PROACT

annual report
2015

Contents

Proact in brief

Proact is Europe's leading independent integrator with regard to data centres and cloud services. Proact supplies business benefits by helping companies and authorities all over the world to reduce risks and costs, and above all to supply flexible, accessible and secure IT services.

Proact's offering covers all data centre elements, including storage, server and network functions. In addition, Proact's cloud service operations manage 70 petabytes of information. Proact has completed more than 3,500 successful customer projects all over the world to date.

The Proact Group has more than 740 employees and conducts business in Belgium, Denmark, Estonia, Finland, Latvia, Lithuania, the Netherlands, Norway, Slovakia, Spain, the United Kingdom, Sweden, the Czech Republic, Germany and the USA. Proact was founded in 1994. Proact IT Group AB (publ), its Parent Company, has been listed on Nasdaq Stockholm since 1999 under the ticker symbol PACT. The shares are included in the Small Cap list.

Annual General Meeting 2016

The Annual General Meeting will take place at 6pm on 2 May 2016 at Scandic Victoria Tower, Arne Beurlings torg 3, Kista. Shareholders who are entered in the shareholder register kept by Euroclear Sweden on Tuesday, 26 April 2016 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 by Tuesday, 26 April 2016.

Registration of participation in the Annual General Meeting must be received by the Company by 4pm on Wednesday, 27 April 2016. Registration will take place by post, telephone or e-mail.

Address for registration:
Proact IT Group AB
FAO: Annual General Meeting
Box 1205, SE-164 28 KISTA
Tel.: +46 (0) 8 410 667 11
E-mail: arsstamma@proact.se

Future information

20 April 2016	Interim report, 1st quarter
2 May 2016	Annual General Meeting
13 July 2016	Half-yearly report
19 October 2016	Interim report, 3rd quarter
9 February 2017	Year-end report 2016

Year in review

Proact can look back on a year which generated the best profit before tax in the history of the company.

Q1

Besides good general sales growth in respect of system solutions, Proact also had the pleasure of concluding a number of major individual contracts which helped to bring about the 25 per cent increase in revenues. These contracts are strategically important to Proact, and at the same time they are proof that the company's specialist expertise and market leading services are appreciated by our customers.

Q2

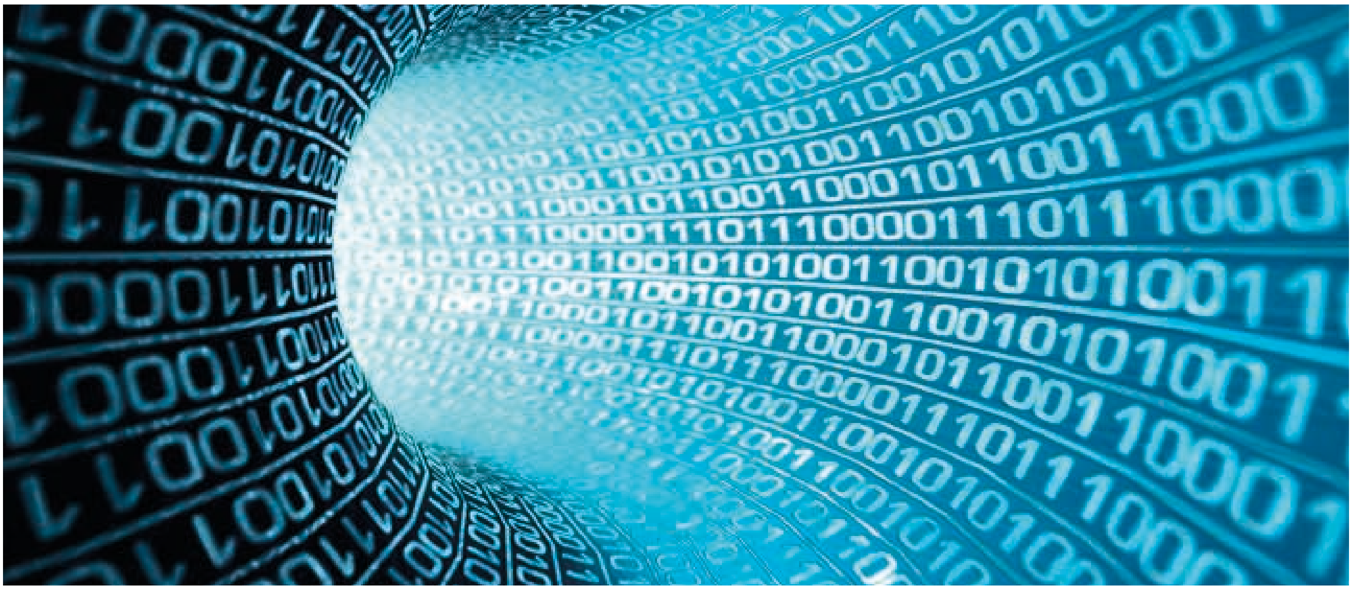
During the quarter, 51 per cent of the Business Unit "Microsoft Data Centre Innovation" was acquired from VX Company in the Netherlands. This is a strategic acquisition, implemented in order to complement Proact's offering with application expertise in the Microsoft field and reinforce the company's offering in the field of cloud services.

Q3

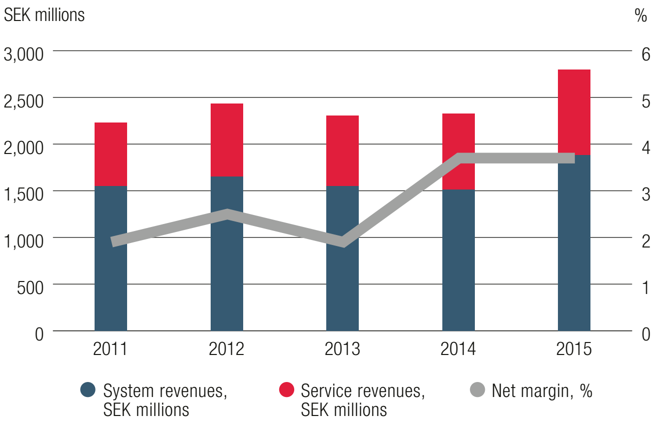
The strategic decision to focus on technical fields such as data centres, a combination of storage, servers and networks, paid off in terms of both revenue and profit. A number of new contracts were concluded throughout the period with organisations such as the Norwegian Tax Administration, along with SBAB and Spotify in Sweden.

Q4

Proact acquired Compose IT System in Sweden. The expertise and experience provided by Compose IT System will reinforce Proact's position, including its cloud service offering in the Nordic region. This acquisition reinforces Proact's offering to both existing and new customers, which in turn secures Proact's position as a natural partner.



Revenues and margins



Key ratios and figures

	2015	2014	2013	2012	2011
Total revenues, SEK millions	2,801.7	2,325.3	2,304.8	2,433.1	2,231.8
EBITDA, SEK millions	169.2	144.2	128.1	144.5	121.5
EBITDA margin, %	6.0	6.2	5.6	5.9	5.4
Profit before tax SEK millions	104.1	85.2	43.7	61.0	41.9
Net margin,%	3.7	3.7	1.9	2.5	1.9
Earnings per share (outstanding shares), SEK [1]	8.20	6.16	2.36	3.96	2.69
Dividend per share, SEK [2]	2.70	1.70	1.20	1.10	1.00

1) Proact has no outstanding warrants, convertible debentures or other instruments that could give rise to dilution. The company has, however, bought back shares that are in its own keeping, which affects the key ratios and figures above.
2) The Board of Directors and CEO will propose a dividend of SEK 2.70 per share to the Annual General Meeting for the 2015 business year.

CEO's statement

Operating profit before depreciation, SEK millions

169.2

Profit before tax, SEK millions

104.1

Revenues during the year, SEK millions

2,802

After having been responsible for Proact's operations in the United Kingdom for the past four years, on 8 January 2016 I was entrusted with the task of taking over as CEO of the entire group. I have extensive experience of the IT industry and of developing and running service operations. I am looking forward to working with the talented staff at the company and developing the business still further in order to ensure compliance with strategies defined and financial targets set. Our ability to help our customers to minimise risks and reduce costs, and also to supply flexible IT services and products, places us in a strong position on the European market, thereby giving as good opportunities for continued positive development in terms of both earnings and profits.

Year in brief

We can look back on a year which generated the best profit before tax in the history of the company. This excellent profit development has been achieved thanks to focused and continuous improvement work in combination with greater profitability in respect of cloud services in particular, which is a strategic focus area for us. It is pleasing to see that we have increased our return on equity from just over 23 per cent last year to almost 27 per cent this year. Operating profit before depreciation, EBITDA, amounted to SEK 169.2 (144.2) million, and profit before tax amounted to SEK 104.1 (85.2) million. Revenues for the year amounted to SEK 2,802 million, representing an increase of 21 per cent compared with the previous year, while growth on certain markets was weak. I can hereby confirm that our customers appreciate our specialist expertise and our market-leading offering, and that as a result we have been able to take further market share.

Complex IT services an advantage

Most of our customers are large companies and organisations within a range of different industries. Their IT operations are becoming increasingly strategic on account of the

"I can confirm that our customers appreciate our specialist expertise and our market-leading offering, and that as a result we have been able to take further market share."

digitisation taking place in certain sectors such as Trade & Services, Banking & Finance and Media. Information volumes are also continuing to increase, which means that IT infrastructures are becoming more and more complex. Of course, this is good news for Proact as a specialist, as more and more companies and organisations are increasingly finding that they need to ensure that their IT operations are competitive while also being flexible and agile.

Sharper strategies for growth

Strategic work took place throughout the year to place Proact in the best position from which to deal with the demands and requirements of the market and meet the company's strategic and financial targets. Based on the outcome, our efforts are now focused on a number of priority activities to ensure that our organisation is consistent and cost-effective, presents a market-leading offering independently of suppliers and increases its proportion of contracted revenues. Among other things, we have made a strategic decision to focus on developing our offering in respect of data centres (a combination of storage, servers and networks) with associated consultancy and support services, as well as increasing our focus on cloud services.

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

The data centre concept is continuing to grow. Various parts of the IT infrastructure used to be managed as separate elements. This concept provides the opportunity to reduce implementation times, simplify administration and reduce the risk of production problems due to the fact that the various subcomponents are integrated and tested with one another, which in turn will have cost benefits.

By always having a market-leading offering within each focus area and working to increase the proportion of contracted service revenues, I feel we have good opportunities for growth and improving the profit margin.

Strategic acquisitions

Two acquisitions took place during the year which clearly describe our ambition for continued growth within our strategic areas and thereby reinforcing our role as an expertise partner to our customers.

During the second quarter, Microsoft Data Centre Innovation Services was acquired from VX Company in the Netherlands. This acquisition was implemented in order to complement the company's offering with application expertise in the Microsoft field in particular. Having more extensive expertise in this field gives us good opportunities to move further up the value chain and thereby extend our partnership with customers on the basis of a strategic perspective. A number of contracts concluded in the field over the year are proof positive that this strategy is correct.

Compose IT System AB was acquired during the fourth quarter. This acquisition is in line with the strategy and will further strengthen the position of the company in the field of cloud services. The expertise and experience provided by Compose IT System will reinforce our cloud service offering in the Nordic region. Customers are constantly investigating alternative ways of managing their IT environments as cost-effectively as possible. Thanks to this acquisition, Proact will be a more natural choice, allowing us to support both new and existing customers even more effectively.

Positive future prospects

Although financial development has been weak on some of our markets in 2015, the company overall has seen good, profitable development throughout the year. The growth rate for fields such as data centres and cloud services is also expected to be good in future. Our strategic choice, to focus on these areas as well as helping our customers to reduce risk and costs and supplying flexible IT services, means that the company continues to retain its strong market position and hence good opportunities to exploit its potential on the European market.

I would like to finish by thanking all our customers, who entrust us with the job of working in partnership with them. I would also like to thank all our staff, whose dedicated and professional efforts are helping to continue the development of the company.

Jason Clark
CEO, Proact IT Group AB (publ)

Vision, mission and targets

Vision

To be the world's most trusted IT Services partner, enabling business innovation and growth for our customers.

Mission

We partner with our customers, deploying highly skilled and experienced people and world-class technologies. This results in flexible solutions and services that rapidly generates sustainable and long-term value.

