosure in Financial Statements is applicable for annual periods beginning on or after 1 January 2027 and has not yet been adopted by the EU. IFRS 18 will replace IAS 1 Presentation of Financial Statements, and introduce new requirements aimed at achieving greater comparability in the reporting of performance of similar entities and providing users with more relevant information and transparency. IFRS 18 introduces, among other things, new requirements for the structure of the income statement and disclosures about certain performance measures. Although IFRS 18 will not affect the recognition or measurement of items in the financial statements, its effects on presentation and disclosures are expected to be significant, particularly those related to the income statement and performance measures defined by management. Management is currently evaluating the precise consequences of applying the new standard to the consolidated financial statements.

Proact's policies for 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, revenue and expenses on transactions between Group companies are eliminated. Profit or loss arising from intra-group transactions and that are recognised 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 policies.

The purchase method
The purchase method is used to report on the Group's business combinations. 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. Rounding differences may occur and thus the sum of individual figures may differ from that presented. Unless otherwise stated, comparative figures in this report are presented in parentheses and refer to the corresponding period in the previous year.

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 disposals 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 per cent of Proact Czech Republic, s.r.o. were acquired which means that Proact IT Group now owns 100 per cent 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 a management 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:

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

Financial year 2024	Nordic & Baltics	UK	West	Central	Groupwide	Eliminations	Group
External revenue	2,454,226	701,909	822,915	862,608	22,578	-	4,864,236
Internal revenue	75,129	5,781	25,391	25,330	152,494	-284,125	-
Total revenue	**2,529,355**	**707,690**	**848,306**	**887,938**	**175,072**	**-284,125**	**4,864,236**
Earnings before tax and non-recurring items	**270,803**	**18,138**	**18,432**	**-22,873**	**-6,545**	**-**	**277,955**
Non-recurring items[1)]	-	-	-	-	-	-	-
Earnings before tax	**270,803**	**18,138**	**18,432**	**-22,873**	**-6,545**	-	**277,955**
Tax							-58,079
Profit/loss for the year							**219,876**

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 2023	Nordic & Baltics	UK	West	Central	Groupwide	Eliminations	Group
External revenue	2,559,222	652,229	794,805	809,031	32,028	-	4,847,315
Internal revenue	60,036	9,489	28,379	24,123	151,988	-274,015	-
Total revenue	**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 part of the internal reporting, the company has chosen to show it in the above table, see also note 13.

Geographical information	2024	2023
External revenue[1) 2)]		
Sweden	1,638,121	1,661,086
United Kingdom	701,909	652,229
The Netherlands	729,776	710,602
Germany	793,050	769,121
Other countries	1,001,380	1,054,277
Total	**4,864,236**	**4,847,315**

1) Revenue is 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 2024	31 Dec 2023
Sweden	251,615	250,870
United Kingdom	343,446	322,530
The Netherlands	266,475	274,470
Germany	528,813	548,290
Other countries	80,149	84,038
Total	**1,470,498**	**1,480,198**

Note 3 Revenue by sector

AP Accounting policies

Revenue recognition

Proact has applied IFRS 15 "Revenue from Contracts with Customers" since 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. Revenue is recognised when the commitment to supply promised goods or services to the customer is fulfilled.

Revenue streams

The Group mainly generates revenue 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. Revenue 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 revenue 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 revenue

Maintenance and support revenue stems mainly from fixed price service agreements. Maintenance and support are two different performance commitments, and the revenue 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. Revenue 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

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

Revenue 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 revenue 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 revenue 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).

Revenue and usage measured on a monthly basis

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

Revenue 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 - Leasing operations

Lease operations is generated on an ongoing basis, and rental revenue is recognised on a straight-line basis over the rental period. Sale of lease income amounts to SEK 22,578 thousand (31,987). 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 revenue 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 2024, expensed sales commissions for obtaining customer contracts amounted to SEK 20,715 thousand (17,395). The balance sheet, under Prepaid expenses, bookings related to customer contracts amounted to 31,597 thousand SEK (30,039).

	Group	
Revenue by operating segment	**2024**	**2023**
System sales	2,685,703	2,698,001
Service operations	2,170,849	2,144,644
of which support revenue	625,419	595,165
of which revenue from cloud services	1,130,034	1,097,359
of which consulting revenue	415,396	452,120
Other revenue	7,684	4,670
Total	**4,864,236**	**4,847,315**

	Group	
Revenue by operating segment	**2024**	**2023**
Nordic & Baltics	2,529,355	2,619,258
UK	707,690	661,723
West	848,306	823,186
Central	887,938	833,155
Groupwide	175,072	184,008
Eliminations	-284,125	-274,015
Total	**4,864,236**	**4,847,315**

	Group	
Revenue by sector	**2024**	**2023**
Public sector	1,637,295	1,570,339
Retail and wholesale trade and services	858,337	987,683
Manufacturing industry	370,972	356,087
Telecoms	532,171	531,980
Banking, finance	339,401	293,677
Energy	364,447	266,049
Media	73,367	128,307
Additional information	688,246	713,193
Total	**4,864,236**	**4,847,315**

Note 3 Revenue by sector, continued

Contract assets 2024 1)	Group: Opening balance 2024	Total system and service revenue for the year	of which revenue 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 2024
Accrued system revenue	5,472	2,685,703	2,673,493	-5,472	-	12,210	12,210
Accrued service revenue	122,511	2,170,849	2,040,088	-56,432	66,079	64,682	130,761
Total contract assets	**127,983**						**142,971**

1) There have been no provisions or write-downs relating to contract assets in 2024.

Contract liabilities 2024	Group: Opening balance 2024	Total system and service revenue for the year	of which taken up as revenue, attributable to contracts entered in previous years	of which taken up as revenue, attributable to contracts entered into during the year	Deferred income, attributable to contracts entered into in previous years	Deferred income, attributable to contracts entered into during the year	Closing balance 2024
Deferred system revenue	701,542	2,685,703	352,198	2,333,505	360,652	408,009	768,661
Deferred service revenue	863,901	2,170,849	456,613	1,714,236	395,980	604,838	1,000,818
Total contract liabilities	**1,565,443**						**1,769,479**

Contract assets 2023 1)	Group: Opening balance 2023	Total system and service revenue for the year	of which revenue 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 revenue	6,799	2,698,001	2,692,529	-6,799	-	5,472	5,472
Accrued service revenue	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 liabilities 2023	Group: Opening balance 2023	Total system and service revenue for the year	of which taken up as revenue, attributable to contracts entered in previous years	of which taken up as revenue, attributable to contracts entered into during the year	Deferred income, attributable to contracts entered into in previous years	Deferred income, attributable to contracts entered into during the year	Closing balance 2023
Deferred system revenue	605,531	2,698,001	334,547	2,363,454	360,640	340,902	701,542
Deferred service revenue	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**

Long-term contracts, with unfulfilled or partially unfulfilled performance obligations, are expected to generate revenue:	within 1 year	within 1-2 years	3 years and later	Total contracted revenue for outstanding or partially outstanding performance obligations
Expected system revenue	378,248	202,796	219,982	801,026
Expected service revenue	725,888	323,297	338,451	1,387,636
Total	**1,104,136**	**526,093**	**558,433**	**2,188,662**

Note 4 Intra-Group purchases and sales

Of the parent company's total purchasing expenses and sales revenue, SEK 63,290 thousand (58,770), 41 per cent (41), refers to purchasing and SEK 152,494 thousand (151,988), 100 per cent (100), refers to sales to other Group companies.

Note 5 Depreciation, amortisation and write-down of fixed assets

	Group		Parent company	
	2024	2023	2024	2023
Depreciation/impairment included in expenses for goods sold and services				
Depreciation/amortisation				
– Intangible assets	48,796	49,173	-	-
– Tangible assets	8,388	9,570	-	-
– Spare parts and demonstration equipment	2,655	2,148	-	-
– Right-of-use assets	89,597	99,631	-	-
Impairment				
– Intangible assets	-	-	-	-
Depreciation included in administrative expenses				
– Intangible assets	6,295	6,508	6,258	6,460
– Tangible assets	22,417	24,212	211	185
– Right-of-use assets	35,889	36,867	-	-
Total	**214,037**	**228,109**	**6,469**	**6,645**

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 revenue and recognised operating profit is explained by the following expense items:

	Group	
Operating expenses by expense type	2024	2023
Product cost	2,794,606	2,864,708
Other expenses	233,259	214,254
Personnel expenses	1,326,798	1,310,468
Depreciation, amortisation and write-down	214,037	228,131
Total operating expenses	**4,568,700**	**4,617,561**

Note 8 Information about auditor's remuneration

Auditing assignment refer to the statutory review of the annual accounts and accounting records as well as the administration of the Board of Directors and the Chief Executive Officer.

Other 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 tax compliance audits.

Other services are other assignments.

	Group		Parent company	
Fees and remuneration	2024	2023	2024	2023
Öhrlings PricewaterhouseCoopers AB [1]				
Audit assignments	4,984	5,467	885	1,217
Other statutory assignments	46	23	38	-
Tax advice	-	-	-	-
Other services	258	109	74	50
Other auditors				
Audit assignments	466	687	-	-
Tax advice	68	158	-	-
Other services	75	110	-	-
Total	**5,897**	**6,554**	**997**	**1,267**

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

Of audit assignments, SEK 2,435 thousand (1,785) relates to PwC Sweden, of other statutory assignments, SEK 38 thousand (0) relates to PwC Sweden; of fees for tax advice, SEK 0 thousand (0) relates to PwC Sweden and of fees for other services, SEK 74 thousand (50) relates to PwC Sweden.

Not 9 Average number of employees, salaries, other remuneration and social cost etc.

