



Better results than previously communicated and record in new cloud service agreements

October – December 2024

- Revenues decreased by 6.7 per cent to SEK 1,268.5 million (1,360.0).
- Adjusted EBITA decreased by 12.0 per cent and amounted to SEK 80.2 million (91.1), corresponding to an adjusted EBITA margin of 6.3 per cent (6.7).
- Earnings before tax amounted to SEK 63.7 million (82.6).
- Earnings after tax amounted to SEK 50.3 million (65.5).
- Earnings per share amounted to SEK 1.87 (2.39).
- New contracts relating to cloud services worth SEK 224.3 million (197.0) were contracted, an increase by 13.9 per cent.
- Recurring revenues (revenues from cloud and support services) amounted to SEK 445.3 million (436.9), corresponding to an annualised rate of SEK 1,781.0 million (1,747.6) and an increase of 1.9 per cent.
- Jonas Hasselberg steps down as President and CEO of Proact IT Group, and the Board of Directors begins a search for his successor.
- Proact issues a profit warning as revenue for Q4 2024 are expected to decrease by 10-15% and adjusted EBITA by 20-30% compared to the previous year. The deviation is explained by a temporary decline in the systems business and a continued challenging market in Germany.

January – December 2024

- Revenues increased by 0.3 per cent to SEK 4,864.2 million (4,847.3).
- Adjusted EBITA increased by 16.1 per cent and amounted to SEK 350.6 million (302.1), corresponding to an adjusted EBITA margin of 7.2 per cent (6.2).
- Earnings before tax amounted to SEK 278.0 million (218.3).
- Earnings after tax amounted to SEK 219.9 million (173.1).
- Earnings per share amounted to SEK 8.15 (6.29).
- New contracts relating to cloud services worth SEK 643.1 million (548.0) were contracted, an increase by 17.4 per cent.
- Recurring revenues (revenues from cloud and support services) amounted to SEK 1,755.5 million (1,692.5), an increase of 3.7 per cent.
- On July 12, the Board of Directors decided to launch a share buy-back program during the third quarter 2024, in accordance with the decision taken by the Annual General Meeting in May.
- The Board of Directors proposes that the Annual General Meeting resolves on a dividend of SEK 2.40 (2.00) per share.

Financial summary

Amounts in SEK million	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Total Revenues	1,268.5	1,360.0	4,864.2	4,847.3
Growth, %	-6.7	-5.6	0.3	1.9
of which currency rate effects, %	0.5	1.8	-0.1	3.8
of which effects from acquisitions and divestments, %	-	-0.4	-0.2	0.5
Organic growth, % ¹	-7.2	-6.9	0.6	-2.3
Adjusted EBITA ²	80.2	91.1	350.6	302.1
Adjusted EBITA margin, %	6.3	6.7	7.2	6.2
Operating profit (EBIT)	66.5	77.3	295.5	229.8
Operating margin (EBIT), %	5.2	5.7	6.1	4.7
Earnings before tax	63.7	82.6	278.0	218.3
Net Margin, %	5.0	6.1	5.7	4.5
Earnings after tax	50.3	65.5	219.9	173.1
Profit Margin, %	4.0	4.8	4.5	3.6
Earnings per share (outstanding shares), SEK ³	1.87	2.39	8.15	6.29
Return on capital employed, % ⁴	-	-	19.7	16.3
Cash flow from operations	207.1	240.5	524.1	532.0

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

2) EBITA before items affecting comparability.

3) Proact has long-term performance-based share programs that could result in dilution of maximum 2.36 per cent.

The company has bought back own shares which affects the key ratios above.

4) Calculated only for full year and rolling 12 months

About Proact

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

We have completed thousands of successful projects around the world, have more than 4 000 customers and currently manage hundreds of petabytes of information in the cloud. We employ over 1 200 people in 12 countries in Europe and in North America.

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

Comments from the CEO of Proact



“Record quarter for new cloud services agreements.”

In the fourth quarter of 2024, we saw a temporary decline in revenue, particularly in the systems business, which led to a profit warning towards the end of the quarter. Happily, the quarter ended with a better contribution from the systems business and lower costs than expected, resulting in a smaller profit decline. What is even more pleasing is that, despite the lower fourth-quarter result, we delivered a record full-year performance, with EBITA up 16 per cent to SEK 351 million (302).

Our cash flow is also strong, and the gross margin continues to develop favorably. This is in line with our expectations and is a result of our strategic focus on efficiency improvements and a shift towards the service business. We also set a new record for the value of new cloud service agreements in the quarter, further strengthening our market position.

Record in new cloud services agreements

Revenue for the quarter amounted to SEK 1,269 million (1,360), a decrease of 6.7 per cent, of which 7.2 per cent was organic. As previously reported, the decline is mainly attributable to the systems business, with the NOBA and Central Business Areas posting the largest declines. The services business grew by 0.8 per cent compared to last year, with good sequential growth from the third quarter of 2024, mainly due to the start-up of new customer projects.

Recurring revenues from contracted cloud and support services increased by 1.9 per cent to an annual rate of SEK 1,781 million (1,748), with good growth mainly in Business Unit NOBA. New agreements for cloud services were signed in the amount of SEK 224 million (197), which is a new quarterly record. The increase was mainly driven by Business Units UK and NOBA. In addition, a large number of existing cloud agreements were renewed during the quarter, which is good evidence of our customers satisfaction.

Improved gross margin

The gross margin increased to 24.2 per cent (22.2) during the quarter, with both the systems and services businesses strengthening. Adjusted EBITA for the quarter decreased by 12.0 per cent to SEK 80 million (91), giving a margin of 6.3 per cent (6.7). Earnings in the quarter were affected both by the temporary decline in the systems business and somewhat by increased sales costs and investments in the service portfolio. We continue to have a strong operating cash flow, which totaled SEK 207 million (241) in the fourth quarter. Our financial position therefore remains strong.

Increased customer satisfaction and further efficiency improvements

In the autumn, we conducted our annual customer survey, which again produced good results. The Net Promoter Score (NPS) rose to 62 (59). An NPS score of over 50 is considered very strong, and our result was well above the industry average of around 40. It is pleasing to see that our continued focus on customer experience and quality is paying off.

Our focus on hybrid cloud solutions has had a positive impact on our ability to win new customers in the quarter. For example, we have a new customer in London-based law firm Teacher Stern, to whom we have sold a hybrid cloud solution with associated security services. Another new customer is Dole Nordic in Sweden, which has also invested in a hybrid cloud solution and to which we have also sold our modern application development platform.