Financial targets

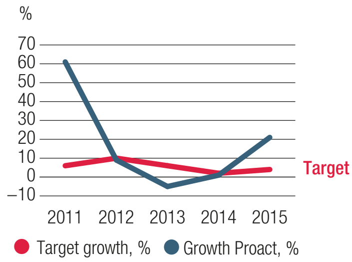
Outcome

Historical target attainment

Sales growth

To grow twice as quickly as the market.

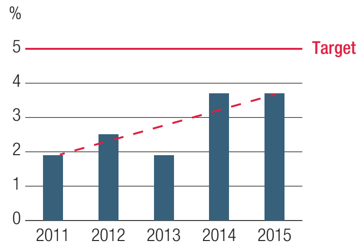
Economic market growth over the last few years has stood at between 1 and 5 per cent. The company increased its revenues for 2015 by 21 per cent.



Margin

Profit before tax should amount to 5 per cent of revenues.

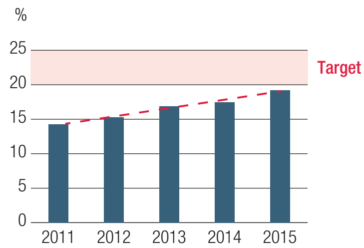
The company generated a profit before tax of 3.7 per cent of revenues for 2015.



Equity ratio

To achieve an equity ratio of 20-25 per cent.

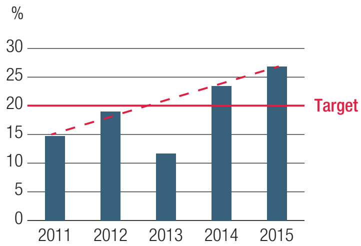
The company has continued to improve its equity ratio throughout the year, with an equity ratio amounting to 19.2 per cent at the end of 2015.



Return on equity

To achieve a 20 per cent return on equity.

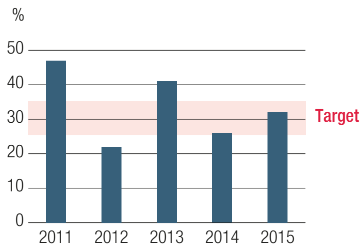
In 2015, the return on equity amounted to 26.8 per cent.



Dividends

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

A dividend of SEK 2.70 per share is proposed for 2015, which is equivalent to 32 per cent of profit after tax.



Strategy

Strategy

The company works according to the following strategies in order to achieve its targets:

"One Proact"
Well-defined processes and procedures are used to create a consistent, cost-effective organisation, thereby ensuring that we have a clear, high-quality offering for the market.

Market-leading offering independent of suppliers
Proact must have a market-leading offering within its focus areas of data centres with associated consultancy and support services, as well as cloud services.

Emphasis on innovation
Innovation is key when it comes to ensuring that the company has a market-leading offering. An established innovation process ensures efficient development of new services and evaluation of new products, allowing new services and products to be launched in a time-efficient, cost-effective way throughout the entire company.

Partners
Proact works in partnership with a number of strategically selected suppliers, both market leaders and new niche players. This allows Proact to guarantee access to the very latest technology, while also enabling the company to offer the most appropriate services and/or solutions based on the needs of each individual customer.

Increased proportion of contracted service revenues
Proact has an industry-independent service offering aimed at both the private and the public sector. The company is striving to increase the proportion of contracted service revenues with a view to improving profitability. This will be achieved by further reinforcing the company's offering, primarily within the field of support and cloud services.

Market
Proact is striving to achieve good organic growth in existing markets. New markets in Europe, establishment takes place through acquisition or what are known as "greenfields". Moreover, the company meets existing customers' requests to have Proact as a partner on new markets outside Europe as well.

Value chain

Value addition

Service development

The development of new services is always based on the needs of our customers, in combination with the technical development taking place on the market. Our ambition is to offer market-leading consultancy, support and cloud services. The company's service offering will always remain competitive, as guaranteed by the continuous skills development and advanced training offered to Proact staff.

Product portfolio

Proact works in close partnership with a number of carefully selected suppliers in order to ensure that the company is able to offer the best services and solutions. New products from both existing and new suppliers undergo a structured evaluation process so as to ensure that Proact is able to offer the latest technology when designing services and system solutions.

Procurement

Total procurement for Proact over the year amounted to SEK 1,962 million, of which SEK 1,789 million relates to total product costs attributable to Proact's core business. The company also made purchases amounting to SEK 173 million in respect of rents, travel, consumables and transport, for example.

Sustainable enterprise

Service development

We are constantly working to reduce the environmental impact from the delivery of all our services, and the greatest positive impact is achieved by constantly streamlining the delivery of our cloud services.
We will be monitoring consumption of power, heating and cooling at our data centres in 2016 in order to reduce our environmental impact. We will work on the basis of the results to devise targets indicating the extent to which total consumption has to be reduced per year (expressed in kWh).

Product portfolio

Proact has no production, but it accepts environmental responsibility through various established processes and procedures. End-of-life electronics, paper and packaging are all recycled, for example.

A survey will be carried out in 2016 with regard to recycled electronics, paper and packaging. We will work on the basis of the results to devise targets indicating the extent to which total consumption has to be reduced and the extent to which total recycling has to be increased per year (expressed in kg).

Procurement

We spend significant sums on procuring goods every year. Most of our suppliers are based in Europe and the USA, where compliance with basic human rights is good compared with many other parts of the world. All our suppliers undergo an approval process which involves evaluation of both product safety and corporate responsibility.

A survey will be carried out in 2016 to examine how well our suppliers comply with the 10 points in the UN Global Compact. We will work on the basis of the results to devise key indicators with a view to ranking our suppliers' compliance and setting targets with respect to an acceptable level for Proact (expressed as a percentage).

Proact code of conduct is the starting point for our sustainability work, and this is applicable to both in-house and external relationships. The company is constantly working with the following five measurable areas with a view to supplying sustainable and profitable development.

Proact adds financial value while also having a positive impact on people and the environment thanks to its innovative service development, a market-leading product portfolio, efficient purchasing and delivery processes and good contact with our customers.

Deliverables

Our deliverables comprise system solutions with associated consultancy and support services and cloud services, or a combination of two. On the basis of customers' business requirements, Proact – in its capacity as an independent specialist – can offer every customer the most cost-effective services and solutions on every occasion.

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. We have also held ISO9001 and ISO27001 certification in a number of countries since 2013. Other subsidiaries will achieve certification in 2016 in accordance with either of the above standards.

Customers

Total revenues amounted to SEK 2,802 million. Most of Proact's customers are information-intensive companies and authorities with large data volumes. The services and products offered by Proact focus on meeting customers' needs for both accessibility and security relating to the supply of various IT services.

Proact's ambition is to be the world's most reliable IT service partner, facilitating innovation and increased growth among our customers. As a result, services and products must be supplied in a responsible manner, with the promised quality.

A customer survey will be carried out in 2016 in order to gauge how well our customers feel we are delivering on our quality promises, as well as indicating their overall assessment of us as a business partner.

Profit for the year amounted to SEK 78 million.

A significant proportion of the capital generated is normally returned to the business. This capital is used for initiatives such as investments in activities to reinforce competitiveness and add long-term value.

In the long term, Proact intends to issue a dividend of 25-35 per cent of profit after tax. The Board of Directors has proposed a dividend of SEK 2.70 per share, equivalent to a total of SEK 25 million for 2015 as a whole.

Distribution of financial value per stakeholder

Financial value which benefits stakeholders is created through innovative service development and the sale of Proact's total offering.

Financial value generated and distributed (SEK millions)	Stakeholders	2015	2014
Operating revenue	Customers	2,802	2,325
Total generated value		**2,802**	**2,325**
Distributed as			
Salaries and remuneration	Employees	-635	-563
Service and goods	Suppliers	-2,063	-1,677
Income tax	The Government	-26	-25
Dividends	Shareholders	-25	-16
Remaining in the company		**53**	**44**

Offering

Higher efficiency, minimised risks

All companies and authorities are dependent on access to information of various kinds to allow their operations to work, and accessibility and security are very important for business-critical information in particular. Shortcomings in security procedures and uptime can lead to disruptions within the business, with disastrous consequences. An IT infrastructure which is not robust may be costly and expose the customer to significant risks.

To deal with the above challenges, Proact offers products and services of different types and can therefore help companies and authorities to reduce risks, lower costs and – above all – ensure their IT services are flexible and secure. We analyse the customers' needs on the basis of set criteria and offers customised, cost-effective services and IT infrastructure solutions.

Top quality services and products independently of suppliers

Different companies and organisations have different needs. This is why the IT infrastructures of each and every one of them have to be adapted to suit these needs. As an independent specialist, Proact is able to offer its customers an independent and comprehensive analysis on the basis of their own specific needs and requirements.

Analysis and design

This analysis is based on a description of the present situation in respect of risk; that is to say, procedures for management of business-critical information, backup and disaster planning. An analysis of the current situation also includes a look at the cost situation and how costs can be minimised by means of standardised processes, consolidation of various systems and automated procedures, for instance

On the basis of this analysis, a description of the problems is compiled which forms the basis for a requirement-based proposed solution which is based on the customer's business requirements. The requirements for an IT infrastructure are then defined on the basis of this. This is how Proact helps its customers to link requirements from business operations with requirements for IT support. The IT strategy is defined together with the customer's corporate management team, while the customer's IT management team helps to defined the technical solution.

Implementation

Proact is independent when it comes to selecting technology. Proact can provide support for the implementation of

systems selected, regardless of whether the customer chooses Proact or some other company to supply its system. Proact assists with tasks such as installation, project management, documentation and custom training during implementation. Before implementation is completed, Proact ensures that the system implemented meets the needs and requirements defined beforehand.

Contracted services

To improve Proact's profitability in the long term, the company's objective is to go on increasing the proportion of contracted services. This will be achieved by constantly developing the two areas below and focusing on sales and marketing activities so as to further increase Proact's market share.

Support

Proact offers support, Proact Premium Support, for systems which we have installed ourselves and systems supplied and installed by others. Customers need just a single point of contact for their entire IT-environment, facilitating the handling of support issues considerably. Support agreements are concluded over a fairly long time. The most common term for such agreements is between one and three years. As loyalty among customers is high, support agreements are generally extended throughout the entire service life of systems.

Hybrid cloud services

Proact's cloud services allow companies and authorities to focus their resources on their own core business. Proact offers a unique portfolio of secure internal and external cloud services. This means that customers can select a unique combination of their own private clouds and external cloud services. Irrespective of where business-critical information is stored, Proact supports its customers in order to ensure that they maintain good control over the information stored, thereby meeting both internal requirements and legal requirements. All cloud services are supplied in accordance with clearly defined service levels, and customers pay only for the capacity they use. The most common term for agreements concluded is between one and three years.

Innovative finance solutions to maximise business value

Proact has been running a financing business under its own auspices since 2009 so as to meet the needs of the markets in respect of finance solutions in the best way possible. This business gives Proact the opportunity to offer finance for services and products. The advantage for customers is that all component elements such as consultancy and support services, as well as products, can be included. Customers also benefit from good cost control while also minimising the impact on their cash flow and balance sheet.

Data centre

Our IT infrastructure solutions essentially involve five areas which are strongly integrated with one another: Server (create and process information), Storage (storage and recovery of information), Security (protection of information), Network (transferring information) and Automation (simplified administration and faster supply of IT services). Combining these technologies in a predefined concept will allow faster implementation times to be achieved, as well as reducing the risk of integration problems between the various technologies.

"As an independent specialist, Proact is able to offer its customers an independent and comprehensive analysis on the basis of their own specific needs and requirements."

Server: Proact is independent when it comes to selecting technology, and it manages different server platform types for the creation and processing of information. Technologies such as virtualisation have made the server platform an integral part of the overall IT infrastructure.

Storage: As regards storage, Proact works with solutions relating to the storage of information on the basis of its value to the business and how well protected and accessible it has to be. This field also includes systems for information recovery in the event of a disaster, as well as data management.

Security: Making sure business-critical information is secure is extremely important. Security threats are real and must be taken into account, no matter what they involve: following various regulations or legal requirements, or ensuring protection against mistakes, sabotage or malicious program code. This data security is an extremely important element of Proact's solutions.