AP 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 2024	Average number 2023	of which women 2024	of which women 2023	of which men 2024	of which men 2023
Parent company						
Sweden	21	20	10	9	11	11
Subsidiaries						
Sweden	209	201	24	20	186	182
Norway	39	40	9	8	30	32
Finland	34	34	2	3	32	32
Denmark	13	14	-	-	13	14
Latvia	10	13	3	4	7	9
Lithuania	-	7	-	2	-	5
Estonia	15	16	2	3	13	13
Czech Republic	14	14	4	4	10	10
The Netherlands	267	281	37	42	230	239
Belgium	19	18	2	1	17	17
Spain	-	-	-	-	-	-
Germany	226	244	55	58	171	186
United Kingdom	245	253	53	56	191	197
USA	-	-	-	-	-	-
Total subsidiaries	**1,091**	**1,134**	**191**	**200**	**901**	**934**
Group total	**1,112**	**1,154**	**200**	**209**	**911**	**945**

Board members and senior executives	Number 2024	Number 2023	of which women 2024	of which women 2023	of which men 2024	of which men 2023
Group and parent company						
Board members and Chief Executive Officer/President	6	6	2	2	4	4
Other senior executives	8	10	3	2	5	8

Salaries, remuneration and social costs	Salaries and remuneration to the Board of Directors and Chief Executive Officer (of which bonuses, etc.) 2024	Salaries and remuneration to the Board of Directors and Chief Executive Officer (of which bonuses, etc.) 2023	Salaries and remuneration to other employees 2024	Salaries and remuneration to other employees 2023	Salaries and remuneration Total 2024	Salaries and remuneration Total 2023	Social Costs (of which pension expenses) 2024	Social Costs (of which pension expenses) 2023
Parent company	9,666	8,237	23,936	23,125	33,602	31,362	17,352	16,419
	(2,773)	(1,244)			(2,773)	(1,244)	(6,294)	(5,851)
Subsidiaries	33,627	33,993	967,613	949,335	1,001,240	983,328	245,577	238,257
	(7,830)	(5,509)			(7,830)	(5,509)	(65,779)	(60,594)
Group total	**43,293**	**42,230**	**991,549**	**972,460**	**1,034,842**	**1,014,690**	**262,929**	**254,676**
	(10,603)	(6,753)			(10,603)	(6,753)	(72,073)	(66,445)

Remuneration to the Board of Directors and senior executives

	Directors' fees [1] 2024	Directors' fees [1] 2023	Committee fees [1] 2024	Committee fees [1] 2023	Total fees 2024	Total fees 2023
Chair of the Board Anna Söderlund	625	584	115	110	740	694
Board member Martin Gren	285	273	60	60	345	333
Board member Annikki Schaeferdiek	285	273	-	-	285	273
Board member Thomas Thuresson	285	273	120	115	405	388
Board member Erik Malmberg	285	273	120	115	405	388
Total	**1,765**	**1,675**	**415**	**400**	**2,180**	**2,075**

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

	Chief Executive Officer 2024 Jonas Hasselberg	Chief Executive Officer 2023 Jonas Hasselberg	Deputy CEO [1] 2024 Magnus Lönn	Deputy CEO [1] 2023 Magnus Lönn	Other senior executives 2024	Other senior executives 2023
Set salaries	4,566	4,411	2,496	624	13,411	21,975
Performance-related pay	748	597	940	210	1,967	1,660
Benefits [2]	905	1,071	41	9	1,173	3,687
Pension costs	1,378	1,330	395	76	1,581	1,872
Severance pay	-	-	-	-	-	-
Total	**7,596**	**7,410**	**3,872**	**919**	**18,132**	**29,194**

1) The role of Deputy CEO was established on 1 October 2023.
2) Includes preference shares regarding the long-term incentive programme LTI 2021.

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 is not pensionable. Retirement age is 65. Pensionable remuneration for the year to the CEO amounts to SEK 4,566 thousand (4,411). There are no pension liabilities other than 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 remuneration 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 eight (ten) other senior executives, including the Deputy CEO, in 2024. Of the other senior executives, four people are employed by the parent company and three 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 part of the salary is pensionable in some cases and the retirement age is 65. The pensionable salary for the Deputy CEO was SEK 2,496 thousand (624) and for other senior executives it was SEK 12,992 thousand (17,574) 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, Maria Gomez assumed the role of Business Unit Director Central and Jamie Ford as Business Unit Director UK. Both are members 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 programmes

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 during 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 awarded depends on how well 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 revenue, earnings 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. The 2021 incentive programme expired in 2024. Target fulfilment for the program amounted to 45 per cent of the maximum level and resulted in an allocation of 2.26 shares per invested share.

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 during the entire period and at the time of allocation. The CEO is able to invest up to 2,700 shares, members of senior management 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 awarded depends on how well 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 revenue, earnings 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. The maximum number of performance shares that can be allocated to programme participants is 122,000 shares.

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 from 2023 to May 2026. The programme was aimed at about 21 senior executives and other key personnel. Participation in LTI 2023 requires participants to own a certain number of shares in Proact throughout the entire period, and they must also be employed by Proact during the entire period and at the time of allocation. The CEO is able to invest up to 4,000 shares, the corporate management team up to 2,000 shares and other key personnel up to 1,250 shares. All participants have the same performance targets. The number of shares awarded depends on how well performance targets are met. For each share the participant participates with, the participant may be allotted a maximum of seven new shares in Proact IT Group AB if the performance targets set by the Board of Directors regarding net income, earnings per share and return on capital employed in 2025 are met. Allocation will take place after the first quarterly report for 2026 is published. The maximum number of performance shares that can be allocated to programme participants is 256,000 shares.

The 2024 Annual General Meeting decided to introduce a long-term incentive programme in the form of a performance share programme, LTI 2024. This programme will run from 2024 until May 2027. The programme was aimed at about 20 senior executives and other key personnel. Participation in LTI 2024 requires participants to own a certain number of shares in Proact throughout the entire period and they must also be employed by Proact during the entire period and at the time of allocation. 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 targets. The number of shares awarded depends on how well performance targets are met. For each share the participant participates with, the participant may be allotted a maximum of seven new shares in Proact IT Group AB if the performance targets set by the Board of Directors regarding net income, earnings per share and return on capital employed in 2026 are met. The shares will be allocated after the first quarterly report for 2027 is published. The maximum number of performance shares that can be allocated to programme participants is 242,000 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 2024
Anna Söderblom	10,100
Martin Gren [1)]	3,400,000
Annikki Schaeferdiek	4,000
Thomas Thuresson	2,500
Erik Malmberg	7,000

1) Holding that are directly or indirectly owned and/or controlled through legal entities or related parties.

Chief Executive Officer and other senior executives	Shareholding in Proact 31 Dec 2024
Jonas Hasselberg (CEO and President) [1)]	39,411
Noora Jayasekara	-
Jonas Ekman	12,218
Jamie Ford	500
Maria Gomez	3,500
Alexander Lechtaler	4,000
Magnus Lönn [1)]	7,000
Madeleine Samuelson	5,350
Per Sedihn	500

1) Jonas Hasselberg resigned as President and CEO on March 1, 2025 and was replaced by Magnus Lönn.

Note 10 Financial revenue

	Group		Parent company	
	2024	2023	2024	2023
Interest income	15,723	12,368	11,781	8,860
Interest income from Group companies	-	-	40,918	38,007
Income from participations in Group companies	-	-	260,368	140,675
Other items	1,876	16,150	19	-
Total	**17,599**	**28,518**	**313,086**	**187,542**

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

Note 11 Financial expenses

	Group		Parent company	
	2024	2023	2024	2023
Interest expenses	28,454	29,520	12,749	17,027
Interest expenses to Group companies	-	-	30,549	23,597
Exchange rate differences	1,686	1,747	-15,511	1,918
Other items	5,040	8,733	3,745	2,854
Total	**35,180**	**40,000**	**31,532**	**45,396**

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

Note 12 Income tax

AP Accounting policies

Taxes

Deferred taxes are calculated according to the balance sheet method for all temporary differences that arise between the carrying amounts and the tax bases 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. The deferred tax liability/asset is remeasured annually at the current tax rate and recognised in the consolidated statement of comprehensive income as part of the tax expense for the year. The valuation of tax liabilities/assets is at nominal value and in accordance with the tax rules and rates adopted. Deferred tax assets and deferred tax liabilities are recognised net if they relate to the same taxation authority.

	Group		Parent company	
Tax expense (-)/tax income (+)	**2024**	**2023**	**2024**	**2023**
Current tax for the year	-75,478	-56,759	-3,320	-899
Adjustment relating to previous years' tax	4,792	-339	-1	-163
Deferred tax	12,607	11,919	478	320
Tax recognised in the income statement	**-58,079**	**-45,179**	**-2,843**	**-742**

During the year, the Group paid tax of SEK 58,804 thousand (54,561), and SEK 7,321 thousand (13) for the parent company.

	Group		Parent company	
Reconciliation of effective tax	**2024**	**2023**	**2024**	**2023**
Reported profit before tax	277,955	218,272	272,406	142,279
Tax for the parent company, based on Swedish 20.6 per cent (20.6) tax rate	-57,259	-44,964	-56,116	-29,309
Difference attributable to foreign tax rates	-11,229	-3,470	-	-
Non-deductible expenses	-23,125	-61,141	-282	-1,866
Non-taxable income	32,071	64,273	53,640	30,597
Losses for the year for which no deferred tax assets have been capitalised	-2,639	-4,680	-	-
Tax effect for the year relating to capitalised unused loss carryforwards from previous years	-1,779	800	-	-
Tax effect for the year relating to non-capitalised unused loss carryforwards from previous years	1,330	3,909	-	-
Adjustment relating to previous years' tax	4,792	347	-1	-
Adjustment relating to previous years' deferred tax	-	-	-	-
Other taxes	-241	-253	-84	-164
Tax expense (-)/tax income (+)	**-58,079**	**-45,179**	**-2,843**	**-742**

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:

2024 Deferred tax assets	**Opening balance**	**Deferred tax recognised in income statement (+ income/- expense)**	**Recognised in other comprehensive income**	**Deferred tax recognised in balance sheet**	**Exchange rate differences**	**Closing balance**
Unused loss carryforwards	4,833	-337	-	-	167	4,663
Goodwill	-	-	-	-	-	-
Other intangible assets	1,247	497	-	-	-	1,744
Tangible fixed assets	14,848	-500	-	-	10	14,358
Hedging of net investment in foreign subsidiaries	-	-	-3,492	3,492	-	-
Provisions	581	-311	-	-	26	296
Additional information	943	159	-	-	14	1,116
Net reporting	-	-	-	-	-	-
Total deferred tax assets	**22,452**	**-492**	**-3,492**	**3,492**	**217**	**22,177**

2024 Deferred tax liabilities	**Opening balance**	**Deferred tax recognised in income statement (- income/+ expense)**	**Recognised in other comprehensive income**	**Deferred tax recognised in balance sheet**	**Exchange rate differences**	**Closing balance**
Goodwill	2,641	-	-	-	-130	2,511
Other intangible assets	46,402	-12,042	-	-	1,668	36,028
Tangible fixed assets	-498	34	-	-	-41	-505
Provisions	1,900	313	-	-	168	2,381
Additional information	7,741	-1,404	-	-	784	7,121
Net reporting	-	-	-	-	-	-
Total deferred tax liabilities	**58,186**	**-13,099**	**-**	**-**	**2,449**	**47,536**

Note 12 CONTINUED

2023 Deferred tax assets	Opening balance	Deferred tax recognised in income statement (+ income/- expense)	Recognised in other comprehensive income	Deferred tax recognised 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 subsidiaries	-	-	-54	54	-	-
Provisions	-499	1,073	-	-	7	581
Additional information	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 recognised in income statement (- income/+ expense)	Recognised in other comprehensive income	Deferred tax recognised 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
Additional information	6,310	1,432	-	-	-1	7,741
Net reporting	-130	130	-	-	-	-
Total deferred tax liabilities	**73,121**	**-15,029**	**-**	**-148**	**242**	**58,186**

Deferred tax assets and liabilities are recognised net when there is a legally enforceable right to set off current tax assets and liabilities. Deferred tax assets have been recognised for tax loss carryforwards in those subsidiaries where the company has assessed that these loss carryforwards will be utilised against future taxable profits. Expected taxable profits have been calculated individually for each company. As at 31 December 2024, 79 per cent of the total tax loss carryforwards in the Group have been assessed to be available for utilisation 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 58,079 thousand (45,149).