An important milestone in our work to develop and streamline the business was reached towards the end of the year, when we completed the integration of ahd in Germany, which we acquired at the end of 2021. This means that organisation, service portfolio, delivery processes and support systems are improved and shared, which in turn should lead to even better quality and efficiency.

Good outlook for the future

Demand in our markets is good, although macroeconomic improvements and expected demand growth rates are still considered to lie ahead of us. Our customers' needs to digitise their businesses, strengthen cybersecurity and increase the use of artificial intelligence are important underlying drivers. Although the comparative figures for the quarter are tough, we look forward to 2025 with confidence.

Our strategy is clear and Proact is well positioned to support our customers in an increasingly complex digital world. We see good opportunities to continue growing organically, both with our existing clients and by attracting new ones. With a solid financial position and stable cash flow, we also see good opportunities for complementary acquisitions in existing markets in Europe, when the opportunity arises.

Solna, 11 February 2025

Jonas Hasselberg, CEO and President

The Group's development October- December

Revenues and result

For the fourth quarter, total revenues amounted to SEK 1,268.5 million (1,360.0), a decrease by 6.7 per cent. Currency rate effects affected positively by 0.5 per cent and organically, revenues decreased by 7.2 per cent.

System revenues decreased by 12.0 per cent to SEK 714.5 million (812.0) and organically they decreased by 12.3 per cent, compared to the same period previous year.

Service revenues increased by 0.8 per cent to SEK 551.6 million (547.3) and the organic increase was 0.1 per cent. The increase is attributable to higher supporting income compared to previous year. Service revenues accounted for 43.5 per cent (40.2) of the company's total revenues during the quarter.

New contracts relating to cloud services worth SEK 224.3 million (197.0) were contracted during the quarter. The contracts normally have a term of three to five years. Total revenues from cloud services increased by 0.6 per cent and amounted to SEK 283.9 million (282.2). Organically they decreased by 0.4 per cent. Recurring revenues, revenues from cloud and support services, amounted to SEK 445.3 million (436.9), corresponding to an annualised rate of SEK 1,781.0 million (1,747.6). This corresponds to an increase of 1.9 per cent in the quarter. Organically they increased by 1.1 per cent.

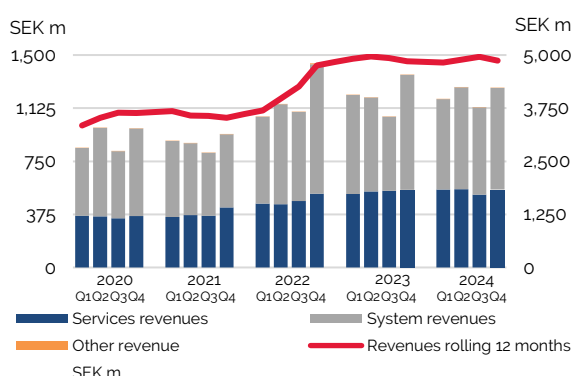
The gross margin after depreciation increased in the quarter, compared to the same period previous year, and amounted to 24.2 per cent (22.2), where both the system business and the service business show an increased gross margin in the quarter.

Sales and administration expenses increased by 6.8 per cent, excluding currency effects the increase was 6.2 per cent. The increase is attributable to higher sales costs in the quarter, and investment in the service portfolio.

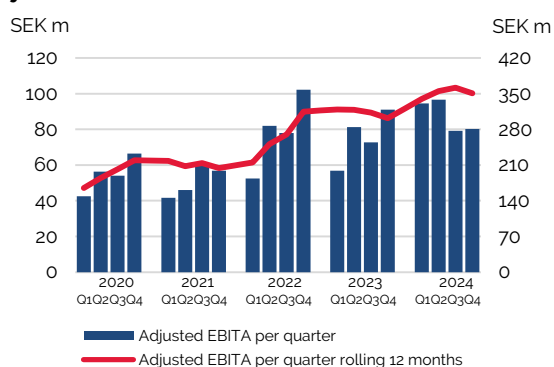
Adjusted EBITA amounted to SEK 80.2 million (91.1), a decrease with 12.0 per cent compared to the same period previous year, as a result of lower sales in the systems businesses. Adjusted EBITA margin decreased to 6.3 per cent (6.7). Earnings before tax amounted to SEK 63.7 million (82.6). Earnings before tax 2023, specifically the financial net, was positively affected by a write-down of an earn-out related to the acquisition of sepago by SEK 7.7 million.

Proact reports items affecting comparability separately to show the development in the underlying business. Items affecting comparability refer to items that are non-recurring and are not part of the ordinary business. During the fourth quarter of 2024, non-recurring items amounted to SEK 0.0 million (0.0).

Revenues



Adjusted EBITA



Recurring Revenues



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



The Group's development January-December

Revenues and result

During the year, total revenues amounted to SEK 4,864.2 million (4,847.3), an increase by 0.3 per cent.

Currency rate changes affected the revenue negatively by 0.1 per cent. Acquisitions and divestments affected negatively by 0.2 per cent. Organically, revenues increased by 0.6 per cent.

System revenues decreased by 0.5 per cent to SEK 2,685.7 million (2,698.0) and organically they decreased by 0.2 per cent.

Service revenues increased by 1.2 per cent to SEK 2,170.8 million (2,144.6) and the organic increase was 1.4 per cent. Service revenues accounted for 44.6 per cent (44.2) of the company's total revenues for the year.

New contracts relating to cloud services worth SEK 643.1 million (548.0) were contracted during the year. The contracts normally have a term of three to five years. Total revenues from cloud services increased by 3.0 per cent and amounted to SEK 1,130.0 million (1,097.4). Organically they increased by 2.8 per cent.

The gross margin increased during the year, compared to the same period previous year, and amounted to 24.8 per cent (22.5), driven by the positively development and increased efficiency in the services business.

Sales and administration expenses increased by 8.3 per cent, excluding currency effects the increase was 8.6 per cent, primarily driven by increased sales costs, Proact's 30th anniversary and investments in the service portfolio.

Adjusted EBITA increased by 16.1 per cent compared to the same period previous year and amounted to SEK 350.6 million (302.1) mainly

as a result of improved gross margin. Adjusted EBITA margin amounted to 7.2 per cent (6.2).