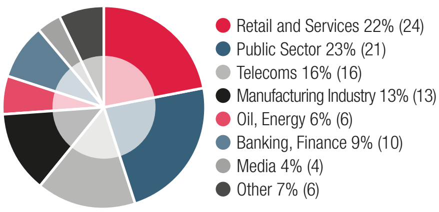
Network: The information flow must work smoothly; this is a vital IT infrastructure requirement. Trends such as virtualisation of servers and storage mean that networks are being subjected to ever-increasing loads. The network structure must be able to cope with increased data management, while also guaranteeing accessibility and utilising bandwidth optimally to ensure maximum performance. Moreover, an increasing proportion of network infrastructure is becoming automated so as to allow various IT service types to be supplied more quickly and more efficiently.

Automation: Proact provides various kinds of solution which make it possible to automate and present the various underlying elements of a data centre in order to support the business processes. This creates opportunities to facilitate administration and thereby reduce complexity and risks. Increased automation allows IT services to be supplied more quickly, thereby supporting business requirements and needs more effectively in terms of flexibility and innovation.

Customers

Proact's customers are information-intensive companies and authorities with large data volumes. The efficient supply of IT is completely crucial to the company's customers. All industries need IT environments which work well, and this is why Proact has customers who operate in a wide range of different fields. Proact's customers are mainly large and medium-sized enterprises and authorities, and Proact currently enjoys good revenue distribution between different industry segments. The four biggest industry segments are Public Sector, Trade & Services, Telecoms and Manufacturing Industry. The ten biggest customers in 2015 were responsible for 23 per cent of revenues, and no customer represented more than 5 per cent. The biggest customers are active in a number of the countries in which Proact operates.

Revenues per sector



Partners

Proact has long-term close relationships with a small number of carefully selected suppliers. Proact has a well-defined innovation process which allows it to evaluate new products from existing suppliers in a structured manner while also seeking and taking on products from new suppliers. 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.

The company's biggest suppliers include Cisco, EMC, Hitachi Datasystems, NetApp and Veritas. In most cases, Proact works in partnership with two 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.

Market review

The growth of digital business-critical information remains high: in the opinion of research company IDC, annual growth stands at around 50 per cent depending on geographical area and industry. Despite the fact that the annual growth of business-critical information is high, annual economic growth in respect of the European storage market is deemed to amount to between 0 and 2 per cent per year. The primary reason for the difference between information growth and economical growth is the rapid pace of technical development. This involves factors such as greater storage capacity per storage unit and advanced new techniques for compression of information volumes. Given the experience and expertise available at Proact, it is our view that economic market growth will remain at this level in the immediate future.

All companies and authorities are dependent on access to information of various kinds to allow their operations to work, and accessibility and security are very important for business-critical information in particular. Shortcomings in security procedures and uptime can lead to disruptions within the business, with disastrous consequences. As a result, more and more companies and authorities are evaluating options for using various services and new fields of technology in order to simplify their IT operations and ensure that their supply of IT services meets the requirements defined by business operations.

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

Another market trend we are seeing is the continued growth of the data centre concept (a combination of storage, servers and networks), while at the same time new fields of technology for management of business-critical information are being implemented. One example of a new field of technology is Flash, where information is stored on a memory chip instead of a traditional hard disk. This technology provides improved integration with various types of application and is more cost-effective compared with traditional hard disks.

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

Competitive situation

Proact offers unique specialist skills with coverage throughout Europe, and with a base of more than 3,500 completed projects the company also has a wide range of excellent references from satisfied customers who go on coming back to Proact time and time again. The competition comes from small specialist companies, integrators focusing on general IT, and from larger companies with their own products and services, such as Hewlett-Packard and IBM. 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 cloud services. Services currently account for around 35 per cent of Proact's total revenues. As an independent specialist, Proact has more opportunities than other integrators and product manufacturers to offer the most cost-effective services and solutions to every customer every time, thereby lending a great deal of credibility to the company's offerings.

Examples of customer projects

- **Proact signs multi-year agreement with Vattenfall**

Vattenfall is one of Europe's biggest energy producers and is owned by the Swedish government. Its primary products are electricity, heating and gas. As regards electricity and heating, Vattenfall is active in all links in the value chain, involving production, distribution and sales. Vattenfall produces power and heating from six different types of energy, such as wind power, nuclear power, natural gas, biomass, coal power and hydropower.

Following a thorough evaluation, Proact was selected as the primary supplier thanks to the company's outstanding expertise, experience and international presence and will be helping to implement Vattenfall's new group strategy in respect of storage and backup. The objective of the new strategy is to make significant cost savings by coordinating infrastructure among the countries in which Vattenfall is active. The information will also be categorised, which essentially involves selecting appropriate storage and backup infrastructure on the basis of the business requirements in respect of uptime and its significance for the business.

The contract, which has a term of seven years, includes consultancy services and Proact Premium Support, which over time will have a positive effect on Proact's contracted revenues.

- **Norwegian Tax Administration chooses Proact for data centre implementation:**

The primary task of the Norwegian Tax Administration is to ensure that the population register is updated and that taxes and duties are paid correctly. The Administration employs around 6,500 staff.

Proact has been entrusted with the task of supplying a new IT infrastructure and providing associated consultancy and support services. The Norwegian Tax Administration has stringent demands in terms of scalability, uptime and performance. Another stringent demand is that the IT infrastructure should be cost-effective. This new IT infrastructure means that the Norwegian Tax Administration will have better support for its business and employees.

The new infrastructure is based on the data centre concept, which is a reference architecture in which components such as storage, servers and networks are all integrated with one another. This concept simplifies initiatives such as the launch of new services for private individuals and companies, while internal administration of systems is simplified considerably and made more cost-effective. The contract, which has a term of four years, includes implementation and configuration of the new IT infrastructure, as well as Proact Premium Support, which over time will have a positive effect on Proact's contracted revenues.

- **Skandiatransport chooses private cloud service from Proact**

Skandiatransport is a leading logistics partner to the automotive industry, with 350 employees at four sites in Sweden. The company's business is based on factors such as heavy duty applications with advanced integration with customers' IT systems, constituting a vital part of their ongoing provision.

The company was implementing a new business system and so had new requirements in respect of security and uptime with regard to its IT infrastructure. The company also wanted to switch its focus from daily IT operation to application operation. Following an extensive evaluation procedure, Proact was selected as a partner and tasked with supplying the required functionality as a service. This is being supplied in accordance with an agreed service level. Skandiatransport will be receiving a private cloud service thanks to the Infrastructure as a Service (Iaas) offering. This private cloud service will include all elements of a data centre, such as storage, servers and networks. The service will give Skandiatransport the opportunity to focus on its core business while also achieving the required security and uptime. The contract also includes implementation and configuration of the new service.

- **SIX Financial Information chooses Proact as a partner**

SIX is the third biggest supplier of financial information in Europe and a leader in the Nordic region. SIX specialises in the processing and distribution of internal financial information for portfolio administration, financial analysis and securities administration, for instance.

SIX uses a number of business critical applications to supply its financial services, making stringent demands of its storage system in terms of performance and scalability. Stringent demands are also made by testing and development operations. Following a thorough evaluation, Proact was selected as a partner for the implementation of a new storage system based on the new "Flash" storage technology. This technology involves storing information on a memory chip instead of a traditional hard disk. This technology provides improved integration with various types of application and is more cost-effective compared with traditional hard disks. The contract also includes implementation and configuration of the new service.

Staff key to success

Core values

Proact works actively to go on reinforcing its corporate culture. Our watchwords clearly describe the company's values and concepts and the principles that provide a foundation for the organisation and its culture, alongside how we as a company make decisions, as well as our approach to our staff, customers, owners, partners and other stakeholders.

In 2016, all staff will be involved in efforts to clarify and concretise the implications of our watchwords. The following watchwords are key to the corporate culture.

Integrity

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

Commitment

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

Excellence

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

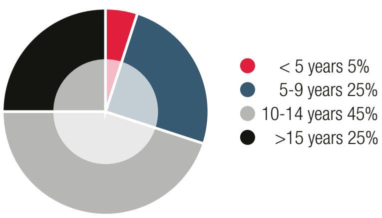
Expertise

The key to the Proact culture is in the name; being proactive is all part of the core of our culture, thereby constituting an important element in the "One Proact" strategy. The expertise of the company's staff is placed at the disposal of customers by means of consultancy services, support services and cloud services, for instance. During the sales process, too, customers have access to various forms of expert knowledge and experience during discussions relating to suggestions for their solutions to problems within Proact's specialist fields.

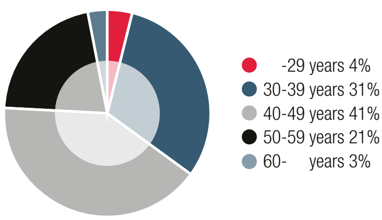
The number of employees had grown to more than 740 people by 31 December 2015. In Europe and the USA, the company is represented by a total of 36 offices in 15 countries. Proact works in close cooperation with customers on a local level, but at the same time makes the most of its strength as an international company. As an independent integrator, Proact's objective is always to understand customers' needs and requirements from both a business and a technical perspective.

To achieve the company's vision, "to be the world's most reliable IT service partner, facilitating innovation and increased growth among our customers", it is important to be innovative and go on developing the expertise of our staff. Proact has been running skills development initiatives within the scope of Proact Academy for a number of years. The aim of this is to ensure that the individual career and development plans for each and every staff member focus on the skills targets defined within the company.

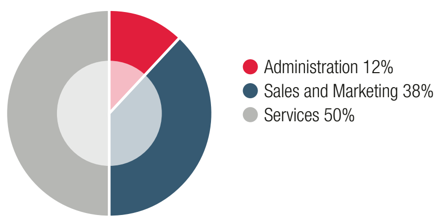
Number of years in the industry



Age structure



Distribution per function



Proact Academy

Proact Academy offers staff various forms of training in fields such as management, sales and technology. Its aim is to promote further training for all staff. Charting, governance and skills development are vital key terms in this process. Various forms of internal training are carried out regularly to ensure that all staff have a good understanding of the company's offering and the market in which we operate. By being successful with this internal work, Proact – as a leading organisation – can both attract and retain the very best staff.

- Proact Academy Leadership (PAL): MBA course for managers, run in cooperation with Uppsala University.
- Proact Academy Sales (PAS): Development for staff working with sales.
- Proact Academy Contracted Services (PACS): Developing specialist skills among staff working with consultancy, support and cloud services.

Staff survey

An annual staff survey entitled "Proact Motivation Index Survey" is used to obtain information with regard to staff motivation, commitment and attitude toward the company. The results of the survey make it possible to see trends within the company in terms of attitudes and values. It provides both managers and other staff with valuable information on which areas are working well within the company and which areas need to be developed. It goes without saying that taking on board the views of staff is an important way of guaranteeing good expertise and personal development for all staff members, and hence good development of the company as a whole.

Incentive schemes

One express objective is for the salaries of all staff throughout the organisation to have a variable pay component which is linked with the company's success. This is achieved in the form of various incentive schemes depending on the job types of individual staff members.

The share

The share
Proact shares have been listed on Nasdaq Stockholm with ticker symbol PACT since July 1999. Share capital amounts to SEK 10,618,837, divided over 9,333,886 shares with a quotient value of SEK 1.14. 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 general meeting. At annual general meeting, every individual entitled to a vote may vote with the full number of votes he owns and represents in shares, without limitation as to voting rights.

Stock exchange
4.9 million Proact shares to a value of SEK 543.2 million were traded in 2015 at an average price of SEK 107.30. The share price at the start of the year was SEK 78.50, compared with SEK 139.25 at year-end.

Ownership structure
Proact had 3,361 shareholders as at 31 December 2015, of whom most were private individuals with small holdings. There were 45 shareholders with holdings in excess of 20,000 shares, the largest of these being Livförsäkrings AB Skandia (publ) with a holding of 1,050,843 shares and Svolder AB with 742,436 shares.

At the Annual General Meeting held on 05 May 2015, 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 2015, no shares have been bought back under this authorisation. The company holds 40,144 shares in its own custody from previous authorisation as at 31 December 2015.

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

Shareholder value
Shareholder valuearises 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.

Information to shareholders
The complete annual report for 2015 will be available at the company's office from early April 2016 and will be made publicly available on the company's website. Interim reports are available on the Company's website at www.proact.se. For more information on the company, please contact Proact IT Group AB, telephone +46 (0) 8 410 666 00, e-mail: info@proact.se.