Parent company 2024	Opening balance	Deferred tax	Closing balance
Unused loss carryforwards	-	-	-
Temporary differences	1,394	477	1,871
Total deferred tax asset (+)/tax liability (-)	**1,394**	**477**	**1,871**

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**

Unutilised loss carryforwards

Unutilised loss carryforwards are recognised 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 115,932 thousand (36,700), of which SEK 92,075 thousand (17,901) has been deemed to be utilisable, which is why a deferred tax asset of SEK 4,664 thousand (4,833) has been recognised.

Can be utilised at the latest by:

	31 Dec 2024	31 Dec 2023
Not subject to time limit	115,932	36,700
Total unutilised loss carryforwards	**115,932**	**36,700**

Note 13 Non-recurring items

Non-recurring items as stated below have affected the operating profit in 2024.

	Group	
	2024	2023
Administrative expenses	-	-16,662
Total 1)	**-**	**-16,662**

1) 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.

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	**2024**	**2023**	**2024**	**2023**
EUR	11.4865	11.0960	11.4322	11.4765
USD	10.9882	10.0416	10.5614	10.6128
GBP	13.8475	12.7680	13.5045	13.1979
NOK	0.9697	0.9871	0.9832	1.0054
CZK	0.4553	0.4488	0.4551	0.4781
DKK	1.5398	1.4888	1.5327	1.5403
JPY	0.0698	0.0710	0.0698	0.0756

	Group		Parent company	
Exchange rate differences affecting net result for the year (+ profit, - loss)	**2024**	**2023**	**2024**	**2023**
Recognised within cost of sold product	6,015	5,914	-	-
Recognised within net financial items	-1,686	-1,747	15,511	-1,918

Invoicing and goods purchased in foreign currencies
Most goods are purchased from the US and Europe, and therefore the company is affected by fluctuations in the USD, GBP and EUR exchange rate, respectively.

	Group							
	2024				2023			
Invoicing and goods purchased in: (Amounts in SEK thousand)	**Invoicing**	**Percentage of total revenue, %**	**Goods purchased**	**Percentage of total purchases, %**	**Invoicing**	**Percentage of total revenue, %**	**Goods purchased**	**Percentage of total purchases, %**
EUR	2,299,991	47	1,549,206	42	2,222,070	46	1,560,234	42
USD	395,283	8	539,692	15	448,836	9	722,233	19
GBP	732,551	15	352,528	10	702,270	14	294,451	8
Other currencies	1,436,411	30	1,214,307	33	1,474,139	30	1,181,199	31
Total	**4,864,236**	**100**	**3,655,733**	**100**	**4,847,315**	**100**	**3,758,117**	**100**

Accounts receivable and accounts payable in foreign currencies

	Group							
	2024				2023			
Accounts receivable and accounts payable in: (Amounts in SEK thousand)	**Accounts receivable**	**Percentage of total accounts receivable, %**	**Accounts payable**	**Percentage of total accounts payable; %**	**Accounts receivables**	**Percentage of total accounts receivable, %**	**Accounts payable**	**Percentage of total accounts payable, %**
EUR	328,923	43	228,525	41	311,108	43	230,011	43
USD	80,288	11	120,733	21	19,463	3	62,342	12
GBP	75,274	10	75,537	13	77,316	11	59,465	11
Other currencies	271,895	36	137,085	24	309,778	43	178,152	34
Total	**756,380**	**100**	**561,880**	**100**	**717,665**	**100**	**529,970**	**100**

Note 14 CONTINUED

Hedges as at 31 December 2024

The Group does not apply hedge accounting. Concluded forward contracts constitute financial hedges.

As at the balance sheet date, hedged accounts receivable amounted to USD 6,300 thousand (2,149) and EUR 2,211 thousand (2,095) in the Group. Denominated in SEK, the hedged amount totals SEK 94,624 thousand (44,787). The effect on profit or loss is recognised within operating profit in the statement of comprehensive income. The fair value of these forward contracts at 31 December 2024 resulted in an unrealised gain of SEK 1,312 thousand, which has affected the statement of comprehensive income by an equivalent amount. The previous year's unrealised result was a profit amounting to SEK 1,509 thousand.

As at the balance sheet date, hedged accounts payable amounted to USD 12,375 thousand (7,964) and EUR 10,425 thousand (6,382) in the Group. Denominated in SEK, the hedged amount totals SEK 255,724 thousand (150,756). The effect on profit or loss is recognised within operating profit in the statement of comprehensive income. The fair value of these forward contracts at 31 December 2024 resulted in an unrealised loss of SEK -5,606 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 -5,719 thousand.

Hedged receivables in leases as at the balance sheet date amount to EUR 1,738 thousand (2,465), GBP 659 thousand (2,014), USD 0 thousand (0) and NOK 719 thousand (3,067) within the Group. Denominated in SEK, the hedged amount totals SEK 29,776 thousand (56,092). The effect on profit or loss is recognised within operating profit in the statement of comprehensive income. The fair value of these forward contracts as at 31 December 2024 resulted in an unrealised loss of SEK -997 thousand (-1,084), which has affected the statement of comprehensive income by an equivalent amount.

The parent company had outstanding forward contracts as at 31 December 2024 totalling EUR 1,273 thousand (1,386) and USD 192 thousand (205).
The fair value of these forward contracts as at 31 December 2024 was an unrealised loss of SEK -26 thousand (-223).

As at 31 December 2024, accounts receivable in foreign currencies amounted to SEK 547,968 thousand (445,626) and accounts payable amounted to SEK 450,512 thousand (386,662).

Net investment (excluding goodwill) in foreign subsidiaries

Net assets in foreign subsidiaries broken down by currency. When translating the balance sheets of foreign subsidiaries into Swedish kronor, the Group is exposed to exchange rate fluctuations. The effect on equity in 2024 of translating the accounts of foreign subsidiaries into Swedish kronor totalled SEK 22,385 thousand (-4,573).

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

	2024		2023	
Amount in thousands	**Amount**	**Converted to SEK at the exchange rate on balance sheet date**	**Amount**	**Converted to SEK at the exchange rate on balance sheet date**
CZK	16,808	7,653	34,647	15,550
DKK	26,381	40,620	21,339	31,770
EUR	-5,086	-58,420	15,165	168,271
GBP	8,789	121,706	21,773	277,998
USD	-330	-3,626	-435	-4,368
NOK	-11,431	-11,085	68,199	67,319

Hedging of net investment in foreign operations	Group
Opening balance as at 1 January 2023	**24,994**
Hedge accounting of net investments recognised in other comprehensive income	262
of which deferred tax recognised in other comprehensive income	-54
Closing balance as at 31 December 2023	**25,202**
Opening balance as at 1 January 2024	**25,202**
Hedge accounting of net investments recognised in other comprehensive income	16,953
of which deferred tax recognised in other comprehensive income	-3,492
Closing balance as at 31 December 2024	**38,663**

Note 15 Intangible assets

AP Accounting policies

Goodwill

Recognised goodwill consists of the difference between, on one hand, the acquisition value of Group company shares, the value of non-controlling interests in the acquired business, and the fair value of previously owned shares and, on the other hand, the reported value in the acquisition analysis of acquired assets and assumed liabilities. Impairment tests are performed annually and whenever there is an indication that an asset has decreased in value. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of these cash-generating units constitutes 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 relationships, brands and support contracts

Customer relationships, 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 relationships and brands are amortised 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 amortised 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.

Capitalised software expenses

Capitalised software expenses consist of costs associated with implementation and adaptation of software that can be capitalised. Capitalised software is amortised 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 2024.

Impairment

Assets with an indefinite useful life are not amortised but are tested annually for impairment. Assets that are amortised are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recovery value is the higher of an asset's fair value minus sales costs and value in use. When assessing impairment, assets are grouped at the lowest levels at which there are separately identifiable cash flows (cash-generating units).

Note 15 CONTINUED

	Group				Parent company
	Goodwill	Customer relationships	Other intangible assets	Total	Other intangible assets
Opening acquisition value at 1 January 2024	1,060,885	512,702	126,476	1,700,063	70,335
Acquisitions for the year	-	-	1,177	1,177	1,105
Accumulated acquisition value in acquired companies	-	-	-	-	-
Acquisitions for the year via corporate acquisitions	-	-	-	-	-
Sales/disposals	-	-	-	-	-
Exchange rate differences	39,039	20,019	4,937	63,995	-
Closing accumulated acquisition value	**1,099,924**	**532,722**	**132,589**	**1,765,235**	**71,440**
Opening amortisation and write-downs, 1 January 2024	-77,314	-358,192	-103,676	-539,182	-62,119
Amortisation for the year	-	-46,990	-8,101	-55,091	-6,258
Write-downs for the year	-	-	-	-	-
Sales/disposals	-	-	-	-	-
Exchange rate differences	-877	-14,668	-4,088	-19,633	-
Accumulated amortisation and impairment	**-78,191**	**-419,851**	**-115,864**	**-613,906**	**-68,377**
Book value as at 31 December 2024	**1,021,733**	**112,871**	**16,725**	**1,151,329**	**3,063**
Opening acquisition value, 1 January 2023	1,062,175	514,782	125,605	1,702,562	69,496
Acquisitions for the year	-	-	968	968	839
Accumulated acquisition value 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 amortisation and write-downs, 1 January 2023	-78,537	-315,064	-94,594	-488,195	-55,659
Amortisation 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 amortisation and impairment	**-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**

	Group	
Distribution of goodwill by cash-generating unit	31 Dec 2024	31 Dec 2023
Nordic & Baltics	199,779	199,524
UK	231,973	213,889
West	199,222	192,449
Central	390,759	377,709
Total	**1,021,733**	**983,571**

	Group WACC, before tax		Group WACC, after tax		Group Growth in terminal period	
Cash-generating unit	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Nordic & Baltics	10.5%	10.8%	10.4%	10.6%	2.0%	2.0%
UK	10.3%	10.5%	10.1%	10.4%	2.0%	2.0%
West	10.3%	10.5%	10.1%	10.3%	2.0%	2.0%
Central	10.3%	10.7%	10.3%	10.6%	2.0%	2.0%

Impairment test

A possible impairment requirement for goodwill is determined each year by calculating the future utilisation value of each individual cash-generating unit. An impairment loss is recognised if the carrying amount of goodwill exceeds the calculated utilisation value.