Revenue by industry

Amounts in SEK million	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
	2024	2023	2024	2023
Telecom	113.8	71.4	371.0	356.1
Bank, Finance	57.8	60.1	339.4	293.7
Energy	71.4	76.4	364.4	266.0
Manufacturing	121.8	148.7	532.2	532.0
Media	9.4	44.2	73.4	128.3
Trading & Services	202.7	309.2	858.3	987.7
Public sector	503.9	490.9	1,637.3	1,570.3
Other	187.8	159.1	688.2	713.2
Total revenue	1,268.5	1,360.0	4,864.2	4,847.3

Earnings before tax amounted to SEK 278.0 million (218.3), where the increase is explained by improved EBITA and the effect of items affecting comparability in previous year. Earnings before tax 2023, specifically the financial net was positively affected by a write-down of future additional purchases price related to the acquisition of sepago by SEK 14.6 million.

During the year, non-recurring items amounted to SEK 0.0 million (-16.7).

Amounts in SEK million	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
	2024	2023	2024	2023
Total revenues	1,268.5	1,360.0	4,864.2	4,847.3
<i>Cost of goods and services sold, excl. amortisations and depreciations</i>	-925.2	-1,018.2	-3,506.3	-3,597.6
Gross profit excl. amortisations and depreciations	343.3	341.9	1,357.9	1,249.7
<i>Gross margin excl. amortisations and depreciations, %</i>	27.1	25.1	27.9	25.8
Operational expenses, excl. amortisations and depreciations	-223.3	-208.2	-848.3	-775.2
Adjusted EBITDA¹	120.0	133.6	509.6	474.5
<i>Adjusted EBITDA margin, %</i>	9.5	9.8	10.5	9.8
Depreciations and write-downs of tangible assets	-39.8	-42.5	-158.9	-172.4
Adjusted EBITA¹	80.2	91.1	350.6	302.1
<i>Adjusted EBITA margin, %</i>	6.3	6.7	7.2	6.2
Amortizations and write-downs of intangible assets	-13.7	-13.9	-55.1	-55.7
Items affecting comparability in EBITA	-	0.0	-	-16.7
Operating profit/loss (EBIT)	66.5	77.3	295.5	229.8
<i>Operating margin (EBIT), %</i>	5.2	5.7	6.1	4.7

1) EBITDA and EBITA before items affecting comparability

Cash flow

October - December

Cash flow for the quarter was SEK 152.1 million (135.4), of which SEK 207.1 million (240.5) from operating activities. Cash flow from changes in working capital amounted to SEK 74.0 million (93.2). Cash flow from current operations was affected by reduced operating profit, tax paid and increased working capital.

The cash flow from investment activities was SEK -6.0 million (-11.8) and cash flow from financing activities amounted to SEK -49.0 million (-93.4), where the previous year was affected by amortisation of bank loans and a larger proportion of buy backs of own shares, SEK 10.2 million (16.9).

January - December

Cash flow for the year was SEK 250.4 million (50.0) of which SEK 524.1 million (532.0) from operating activities. Cash flow from changes in working capital amounted to SEK 43.7 million (105.5).

Cash flow from investing activities amounted to SEK -26.5 million (-51.9) and cash flow from financing activities was SEK -247.2 million (-430.1) which consisted of, among other things, dividend payments of SEK -54.0 million (-50.8), buy backs of own shares of SEK -42.8 million (-19.6) and amortisations of leasing liabilities of SEK -135.5 million (-118.0).

Investments

During the year 2024, SEK 31.2 million (45.3) has been invested in fixed assets, of which SEK 6.6 million (9.1) in Proact Finance for customer deliveries.

Financial position

Cash and cash equivalents amounted to SEK 813.5 million as of December 31, 2024, compared to SEK 547.9 million previous year. Of the total bank overdraft facility of SEK 159.1 million, none was utilised. Bank loans amounted to SEK 229.7 million and relate partly to a three-year credit facility of EUR 20 million from Svensk Exportkredit (Swedish Export Credit Corporation), and to a three-year revolving credit facility that Proact signed during the third quarter of 2021. The facility amounts to a total of SEK 600 million, of which SEK 0.0 million was utilised as of December 31, 2024, and it has been extended by a maximum of two years, which means that it runs until the third quarter of 2026.

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

The Group's equity ratio at the end of the period was 26.2 per cent (24.9).

Net debt

	Dec 31	Sep 30	Dec 31	Sep 30
Amounts in SEK million	2024	2024	2023	2023
Cash and cash equivalents	813.5	652.1	547.9	429.3
Bank overdraft facilities	-	-	-	-
Liabilities to credit institutions, excl. liabilities related to financial leasing	-229.7	-226.0	-221.9	-256.0
Net cash (+)/Net debt (-) excl. financial leasing	583.8	426.2	326.0	173.3
Financial leasing liabilities	-253.7	-251.1	-246.4	-255.0
Net cash (+)/Net debt (-) incl. financial leasing	330.1	175.1	79.6	-81.7
Unutilized bank overdraft facility	159.1	159.0	154.5	154.7
Total bank overdraft facility	159.1	159.0	154.5	154.7

Income tax

The Group's tax expense includes the sum of current tax and deferred tax calculated based on current tax rates in each country. The reported tax expense for the year amounted to SEK 58.1 million (45.2), corresponding to an efficient tax rate of 20.9 per cent (20.7).

Buy-back of own shares

The Annual General Meeting on May 7, 2024, authorized the Board to acquire up to 10 per cent of the company's shares until the next Annual General Meeting. As of December 31, 2024, 97,150 shares have been acquired within this authorization.

On September 25, 600,000 shares with a value of SEK 227,533 were canceled from shares in own custody. At the same time, a Fund Issue of the same value was made in accordance with the Annual General Meeting in May.

As of December 31, 2024, the company held 500,189 shares in own repository, which corresponds to 1.83 per cent of the total number of shares.

Employees

The company had 1,137 employees (1,171) as of December 31, 2024.

Parent Company in brief

The Parent Company's total revenues for the period amounted to SEK 152.5 million (152.0). Profit before tax amounted to SEK 272.6 million (142.3).

The Parent Company's liabilities in a joint group currency account amounted to SEK 419.6 million (409.0) as of 31 December 2024.

At the end of the period, the number of employees in the parent company totalled 21 (20).

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

Business Units

Nordic & Baltics

Denmark, Estonia, Finland, Latvia (divested August 28, 2023), Lithuania (divested August 28, 2023), Norway, Sweden, and the US

Net sales



Revenues and result

October – December

In Nordic & Baltics, revenues decreased by 7.7 per cent and organically revenues decreased by 7.6 per cent, where the difference is due to exchange rate effects. System revenues decreased by 13.6 per cent and organically decreased by 13.5 per cent. Service revenues increased by 8.8 per cent and organically by 8.9 per cent, with good growth both in the support and cloud services business.