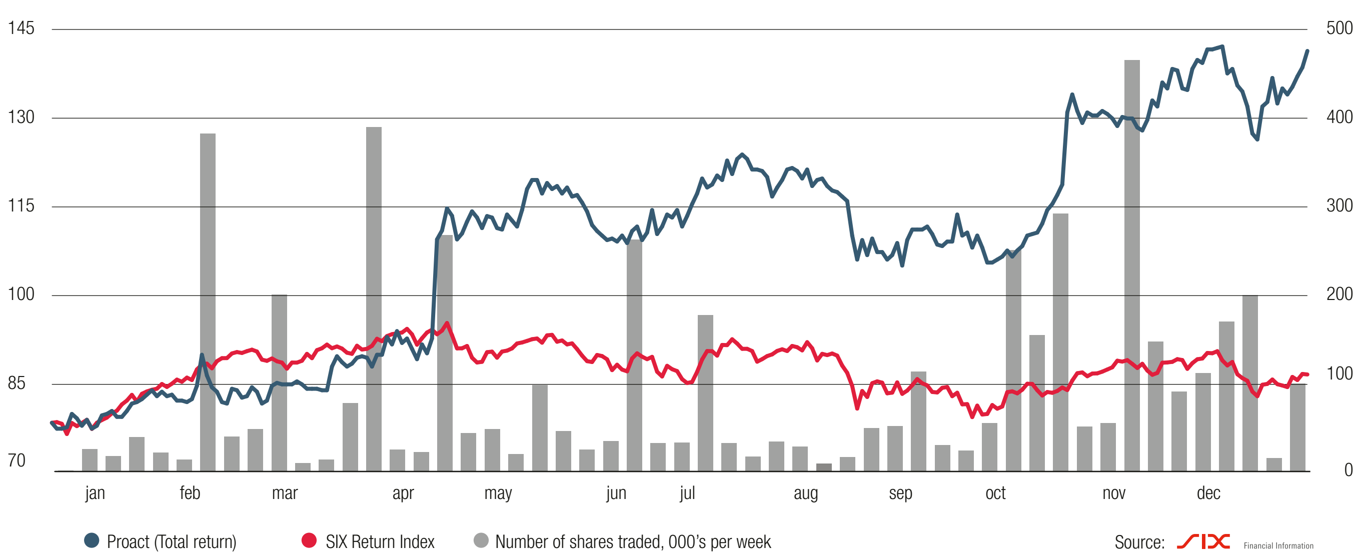
Number of shares per shareholder

Holding	Number of shareholders	Percentage of shareholders	Number of shares	Percentage of share capital
1 – 500	2,793	83.1%	307,415	3.3%
501 – 1,000	233	6.9%	190,809	2.0%
1,001 – 5,000	231	6.9%	472,886	5.1%
5,001 – 10,000	44	1.3%	328,749	3.5%
10,001 – 15,000	10	0.3%	118,629	1.3%
15,001 – 20,000	5	0.1%	88,193	0.9%
20,001 –	45	1.3%	7,827,205	83.9%
Total, 31 Dec 2015	**3,361**	**100.0%**	**9,333,886**	**100.0%**

Shareholders, 31 Dec 2015

	Number of shares	Percentage of capital and votes
Livförsäkrings AB Skandia (publ)	1,050,843	11.3%
Svolder AB	742,436	8.0%
IGC Industrial Growth Company AB	560,378	6.0%
Swedbank Robur Småbolagsfond Sverige	503,824	5.4%
Fjärde AP-fonden	453,343	4.9%
Försäkringsaktiebolaget, Avanza Pension	416,268	4.5%
Banque Carnegie Luxembourg S.A, (Funds)	390,726	4.2%
Grenspecialisten Förvaltning AB	390,554	4.2%
Skandia Sverige	370,668	4.0%
Unionen	370,000	4.0%
Others	4,084,846	43.8%
Total	**9,333,886**	**100.0%**

Development of share price 2015



Directors' report

The Board of Directors and the CEO of Proact IT Group AB (publ), corporate ID number 556494-3446, hereby submit the annual financial statement and group financial statement for the 2015 financial year, the company's twenty-first year of operation. 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 2 May 2016.

General information

The name of the company is Proact IT Group AB (publ), and it has its registered office in the Municipality of Stockholm, Sweden. The address of head office is Kistagången 2, SE-164 28 Kista. The company has been listed on Nasdaq Stockholm under the ticker symbol PACT since 1999.

Business approach

Proact is Europe's leading independent integrator in the fields of data storage and cloud solutions. Proact solutions cover all elements of data storage, including virtualisation, network functions and security. Proact supplies business benefits by helping companies and authorities the world over to reduce risk and costs, and above all, to supply flexible, accessible and secure IT services. Proact comprises wholly-owned and partly-owned subsidiaries within Europe.

As at 31 December 2015, Proact employed 743 staff in Belgium, Denmark, Estonia, Finland, Latvia, Lithuania, the Netherlands, Norway, Slovakia, Spain, the United Kingdom, Sweden, the Czech Republic, Germany and the USA.

All companies in the group of the same range of services on their respective markets, with the exception of Proact Finance AB, Proact Managed Cloud Services B.V. and the parent company, the operations of which are described below.

Proact Finance AB is a wholly-owned subsidiary which offers customers financial services via Group subsidiaries.

Proact Managed Cloud Services B.V. is a wholly-owned subsidiary which offers customers cloud services via Group subsidiaries.

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

The past year

The company has continued to enjoy good development in terms of growth, profitability, cash flow and net liabilities in 2015. All in all, this means that 2015 saw the best results ever in the history of the company. Both system and service sales have demonstrated strong growth throughout the year. The strategic focus area cloud services has developed well and is demonstrating growth of 41 per cent. It is pleasing to see that the market appreciates the company's specialist expertise and offerings.

The company has completed two strategically important acquisitions in 2015. To supplement the company's offering with application expertise in respect of Microsoft, it acquired 51 per cent of Business Unit "Microsoft Datacenter Innovation Services" from VX Company in the Netherlands. The company acquired Compose IT System AB at the end of the year. This acquisition will further reinforce the company's position in respect of cloud service offerings in the Nordic region.

Revenues amounted to SEK 2,802 (2,325) million, representing an increase of 21 per cent, and revenues increased by 16 per cent when adjusted for currency effects. Operating profit before depreciation, EBITDA, for 2015 as a whole amounted to SEK 169 (144) million, which is an increase of 17 per cent compared with the previous year. EBITDA, adjusted for non-recurring items, amounted to SEK 177 (146) million. Profit before tax amounted to SEK 104 (85) million. Profit before tax, adjusted for non-recurring items, amounted to SEK 112 (87) million.

Group revenue and profit

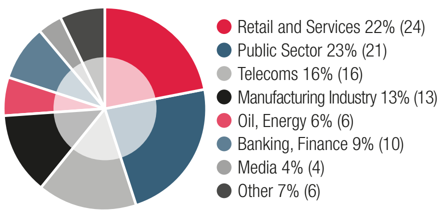
For 2015 as a whole, the company's revenues amounted to SEK 2,802 (2,325) million, representing an increase of 21 per cent.

Revenues per Business Unit	Jan-Dec 2015	Jan-Dec 2014	Jan-Dec 2013
Nordics	1,598	1,312	1,261
UK	643	502	567
West	448	387	357
East	140	144	124
Proact Finance	95	89	70
Koncerngemensamt	–123	–109	–74
Total revenues	**2,802**	**2,325**	**2,305**

All Business Units apart from East are showing growth for 2015 as a whole. Revenues have increased enormously in Nordics. This is positive as the markets in some countries have been hesitant. This increase relates to both system and service revenues. Both system and service revenues have developed well for UK and West. Service revenues have developed positively for East, while at the same time system revenues have fallen slightly. Proact Finance is continuing to develop well, and future contracted cash flows amount to SEK 145 (113) million as at 31 December 2015.

Proact has good revenue distribution in respect of its various industry segments. The four biggest industry segments are Trade & Services, Public Sector, Telecoms and Manufacturing Industry.
System revenues increased by 25 per cent over the financial year, compared with the same period last year. When adjusted for currency effects, system revenues increased by 21 per cent.

Revenue per sector



Revenues per operating segment	Jan-Dec 2015	Jan-Dec 2014	Jan-Dec 2013
System sales	1,884	1,506	1,546
Service operations	914	814	754
Other revenues	4	6	5
Total revenues	**2,802**	**2,325**	**2,305**

Revenues for service operations in respect of consultancy services, agreed customer support, operating services and cloud services increased by 12 per cent compared with last year, or a 8 per cent increase when adjusted for currency effects. New agreements have been concluded relating to cloud services to the value of SEK 106 (127) million. Revenues from cloud services are distributed over the term of each contract, a period of three to five years. Both customer support and cloud services are helping to bring about a positive development in the company's total contracted revenues, which is important for the company's future profit development.

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

Operating profit before depreciation, EBITDA, for 2015 as a whole amounted to SEK 169 (144) million, which is an increase of 17 per cent compared with the previous year. EBITDA, adjusted for items of a non-recurring nature, amounted to SEK 177 million. Profit before tax amounted to SEK 104 (85) million for the same period, representing an increase of 22 per cent. Profit before tax, adjusted for non-recurring items, amounted to SEK 112 (87) million.

Nordics profit has developed positively in terms of both system and service operations, despite a weakly developing market in some of the Nordic countries. Profit for UK has improved throughout the year, largely thanks to profitable system growth. Cloud operations have continued to develop well. For West, the Netherlands, Belgium and the acquired VX operation have had a positive effect on profit. The new business in Germany and the existing business in Spain have presented negative results for the financial year. Both East and Proact Finance are continuing to demonstrate stable profits.

Profit before tax per Business Unit	Jan-Dec 2015	Jan-Dec 2014	Jan-Dec 2013
Nordics	88.4	59.2	63.3
UK	15.3	3.3	12.7
West	11.6	17.0	7.4
East	7.6	7.5	5.2
Proact Finance	5.1	5.1	1.2
Groupwide	–15.5	–4.9	–25.0
Profit before tax and non-recurring items	**112.3**	**87.2**	**64.8**
Non-recurring items	–8.3	–2.0	–21.1
Profit before tax	**104.1**	**85.2**	**43.7**

The reported tax expense over the financial year amounted to SEK 26 (25) million, equivalent to a tax rate of 25 per cent.

Earnings per share amounted to SEK 8.20 (6.16).

Financial position and cash flows

The Group's liquid funds amounted to SEK 159 (143) million as at 31 December 2015. In addition, the Group has an unutilised overdraft facility of SEK 171 (141) million. The equity/assets ratio was 19.2 (17.5) per cent as at 31 December 2015. Net liabilities have fallen by SEK 2 million.

Cash flow amounted to SEK 28 (90) million for the year as a whole, of which SEK 183 (248) million was from operating activities. SEK 79 (69) million has been invested in fixed assets, and SEK 51 (36) million has been paid out in respect of additional purchase prices, acquisition of companies and the acquisition of further participations from non-controlling interests. Changes in bank loans, utilisation of the overdraft facility and contract borrowing have had a total impact of SEK 13 (30) million on cash flow. Dividends paid to the parent company's shareholders amounted to SEK 16 (11) million.

Of total bank overdraft facilities of SEK 173 (145) million, SEK 2 (4) million has been utilised. Bank loans amount to SEK 139 (120) million, SEK 33 (32) million of which will fall due for repayment within 12 months. These loans will run until December 2018 and include a loan covenant in respect of Net Debt/EBITDA. The loan covenant has been met by a good margin in 2015 and as at 31 December 2015. Contract borrowing is being used to finance Proact's finance company, Proact Finance. The Group also uses invoice factoring in Sweden and Finland.

Total goodwill for the Group amounts to SEK 334 (281) million, attributable primarily to the operations in the United Kingdom, the Netherlands, Sweden and Norway. Other intangible assets amount to SEK 122 (121) million and are depreciated over a useful life of five to ten years.

The Group's total deductions for losses amount to SEK 118 (112) million. It has been assessed that of this amount, SEK 20 (24) million can be made use of against future taxable profits and the tax effect of the estimated future deduction has been recorded as a deferred tax claim. As at 31 December 2015, a total of SEK 15 (14) million has been recorded as deferred tax claims, of which SEK 5 (6) million is attributable to fiscal deficits. Tax expense for the year amounts to SEK 26 (25) million. Tax paid throughout the year amount to SEK 36 (16) million.

Staff

The average number of employees over the year was 669 (646). The company employed 743 (665) people as at 31 December 2015, of whom 67 employees joined the company throughout the year as part of the acquisition of companies.