When estimating the future utilisation value, the future cash flows for 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 (2).

A Weighted Average Cost of Capital (WACC) before tax of between 10-11 per cent (10-11) 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 earnings before tax) of 6-8 per cent (6-8) has been estimated. Senior management's determination of important assumptions, and the values inherent in them, are based on a reflection of past experience. 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 carrying amount.

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 carrying amounts by a good margin.

No need for impairment has been assessed as at 31 December 2024.

Note 16 Tangible fixed assets

AP Accounting policies

Tangible fixed assets are recognised at acquisition value less depreciation and write-downs. The acquisition cost includes expenses that are directly attributable to the acquisition of the asset. Depreciation of tangible fixed assets 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 lives of the assets are tested on each 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. Gains and losses on disposal are determined by comparing the sales income and reported value, and are recognised in the statement of comprehensive income.

	Group					Parent company
	Computers and machinery	**Equipment**	**Spare parts**	**Buildings**	**Total**	**Computers and machinery**
Opening acquisition value at 1 January 2024	280,224	76,536	66,054	20,002	442,816	4,050
Acquisitions during the year [1)]	20,754	4,628	4,667	-	30,049	229
Accumulated acquisition value of acquired businesses	-	-	-	-	-	-
Sales/disposals	-13,713	-4,256	-5,589	-	-23,558	-16
Reclassifications [1)]	-5,392	289	-	-	-5,103	-
Exchange rate differences	12,118	2,142	2,428	1,680	18,368	-
Closing accumulated acquisition value	**293,991**	**79,339**	**67,560**	**21,682**	**462,572**	**4,263**
Opening depreciation and write-downs, 1 January 2024	-241,597	-59,238	-62,416	-5,467	-368,718	-3,756
Depreciation for the year	-22,001	-8,416	-2,655	-388	-33,460	-211
Sales/disposals	13,263	3,176	5,525	-	21,964	15
Reclassifications	-1,147	-296	-	-	-1,443	-
Exchange rate differences	-10,667	-1,717	-2,290	-465	-15,139	-
Accumulated depreciation and write-downs	**-262,149**	**-66,491**	**-61,836**	**-6,320**	**-396,796**	**-3,952**
Book value as at 31 December 2024	**31,842**	**12,848**	**5,724**	**15,362**	**65,776**	**311**

	Group					Parent company
	Computers and machinery	**Equipment**	**Spare parts**	**Buildings**	**Total**	**Computers and machinery**
Opening acquisition value 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 value of acquired businesses	-	-	-	-	-	-
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	-369,923	-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**

1) Includes SEK 6,558 thousand (9,140) reclassified from fixed assets Computers and machinery 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 2024	Book value, SEK thousand 31 Dec 2023
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	-	-
Proact Netherlands B.V.	20136449	Breda, NL	44,419	100.00	221,789	221,789
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	-	-
Proact Belgium BVBA	090211403	Drongen, BE	6,408	100.00	2,303	-
Proact Czech Republic, s.r.o.	24799629	Prague, CZ	-	85.30	21,882	21,882
Proact U.S. LLC	-	Delaware, USA	-	100.00	-	-
Proact IT Germany GmbH	HRB 132327	Hamburg, DE	210,000	100.00	-	-
					494,687	**492,384**

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 2024**	**31 Dec 2023**
Opening book value	492,384	491,802
Acquisitions	2,303	8,427
Disposals	-	-7,845
Closing accumulated acquisition value	**494,687**	**492,384**
BOOK VALUE	**494,687**	**492,384**

	Parent company	
Income from participations in Group companies	**2024**	**2023**
Dividends received	260,368	148,520
Total	**260,368**	**148,520**

Acquisitions 2024
No acquisitions took place in 2024.

Acquisition of additional shares 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 shares 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.

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

	Equity	Profit	Cash flow	Percentage of non-controlling interests
SEK thousand	**31 Dec 2024**	**2024**	**2024**	**2024**
Proact Lietuva UAB	-	-	-	-
	-	**-**	**-**	**-**
	31 Dec 2023	**2023**	**2023**	**2023**
Proact Lietuva UAB	-	-384	-7,745	26
	-	**-384**	**-7,745**	

Note 18 Receivables and liabilities with Group companies and Other non-current receivables

	Parent company		
	<1 year	1-5 years	>5 years
Receivables with Group companies due within	274,705	186,564	443,320
Liabilities with Group companies due within	487,693	-	13,847

There are no subordinated loans to foreign subsidiaries.

	Group	
Other non-current receivables	**31 Dec 2024**	**31 Dec 2023**
Blocked accounts for tenancy agreements	1,214	1,222
Receivables relating to finance leases	24,752	40,255
Pre-paid expenses and accrued income – Non-current 1)	588,525	502,622
Other non-current receivables	323	506
Total	**614,814**	**544,605**

1) See also Note 21.

Note 19 Inventories

AP Accounting policies

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

Cost is calculated using the first-in, first-out (FIFO) method and includes expenditure incurred in acquiring the inventory assets and bringing them to their present location and condition.

Inventories are valued at the lower of cost and net realisable value. The carrying amount of inventories may need to be written down if they have been damaged, if they are partially or wholly obsolete or if the selling price has fallen. The value of inventory as at 31 December 2024 amounted to SEK 20,844 thousand (15,442). During the year, the Group wrote down inventories to the value of SEK 0 thousand (276) due to obsolescence. At the same time, write-downs amounting to SEK 0 thousand (493) were reversed in 2024 as it was possible to sell previously written down inventories.

Note 20 Accounts receivable

AP 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.

Provision for doubtful debts and impairment

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 past due.

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.

Therefore, the Group considers that the loss rates for accounts receivable are a reasonable estimate of the loss rates for contract assets.

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

Accounts receivables and contract assets are impaired when it is determined that no amount will be recoverable.

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

	Group	
	31 Dec 2024	**31 Dec 2023**
Accounts receivable	761,920	718,786
Provisions for impairment of accounts receivable	-5,197	-1,121
Established bad debt losses	-343	-
Accounts receivable – net	**756,380**	**717,665**

During 2024, the Group had SEK 3,824 thousand in expected bad debt losses.
During 2023, the Group had SEK 49 thousand in expected bad debt losses
See the section entitled "Risks and risk management" for risks and ageing 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 2024**	**31 Dec 2023**	**31 Dec 2024**	**31 Dec 2023**
Prepaid rental costs	5,749	4,559	-	-
Prepaid lease fees	4,415	2,935	-	-
Prepaid insurance premiums	9,422	8,417	3,232	3,692
Prepaid maintenance charges	219,274	200,464	15,896	8,882
Prepaid system costs	332,076	320,233	-	-
Other prepaid expenses	65,849	52,239	3,879	2,457
Accrued service revenue	58,668	56,432	-	-
Accrued system revenue	5,295	5,472	-	-
Other accrued revenue	8,326	6,568	-	-
Total current interim receivables	**709,074**	**657,319**	**23,007**	**15,031**

Non-current				
Prepaid rental costs	-	-	-	-
Prepaid lease fees	23	33	-	-
Prepaid maintenance charges	164,666	134,053	-	-
Prepaid system costs	325,492	280,748	-	-
Other prepaid expenses	15,961	17,863	513	1,448
Accrued service revenue	72,093	66,079	-	-
Accrued system revenue	6,915	-	-	-
Other accrued revenue	3,375	3,846	-	-
Total non-current interim receivables 1)	**588,525**	**502,622**	**513**	**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 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Employee withholding tax	31,959	30,561	828	798
Social security contributions	45,893	44,298	7,323	6,056
VAT liabilities	38,463	50,279	-	1,327
Advance payments from customers	5,278	3,427	-	-
Deferred payment of part of purchase price	5,456	5,031	-	-
Other items	25,147	32,432	-	-
Total	**152,196**	**166,028**	**8,151**	**8,181**

All liabilities are due for payment within one year.

Note 23 Accrued expenses and deferred income

	Group		Parent company	
Current	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Accrued wages and salaries	71,784	60,673	2,626	3,479
Accrued holiday pay liabilities	59,208	51,783	3,721	3,485
Accrued social costs	11,707	11,355	151	-
Accrued servicing costs	17,264	11,740	-	-
Accrued non-recurring costs	2,981	6,536	1,304	1,304
Prepaid system revenue	357,470	342,473	-	-
Prepaid service revenue	484,602	456,613	-	-
Other items	71,476	71,881	9,674	5,086
Total current interim liabilities	**1,076,492**	**1,013,054**	**17,476**	**13,354**
Non-current				
Accrued servicing costs	6,409	-	-	-
Prepaid system revenue	408,937	395,980	-	-
Prepaid service revenue	527,753	359,447	-	-
Other items	451	1,516	-	-
Total non-current interim liabilities [1)]	**943,550**	**756,943**	**-**	**-**

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

Note 24 Financial assets and liabilities

AP Accounting policies

Financial assets and liabilities

The Group classifies its financial assets into the following categories: financial assets measured at fair value through other comprehensive income, financial assets measured at amortised cost, financial instruments held to maturity, and financial assets available for sale. Classification depends on the purpose for which the instruments were acquired. The Group determines the classification of the instruments at the time of initial recognition. Only the categories relevant to the Group are described below.

The Group classifies its financial liabilities into the following categories: financial liabilities measured at fair value through comprehensive income and other financial liabilities measured at amortised cost.

Risks related to financial instruments, sensitivity analyses, etc. are described in the "Risks and Risk Management" section of the Annual Report.

Financial assets measured at fair value through comprehensive income

Assets in this category are measured at fair value on a recurring basis with changes in value recognised 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 that the company has initially opted to measure at fair value through the statement of comprehensive income. A financial asset is classified as held 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 measured at amortised cost

Loans receivable and accounts receivable are non-derivative financial assets with determined or determinable payments that are not listed on an active market. It is significant that they arise when the Group provides money, goods or services directly to a customer without the intention of trading the resulting receivable. 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 non-current assets. The Group's finance lease receivables are recognised in the balance sheet under other non-current receivables.

Assets in this category are subsequently measured at amortised cost. Amortised cost is determined based on the effective interest rate calculated at the time 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 past due. Contract assets relate to work not yet invoiced and have essentially the same risk characteristics as work already invoiced for the same type of contract. Therefore, the Group considers that the loss rates for accounts receivable are a reasonable estimate of the loss rates for contract assets. Expected credit losses are based on customers' payment histories together with the loss history. Write-downs of accounts receivable are recognised in operating expenses.

Financial liabilities measured at fair value through comprehensive income

Liabilities in this category are measured at fair value on a recurring basis with changes in value recognised in the statement of comprehensive income. This category consists of financial liabilities that the company recognises at fair value through 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 revenue 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 measured at amortised cost

Accounts payable are unsecured and are normally paid within 30 days.