Adjusted EBITA amounted to SEK 72.3 million (51.8) and the EBITA margin was 10.1 per cent (6.7) for the quarter, driven by an improved gross margin.

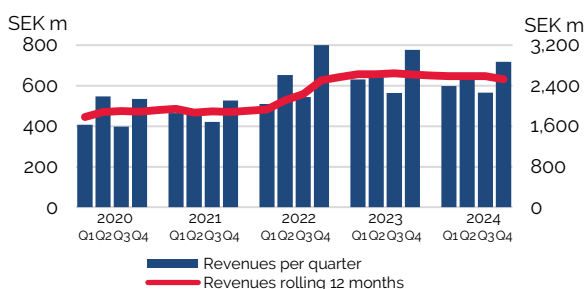
January – December

In Nordic & Baltics, revenues decreased, during the year by 3.4 per cent and organically by 2.8 per cent. System revenues decreased by 8.1 per cent and organically by 7.7 per cent, compared to a strong comparison period. Service revenues increased by 7.8 per cent and organically by 8.9 per cent, with good demand primarily within the support and cloud service segments.

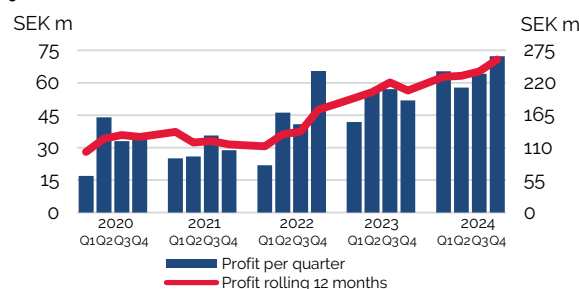
Adjusted EBITA amounted to SEK 259.5 million (206.9) and the EBITA margin was 10.3 per cent (7.9) for the year. In Nordic & Baltics, EBITA and EBITA margin developed positively due to higher gross margins.

Amounts in SEK million	Oct-Dec	Oct-Dec	Change,	Jan-Dec	Jan-Dec	Change,
	2024	2023	%	2024	2023	%
System revenues	493.0	570.6	-13.6	1,690.8	1,840.5	-8.1
Service revenues	223.7	205.5	8.8	835.6	775.4	7.8
of which support revenue	107.1	94.0	14.0	405.4	355.2	14.1
of which revenue from cloud services	69.7	62.5	11.5	256.3	237.9	7.7
of which consulting revenue	46.9	49.0	-4.4	173.9	182.3	-4.6
Other	0.4	0.7	-44.9	2.9	3.3	-12.5
Total revenues	717.0	776.8	-7.7	2,529.4	2,619.3	-3.4
Adjusted EBITA	72.3	51.8	39.6	259.5	206.9	25.5
EBITA margin, %	10.1	6.7		10.3	7.9	

Revenues



Adjusted EBITA





Revenues and result

October – December

In UK, revenues increased by 5.9 per cent during the quarter and organically by 1.5 per cent, where the difference is due to currency rate effects. System revenues increased by 12.8 per cent and organically by 8.0 per cent. Service revenues increased by 0.7 per cent, and organically decreased by 3.5 per cent driven by a decline in support revenue, offset by growth in cloud and consulting services, compared to a weaker comparative quarter.

Adjusted EBITA amounted to SEK 3.4 million (4.5) and the EBITA margin was 1.9 per cent (2.7) for the quarter. Both EBITA and EBITA margin decreased due to lower gross margins.

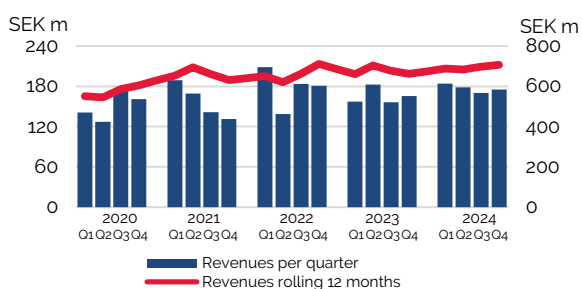
January – December

In UK, revenues increased by 7.0 per cent during the year, and organically by 4.5 per cent, where the difference is due to currency rate effects. System revenues increased by 17.2 per cent and organically by 14.6 per cent compared to previous year. Service revenues decreased by 0.7 per cent and decreased organically by 2.9 per cent, where cloud and consulting services showing good growth which, however, does not fully compensating for the decrease in support services.

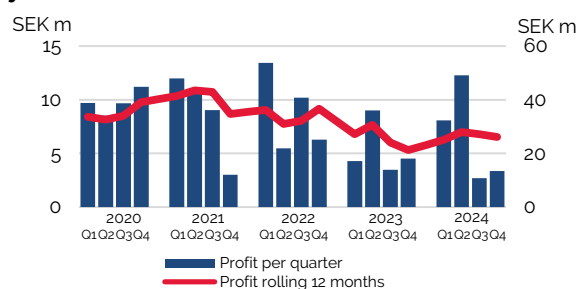
Adjusted EBITA amounted to SEK 26.1 million (21.3) and the EBITA margin was 3.7 per cent (3.2) during the year. Both EBITA and the EBITA margin were positively affected due to somewhat higher gross margins compared to previous year.

Amounts in SEK million	Oct-Dec 2024	Oct-Dec 2023	Change, %	Jan-Dec 2024	Jan-Dec 2023	Change, %
System revenues	80.6	71.5	12.8	330.9	282.3	17.2
Service revenues	94.6	94.0	0.7	376.8	379.4	-0.7
of which support revenue	21.4	26.8	-20.1	87.5	106.5	-17.8
of which revenue from cloud services	64.9	60.6	7.1	254.0	239.2	6.2
of which consulting revenue	8.3	6.6	25.8	35.3	33.7	4.6
Other	-	-	-	-	-	-
Total revenues	175.2	165.4	5.9	707.7	661.7	7.0
Adjusted EBITA	3.4	4.5	-25.3	26.1	21.3	22.8
EBITA margin, %	1.9	2.7		3.7	3.2	

Revenues



Adjusted EBITA



Revenues and result

October – December

In West, revenues decreased by 5,6 per cent during the quarter and organically by 5,8 per cent, where the difference is due to currency effects. System revenues decreased by 11,9 per cent and organically by 12,2 per cent. Service revenues decreased by 3,8 per cent and organically by 3,9 per cent.