Parent company

The parent company's revenues totalled SEK 73 (55) million. Profit before tax for the year amounted to SEK 23 (53) million. This result is largely due to dividends from subsidiaries. The parent company's liabilities in a joint Group currency account amounted to SEK 290 (239) million as at 31 December 2015. At the end of the period, the number of people employed by the parent company totalled 18 (13).

The parent company's operations remained unchanged during the period and comprise Groupwide functions and work relating to investor relations. There have been no significant transactions with related parties utöver de med ledningen i egenskap av anställda.

Environment

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

Research and development

The company's research and development operations are run by means of an innovation process established within the company. This process is ensuring that the company will meet the market's needs and requirements as effectively as possible, and also that new products and services will be developed in a time-efficient, cost-effective manner. No research and development expenditure has been capitalised. The company also maintains close contact with the leading and most important suppliers of data storage and cloud service systems. The company also keeps track of technical developments in the company's focus areas by means of participation in trade fairs and seminars.

Risks and uncertainty factors

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

For a detailed description of risks and risk management, see the section entitled "Risks and risk management".

Board and executive

Martin Ödman has been the CEO for the Swedish companies Proact IT Group AB and Proact IT Sweden AB during the year, as well as acting as Group President. Jason Clark took over from Martin Ödman as Group President and CEO of Proact IT Group AB on 8 January 2016. Jason Clark was responsible for Proact operations in the United Kingdom during the 2015 financial year.

Other senior executives in 2015 were Arne Kungberg (Business Unit Director East), Marit Fagervold (Business Unit Director Nordics), Sander Dekker (Business Unit Director West), Peter Javestad (CEO Proact Finance AB and Vice President IR and Professional Services), Jason Clark (CEO Proact IT UK), Mattias Wallgren (Vice President Managed Cloud Services), Jakob Høholdt (Vice President Strategy and Efficiency), Per Sedihn (CTO), Eirik Pedersen (Vice President Sales and Marketing), Tomas Vikholm (Vice President Customer Support) and Jonas Persson (CFO).

Anders Hultmark was re-elected Chairman of the Board at the Annual General Meeting on 5 May 2015. Christer Holmén, Eva Elmstedt, Roger Bergqvist and Christer Hellström were re-elected as Board members, and Pia Gideon was newly elected as a Board member.

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

The Board has met eleven times in 2015. 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 and issues relating to personnel and organisation, legal issues and essential policies. Individual Board members have assisted the Group executive on various issues of a strategic nature. The Board has appointed three Board members to make up an audit committee and two to make up a remuneration committee. The company's auditor participates in Board meetings at least once a year and on such occasions reports on observations from the inspection. The audit committee has met four times over the year. The company's auditor has participated in all meetings of the audit committee throughout the year.

Guidelines on remuneration for senior executives

A decision was made at the Annual General Meeting for 2015 regarding the following guidelines for remuneration to senior executives, to remain in force until the time of the next Annual General Meeting.

Remuneration to the CEO and other senior executives will be made up of a set salary, variable remuneration (where applicable), other customary benefits and pension. Total remuneration to officers must be in line with market conditions and competitive on the labour market on which the officer is active, and significant performance must be reflected in the total remuneration.

The set salary and variable remuneration must be related to the responsibilities and authorisations of the officials. The total variable remuneration for all senior executives must be maximised to an amount corresponding, on average, to eight monthly salaries, based on results in relation to targets set, and coincide with the interests of shareholders.

Pension terms must be in line with market conditions, given the situation in the country in which the officer resides permanently.

The issue of remuneration to the CEO will be discussed by a remuneration committee and adopted by the Board of Directors, and for other senior executives this issue will be considered by the CEO.

The Board is entitled to deviate from the above guidelines if the Board is of the opinion that there are special reasons for doing so in the individual case in question. In the opinion of the Board, there has been compliance with the above guidelines for 2015.

The Board will propose to the 2016 Annual General Meeting that the above guidelines continue to apply.

Corporate governance

Corporate governance at Proact IT Group AB (publ) is based on the Companies Act, the Swedish Company Accounts Act, the Articles of Association, the listing agreement with Nasdaq Stockholm and the Swedish Code of Corporate Governance. The corporate governance report, including the Board of Directors' report on internal auditing for 2015, has been compiled as a separate document which can be found on page 21. The report is also published on the Proact website.

Ownership structure

Proact shares have been listed on Nasdaq Stockholm with ticker symbol PACT since July 1999. Proact had 3,361 (3,476) shareholders as at 31 December 2015, of whom most were private individuals with small holdings. The biggest, and only, shareholder with a holding above 10 per cent was Livförsäkrings AB Skandia, with a holding of 11.3 per cent.

As far as the Board of Directors is aware, there are no agreements 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 9,333,886 shares with a quotient value of SEK 1.14. 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 general meeting. At the Annual General Meeting, every individual entitled to a vote may vote with the full number of votes he owns and represents in shares, without limitation as to voting rights.

Buy-back of own shares

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

At the Annual General Meeting held on 5 May 2015, 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 2015, no shares have been bought back under this authorisation.

During 2015, a total of 108,474 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 40,144 as at 31 December 2015, which is equivalent to 0.4 per cent of the total number of shares. The total book value of own shares held by the company is SEK 3.0 million, which is equivalent to an average acquisition value of SEK 76 per share.

Significant events after the end of the financial year

On 8 January 2016, the Board of Directors made a decision to appoint Jason Clark as the new Group President and CEO of Proact IT Group AB. Jason Clark was previously responsible for Proact operations in the United Kingdom.

Expectations of the future

The growth of digital business-critical information remains high: in the opinion of research company IDC, annual growth stands at around 50% depending on geographical area and industry. Despite the fact that the annual growth of business-critical information is high, annual economic growth in respect of the European storage market is deemed to stand at around 0-2% per year. The primary reason for the different between information growth and economical growth is the rapid pace of technical development. This involves factors such as greater storage capacity per storage unit and advanced new information reduction techniques. Given the experience and expertise available at Proact, it is our view that economic market growth will remain at this level in the immediate future.

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

Another market trend we are seeing is the continued growth of the data centre concept (a combination of storage, servers and networks), while at the same time new fields of technology for management of business-critical information are being implemented. One example of a new field of technology is Flash, where information is stored on a memory chip instead of a traditional hard disk. This technology provides improved integration with various types of application and is more cost-effective compared with traditional hard disks.

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

Dividend policy

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

Dividend proposal and proposed appropriation of profits

The Board of Directors and CEO will propose a dividend of SEK 2.70 (1.70) per share to the Annual General Meeting for the 2015 business year.

The Annual General Meeting has at its disposal:	
Retained earnings	SEK 200,111,887
Profit for the year	SEK 22,635,458
Total non-restricted equity	**SEK 222,747,345**

The Board of Directors and the CEO propose that retained earnings be managed as follows:	
Dividend, SEK 2.70 per share	SEK 25,093,103
To carry forward	SEK 197,654,242
Total	**SEK 222,747,345**

There are 9,333,886 registered shares within the company, of which as at 22 March 2016 40,144 shares are bought-back own shares not entitled to dividends. The total of the dividend of SEK 25,093,103 proposed above may change, but to no more than SEK 25,201,492, if ownership of the number of bought-back own shares changes prior to the record day for dividends.

The Board submits the following statement of motivation in accordance with Chapter 18, Subsection 4 of the Companies Act in respect of the proposal on distribution of dividends:

The proposed dividend amounts to 10 per cent of the company's equity and 8 per cent of the Group's equity. Non-restricted equity in the parent company at the end of the 2015 financial year amounted to SEK 222,747,345. The annual report indicates that the Group's equity/assets ratio amounts to 19.2 per cent. The proposed dividend does not jeopardise the implementation of the investments deemed necessary. In the opinion of the Board, the company has equity well suited to the scope of the company's operations and the risks associated with the implementation of operations. It may further be noted that the Group has cash and cash equivalents amounting to approximately SEK 159 million, unutilised bank overdraft facilities amounting to approximately SEK 171 million and net debt amounting to SEK -6 million."

For the company's accounted profit/loss for the financial year and its situation as at 31/12/2015, please see the income statement and balance sheet below, the equity report and the cash flow analyses, as well as the notes pertaining to these.

Risks and risk management

Proact's risk management aims to identify, control and reduce risks linked with its operations. Most of these activities take place within each subsidiary, but certain legal, strategic and financial risks are managed at Group level.

Risks relating to market and operations are managed within each subsidiary. As most of the risks relating to operations are attributable to Proact's relationships with customers and suppliers, these are evaluated regularly so as to be able to determine the business risks involved.

BUSINESS RISKS	PROBABILITY	HANDLING	INFLUENCE
Customers Proact has a good risk spread with regard to geographical presence and customer segments.		Proact's biggest customers can be found in the sectors of trade/services, the public sector, telecoms and the manufacturing industry. The ten biggest customers are responsible for 23 (19) per cent of revenue, and no one customer represents more than 5 (7) per cent of revenue. The biggest customers are spread over a number of countries.	
Suppliers 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.		Proact works continuously with evaluation of various suppliers in order to minimise risk exposure and dependency.	
Provision of skills Proact's successes are very strongly linked with the ability to recruit, develop, motivate and retain qualified staff.		As future success is dependent on the ability to maintain its reputation as an attractive employer, Proact runs – among other things – a number of custom training courses within the scope of Proact Academy.	
Acquisitions and integration The implementation of acquisitions involves risk. The acquired company's relations with customers, suppliers and key individuals may be adversely affected. There 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 of the entire company takes place in due course before a decision is made (due diligence) so that any risks can be evaluated. Experience gained from acquisition and integration work carried out creates a strong foundation for successful limitation of these risks in future.	

MARKET RISKS	PROBABILITY	HANDLING	INFLUENCE
Impact of the financial situation The general market situation affects the options and inclination of Proact's existing and potential customers to invest.		Proact operates over a significant geographical area, and the company has a broad customer base in a large number of industries. As digital information volumes for storage and archiving are growing to a great extent while Proact is at the same time offering its customers streamlining and cost savings, the impact on Proact of the financial situation is relatively limited. The fact that a third of Proact's total revenues are contracted for one to five years also alleviates the effects of market fluctuations.	
Products and technology The IT sector is undergoing constant development as regards products and technology, with requirements for more efficient solutions helping users to save money.		Proact is constantly evaluating new technologies, products and services in close partnership with its customers and suppliers to be able to provide the best solutions possible for the market.	
Competitors The competition comes from specialist companies, integrators focusing on general IT, and larger companies with their own products and services, such as Hewlett-Packard and IBM.		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 cloud services.	

FINANCIAL RISKS	PROBABILITY	HANDLING	INFLUENCE
Liquidity risk Liquidity risk is the risk of the company not being able to meet its payment obligations in full, or of only doing so on significantly unfavourable terms due to a shortage of cash.		Fundamentally, liquidity risk is managed with caution at Proact. Liquidity planning, in combination with credit limits and lending facilities, is used to ensure that the Group has sufficient liquid funds at all times. At the end of the year, Proact had cash and cash equivalents totalling SEK 159 (143) million and an unutilised overdraft facility of SEK 171 (141) million, and at the same time net debt has fallen from SEK –8 million to SEK –6 million during the 2015 financial year. Under the company investment policy, the parent company manages placements of the Group's excess liquidity. Investments must be made in bank accounts or in interest-bearing Swedish securities. Securities must relate to government bonds or certificates issued by banks or by brokers owned by banks. Investments must only be made in certificates with a K1 rating or in certificates issued by finance companies which are under the supervision of the Swedish Financial Supervisory Authority. No investments may have a term longer than six months. Short-term liquidity requirements are currently provided for by overdraft facilities. To ensure that these needs can be met, a strong financial position is required in combination with active efforts to gain access to such credit.	

CONT. FINANCIAL RISKS | PROBABILITY | HANDLING | INFLUENCE

Finance risk

"Finance risk" relates to the risk of the financing of the Group's capital requirements and refinancing of outstanding loans being impaired or made more expensive.

Bank loans amount to SEK 139 million, SEK 33 million of which will fall due for repayment within 12 months. These loans will run until December 2018 and include a loan covenant in respect of Net Debt/EBITDA. The loan covenant has been met by a good margin in 2015 and as at 31 December 2015. See Note 24 for further information. Contract borrowing is being used to finance the company's finance company, Proact Finance. With contract borrowing, the risk remains with the company until the customer pays. 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 173 million, of which SEK 171 million was unutilised as at 31 December 2015.