The fair value of accounts payable and other liabilities is considered to correspond to their carrying amounts, as they are current by nature.

Borrowing is initially recognised at fair value, net after transaction costs. Borrowing is then recognised at amortised 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, using the effective interest method. Accounts payable are unsecured and are normally paid within 30 days.

Accounting for derivative instruments

Derivatives are recognised in the balance sheet on contract date and are measured at fair value, both initially and when subsequently reassessed. All derivatives are recognised on an ongoing basis at fair value with changes in value recognised in the statement of comprehensive income within cost of sales for those derivatives linked to accounts payable and financial items for those derivatives linked to finance leases.

Calculation of fair value

The fair value of financial instruments such as forward exchange contracts that are not traded in an active market is determined 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.

Note 24 CONTINUED

Other financial liabilities measured at amortised cost	Group		Parent company	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Non-interest-bearing				
Currency derivatives	408	1,669	-	-
Other liabilities 1)	59,607	42,819	6,918	2,350
Accounts payable	561,880	529,970	3,173	4,957
Total non-interest-bearing	**621,895**	**574,458**	**10,091**	**7,307**
Interest-bearing				
Liability on acquisition – Current 1)	-	-	-	-
Liability on acquisition – Non-current 1)	-	-	-	-
Bank loans, of which current portion	-	-	-	-
Bank loans, of which non-current portion	229,730	221,920	229,730	221,920
Lease liabilities 2)	253,735	246,350	-	456
Total interest-bearing	**483,465**	**468,270**	**229,730**	**222,376**
Total other financial liabilities measured at amortised cost	**1,105,360**	**1,042,728**	**239,821**	**229,683**

1) Deferred payment of part of the purchase price for the acquisition of Cetus Solutions Ltd SEK 5,456 thousand (5,031).
2) See also note 27.

Interest-bearing liabilities, Group, 31 Dec 2024	Interest	Maturity	Carrying amount
Utilised overdraft facility, Nordea1) 2)	Base rate +2.0%	31/12/2024	-
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	229,730
Lease liability3)	4.17% - 7.48%	2025	53,112
Lease liability3)	3.06% - 6.19%	2026-2029	200,623
Total interest-bearing liabilities			**483,465**

1) Interest will be payable over three months
2) The limit for the Group overdraft facility is SEK 159,107 thousand, and for the parent company SEK 150,000 thousand, of which the Group amount utilised was SEK 0 thousand and SEK 0 thousand for the parent company.
3) Interest will be payable over one month.

Interest-bearing liabilities, Group, 31 Dec 2023	Interest	Maturity	Carrying amount
Utilised overdraft facility, Nordea1) 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
Lease liability3)	4.17% - 7.48%	2024	51,565
Lease liability3)	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 was SEK 0 thousand and SEK 0 thousand for the parent company.
3) Interest will be payable over one month.

Interest-bearing liabilities, parent company, 31 December 2024	Interest	Maturity	Carrying amount
Bank loan, Nordea1)	STIBOR 3M +1.25%	16/07/2026	-
Bank loan, Nordea1)	EURIBOR 3M +1.25%	16/07/2026	-
Bank loan, Svensk Exportkredit1)	EURIBOR 3M + 1.8%	16/07/2026	229,730
Total interest-bearing liabilities			**229,730**

Of the above interest-bearing liabilities, current loans that fall due in 2025 amount to SEK 0 thousand. Of the parent company's bank loans above, maturing on 16 July 2026, SEK 229,730 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. As at 31 December 2024, there is no drawdown under the Nordea credit facility. The bank loan contains lending terms relating to net debt in relation to EBITDA. The lending terms have been met by a good margin in 2024 and as at 31 December 2024.

1) Interest will be payable over three months.

Interest-bearing liabilities, parent company, 31 December 2023	Interest	Maturity	Carrying amount
Bank loan, Nordea1)	STIBOR 3M +1.25%	16/07/2026	-
Bank loan, Nordea1)	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 totalling SEK 600 million. This 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. As at 31 December 2023, there is no drawdown under the Nordea credit facility. This bank loan includes lending terms in respect of net debt in relation to EBITDA. The lending terms were met by a good margin in 2023 and as at 31 December 2023.

1) Interest will be payable over three months.

Group maturity analysis, financial liabilities as at 31 December 2024
Contractual undiscounted amounts including future interest payments

	On request	<3 mths	3-12 mths	1-5 years	>5 years
Currency derivatives	-	-	408	-	-
Liabilities on acquisition - Current portion1)	-	-	-	-	-
Liabilities on acquisition - Non-current portion1)	-	-	-	-	-
Bank loans, of which non-current portion	-	3,301	9,904	216,525	-
Accounts payable	-	561,880	-	-	-
Other liabilities	-	59,607	-	-	-
Lease liabilities	-	13,278	39,837	212,447	-
	-	**638,066**	**50,149**	**428,972**	**-**

1) Liability on acquisition of Cetus Solutions Ltd SEK 5,456 thousand (5,031).

Note 24 CONTINUED

Group maturity 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	-
Liabilities on acquisition - Current portion[1]	-	-	-	-	-
Liabilities on acquisition - Non-current portion[1]	-	-	-	-	-
Bank loans, of which non-current portion	-	3,189	9,564	209,214	-
Accounts payable	-	529,970	-	-	-
Other liabilities	-	42,819	-	-	-
Lease 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).

Parent company maturity analysis, financial liabilities as at 31 December 2024
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	-	3,301	9,904	216,525	-
Accounts payable	-	3,173	-	-	-
	-	**6,474**	**9,904**	**216,525**	**-**

Parent company maturity 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**	**-**

Financial assets and liabilities by valuation category

Group 2024	Assets and liabilities measured at fair value through comprehensive income	Financial assets measured at amortised cost	Other financial liabilities measured at amortised cost	Total carrying amount	Fair value 2)
Lease receivables	-	25,701	-	25,701	25,701
Rent deposits	-	1,214	-	1,214	1,214
Accounts receivable	-	756,380	-	756,380	756,380
Other receivables	-	163,844	-	163,844	163,844
Cash and cash equivalents	-	813,518	-	813,518	813,518
Currency derivatives[1]	-	-	-	-	-
Total financial assets 3) 4)	**-**	**1,760,657**	**-**	**1,760,657**	**1,760,657**
Accounts payable	-	-	561,880	561,880	561,880
Other liabilities	-	-	59,607	59,607	59,607
Loan liabilities	-	-	229,730	229,730	229,730
Liabilities, acquisitions	-	-	5,456	5,456	5,456
Currency derivatives[1]	408	-	-	408	408
Lease liabilities	-	-	253,735	253,735	253,735
Total financial liabilities 3)	**408**	**-**	**1,110,408**	**1,110,816**	**1,110,816**

Financial assets and liabilities by valuation category

Group 2023	Assets and liabilities measured at fair value through comprehensive income	Financial assets measured at amortised cost	Other financial liabilities measured at amortised 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
Loan liabilities	-	-	221,920	221,920	221,920
Liabilities, acquisitions	-	-	5,031	5,031	5,031
Currency derivatives[1]	1,669	-	-	1,669	1,669
Lease 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) Carrying amounts 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 carrying amount for each category of financial assets stated above.
4) Financial assets pledged as security, see Note 25.

Note 24 CONTINUED

Borrowing	Group 2024 Current	Group 2024 Non-current	Group 2024 Total	Group 2023 Current	Group 2023 Non-current	Group 2023 Total
Loans with pledged assets						
Bank loans	-	229,730	229,730	-	221,920	221,920
Total loans with pledged assets	**-**	**229,730**	**229,730**	**-**	**221,920**	**221,920**
Loans without pledged assets						
Accounts payable	561,880	-	561,880	529,970	-	529,970
Total loans without pledged assets	**561,880**	**-**	**561,880**	**529,970**	**-**	**529,970**
Total borrowing	**561,880**	**229,730**	**791,610**	**529,970**	**221,920**	**751,890**

Sensitivity analysis – Currency risk
The Group's profit is affected by factors such as changes in foreign exchange rates in relation to SEK. Many of the Group's purchases are made in EUR and USD, while 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:

Currency	Group 2024 Change	Group 2024 Effect on profit before depreciation, SEK thousand	Group 2024 Effect on equity after tax, SEK thousand	Group 2023 Change	Group 2023 Effect on profit before depreciation, SEK thousand	Group 2023 Effect on equity after tax, SEK thousand
SEK / EUR	+/- 10%	23,000	18,308	+/- 10%	27,071	21,548
SEK / USD	+/- 10%	14,691	11,694	+/- 10%	27,698	22,048

Calculation of fair value
According to IFRS 9, certain financial instruments must be measured at fair value in the balance sheet. Accordingly, fair value measurement disclosures are required by level in the following fair value hierarchy:
Level 1) Quoted 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 that are 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 14,343 thousand as at 31 December 2024. Receivables of SEK 1,030 thousand (0) are recognised in Other non-current receivables and SEK 14,751 thousand (6,938) in Other receivables, SEK 1,438 thousand (1,669) in Other liabilities.

Currency hedges are marked to market by making an early disposition of the hedge to determine what the forward price would be at maturity on the balance sheet date. For hedges that are, for example, EUR to SEK, the interest rate differential between Sweden and Europe is used for the remaining original maturity, giving the number of basis points 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 movements between the categories have taken place during the period.

Note 25 Pledged assets, contingent liabilities and commitments

AP 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 timing of payments is material, the provision shall be measured at the present value of the payments expected to be required to settle the obligation.

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 because the amount of the obligation cannot be measured with sufficient reliability. Disclosure is made unless the likelihood of an outflow of resources is extremely remote.

Pledged assets

	Group 31 Dec 2024	Group 31 Dec 2023	Parent company 31 Dec 2024	Parent company 31 Dec 2023
Chattel mortgages 1)	7,730	7,468	-	-
Blocked resources2)	1,214	978	-	-
Security bank loan3)	802,395	748,750	96,672	96,672
Pledged accounts receivable 4)	11,839	11,045	-	-
Total pledged assets	**823,178**	**768,241**	**96,672**	**96,672**

1) Chattel mortgages refer to security placed for overdraft facilities in Finland amounting to SEK 7,730 thousand (7,468).
2) Security for rental contract SEK 1,214 thousand (978). Frosen liquid funds are included in the item Other non-current receivables.
3) Shares in subsidiaries as collateral for bank loans of SEK 229,730 thousand (221,920) in 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 31 Dec 2024	Group 31 Dec 2023	Parent company 31 Dec 2024	Parent company 31 Dec 2023
Guarantees for				
Other guarantees subsidiaries1)	264	255	135,257	32,568
Total contingent liabilities	**264**	**255**	**135,257**	**32,568**

1) Other guarantees, subsidiaries relate to customer commitments of SEK 2,059.6 thousand, supplier guarantees of SEK 132,287.2 thousand and guarantees for leased vehicles of SEK 910.2 thousand.