Adjusted EBITA amounted to SEK 3,9 million (12,9) and the EBITA margin was 2,0 per cent (6,2) for the quarter driven by lower system revenue and lower gross margin on service revenue.

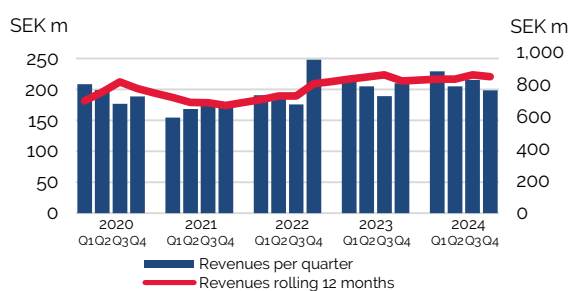
January – December

In West, revenues increased by 3,1 per cent during the year corresponding to an organically increase of 3,5 per cent where the difference explains by currency effects. System revenues increased by 12,2 per cent and organically by 12,7 per cent due to good demand. Service revenues were unchanged and organically increased by 0,4 per cent.

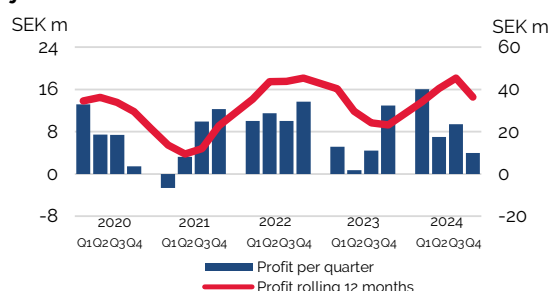
Adjusted EBITA amounted to SEK 36,4 million (23,2) and the EBITA margin was 4,3 per cent (2,8) for the year. The increase is attributable to increased higher revenues and gross margin.

Amounts in SEK million	Oct-Dec	Oct-Dec	Change, %	Jan-Dec	Jan-Dec	Change, %
	2024	2023		2024	2023	
System revenues	44.1	50.1	-11.9	225.0	200.5	12.2
Service revenues	154.0	160.0	-3.8	622.4	622.4	-0.0
<i>of which support revenue</i>	16.9	17.7	-4.3	68.8	69.8	-1.5
<i>of which revenue from cloud services</i>	105.2	109.8	-4.2	422.3	420.1	0.5
<i>of which consulting revenue</i>	31.9	32.5	-1.8	131.3	132.6	-0.9
Other	0.4	0.2	-	0.8	0.2	-
Total revenues	198.5	210.3	-5.6	848.3	823.2	3.1
Adjusted EBITA	3.9	12.9	-69.5	36.4	23.2	56.9
EBITA margin, %	2.0	6.2		4.3	2.8	

Revenues



Adjusted EBITA



Revenues and result

October – December

In Central, revenues decreased by 8.4 per cent during the quarter and organically by 8.3 per cent, where the difference is due to currency effects. System revenues decreased by 14.1 per cent and organically by 13.8 per cent. Service revenues decreased by 3.9 per cent and organically by 4.0 per cent.

Adjusted EBITA amounted to SEK 5.8 million (16.6) and the EBITA margin was 2.8 per cent (7.2) for the quarter. In Central, EBITA and the EBITA margin were negatively affected by the reduced sales and integration costs for previously acquired operations.

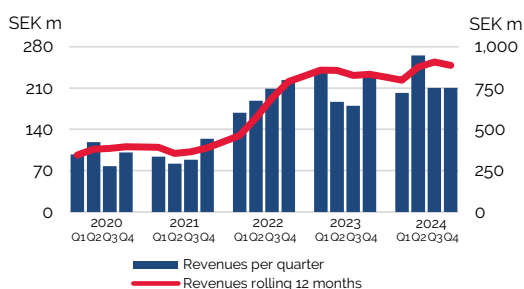
January – December

In Central, revenues increased by 6.6 per cent during the year and organically by 7.4 per cent where the difference is due to currency effects. System revenues increased by 19.6 per cent and organically by 20.8 per cent. Service revenues decreased by 4.7 per cent and organically by 4.2 per cent, due to lower sales within the consulting business.

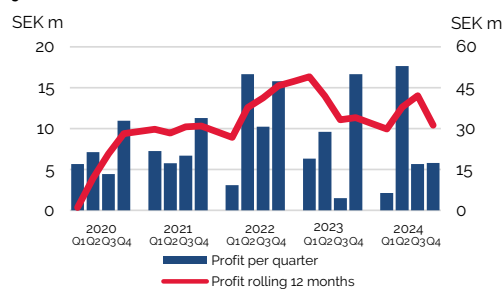
Adjusted EBITA amounted to SEK 31.2 million (34.0) and the EBITA margin was 3.5 per cent (4.1) for the year. In Central, EBITA and the EBITA margin were positively affected primarily by higher sales in the system business, partly offset by integration costs linked to previous acquisitions.

Amounts in SEK million	Oct-Dec	Oct-Dec	Change,	Jan-Dec	Jan-Dec	Change,
	2024	2023	%	2024	2023	%
System revenues	101.8	118.5	-14.1	444.8	371.9	19.6
Service revenues	106.6	110.9	-3.9	438.0	459.3	-4.7
<i>of which support revenue</i>	15.8	16.3	-3.3	63.6	63.4	0.3
<i>of which revenue from cloud services</i>	67.9	69.6	-2.5	286.8	281.0	2.1
<i>of which consulting revenue</i>	22.9	25.0	-8.2	87.6	114.9	-23.8
Other	2.0	0.2	815.1	5.2	1.9	177.5
Total revenues	210.4	229.7	-8.4	887.9	833.2	6.6
Adjusted EBITA	5.8	16.6	-65.2	31.2	34.0	-8.3
EBITA margin, %	2.8	7.2		3.5	4.1	