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.

Interest rate risk

Interest risk is the risk that permanent changes in market interest rates will adversely affect cash flow or the fair value of financial assets and liabilities. Interest rate risk exposure arises mainly from outstanding external loans. The impact on net interest is partly due to average interest terms on borrowings.

In accordance with the Group's financial policy, all external borrowings have short interest terms; less than three months on average. No interest rate derivatives were utilised to manage this risk in 2015. Lending and interest rates are specified in greater detail in Note 24.

Sensitivity analysis
An instantaneous reasonable change in the interest rate as at 31 December would have no significant impact on the Group's profit or equity as derivatives and purchase prices valued at fair value as at 31 December do not amount to tangible amounts. The balances attributable to interest-bearing liabilities are not affected by an instantaneous change in the interest rate as they are valued at accrued acquisition cost.

Currency risk

Currency risk is the risk of changes in currency exchange rates having an adverse effect on the income statement, balance sheet and cash flow.

Proact is particularly subject to exchange rate risks in the USD and EUR currencies, as most of its purchases are from suppliers which invoice in these currencies. The currency risk which may arise is managed by means of a currency clause with customers which covers the currency risk which may occur from the time of tendering until delivery to the customer, and also by hedging major purchases in foreign currencies. Under Proact's exchange rate policy, all exposure in excess of EUR 200 thousand/USD 250 thousand must be hedged.

The fair value of outstanding forward contracts involves an unrealised profit of SEK -762 (-553) thousand as at 31 December 2015, which has affected the income statement by an equivalent amount. Net assets in a foreign subsidiary in the UK have been hedged – see also Note 30 – while the permanent financing of foreign subsidiaries is not hedged. The purchase and sale of foreign currencies is reported in note 14.

Sensitivity analysis
The Group's profit is affected by factors such as changes in foreign currency exchange rates in relation to SEK. Many of the Group's purchases are made in EUR and USD, while at the same time sales to end customers are made in local currency.

A 10 per cent change in currency exchange rates would affect profit before depreciation as follows::
SEK/EUR +/-10% SEK +/-3 million (effect on equity after tax SEK +/- 2 million)
SEK/USD +/-10% SEK +/-8 million (effect on equity after tax SEK +/- 6 million)

The effects above have been calculated based on circumstances in 2015 and the events must be viewed as isolated, without measures being taken to compensate for any drop-off in earnings.

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 receivable.

The predominant element of Proact's credit risk relates to receivables from customers. Proact's sales are divided over a large number of end-customers spread over a broad geographical area, which limits the concentration of credit risk. The credit risk within the Group must be kept to a minimum by establishing a credit limit for each and every one of the company's customers and partners, as well as entering into agreements where considered necessary with a view to minimising credit risk.
Below is an analysis of accounts receivable as at 31 December:

	2015	%	2014	%
Not due	447.7	83.1%	415.5	83.6%
< 30 days	68.8	12.8%	54.5	11.0%
31-60 days	6.3	1.2%	6.3	1.3%
61-90 days	8.1	1.5%	2.6	0.5%
> 90 days	8.0	1.5%	18.2	3.7%
Total	**538.9**	**100.0%**	**497.1**	**100.0%**

The credit quality of non-overdue receivables is deemed to be good. Just as in the previous year, the company has no customer losses in 2015. Uncertain receivables amount to SEK 308 (845) thousand. 4 (5) per cent of total trade receivables are more than 30 days old.

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. Any deviations from the Code are explained in the relevant sections.

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 adjacent to the company's head office in Kista. 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 Chairman. 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 CEO
- making decisions on remuneration for the Board of Directors and auditors
- approving the appointment of the nomination committee

Shareholders who do not have the opportunity to attend the General Meeting in person may instead participate via a representative.

The "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 a General Meeting.

Annual General Meeting 2015

20 shareholders, representing 45.4 per cent of both the number of shares and the total number of votes in the company, participated in Proact's Annual General Meeting which took place in Kista on 5 May 2015. The Board of Directors, executive team and company's auditors were present at this meeting. Among other things, the following decisions were made:

- Chairman of the Board Anders Hultmark was appointed Chairman of the meeting.
- The income statement and balance sheet, and the consolidated income statement and consolidated balance sheet were approved and adopted.
- Establishment of a proposed dividend of SEK 1.70 per share.
- The Board of Directors and Chief Executive Officer were granted discharge from liability for the 2014 business year.
- Remuneration payable to the Board of Directors was set at a total of SEK 1,630,000.
- Remuneration to the auditors will be paid in accordance with an approved invoice.
- Anders Hultmark, who was also elected Chairman of the Board, was re-elected as a Board member. Other Board members re-elected were:
  - Christer Holmén
  - Eva Elmstedt
  - Roger Bergqvist
  - Christer Hellström
- The following Board member was newly elected:
  - Pia Gideon
- Establishment of guidelines on remuneration for senior executives.
- Establishment of principles for the appointment of a nomination committee for the 2016 Annual General Meeting.
- Authorisation for the Board of Directors to make decisions, for the period until the next annual meeting, on one or more occasions, on the issue of new shares without preferential rights for shareholders, of a total of no more than 933,000 shares against property other than cash or by set-off.
- Authorisation for the Board of Directors to make decisions on acquisition of up to 10 per cent of the number of outstanding shares in the company by the next Annual General Meeting.

Nomination committee

At Proact's Annual General Meeting, held on 5 May 2015, it was decided that the nomination committee is to consist of representatives of the four biggest shareholders and the Chairman of the Board, and that the Chairman of the Board should contact the biggest shareholders in accordance with Euroclear Sweden's list of shareholders as at 30 September 2015.

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

If any significant change in the ownership structure takes place once the nomination committee has been appointed, the composition of the nomination committee must be amended in accordance with the principles above.

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

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

Work of the nomination committee

The composition of the nomination committee was published on 20 October 2015. It comprises Chairman of the Board Anders Hultmark (IGC), Stephanie Gabrielsson (Skandia Liv) – Chairman of the nomination committee – Håkan Berg (Swedbank Robur) and Ulf Hedlundh (Svolder). The nomination committee represents in total around 36 per cent of votes in Proact as at 30 September 2015.

All shareholders have the opportunity to consult the nomination committee with suggestions for Board members. The nomination committee has held four minuted meetings. Among other things, the nomination committee has assessed the overall suitability of the Board on the basis of an assessment of Proact's future development and challenges.

A report on the work of the nomination committee is published on the Proact website – www.proact.se – in connection with the publication of its proposal to the 2016 annual general meeting concerning election of the Board of Directors.

Board of Directors

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

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 5 May 2015, it was decided that the Board would consist of six members and no deputies for the period until the next Annual General Meeting.

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 per business year, the Board members discuss the following amongst themselves or with the assistance of external parties:

- Evaluation of the work of the Board of Directors takes place by means of a questionnaire provided by the Swedish Academy of Board Directors, and the nomination committee also carries out interviews with all members.
- 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 held on 5 May 2015 established the total remuneration to the Board at SEK 1,630,000. The Chairman of the Board will be paid a fee of SEK 450,000, while other members will be paid SEK 180,000 each, plus SEK 280,000 for committee work to be distributed SEK 180,000 to the audit committee and SEK 100,000 to the remuneration committee. No further payments have been made to the Board over the year.

Board members are not included in any share or share price-related incentives schemes.

Composition of the Board and attendance at Board meetings, 2015

Board member	Remuneration committee	Audit committee	Attendance at Board meetings
Anders Hultmark	•		100 %
Christer Hellström		•	100 %
Christer Holmén		•	100 %
Eva Elmstedt	•		100 %
Roger Bergqvist		•	91 %
Pia Gideon			100 %

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

Board member	Function	Date of birth	Nationality	Elected	Independent	Shareholding 31/12/2015
Anders Hultmark	Chairman	1954	Swedish	2005	Yes	560,378
Christer Hellström	Member	1964	Swedish	2013	Yes	10,000
Christer Holmén	Member	1960	Swedish	2009	Yes	20,000
Eva Elmstedt	Member	1960	Swedish	2009	Yes	1,595
Roger Bergqvist	Member	1948	Swedish	2009	Yes	1,500
Pia Gideon	Member	1954	Swedish	2015	Yes	0

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 Chairman. 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 CEO.

In 2015, the Board held eleven meetings compared with eleven in the previous year. The control issues arising at Board meetings are dealt with by the Board where appropriate following preparation by the remuneration committee or audit committee. In addition, the company's auditors report directly at least once a year to the Board their observations from the review and their assessments of the company's internal accounting control.

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

Other information on Board members

- Anders Hultmark (Board work and contractor, experience from Kinnevik, Hilleshög, Mars Inc., TeknoTerm, et al.)
  Chairman at Proact IT Group AB, HMark Holding AB, Industrial Growth Company AB, Provexa Holding AB and Pulsteknik AB.
  Member of the Board at IGC Growth Consulting AB, Permanova AB, Provexa AB and Tetrafix AB.
- Christer Hellström (Board work and investments)
  Chairman at Krauthammer Investments Holding Priority Foundation and Third Tier AB.
  Member of the Board at Curamando AB, Krauthammer Investments Holding Supervisory Board, Premune AB and Serendipity Ixora AB.
- Christer Holmén (PhD.)
  Chairman of the family's management company.
  Member of the Board at AB Gullringsbo Egendomar, Hemfrid AB and Wangeskog Hyrcenter AB.

- Eva Elmstedt (Board work and investments, previous senior positions at companies including Nokia, Ericsson, 3 and IBM).
  Member of the Board at Addtech AB, Axiell Group AB, Gunnebo Group AB and Syntavia AB.
- Roger Bergqvist (Independent consultancy)
  Vice-chairman at B&B Tools AB.
  Member of the Board at BE Group AB, Lagercrantz Group AB, Ventilationsgrossisten Nordic AB and Corroventa AB.
- Pia Gideon (Board work, previous senior positions within the Ericsson group)
  Member of the Board at Klövern, Metria, Mindoktor.se, Qlucore and Svevia.

Remuneration committee

The job 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 CEO'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.

At the Annual General Meeting on 2 May 2016, the Board will present for the approval of the Board proposals for principles for remuneration and other terms of employment for the corporate executive.

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

The remuneration committee has held three meetings over the year, as well as maintaining constant contact by telephone and e-mail.

Audit Committee

The job of the audit committee is to prepare Board work on quality assurance of the company's financial reporting. This committee maintains constant contact with the company's external auditors in order to keep abreast of the focus and scope of the audit and to discuss views on the company's risks. Decisions by the Board are required for services other than auditing exceeding 10 per cent of the budgeted audit fee. This committee is also tasked with providing its evaluation of the audit work to the nomination committee and with assisting the nomination committee with production of the nomination committee's proposals to the Annual General Meeting concerning the election of auditors and the size of the audit fee.

The audit committee consists of three Board members. The Chairman of the audit committee prepares and convenes the meetings of the audit committee.

The audit committee has held four meetings over the year, as well as maintaining constant contact by telephone and e-mail.

External auditors

The Annual General Meeting which was held on 5 May 2015 elected the firm of auditors Ernst & Young AB (EY), with Rickard Andersson as principal auditor, for the period up to the 2016 Annual General Meeting.

The auditors review the Board's and the CEO'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 auditor's 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.

EY performs certain services for Proact in addition to audits. When EY 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 EY's independence.

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

President and Group executive

Jason Clark, born in 1973, has been the CEO and President of Proact IT Group AB since 8 January 2016. He was employed by B2net Ltd in 2001, which subsequently became part of Proact in 2011. His previous position was as Head of Business Unit UK, which covers the company's business in the United Kingdom. Jason Clark owned 92,000 shares in the company as at 31 December 2015. Jason Clark has no significant shareholdings or co-ownership in companies with which Proact has significant business relationships.

The CEO manages operations in accordance with the instructions of the Board of Directors and the approved distribution of work between the Board and the CEO. The CEO is responsible for keeping the Board informed and for ensuring that the Board is provided with the requisite decision data. The CEO presents reports to the Board but is not a Board member. This is in accordance with applicable policy, in which either the CEO or another senior executive must be a Board member in the parent company. In ongoing contact, the CEO keeps the Chairman informed of the development and financial position of the company and the Group besides providing periodic reporting.

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

As at 31 December 2015, Proact's Group executive consisted of the CEO and eleven other senior executives.