Commitments
As at 31 December 2024, the company had no contracted commitments which had not yet been recognised in the financial statements that would result in significant future cash outflows, except for commitments relating to operating and support activities.
For lease commitments, see Note 27.

Note 26 Supplementary disclosures to the statement of cash flows

AP 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 a maximum of three months.

Cash flow analysis
The indirect method has been applied when drawing up the statement of cash flows. 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 activities. 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
Interest received during the period totalled SEK 13,237 thousand (10,366) in the Group and SEK 11,800 thousand (8,868) in the parent company. Interest paid during the period totalled SEK 26,466 thousand (25,133) in the Group and SEK 12,749 thousand (17,027) in the parent company.

Acquisitions of subsidiaries and businesses
No acquisitions were made in 2024 or 2023.

Acquisitions from non-controlling interests
No acquisitions were made from non-controlling interests in 2024.

In the first quarter of 2023, the company acquired an additional 14.7 per cent of the shares in Proact Czech Republic 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).

Divestment of subsidiaries and businesses
No divestments took place in 2024.

The subsidiary in Lithuania was sold in 2023. The divestment had an impact of EUR 261 thousand (SEK 2,995 thousand) on cash flow.

Acquisition of intangible fixed assets
Intangible fixed assets worth SEK 1,177 thousand (968) were acquired during the year.

Acquisition of tangible fixed assets
Tangible fixed assets worth SEK 30,049 thousand (44,347) were acquired during the year.

Dividends to non-controlling interests
Dividends to non-controlling interests in partly owned subsidiaries in the Baltic countries totalled SEK 0 thousand (0) during the year.

	Group		Parent company	
Cash and cash equivalents	**31 Dec 2024**	**31 Dec 2023**	**31 Dec 2024**	**31 Dec 2023**
Cash and cash equivalents 1)	**813,518**	**547,897**	**-**	**-**

1) 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 419,615 thousand (408,950) at 31 December 2024.

Blocked liquid assets
The Group has total frosen liquid assets totalling SEK 1,214 thousand (1,222). Of these, SEK 1,214 thousand (1,222) are included in Other non-current 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 2024.There were no transactions settled by means of payment methods other than cash and cash equivalents in 2023.

Specification of cash flow from financing activities

			Changes not affecting cash flow			
2024	**Opening balance**	**Cash flow**	**Translation difference**	**Acquisition-related**	**Additional information**	**Closing balance**
Non-current loan liabilities	221,920	-	7,810	-	-	229,730
Other non-current liabilities 1)	914,495	-4,818	23,364	-	176,672	1,109,713
Current loan liabilities	-2,374	-	-	-	-	-2,374
Other current liabilities	266,286	-131,860	4,179	-	114,714	259,319
Total	**1,400,327**	**-136,678**	**35,353**	**-**	**291,386**	**1,590,388**

			Changes not affecting cash flow			
2023	**Opening balance**	**Cash flow**	**Translation difference**	**Acquisition-related**	**Additional information**	**Closing balance**
Non-current loan liabilities	440,665	-224,158	5,413	-	-	221,920
Other non-current liabilities 1)	881,548	17,162	4,394	-	11,391	914,495
Current loan liabilities	-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**

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

Note 27 Leases

AP Accounting policies

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

Proact as lessee
Assets and liabilities arising from leases are initially recognised at present value. Lease liabilities include the present value of the following lease payments:
- fixed charges (including in substance fixed charges), after deduction of any benefits related to the conclusion of the lease to be received
- variable lease payments dependent on an index or a price, initially measured using the index or price at the commencement date
- amounts that are expected to be paid by the lessee according to residual value guarantees
- the strike 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 over the right of use period. Short-term leases are leases with terms of less than 12 months, and low-value leases are leases for assets of less than EUR 5,000. In the statement of comprehensive income, the straight-line operating lease expense is replaced by an expense for the depreciation of the right-of-use asset and an interest expense related to the lease liability.

Leases may contain both lease and non-lease components. As regards leases in respect of vehicles, the Group has opted not to separate different lease components, but instead to report these as a single lease component. Non-lease components are separated for other leases.

Any options to extend the agreement or terminate it early must be included when calculating the lease term, 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. For most of the Group's leases, the lease term is equivalent to the initial term of the lease. Leases containing a buyout option are not treated as short-term leases 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. Lease payments are discounted using the interest rate implicit in the lease. If this interest rate cannot be easily determined, which is typically the case for the Group's leases, the lessee's incremental borrowing rate should be used, which is the rate that the individual lessee would have to pay to borrow the necessary funds to purchase an asset of similar value to the right-of-use asset in a similar economic environment with similar terms and conditions. The Group determines the marginal loan rate as follows:
- where possible, financing recently received from a third party is used as a starting point and then adjusted to reflect changes in the finance criteria since the financing was obtained.
- adjustments are made for the specific terms of the agreement, e.g. the lease term, country, currency and security.

Proact is exposed to potential future increases in variable lease payments based on an index or a rate, which are not included in the lease liability until they take effect. When adjustments of lease payments based on an index or an interest rate come into force, the lease liability is remeasured and adjusted against the right of use. Lease payments are allocated between repayment of the liability and interest. The interest is recognised in the income statement over the lease term in a manner that results in a fixed interest rate for the lease liability recognised in each period.

Proact as lessor
In cases where Proact is the lessor under a finance lease, the transaction is recognised as a sale and a lease receivable. It comprises the future minimum lease payments and any residual values guaranteed to the lessor. Lease payments received are recognised as interest income and repayment of lease receivables.

Note 27 CONTINUED

Lease commitments

Lessors – Finance leases

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 2024	**31 Dec 2024**	**31 Dec 2023**	**31 Dec 2023**
Within 0-1 year	17,137	15,750	26,404	24,385
Within 1-5 years	11,860	11,303	23,624	22,900
After more than 5 years	-	-	-	-
	28,997	**27,053**	**50,028**	**47,285**
Unearned financial income	-	1,943	-	3,353
	28,997	**28,996**	**50,028**	**50,638**

The total variable fee included in the profit for the year amounted to SEK 1,019 thousand (2,365). Financial revnues included in profit for the year amounted to SEK 2,626 thousand (2,931). At the end of the lease term, customers are offered the opportunity to purchase the underlying asset at the prevailing market price. Profit on the sale of underlying assets during the year amounted to SEK 0.2 million.

Lessees–IFRS16

The following amounts related to leasing agreements are recognised in the balance sheet:

Assets with right of use	**31 Dec 2024**	**31 Dec 2023**
IT equipment	94,694	89,220
Premises	80,835	88,180
Vehicles	71,556	58,190
Office equipment	6,308	9,629
	253,393	**245,219**

Lease liabilities	**31 Dec 2024**	**31 Dec 2023**
Current	101,123	100,258
Non-current	152,612	146,092
	253,735	**246,350**

Additional rights of use in 2024 amounted to SEK 112,401 thousand (11,564).

The following amounts related to leases are recognised in the income statement:

Depreciation on rights of use	**2024**	**2023**
IT equipment	-55,506	-66,071
Premises	-30,414	-30,584
Vehicles	-35,255	-33,349
Office equipment	-4,311	-6,494
	-125,486	**-136,498**

Other items in the income statement	**2024**	**2023**
Interest expenses (included in financial expenses)	-7,227	-6,713
Expenses related to short-term leases and leases of low-value assets	-	-
Expenses related to variable lease payments not included in lease liabilities	-	-
	-7,227	**-6,713**

The total cash flow in respect of leases in 2024 amounted to SEK 143, million (118) consisting of amortizations and interest expenses paid.

Note 28 Related party disclosures

Proact IT Sweden AB has a customer contract with Axis Communications AB, co. reg. no. 556253-6143. Revenue generated from this contract amounted to SEK 57.2 million in 2024, and Proact IT Sweden AB has an outstanding receivable of SEK 1.0 million due from Axis Communications AB as at 31 December 2024. 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 after the balance sheet date

In February it was announced that the Board of Directors of Proact IT Group AB ("Proact") had appointed Magnus Lönn as the new President and CEO of Proact, effective 1 March 2025. Magnus Lönn succeeds Jonas Hasselberg, who previously informed the Board of his resignation.

On 17 March 2025, Proact IT Group AB acquired BlakYaks, a privately held UK consultancy, a leading consultancy specialising in automated cloud-native services that designs, implements and manages Microsoft Azure platforms and solutions entirely through code. With deep Azure expertise and broad skills in GitOps, DevSecOps, container technologies and Infrastructure as Code (IaC), BlakYaks delivers cloud-native solutions tailored to each client's specific needs with the aim of optimising costs, streamlining operations and accelerating the transition to a cloud-based architecture. Headquartered in London with around 50 employees, the company has a strong position in the finance and insurance sectors, with a focus on delivering value-added solutions to medium and large enterprises. BlakYaks' revenue for the last twelve months (to February 2025) was GBP 5.6 million, with an EBITA of GBP 1.5 million. The company will become part of Proact's Business Unit UK, where BlakYaks' technical expertise and customer focus will remain unchanged - now with increased support from its new parent company.

The acquisition strengthens Proact's position as a specialist in hybrid cloud services and extends the company's expertise in Microsoft Azure and cloud native technologies to create even greater customer value. As a key part of Proact's growth strategy, the acquisition of BlakYaks aims to broaden the company's expertise, partnerships and presence in key markets. The increasing demand for flexible, efficient and secure digital solutions is driving the need for advanced hybrid cloud and infrastructure services. By leveraging BlakYak's cutting-edge expertise in Azure platforms, Kubernetes, container technologies, and modern cloud infrastructure automation and transformation, Proact will be able to offer its customers an even stronger and more competitive portfolio of next-generation infrastructure and platform solutions.

The transaction consists of a fixed consideration of GBP 16 million on a cash and debt free basis and a contingent additional consideration of up to GBP 11 million, subject to the achievement of certain financial targets, to be paid over the period 2025-2027.

At the time of publication of this report, no financial statements are available on which to base a detailed description of the acquisition. Therefore, no information is provided on the fair value of the assets acquired and the assets and liabilities assumed.

Note 30 Equity

AP Accounting policies

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

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

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

Total number 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 27,401,658 shares in the company had been issued as at 31 December 2024.

Total number of shares as at 1 January 2024	28,001,658
Cancelled repurchased shares September 2024	-600,000
Total number of shares as at 31 December 2024	**27,401,658**
No. of shares bought back	
Opening balance, bought-back own shares in own custody, 1 January 2024	720,210
Own shares bought back over the year	386,392
Own shares sold over the year	-6,413
Cancelled shares	-600,000
Number of bought-back own shares in own custody as at 31 December 2024	**500,189**

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

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

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 2024	43,635
Change 2024	22,385
Closing balance, 31 December 2024	**66,020**

Retained earnings
Retained earnings in the Group includes profit for the current and previous years, dividends to shareholders, buy-back of own shares, divestments of businesses and acquisitions from non-controlling interests.