Revenues



Adjusted EBITA



Operating segments

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

Jan-Dec 2024	Nordics & Baltics				UK	West	Central	Groupwide	Eliminations	Group
Amounts in SEK million	Baltics	UK	West	Central	Groupwide	Eliminations	Groupwide	Eliminations	Group	
Total revenue	2,529.4	707.7	848.3	887.9	175.1	-284.1			4,864.2	
EBITDA before items affecting comparability	298.2	73.3	75.5	64.4	-0.8	-			509.6	
Depreciations and write-downs on tangible fixed assets	-38.7	-47.2	-39.1	-33.2	-0.8	-			-158.9	
EBITA before items affecting comparability	259.5	26.1	36.4	31.2	-1.6	-			350.6	
Items affecting comparability	-	-	-	-	-	-			-	
EBITA	259.5	26.1	36.4	31.2	-1.6	-			350.6	
Amortizations and write-downs on intangible fixed assets	-5.8	-5.5	-8.2	-29.3	-6.3	-			-55.1	
EBIT	253.8	20.6	28.2	1.9	-9.0	-			295.5	
Net Financial Items	17.0	-2.5	-9.7	-24.7	2.4	-			-17.6	
Earnings before tax	270.8	18.1	18.4	-22.9	-6.5	-			278.0	
Tax									-58.1	
Comprehensive income for the period									219.9	

Jan-Dec 2023	Nordics & Baltics				UK	West	Central	Groupwide	Eliminations	Koncernen
Amounts in SEK million	Baltics	UK	West	Central	Groupwide	Eliminations	Groupwide	Eliminations	Koncernen	
Total revenue	2,619.3	661.7	823.2	833.2	184.0	-274.0			4,847.3	
EBITDA before items affecting comparability	245.0	76.0	70.2	65.5	17.9	-			474.5	
Depreciations and write-downs on tangible fixed assets	-38.1	-54.7	-47.0	-31.6	-1.1	-			-172.4	
EBITA before items affecting comparability	206.9	21.3	23.2	34.0	16.8	-			302.1	
Items affecting comparability	-4.8	-1.0	-6.5	-2.0	-2.5	-			-16.7	
EBITA	202.1	20.3	16.7	31.9	14.4	-			285.5	
Amortizations and write-downs on intangible fixed assets	-5.7	-5.4	-8.3	-29.9	-6.5	-			-55.7	
EBIT	196.4	14.9	8.5	2.1	7.9	-			229.8	
Net Financial Items	10.4	-2.7	-10.3	-7.2	-1.7	-			-11.5	
Earnings before tax	206.8	12.2	-1.8	-5.1	6.1	-			218.3	
Tax									-45.2	
Comprehensive income for the period									173.1	

Market review

Proact maintains an optimistic view on the development of the IT market, which is expected to show continued growth in the coming years. In 2025, IT investments continue to be a key driver of productivity and innovation. America's announced investments in Artificial Intelligence (AI) are expected to further boost demand for advanced IT infrastructure.

Global economic growth is forecast to remain stable, but unevenly distributed. The US is predicted to show significant growth, while Europe is expected to have a restrained economic development going forward. Within Europe, regional differences emerge, where countries such as Sweden and Spain are expected to show good growth, while Germany is still struggling with major industrial challenges.

The recently launched US investment program Stargate, with a budget of US\$500 billion over the next four years, is expected to drive investment in data center IT infrastructure and create jobs. Although the program is primarily focused on the US, we are cautiously optimistic about its potential spillover effects to Europe. For Europe, AI will continue to play a central role in driving efficiency and opening new revenue streams in sectors such as healthcare, finance and manufacturing.

Global IT spending is expected to grow significantly faster than GDP growth in the coming years with infrastructure as a key component. As companies move to hybrid cloud environments, the demand for scalable, secure and resilient IT infrastructure increases. Investments in data centers and cybersecurity solutions remain a high priority, driven by the growing need to process and protect data closer to its origin.

Key Trends

Hybrid cloud adoption: The use of cloud services continues to grow as companies take advantage of the flexibility, scalability and cost-effectiveness of both public and private cloud platforms, especially hybrid cloud platforms.

Increased demand for Data Storage: The volumes of data that are created, stored and processed are growing rapidly. Technologies such as artificial intelligence and machine learning, which are used to automate processes, optimize data-driven insights and improve decision-making, greatly contribute to the storage and processing of large volumes of data.

Digital transformation, artificial intelligence and machine learning:

Digital transformation continues to be an important driver of innovation and efficiency. Disruptive technologies such as artificial intelligence and machine learning create a growing need for agile infrastructure development that supports moving and complex requirements.

Information security: As cyber threats become more common and more sophisticated, cyber security remains a top priority. Businesses are investing in advanced security solutions to protect their data and IT infrastructure from increased risks.

Sustainability and Regulation: Businesses face environmentally friendly methods and techniques to reduce their carbon footprint. Sustainability plays an increasingly important role in IT-related decisions, which is further reinforced by EU directives that require sustainability reporting.

Other information

Events after the balance sheet date

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

Transactions with related parties

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

Risks and uncertainty factors within the business

Proact is not significantly affected by ongoing conflicts in the world. However, the development of the global economy, in the form of inflation, exchange rate fluctuations, lower economic growth and disturbances in supply chains, can entail increased risks for Proact. Delivery disruptions linked to the global semiconductor shortage at present has a limited effect on, but new disturbances could negatively affect the ability for Proact to deliver customer orders received. Otherwise, no risks or uncertainties have changed in comparison to those described in the most recently published annual report. For a more detailed description of significant risks and uncertainty factors, please see Proact's annual report for 2023.

Alternative Performance Measures

The company presents financial key figures in the interim report that are not defined according to IFRS. The company believes that these key figures provide valuable supplementary information to investors and the company's management. For definitions of the financial ratios, see the Annual Report 2023.

Proposed appropriations of profits

The Board proposes a dividend of SEK 2.40 (2.00) per share to the Annual General Meeting for the 2024 business year, corresponding to SEK 65 million (54). This corresponds to 29 per cent (32) of the year's net profit, in line with Proact's dividend policy to distribute 25 – 35 per cent of profits after tax.

Annual General Meeting

The Annual General Meeting will be held at 4 pm on May 6, 2025 in Solna. The annual report will be published and be made available on Proact's webpage, www.proact.eu during the second week of April. The Nomination Committee's proposal will be presented in the notice to the Annual general Meeting and on the company's website, www.proact.eu.

Financial calendar

6 May 2025	Interim Report Q1 2025
6 May 2025	Annual General Meeting 2025
14 July 2025	Interim Report Q2 2025
24 October 2025	Interim Report Q3 2025
10 February 2026	Interim Report Q4 2025

Solna 11 February 2025
Proact IT Group AB (publ)

Jonas Hasselberg
CEO and President

This interim report has not been audited.

Note

The information in this interim report is such information as Proact IT Group (publ) is obliged to publish pursuant to the EU Market Abuse Regulation, the Securities Market Act, and/or the Act on Trading in Financial Instruments. This information was submitted for publication at 08:00 (CET) on 11 February, 2025.