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

Remuneration to senior executives

The Annual General Meeting held on 5 May 2015 assumed principles concerning remuneration to senior executives, which means that remuneration must be made up of a set salary, variable remuneration, other customary benefits and pension. Total remuneration to officers must be in line with market conditions and competitive on the labour market on which the officer is active, and significant performance must be reflected in the total remuneration.

The set salary and variable remuneration must be related to the responsibilities and authorisations of the officials. The total variable remuneration for all senior executives must be maximised (to an amount corresponding, on average, to eight monthly salaries), based on results in relation to targets set, and coincide with the interests of shareholders.

Provision of information

Proact strives 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 large amount 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 inspection

Inspection 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 CEO, 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, manuals, etc. which affect financial reporting 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. 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. The outcome is reported to the CEO, CFO and Board of Directors.

Christer Holmén, Roger Bergqvist, Pia Gideon, Anders Hultmark, Eva Elmstedt, Christer Hellström

Board of Directors

Name/Position	Date of birth	Elected	Training	Experience	Other directorships	Number of shares
Anders Hultmark Chairman	1954	2005	Graduate in Business Administration and LL.B. at Uppsala University and Stockholm University, plus IFL management training	Kinnevik, Hilleshög, Mars Inc., TeknoTerm, et al.	Chairman: HMark Holding AB, Industrial Growth Company AB, Provexa Holding AB and Pulsteknik AB. Director: IGC Growth Consulting AB, Permanova AB, Provexa AB and Tetrafix AB.	560,378
Roger Bergqvist Member	1948	2009	Market economist	Senior positions at Bergman & Beving, CEO and Group President for Addtech AB, CEO of Teleinstrument	Vice-chairman: B&B Tools AB. Director: BE Group AB, Lagercrantz Group AB, Ventilationsgrossisten Nordic AB and Corroventa AB	1,500
Eva Elmstedt Member	1960	2009	BSc from Indiana University of Pennsylvania and Stockholm School of Economics	Senior positions at Nokia, Ericsson, 3, IBM, et al.	Director: Addtech AB, Axiell Group AB, Gunnebo Group AB and Syntavia AB.	1,595
Pia Gideon Member	1954	2015	Graduate in Business Administration, Stockholm School of Economics.	Senior positions at the Ericsson group	Director: Klövern, Metria, Mindoktor.se, Qlucore and Svevia.	0
Christer Hellström Member	1964	2013	Graduate in Business Administration,, Computer Technology at Chalmers in Gothenburg and MBA International Business at Chalmers and School of Business, Economics and Law at the University of Gothenburg	Senior positions at Swedish and Nordic level and partner at Accenture	Chairman: Krauthammer Investments Holding Priority Foundation and Third Tier AB. Director: Curamando AB, Krauthammer Investments Holding Supervisory Board, Premune AB and Serendipity Ixora AB.	10,000
Christer Holmén Member	1960	2009	PhD, Business Administration	Professional advisor Business Management and organisational development, as well as service development and service production at industrial organisations	Chairman of the family's management company. Director: AB Gullringsbo Egendomar, Hemfrid AB and Wangeskog Hyrcenter AB.	20,000

Management

Jason Clark (Business Unit Director UK, CEO and President from 8 January 2016)
Born: 1973
Employed since: 2001
Number of shares: 92,000

Sander Dekker (Business Unit Director West)
Born: 1978
Employed since: 2007
Number of shares: 0

Marit Fagervold (Business Unit Director Nordics)
Born: 1953
Employed since: 1994
Number of shares: 79,179

Eirik Pedersen (Vice President, Sales and Marketing)
Born: 1964
Employed since: 2008
Number of shares: 2,647

Jonas Persson (Chief Financial Officer)
Born: 1972
Employed since: 1998
Number of shares: 7,000

Per Sedihn (Chief Technology Officer)
Born: 1964
Employed since: 1994
Number of shares: 500

Jakob Høholdt (Vice President, Corporate Strategy and Efficiency)
Born: 1969
Employed since: 2002
Number of shares: 24,905

Peter Javestad (Vice President Professional Services and Investor Relations, CEO Proact Finance)
Born: 1974
Employed since: 1998
Number of shares: 2,800

Arne Kungberg (Business Unit Director East)
Born: 1963
Employed since: 1995
Number of shares: 7,051

Tomas Vikholm (Vice President, Customer Support)
Born: 1971
Employed since: 2001
Number of shares: 0

Mattias Wallgren (Vice President, Managed Cloud Services)
Born: 1972
Employed since: 2013
Number of shares: 0

Martin Ödman (CEO and President up to 7 January 2016)
Born: 1957
Employed since: 1997
Number of shares: 22,223

Consolidated statement of comprehensive income

Amounts in SEK 000	Note	2015	2014
	1		
System revenues		1,883,579	1,505,753
Service revenues		914,077	813,690
Other revenues		3,996	5,816
Total revenues	2,3	**2,801,652**	**2,325,259**
Cost of goods and services sold	5,6,7,9,13,14,19	–2,129,613	–1,749,834
Gross profit	5,28	**672,039**	**575,425**
Sales and marketing expenses	9,13	–371,302	–332,991
Administration expenses	5,6,8,9,13	–187,209	–157,539
Operating profit	7,8,13,14,27	**113,528**	**84,895**
Financial income	10	4,754	3,979
Financial expenses	11	–14,220	–3,683
Profit before tax	14	**104,062**	**85,191**
Income tax	12	–25,642	–25,298
Income for the year		**78,420**	**59,893**
Other comprehensive income			
Items which may be reversed later in the income statement			
Hedging of net investment in foreign operations		240	–1,000
Tax effect of hedging of net investment in foreign operations		–53	220
Translation differences		–10,717	13,961
Total items which may be reversed later in the income statement		**–10,530**	**13,181**
Total comprehensive income for the year		**67,890**	**73,074**
Profit/loss for the year attributable to:			
Parent Company's shareholders		75,341	57,188
Non-controlling interests	17	3,079	2,705
		78,420	**59,893**
Total comprehensive income for the year attributable to:			
Parent Company's shareholders		65,321	66,107
Non-controlling interests		2,569	6,967
		67,890	**73,074**
Earnings per share			
Earnings per share for profit/loss attributable to			
the parent company's shareholders, SEK[1]	31	8.20	6.16
Weighted average number of outstanding shares		9,192,876	9,291,082

1) The company has no outstanding instruments which may involve dilution.

Consolidated Balance Sheet

Amounts in SEK 000	Note	31/12/2015	31/12/2014
	1		
ASSETS			
FIXED ASSETS			
Goodwill	5, 15	334,311	280,618
Other intangible assets	5, 15	121,587	121,277
Tangible fixed assets	5, 16	54,231	58,788
Other long-term receivables	18, 27	96,037	85,994
Deferred tax receivables	12	15,012	13,529
TOTAL FIXED ASSETS		**621,178**	**560,206**
CURRENT ASSETS			
Inventories	19	12,262	28,227
Accounts receivable	14	538,862	497,054
Current tax receivables		2,890	5,993
Other receivables		13,513	16,947
Prepaid expenses and accrued income	21	303,239	289,609
Cash and cash equivalents	26	158,785	142,859
TOTAL CURRENT ASSETS		**1,029,551**	**980,689**
TOTAL ASSETS		**1,650,729**	**1,540,895**
EQUITY AND LIABILITIES			
EQUITY	30		
Equity pertaining to the parent company's shareholders			
Share capital (9,333,886 shares with a quotient value of SEK 1.14)		10,619	10,619
Other capital contributions		297,964	297,964
Other reserves		–31,741	–5,107
Retained earnings including profit/loss for the year		28,657	–46,684
Equity pertaining to the parent company's shareholders		**305,499**	**256,792**
Equity pertaining to non-controlling interests	17	**11,266**	**12,531**
TOTAL EQUITY		**316,765**	**269,323**
LIABILITIES			
Long-term liabilities			
Loans	24	107,624	95,094
Other long-term liabilities	24, 27	16,579	8,471
Deferred tax liabilities	12	23,400	26,773
Long-term liabilities, total		**147,603**	**130,338**
Current liabilities			
Accounts payable	14	508,402	488,630
Current tax liabilities		27,941	41,667
Bank loans	24	55,518	54,434
Other liabilities	22, 24	69,688	90,537
Accrued expenses and prepaid income	23	524,812	465,966
Current liabilities, total		**1,186,361**	**1,141,234**
TOTAL LIABILITIES		**1,333,964**	**1,271,572**
TOTAL EQUITY AND LIABILITIES		**1,650,729**	**1,540,895**
Assets pledged	25	341,187	260,242

Consolidated statement of changes in equity

Amounts in SEK 000 Note 30	Share capital	Other capital contributions	Hedging of net investment in foreign operations	Translation of foreign subsidiaries	Retained earnings	Total	Attributable to non-controlling interests	Total shareholders' equity
	Attributable to the parent company's shareholders							
Opening balance at 1 January 2014	**10,619**	**297,964**	**–717**	**–13,309**	**–65,254**	**229,303**	**13,311**	**242,614**
Total comprehensive income for the year	–	–	–780	9,699	57,188	66,107	6,967	73,074
Dividends to non-controlling interests	–	–	–	–	–	–	–2,067	–2,067
Dividends	–	–	–	–	–11,172	–11,172	–	–11,172
Buy-back of own shares	–	–	–	–	–10,045	–10,045	–	–10,045
Acquisitions from non-controlling interests	–	–	–	–	–20,633	–20,633	–5,680	–26,313
Financial liability to non-controlling interests	–	–	–	–	3,232	3,232	–	3,232
Share of profit among non-controlling interests	–	–	–	–	679	679	–679	–
Translation of share of profit among non-controlling interests	–	–	–	–	–679	–679	679	–
Closing balance as at 31 December 2014	**10,619**	**297,964**	**–1,497**	**–3,610**	**–46,684**	**256,792**	**12,531**	**269,323**
Total profit/loss for the year	–	–	187	–10,207	75,341	65,321	2,569	67,890
Dividends to non-controlling interests	–	–	–	–	–	–	–1,785	–1,785
Dividends	–	–	–	–	–15,614	–15,614	–	–15,614
Own shares used during acquisitions	–	–	–	–	13,954	13,954	–	13,954
Acquisitions from non-controlling interests	–	–	–	–	–15,448	–15,448	–1,564	–17,012
Acquired non-controlling interests	–	–	–	–	485	485	–485	–
Financial liability to non-controlling interests	–	–	–	–	9	9	–	9
Share of profit among non-controlling interests	–	–	–	–	2,155	2,155	–2,155	–
Translation of share of profit among non-controlling interests	–	–	–	–	–2,155	–2,155	2,155	–
Closing balance as at 31 December 2015	**10,619**	**297,964**	**–1,310**	**–13,817**	**12,043**	**305,499**	**11,266**	**316,765**

Consolidated cash flow statement

Amounts in SEK 000	Note	2015	2014
	26		
CASH FLOW FROM OPERATIONS FOR THE YEAR			
Income for the year		**78,420**	**59,893**
Adjustment for items not affecting cash flow:			
Depreciation and impairments of fixed assets	5, 15, 16	55,660	59,268
Financial leasing	27	27,661	19,540
Other financial items		–1,830	1,205
Other adjustments		5,352	2,751
Changes in provisions		–112	1,458
Income tax [1)]	12	–10,065	9,105
Cash flow from current operations before changes in working capital		**155,086**	**153,220**
Cash flow from changes in working capital			
Inventories		19,266	–18,005
Operating receivables		–55,022	84,536
Operating liabilities		63,452	28,064
Cash flow from current operations		**182,782**	**247,815**
INVESTMENT ACTIVITIES			
Acquisition of businesses	17, 32	–51,233	–9,847
Capital expenditure on tangible fixed assets	16	–62,373	–60,802
Disposals of tangible fixed assets	16	1,353	1,324
Investments in intangible fixed assets	15	–16,212	–8,341
Changes in long-term receivables	18	–1,419	721
Cash flow from investment activities		**–129,884**	**–76,945**
FINANCING ACTIVITIES			
Acquisitions from non-controlling interests	26	–17,071	–26,313
Dividends to non-controlling interests	17	–1,785	–2,067
Dividends		–15,614	–11,172
Buy-back of own shares		–	–10,045
Contract borrowing		–2,887	7,958
Change in bank overdraft facilities		–2,489	–9,340
Loans taken		50,249	15,960
Loans repaid		–34,739	–44,548
Other cash flow from financing activities		–880	–1,306
Cash flow from financing activities		**–25,216**	**–80,873**
CASH FLOW FOR THE YEAR		**27,682**	**89,997**
Cash and cash equivalents at start of year		142,859	43,921
Translation difference in cash and equivalents		–11,756	8,941
CASH AND CASH EQUIVALENTS AT YEAR-END		**158,785**	**142,859**

1) Income tax SEK 25,642 (25,298) thousand, tax paid SEK 35,707 (16,193) thousand. Net adjustment for items that do not affect cash flow and paid tax SEK –10,065 (9,105) thousand.