In December 2024, the parent company bought back a total of 386,392 shares on Nasdaq Stockholm at an average share price of SEK 130.67. A total of SEK 42,801 thousand was paid for the shares, which reduced retained earnings. A total of 500,189 own shares were held as at 31 December 2024. All shares held as own shares were fully paid as at 31 December 2024.

Attributable to non-controlling interests
There are no non-controlling interests as at 31 December 2024.

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 than 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 53,984 thousand, equivalent to SEK 2.00 per share, was issued in 2024 for the 2023 financial year. The Board of Directors will propose to the Annual General Meeting on 6 May 2025 the distribution of a dividend of SEK 2.40 per share for the 2024 financial year. The parent company has not issued any share options or conversion rights.

Proposed distribution of profits
The Board of Directors will propose to the Annual General Meeting the distribution of a dividend of SEK 2.40 (2.00) per share for the 2024 financial year.

The Annual General Meeting has at its disposal (non-restricted equity in the parent company), SEK thousand:	2024
Retained earnings	364,238
Profit/loss for the year	269,812
Total non-restricted equity	**634,050**
The Board of Directors proposes appropriation of retained earnings as follows:	
Dividend, SEK 2.40 per outstanding share [1]	64,564
Carried forward	569,486
Total	**634,050**

1) There are 27,401,658 registered shares in the company, of which, as at 31 March 2025, 607,689 shares are bought-back shares not entitled to dividends.

The total of the dividend of SEK 64,563,526 proposed above may change, but to no more than SEK 65,763,979, if ownership of the number of bought-back own shares changes prior to the record date 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".

	2024	2023
Profit per share for the year attributable to the parent company's shareholders	219,876	172,647
Weighted average total number of shares	27,401,658	28,001,658
Weighted average number of outstanding shares	26,987,862	27,466,985
Earnings per share before dilution, SEK	**8.15**	**6.29**
Earnings per share after dilution, SEK	**8.15**	**6.29**

Proact has a long-term performance share scheme which may give rise to dilution not exceeding 2.36 per cent. The company has repurchased its own shares held in its own custody, which affects the number of shares outstanding.

Note 32 Acquisition

On 17 March 2025, Proact IT Group AB acquired the privately held UK consultancy BlakYaks, a leading consultancy specialising in automated cloud native services that designs, implements and manages Microsoft Azure platforms and solutions entirely through code. With deep Azure expertise and broad skills in GitOps, DevSecOps, container technologies and Infrastructure as Code (IaC), BlakYaks delivers cloud-native solutions tailored to each client's specific needs with the aim of optimising costs, streamlining operations and accelerating the transition to a cloud-based architecture. Headquartered in London with approximately 50 employees, the company has a strong position in the finance and insurance sectors, with a focus on delivering value-added solutions to medium and large enterprises. BlakYaks' revenue for the last twelve months (to February 2025) was £5.6 million with an EBITA of £1.5 million. The company will become part of Proact's UK business unit, where BlakYak's technical expertise and customer focus will remain unchanged - now with increased support from its new parent company.

The transaction consists of a fixed consideration of GBP 16 million on a cash and debt free basis and a contingent additional consideration of up to GBP 11 million, subject to the achievement of certain financial targets, to be paid over the period 2025-2027. At the time of publication of this report, no financial statements are available on which to base a detailed description of the acquisition. Therefore, no information is provided on the fair value of the assets acquired and the assets and liabilities assumed.

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, 31 March 2025

Anna Söderblom
Chair

Martin Gren
Board member

Annikki Schaeferdiek
Board member

Erik Malmberg
Board member

Thomas Thuresson
Board member

Magnus Lönn
Chief Executive Officer

Our audit report was submitted on 31 March 2025
Öhrlings PricewaterhouseCoopers AB

Magnus Thorling
Authorised Public Accountant

Audit report

To the general meeting of the shareholders in Proact IT Group AB (publ), co. reg. no. 556494-3446.

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Proact IT Group AB (publ for the year 2024 except for the corporate governance statement on pages 42-46. The annual accounts and consolidated accounts of the company are included on pages 35-79 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of December 31 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of December 31 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 42-46. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the consolidated statement of comprehensive income and consolidated balance sheet for the group.

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

Basis for the opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Particularly significant area	How our audit considered the area of particular importance
Reporting revenue from system sales at the correct amount and in the correct period Revenue from the sale of systems constitutes more than half of the Proact Group's reported turnover and in some cases takes the form of so-called composite customer agreements where hardware, software, services and support and maintenance are included in one and the same transaction. The price is normally set for the agreement as a whole and not per product or service. The agreements are therefore divided into sub-components where the revenue is allocated between each part of the agreement. The revenue for each sub-component is then recognised when the customer has gained control of the respective part. This means that the time of revenue recognition does not usually coincide with invoicing and payment from the customer. When management divides the agreement into sub-components, estimates and assessments need to be made regarding the stand- alone selling price of the different parts of the customer agreements. How the agreement is divided affects when the sales margins are recognised. As a result of the inherent complexity of revenue recognition and the element of estimates and assessments by management, we have assessed revenue from the sale of systems as a particularly significant area in the audit. *For the above accounting principles, we refer you to Note 1 and Note 3 in the Annual Report for 2024.*	We have focused a significant part of our audit on evaluating Proact's principles and underlying assumptions for dividing revenue from system sales into different parts. We have done this by, among other things, taking the following audit procedures: • Analysis of revenue during the year compared with the previous year. • Mapping and evaluating controls over revenue recognition. • Reviewing a selection of new major contracts and sales against the contract terms and Proact's guidelines for assessing revenue recognition. • Testing on a sample basis that revenue has been recognized in the correct period and at the correct amount. • Evaluating assumptions in revenue recognition principles by comparing deviating margins for system sales.
Impairment testing In the consolidated balance sheet, acquisition- related surplus values and goodwill are reported at a value of SEK 1,022 million and in the parent company's balance sheet, shares in subsidiaries are reported at SEK 494 million. Goodwill and acquisition-related surplus values correspond to the difference between the value of net assets and the purchase price paid in an acquisition. The resulting goodwill is allocated between cash-generating units, which may differ from the level of the acquisition once it was completed as the new business is integrated into the group. Unlike other assets, there is no amortization of goodwill, but the item is tested annually for impairment or when there is an indication of an impairment need. Other acquisition-related surplus values are written off over the estimated useful life. When management tests cash-generating units for impairment, the reported values are compared with the estimated recoverable amount. Should the recoverable amount be significantly less than the reported value, the asset is written down to its estimated recoverable amount. The recoverable amount is determined by calculating the asset's value in use. When calculating the value in use, management must make assumptions about future growth and margin development. Future events and new information may change these assessments and estimates, and it is therefore particularly important for management to continuously evaluate whether the value of the acquisition-related intangible assets can be justified taking into account the assumptions made. Management's calculation of the assets' value in use is based on the next year's budget and forecasts for the following four years. A more detailed description of these assumptions is provided in Note 15. Depending on the assessed market risk for the various cash-generating units, a discount factor of 10 – 11% (10 – 11%) has been used. Management has based its assumptions about future development on historical experience and analyses conducted in connection with the acquisitions. Impairment tests naturally contain a greater element of estimates and assessments from management, which is why we have assessed this as a particularly significant area in our audit. *For the above accounting principles, we refer you to Note 1 and Note 15 in the Annual Report for 2024.*	In our audit, we have paid particular attention to how management tests for impairment. We have, among other things, taken the following audit procedures: • Mapped Proact's process for testing acquisition-related surplus values and goodwill and shares in subsidiaries for impairment. • Reviewed how management has identified cash-generating units and compared it with how management follows up on goodwill internally. • With the support of PwC's internal valuation specialists, obtained market data on the discount rate used. • Evaluated the reasonableness of the assumptions made and performed sensitivity analyses for changed assumptions. • Evaluated management's forecasting ability by comparing previously made forecasts with actual outcomes. • Based on materiality, evaluated the note information provided in the annual report regarding impairment testing.

Other Information than the annual accounts and consolidated accounts

Statements and consolidated financial statements

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–33 and 83-88. Other information also includes the remuneration report that we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Directors responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Report on other legal and regulatory requirements

The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Proact IT Group AB (publ) AB for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for the opinion

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company´s organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.
A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Proact IT Group AB (publ) for the financial year 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Proact IT Group AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts [and consolidated accounts]. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHMTL format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 42-46 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Öhrlings PricewaterhouseCoopers AB, Torsgatan 21, 113 97 Stockholm, was appointed auditor of Proact IT Group AB:s (publ) by the general meeting of the shareholders on the 7 May 2024 and has been the company's auditor since the 2 May 2018.

Stockholm 31 March 2025

Öhrlings PricewaterhouseCoopers AB

Magnus Thorling
Authorized Public Accountant

This is an unofficial translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Additional information

The Power Of Together – for a better future

Five-year summary [1)]

Income statement (SEK million)	2024	2023	2022	2021	2020
Total revenue	4,864.2	4,847.3	4,756.8	3,525.0	3,633.1
EBITDA	509.6	457.9	473.2	348.6	369.6
EBITA	350.6	285.5	313.1	197.5	216.7
EBIT	295.5	229.8	260.6	166.2	182.1
Earnings before tax	278.0	218.3	244.2	151.9	167.7
Profit/loss for the year	219.9	173.1	191.5	117.2	132.3
EBITDA margin, %	10.5	9.4	9.9	9.9	10.2
EBITA margin, %	7.2	5.9	6.6	5.6	6.0
EBIT margin, %	6.1	4.7	5.5	4.7	5.0
Net margin, %	5.7	4.5	5.1	4.3	4.6
Profit margin, %	4.5	3.6	4.0	3.3	3.6
Equity, provisions and liabilities (SEK million)					
Equity	1,172.4	1,008.6	923.4	713.9	605.0
Balance sheet total	4,475.7	4,044.4	4,241.9	3,395.0	2,923.9
Capital employed	1,680.6	1,504.8	1,673.4	1,467.9	1,094.9
Net cash (+)/Net debt (-)	330.1	79.6	-227.0	-261	22.0
Financial key ratios					
Equity ratio, %	26.2	24.9	21.8	21.0	20.7
Capital turnover rate, times	1.1	1.2	1.2	1.1	1.3
Cash flow, SEK million	250.4	50.0	12.2	-26.3	126.0
Investments in fixed assets, SEK million	158.7	148.3	397.5	550.7	269.1
Return on equity, %	20.2	18.2	23.4	17.8	23.4
Return on capital employed, %	19.7	16.3	17.2	13.4	17.1
Dividend to Parent Company's shareholders, SEK million [2)]	54.0	50.8	41.2	41.2	41.2
Key ratios per employee					
Average number of employees on annual basis	1,112	1,160	1,160	1,027	973
Number of employees at year-end	1,137	1,171	1,258	1,178	1,022
Earnings before tax per employee, SEK thousand	250	188	211	148	172