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Financial reports

Consolidated statement of comprehensive income

Amounts in SEK million	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
System revenue	714.5	812.0	2,685.7	2,698.0
Service revenue	551.6	547.3	2,170.8	2,144.6
<i>of which support revenue</i>	161.4	154.7	625.4	595.2
<i>of which revenue from cloud services</i>	283.9	282.2	1,130.0	1,097.4
<i>of which consulting revenue</i>	106.3	110.4	415.4	452.1
Other operating revenue	2.4	0.8	7.7	4.7
Total revenue	1,268.5	1,360.0	4,864.2	4,847.3
Cost of goods and services sold	-961.7	-1,057.8	-3,655.7	-3,758.1
Gross profit	306.8	302.2	1,208.5	1,089.2
Sales and marketing expenses	-141.3	-137.6	-525.3	-504.5
Administration expenses	-99.0	-87.4	-387.6	-338.4
Items affecting comparability	-	0.0	-	-16.7
Operating profit/loss (EBIT)	66.5	77.3	295.5	229.8
Net financial items	-2.7	5.3	-17.6	-11.5
Earnings before tax	63.7	82.6	278.0	218.3
Income tax	-13.4	-17.0	-58.1	-45.2
Comprehensive income for the period	50.3	65.5	219.9	173.1
Other comprehensive income				
Items which may be reversed later in the income statement				
Change of hedging reserve (net investment in foreign operations)	6.8	-12.9	17.0	0.3
Tax effect of change of reserve (net investment in foreign operations)	-1.4	2.7	-3.5	-0.1
Translation differences from remaining operations	9.9	-16.1	22.4	54.5
Total items which may be reversed later in the income statement	15.3	-26.4	35.9	54.7
Total comprehensive income for the period, net after tax	65.6	39.1	255.8	227.8
Comprehensive income attributable to:				
Shareholders of the Parent company	50.3	65.5	219.9	172.6
Holdings without a controlling influence	-	-0.0	-	0.5
Total comprehensive income for the period attributable to:				
Shareholders of the Parent company	65.6	39.1	255.8	228.1
Holdings without a controlling influence	-	-0.0	-	-0.3
Data per share¹				
Earnings per share for the period attributable to the shareholders of the parent company, SEK	1.87	2.39	8.15	6.29
Equity per share attributable to the shareholders of the parent company, SEK	43.58	36.97	43.58	36.97
Cash flow from operations per share, SEK	7.70	8.82	19.48	19.50
Number of outstanding shares at end of period	26,901,469	27,281,448	26,901,469	27,281,448
Weighted average number of outstanding shares	26,970,371	27,445,125	26,987,862	27,466,985

1) Proact has a long-term performance-based share program that could give rise to dilution of maximum 2.36 per cent.

Consolidated Balance Sheet in brief

Amounts in SEK million	Dec 31 2024	Dec 31 2023
ASSETS		
Fixed assets		
Goodwill	1,021.7	983.6
Other intangible fixed assets	129.6	177.3
Tangible fixed assets	319.2	319.3
Other long-term receivables	614.8	544.6
Deferred tax receivables	22.2	22.5
Current assets		
Inventories	20.8	15.4
Trade and other receivables	1,533.7	1,433.9
Cash and cash equivalents	813.5	547.9
Total assets	4,475.7	4,044.4
EQUITY AND LIABILITIES		
Equity attributable to the shareholders of the parent company	1,172.4	1,008.6
Total equity	1,172.4	1,008.6
Long-term liabilities		
Long-term liabilities, interest-bearing	395.9	386.4
Long-term liabilities, non-interest-bearing	943.6	756.9
Deferred tax liabilities	47.5	58.2
Short-term liabilities		
Short-term liabilities, interest-bearing	112.3	109.8
Short-term liabilities, non-interest-bearing	1,804.0	1,724.5
Total equity and liabilities	4,475.7	4,044.4

Consolidated statement of changes in Equity

Amounts in SEK million	Dec 31 2024	Dec 31 2023
At beginning of period	1,008.6	923.4
Total comprehensive income for the period	255.8	227.8
Dividend	-54.0	-50.8
Share savings and share option programs	3.9	-28.0
Buy-back of own shares	-42.8	-19.6
Utilized shares from holding of own shares	1.0	2.7
At end of period	1,172.4	1,008.6

Consolidated Cash Flow Statement in brief

Amounts in SEK million	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
CASH FLOW FROM OPERATIONS FOR THE YEAR				
Operating profit for the period	66.5	77.3	295.5	229.8
Adjustment for items not affecting cash flow:				
Reversal of depreciation and impairment of fixed assets	53.5	56.4	214.1	228.2
Financial leasing sales	4.9	10.1	26.2	33.0
Reversal of non-cash items	24.7	7.9	2.6	-9.0
Change in provisions	-3.7	-3.3	0.8	-0.2
Income tax paid	-12.8	-1.0	-58.8	-54.7
Cash flow from operating activities before changes in working capital	133.1	147.3	480.4	427.0
Cash flow from changes in working capital				
Inventories	-1.3	4.6	-5.0	49.5
Operating receivables	-82.0	-269.8	-133.8	64.6
Operating liabilities	157.4	358.3	182.5	-9.1
Cash flow from operating activities	207.1	240.5	524.1	532.0
INVESTMENT ACTIVITIES				
Acquisition of businesses	-	0.5	-	-8.0
Capital expenditure on tangible fixed assets	-6.6	-13.0	-30.0	-44.3
Disposals of tangible fixed assets	-	0.9	-	1.1
Investments in intangible fixed assets	-0.5	-0.3	-1.2	-1.0
Increase / decrease, non current receivables	1.0	0.2	4.7	0.3
Cash flow from investing activities	-6.0	-11.8	-26.5	-51.9
FINANCING ACTIVITIES				
Dividend	-	-	-54.0	-50.8
Borrowings and repaid loans	-	-25.0	-	-224.2
Interest earned	3.7	-1.0	13.2	10.4
Interest paid	-5.9	-8.5	-26.5	-25.1
Amortisation of leasing debt	-34.3	-37.5	-135.5	-118.0
Other cash flow from financing activities	-12.5	-21.4	-44.5	-22.4
Cash flow from financing activities	-49.0	-93.4	-247.2	-430.1
Total cash flow for the period	152.1	135.4	250.3	50.0
Cash and cash equivalents at beginning of the period	652.1	429.3	547.9	505.7
Currency translation difference in cash and cash equivalents	9.2	-16.8	15.3	-7.8
Cash and cash equivalents at end of the period	813.5	547.9	813.5	547.9