Data per share	2024	2023	2022	2021	2020
Earnings per share (total number of shares), SEK	8.03	6.13	6.84	4.18	4.70
Earnings per share (outstanding shares), SEK [3)]	8.15	6.29	6.97	4.27	4.80
Equity per share (total number of shares), SEK	42.79	36.02	32.84	25.38	21.50
Equity per share (outstanding shares), SEK [3)]	43.58	36.97	33.49	25.88	21.93
Cash flow from current operations per share (total number of shares), SEK	18.20	19.00	15.83	10.84	16.72
Cash flow from current operations per share (outstanding shares), SEK [3)]	18.54	19.50	16.14	11.06	17.05
Total number of shares at end of period	27,401,658	28,001,658	28,001,658	28,001,658	28,001,658
Total number of shares outstanding at end of period, [3)]	26,901,469	27,281,448	27,454,851	27,454,851	27,454,851
Weighted average number of shares (total number of shares)	27,401,658	28,001,658	28,001,658	28,001,658	28,001,658
Weighted average number of shares (outstanding shares), [3)]	26,987,862	27,466,985	27,454,851	27,454,851	27,454,851
Number of own shares held at end of period	500,189	720,210	546,807	546,807	546,807
Number of warrants at end of period	-	-	-	-	-
Share price as at 31 December, SEK	117.80	94.00	83.00	87.00	91.00

1) Key ratios recalculated after the split in May 2021.
2) The Board of Directors will propose to the Annual General Meeting that a dividend of SEK 2.40 per share be paid for the 2024 financial year.
3) Proact has a long-term performance share scheme which may give rise to dilution not exceeding 2.36 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 revenue.	Gross profit in relation to total revenue 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 revenue.	EBIT in relation to total revenue shows operational profitability and provides profit comparability over time.
EBITA	Earnings after depreciation of tangible fixed assets but before amortisation of intangible assets, net financial items and tax.	EBITA gives a more correct view of which profit is generated by the business when amortisation of intangible assets – which is affected extensively by assessment of the amortisation period – is excluded.
Adjusted EBITA	Earnings after depreciation of tangible fixed assets but before amortisation of intangible assets, net financial items and tax, adjusted for non-recurring items.	Adjusted EBITA gives a more correct view of which profit is generated by the business when amortisation of intangible assets affected extensively by assessment of the amortisation period, as well as non-recurring items that vary from regular operations, is excluded.
EBITA margin	EBITA as a percentage of total revenue.	EBITA in relation to total revenue shows profitability at EBITA level and provides profit comparability over time.
EBITDA	Earnings before depreciation/amortisation (tangible and intangible assets), net financial items and tax.	Besides amortisation of intangible assets, EBITDA also excludes depreciation of tangible assets, both of which are affected extensively by assessed depreciation/amortisation periods.
EBITDA margin	EBITDA as a percentage of total revenue.	EBITDA in relation to total revenues shows profitability at EBITDA level and provides profit comparability over time.
Equity per share	Equity attributable to the parent company's shareholders per share.	The net asset value per share provides a guideline on how high or low a share is valued by the stock exchange in relation to the money 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	Revenue 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.

Economic key ratios	Definition	Purpose
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 revenue.	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.	Shows 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 determine the value of the company's outstanding shares.
Profit per employee	Profit before tax divided by the average number of annual employees.	This is a measure of productivity 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 revenue.	The profit margin makes it possible to compare profitability including the corporate tax rate.

Four reasons to own shares in Proact

1. Growing market with stable demand

The market for hybrid cloud services continues 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 targets

2. Market-leading position

Proact has a comprehensive, competitive offering relating to hybrid cloud solutions for data centres, including consultancy and support services, as well as 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.

3. Attractive financial profile with strong cash flow

Proact's leading position in a non-cyclical and growing market enables good organic growth, which together with acquisitions, provides a growth rate exceeding that of the market. Economies of scale combined 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 strong cash flow that can be used for acquisitions or direct returns to shareholders.

4. Clear strategy for good future returns

Proact has a well-developed strategy for achieving its financial targets that will enable continued good returns to shareholders. The focus on offering competitive cloud services is leading to a growing share of recurring revenue, which increases both the growth rate 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.

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 27,401,658 shares with a quotient value of 0.39. 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 a 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

In 2024, 14,652,399 shares were traded at a volume weighted average price (VWAP) of SEK 124.2. The share price at the beginning of the year was SEK 92.30 and at the end of the year SEK 117.80.

Ownership structure

Proact had 7,989 shareholders as at 31 December 2024, most of whom were private individuals with small holdings. The number of shareholders with a holding of more than 20,000 shares totalled 59, with the largest individual shareholders being Aktiebolaget Grenspecialisten with a holding of 3,400,000 shares and Alcur Fonder with 2,319,273 shares.

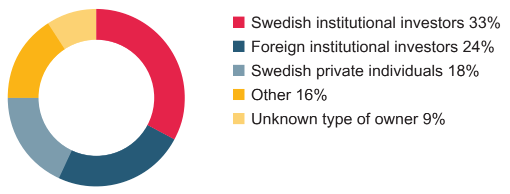
At the Annual General Meeting held on 7 May 2024, the Board of Directors was authorised to acquire up to 10 per cent of the company's shares by the next Annual General Meeting. As at 31 December 2024, 97,150 shares have been bought back under this authorisation. The company holds 500,189 shares in its own custody as at 31 December 2024.

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.

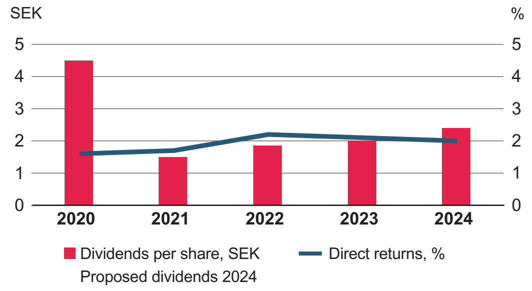
Shareholder value

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.

Distribution of ownership, % of capital (Monitor)



Dividends



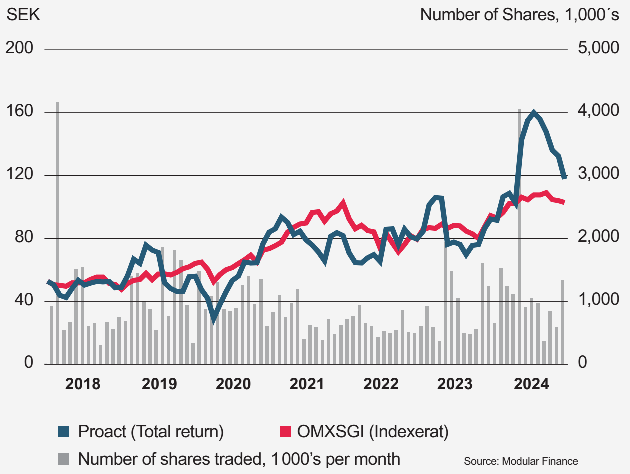
Number of shares per shareholder

Holding	Number of share-holders	Percentage of share-holders	Number of shares	Percentage of share capital
1–500	6,415	80.3%	724,863	2.6%
501–1,000	719	9.0%	536,459	2.0%
1,001–5,000	687	8.6%	1,449,102	5.3%
5,001–10,000	77	1.0%	538,065	2.0%
10,001–20,000	32	0.4%	438,142	1.6%
20,001–	59	0.7%	23,715,027	86.6%
Total, 31/12/2024	**7,989**	**100.0%**	**27,401,658**	**100.0%**

Shareholders as at 31 December 2024

	Number of shares	Percentage of capital and votes
Aktiebolaget Grenspecialisten	3,400,000	12.4%
Alcur Fonder	2,319,273	8.5%
Handelsbanken Fonder	2,150,520	7.8%
Fidelity Investments (FMR)	1,606,531	5.7%
Länsförsäkringar Funds	1,303,160	4.8%
Livförsäkringsbolaget Skandia	1,109,203	4.0%
Canaccord Genuity Wealth Management	975,241	3.6%
Avanza Pension	796,196	2.9%
Polaris Management A/S	538,498	2.0%
FE Fonder	533,650	2.0%
Other	12,669,386	46.3%
Total	**27,401,658**	**100.0%**

Share price development



Key ratios per share [1]

	2024	2023	2022	2021	2020
Earnings after tax, SEK [2]	8.15	6.29	6.97	4.27	4.80
Share price, 31 December, SEK	117.80	94.00	83.00	87.00	91.00
Dividend, SEK [3]	2.40	2.00	1.85	1.50	4.50
Direct returns, %	2.0	2.1	2.2	1.7	1.6
Equity, SEK [4]	43.58	36.97	33.49	25.88	21.93
Average number of shares, thousands	26,988	27,467	27,455	27,455	27,455
Number of outstanding shares at end of period, thousands	26,901	27,281	27,455	27,455	27,455
Number of bought-back own shares at end of period, thousands	500	720	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 has a long-term performance share scheme that may involve dilution not exceeding 2.36 per cent.
3) The Board of Directors will propose to the 2025 Annual General Meeting that a dividend of SEK 2.40 per share be paid for the 2024 financial year.
4) Based on shares outstanding at the end of the period.

Shareholder information

2025 Annual General Meeting

The Annual General Meeting will take place at 4:00 p.m. on Tuesday, 6 May 2025 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, 25 April 2025 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, 25 April 2025.

Registration

Shareholders wishing to attend the Annual General Meeting in person must notify the company of their intention to attend no later than Tuesday, 29 April 2025. Registration will take place by post, telephone or email:

- Post: Computershare AB, "Proact IT Group AB:s Annual General Meeting", Box 5267, 102 46 Stockholm, Sweden
- Telephone: +46 (0)771 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, 29 April 2025 so that the postal vote is received by Computershare no later than 29 April.

The postal voting form available on the company's website, www.proact.eu, must be used for postal voting. Completed and signed postal voting forms can be sent by post to Computershare AB, "Proact IT Group AB Annual General Meeting", Box 5267, 102 46 Stockholm or by e-mail to info@computershare.se.

Future information

Interim report, Q1	6 May 2025	8:00 a.m.
Annual General Meeting	6 May 2025	4:00 p.m.
Half-yearly report, Q2	14 July 2025	1:00 p.m.
Interim report, Q3	24 October 2025	8:00 a.m.
Year-end report	10 February 2026	8:00 a.m.

Further information

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