Key ratios

Amounts in SEK million	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
	2024	2023	2024	2023
Total revenue	1,268.5	1,360.0	4,864.2	4,847.3
of which attributable to acquisition and divestments	-	-6.3	-7.5	22.1
of which currency effects	6.6	25.5	-3.2	179.3
Total revenue, organic	1,261.9	1,340.8	4,875.0	4,646.0
Organic growth total revenue, %	-7.2	-6.9	0.6	-2.3
System revenue	714.5	812.0	2,685.7	2,698.0
of which attributable to acquisition and divestments	-	-4.0	-2.1	-4.5
of which currency effects	2.6	7.7	-4.3	69.8
Total system revenue, organic	711.9	808.3	2,692.1	2,632.8
Organic growth system revenue, %	-12.3	-11.4	-0.2	-8.0
Services revenue	551.6	547.3	2,170.8	2,144.6
of which attributable to acquisition and divestments	-	-2.3	-5.4	26.6
of which currency effects	4.0	17.8	1.1	109.3
Total service revenue, organic	547.6	531.8	2,175.2	2,008.7
Organic growth service revenue, %	0.1	1.9	1.4	6.3
EBITDA	120.0	133.6	509.6	457.9
EBITDA margin, %	9.5	9.8	10.5	9.4
Depreciation and write-down on tangible assets	-39.8	-42.5	-158.9	-172.4
EBITA	80.2	91.2	350.6	285.5
EBITA margin, %	6.3	6.7	7.2	5.9
Amortization and write-down on intangible assets	-13.7	-13.9	-55.1	-55.7
EBIT	66.5	77.3	295.5	229.8
EBIT marginal, %	5.2	5.7	6.1	4.7
Earnings before tax	63.7	82.6	278.0	218.3
Net margin, %	5.0	6.1	5.7	4.5
Earnings after tax	50.3	65.5	219.9	173.1
Profit margin, %	4.0	4.8	4.5	3.6
Equity	1,172.4	1,008.6	1,172.4	1,008.6
Total assets	4,475.7	4,044.4	4,475.7	4,044.4
Equity ratio, %	26.2	24.9	26.2	24.9
Capital turnover rate, times¹	-	-	1.1	1.2
Return on equity, %¹	-	-	20.2	18.2
Financial costs included in net financial items	7.5	6.3	35.2	40.0
Capital employed	1,680.6	1,504.8	1,680.6	1,504.8
Return on capital employed, %¹	-	-	19.7	16.3
Investments in fixed assets	38.7	43.3	158.7	148.3
Earnings before tax per employee, SEK thousands	57.5	72.9	250.0	188.2
Average number of employees	1,108.3	1,132.0	1,112.0	1,160.0

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

For a five-year summary, see Note 2. For definitions of key ratios, see Annual Report 2023.

The key ratios that Proact reports and monitors the business by are common key ratios used by the industry and by companies listed on Nasdaq Stockholm.

Parent Company's Income Statement, in brief

Amounts in SEK million	Jan-Dec 2024	Jan-Dec 2023
Net sales	152.5	152.0
Cost of goods and services sold	-	-
Gross profit	152.5	152.0
Administration expenses	-161.4	-151.9
Operating profit	-8.9	0.1
Net financial items	281.6	142.2
Earnings after financial items	272.6	142.3
Provisions	-	-
Earnings before tax	272.6	142.3
Income tax	-2.8	-0.7
Comprehensive income for the period	269.8	141.5

Parent Company's Balance Sheet, in brief

Amounts in SEK million	Dec 31 2024	Dec 31 2023
ASSETS		
Fixed assets	1,130.3	1,143.8
Current assets	305.7	97.7
Total assets	1,436.0	1,241.6
EQUITY AND LIABILITIES		
Restricted Equity	41.9	47.1
Non-restricted Equity	634.0	451.0
Equity	676.0	498.1
Long-term liabilities	243.6	234.7
Short-term liabilities	516.5	508.9
Total equity and liabilities	1,436.0	1,241.6

Explanatory information

Note 1. Accounting principles

The consolidated accounts for the interim report have been compiled in accordance with IAS 34 and the Swedish Annual Accounts Act. The Parent Company's accounts have been compiled in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 (Accounting for Legal Entities). The Group applies the same accounting principles as those described in the annual report for 2023.

Financial instruments

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

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

Note 2. Five-year summary

Amounts in SEK million	Jan-Dec 2024	Jan-Dec 2023	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 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
<i>EBITDA margin, %</i>	10.5	9.4	9.9	9.9	10.2
EBITA	350.6	285.5	313.1	197.5	216.7
<i>EBITA margin, %</i>	7.2	5.9	6.6	5.6	6.0
EBIT	295.5	229.8	260.6	166.2	182.1
<i>EBIT margin, %</i>	6.1	4.7	5.5	4.7	5.0
Earnings before tax	278.0	218.3	244.2	151.9	167.7
<i>Net margin, %</i>	5.7	4.5	5.1	4.3	4.6
Earnings after tax	219.9	173.1	191.5	117.2	132.3
<i>Profit margin, %</i>	4.5	3.6	4.0	3.3	3.6
<i>Equity ratio, %</i>	26.2	24.9	21.8	21.0	20.7
Capital turnover rate, times	1.1	1.2	1.2	1.1	1.3
<i>Return on equity, %</i>	20.2	18.2	23.4	17.8	23.4
<i>Return on capital employed, %</i>	19.7	16.3	17.2	13.4	17.1
Dividend to shareholders of the Parent company ¹	54.0	50.8	41.2	41.2	22.9
Investments in fixed assets	158.7	148.3	397.5	550.7	269.1
Financial costs included in net financial items	35.5	40.0	26.7	19.8	20.7
Earnings before tax per employee, SEK thousands	250.0	188.2	210.6	147.9	172.3
Average number of employees	1,112.0	1,160.0	1,159.5	1,027.3	973.4
Earnings per share for the period, SEK ²	8.15	6.29	6.97	4.27	4.80

1) Relates to the year in which the dividend was executed. For the fiscal year 2023 a dividend of SEK 2.00, total SEK 54.0 million, was made.

2) Calculated on the basis of the weighted average number of outstanding shares. The comparative figures have been adjusted for the 1:3 share split that was implemented in May 2021. Proact has long-term performance-based share programs that could give rise to dilution of maximum 2.36 per cent.