Income statement, parent company

Amounts in SEK 000	Note	2015	2014
Revenues	4, 14	73,293	55,007
Gross profit	4	**73,293**	**55,007**
Administration expenses	5, 9	–77,140	–56,268
Operating profit	9	**–3,847**	**–1,261**
Financial income	10	35,997	54,593
Financial expenses	11	–15,369	–367
Profit before tax and appropriations	14	**16,781**	**52,965**
Group contributions		6,032	–
Profit before tax	14	**22,813**	**52,965**
Income tax	12	–178	–1,101
Income for the year		**22,635**	**51,864**

Statement of comprehensive income, parent company

Amounts in SEK 000	2015	2014
Income for the year	22,635	51,864
Other comprehensive income	–	–
Total comprehensive income for the year	**22,635**	**51,864**

Balance sheet, parent company

Amounts in SEK 000	Note	31/12/2015	31/12/2014
ASSETS			
FIXED ASSETS			
Intangible fixed assets	5, 15	15,076	9,068
Tangible fixed assets	5, 16	92	44
Shares in Group companies	17	431,636	348,422
Long-term receivables from Group companies		193,960	162,861
TOTAL FIXED ASSETS		**640,764**	**520,395**
CURRENT ASSETS			
Current receivables from Group companies	18	99,145	146,092
Other receivables		1,041	2,091
Prepaid expenses and accrued income	21	1,830	9,395
Cash and cash equivalents	26	–	–
TOTAL CURRENT ASSETS		**102,016**	**157,578**
TOTAL ASSETS		**742,780**	**677,973**
EQUITY AND LIABILITIES			
EQUITY	30		
Restricted equity			
Share capital (9,333,886 shares with a quotient value of SEK 1.14)		10,619	10,619
Statutory reserve		28,236	28,236
Total restricted equity		**38,855**	**38,855**
Non-restricted equity			
Retained earnings		200,112	150,307
Profit/loss for the year		22,635	51,864
Total non-restricted equity		**222,747**	**202,171**
TOTAL EQUITY		**261,602**	**241,026**
LIABILITIES			
Long-term liabilities			
Liabilities to credit institutions	24	101,471	81,857
Liabilities to Group companies	18	12,379	12,139
Deferred tax liabilities	12	500	322
Long-term liabilities, total		**114,350**	**94,318**
Current liabilities			
Accounts payable		4,059	5,029
Current tax liabilities		1,045	1,045
Liabilities to Group companies	18, 26	312,105	265,310
Liabilities to credit institutions	24	31,879	31,359
Other liabilities	22, 24	6,737	28,188
Accrued expenses and prepaid income	23	11,003	11,698
Current liabilities, total		**366,828**	**342,629**
TOTAL LIABILITIES		**481,178**	**436,947**
TOTAL EQUITY AND LIABILITIES		**742,780**	**677,973**
Securities pledged and contingent liabilities			
Assets pledged	25	96,672	34,400
Contingent liabilities	25	44,391	37,135

Statement of changes in equity, parent company

Amounts in SEK 000 Note 30	Number of shares	Share capital	Statutory reserve	Retained earnings	Profit for the year	Total equity
Opening balance at 1 January 2014	**9,333,886**	**10,619**	**28,236**	**144,770**	**26,497**	**210,122**
Transfer of previous year's profit		–	–	26,497	–26,497	–
Dividends		–	–	–11,172	–	–11,172
Translation differences		–	–	257	–	257
Buy-back of own shares		–	–	–10,045	–	–10,045
Income for the year		–	–	–	51,864	51,864
Closing balance as at 31 December 2014	**9,333,886**	**10,619**	**28,236**	**150,307**	**51,864**	**241,026**
Transfer of previous year's profit		–	–	51,864	–51,864	–
Dividends		–	–	–15,615	–	–15,615
Translation differences		–	–	–398	–	–398
Own shares used during acquisitions		–	–	13,954	–	13,954
Income for the year		–	–	–	22,635	22,635
Closing balance as at 31 December 2015	**9,333,886**	**10,619**	**28,236**	**200,112**	**22,635**	**261,602**

Cash flow statement, parent company

Amounts in SEK 000	Note	2015	2014
	26		
CASH FLOW FROM OPERATIONS FOR THE YEAR			
Income for the year		**22,635**	**51,864**
Adjustment for items not affecting cash flow:			
Depreciation and impairments of fixed assets	5, 15, 16	3,487	2,294
Writedown of shares in subsidiaries	17	7,547	24,857
Other financial items		–	14,820
Other adjustments		2,959	5,569
Income tax [1]	12	–567	366
Cash flow from current operations before changes in working capital		**36,061**	**99,770**
Cash flow from changes in working capital:			
Operating receivables		55,563	–5,137
Operating liabilities		28,862	39,126
Cash flow from current operations		**120,486**	**133,759**
INVESTMENT ACTIVITIES			
Acquisition of subsidiaries	17, 32	–66,852	–18,400
Disposal of subsidiaries	17, 32	2,364	–
Acquisitions from non-controlling interests	26	–16,798	–26,313
Investments in tangible fixed assets	16	–75	–58
Capital expenditure on intangible fixed assets	15	–9,468	–3,964
Changes in long-term receivables	18	–31,099	–13,340
Cash flow from investment activities		**–121,928**	**–62,075**
FINANCING ACTIVITIES			
Dividends		–15,615	–11,172
Buy-back of own shares		–	–10,045
Change in bank overdraft facilities		–	–567
Loans taken		50,120	15,460
Loans repaid		–33,303	–67,236
Other cash flow from financing activities		240	1,876
Cash flow from financing activities		**1,442**	**–71,684**
CASH FLOW FOR THE YEAR		**–**	**–**
Cash and cash equivalents at start of year		–	–
CASH AND CASH EQUIVALENTS AT YEAR-END		**–**	**–**

1) Income tax SEK 178 (1,101) thousand, tax paid SEK 745 (735) thousand. Net adjustment for items that do not affect cash flow and paid tax SEK –567 (366) thousand.

Notes to the accounts

Note 1 ▶ Accounting policies

Corporate information
The consolidated accounts and the annual report relating to the 2015 financial year for Proact IT Group AB have been prepared by the Board of Directors and CEO, who on 22 March 2016 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 2 May 2016 for approval and adoption. The parent company is a Swedish limited company (publ) listed on NASDAQ Stockholm and based in Stockholm, 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.

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

The annual accounts 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. The most significant differences are described below under "Significant differences between the Group's and the parent company's accounting policies".

Changes to accounting policies and information
The Group applies the same accounting policies as those described in the annual report for 2014, with the following exceptions due to new or revised standards, interpretations and improvements which have been endorsed by the EU and are to be applied as of 1 January 2015.

Amended accounting policies
No new IFRS standards have come into force in 2015, although IFRIC 21 and a number of amendments to existing standards have come into force.

IFRIC 21 Levies interprets and clarifies when a liability for levies/taxes (covered by IAS 37) applied to companies by governmental or equivalent bodies in accordance with laws/regulations, with the exception of income taxes, penalties and fines, is to be reported. This interpretation indicates that a liability must be reported when the company has an obligation to pay the levy as a consequence of an event having taken place. A liability is recognised successively if the obligating event occurs continuously. If a certain minimum level has to be achieved for the obligation to arise, the liability is recognised only when this level has been reached. Proact currently has no provisions or undertakings in respect of levies/taxes applied by government bodies or similar, apart from income tax, and so the introduction of IFRIC 21 has had no impact on the Group.

Annual Improvements to IFRSs 2010-2012 and Cycle & Annual Improvements to IFRSs 2011-2013 came into force for financial years commencing on or after 1 July 2014. The improvement projects include a total of eleven different minor changes affecting nine standards. These are IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 2 Share-based Payment, IFRS 3 Business Combinations, IFRS 8 Operating Segments, IFRS 13 Fair Value Measurement, IAS 16 Property, Plant and Equipment, IAS 38 Intangible Assets, IAS 24 Related Party Disclosures and IAS 40 Investment Property. For Proact, these amendments have had no effect on the financial statements.

2016 and ahead
A number of new or amended IFRSs and IFRICs will come into force during the financial year to come and have not been applied early on compilation of these financial statements. Below are descriptions of the IFRSs which are expected to impact upon or may impact upon the Group's financial statements. Besides the IFRSs described below, other new features which IASB has approved as at 31 December 2015 are not expected to impact in any way upon the Group's financial statements.

IFRS 9 Financial Instruments has not yet been approved by the EU. This standard will come into force for financial years commencing on or after 1 January 2018 and will then replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 requires financial assets to be classified in three different valuation categories; accrued acquisition cost, fair value through other comprehensive income or fair value through profit or loss. Classification is established on first recognition on the basis of the properties of the asset and the company's business model. For financial liabilities, there will be no major changes compared with IAS 39. The greatest change relates to liabilities recognised at fair value. For these, the element of the fair value change attributable to the party's own credit risk must be recognised in other comprehensive income instead of profit and loss, unless this causes inconsistency in the accounts. The standard is to be applied retroactively in accordance with IAS 8, with some exceptions. Proact will be evaluating any effects of this new standard when it has been approved and before it comes into force.

IFRS 15 Revenue from Contracts with Customers has not yet been adopted by the EU. This standard will come into force for financial years commencing on or after 1 January 2017. This standard will replace all previously published standards and interpretations relating to revenues. IFRS 15 includes a collective model for revenue recognition in respect of customer contracts. The idea is for everything to commence from an agreement concerning the sale of a product or service between two parties. A customer agreement must be identified initially which generates an asset (rights, a promise of obtaining remuneration) and a liability (commitment, a promise to transfer goods/services) for the vendor. The company will then report a revenue according to the model and thereby demonstrate that the company is meeting a commitment to supply promised goods or services to the customer. This standard is to be applied retroactively. Proact is currently evaluating the effect that IFRS 15 will have on the consolidated financial reports.

IFRS 16 Leases has not been adopted by the EU as yet and the standard will come into force for financial years commencing on 1 January 2019, but companies are allowed to start applying it when they start applying IFRS 15 Revenue from Contracts with Customers. IFRS 16 replaces IAS 17 and associated interpretations such as IFRIC 4, and its objective is to clarify reporting and the financial effects for both lessors and lessees. The main change is that there is no distinction between operational and financial leasing for lessors, with the implication that companies must report all leasing contracts as financial. For lessees, the standard is based on the existing IAS 17 and the changes comprise clarifications, as well as amendments to disclosure requirements. Proact is currently evaluating the effect that IFRS 16 will have on the consolidated financial reports.

Annual Improvements to IFRSs 2012-2014 will come into force for financial years commencing on or after 1 January 2016. The improvement project includes a total of five different minor changes affecting four standards. These are IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, IFRS 7 Financial Instruments: Disclosures, IAS 19 Employee Benefits and IAS 34 Interim Financial Reporting. The amendments must be applied prospectively. Proact has evaluated the effects of these amendments, and at present they will not affect the Group's financial statements.

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.

The purchase method

The purchase method is used to report on the Group's operating acquisitions. The purchase price for the acquisition of a subsidiary is made up of the fair value of transferred assets, liabilities and the shares issued by the Group. The purchase price also includes the fair value of all assets or liabilities which are a consequence of an agreement 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 reported at fair value or at the proportional percentage of the net assets of the acquired company.

Acquisition-related expenses are reported in the income statement when they arise.

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 reported 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 reported directly in the statement of comprehensive income.

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

Translation of foreign subsidiaries

The consolidated financial statements are presented in Swedish kronor (SEK), which is the parent company's functional currency.

The income statements and balance sheets, 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 statements at the average rate over the period. Translation differences are recognised in the comprehensive income for the period as a separate item. When investments are divested, the previous translation differences are recognised in the income statement as part of capital gains.

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 book value of the subsidiary's net assets is recognised against equity. Profits and losses on divestments to non-controlling interests are also recognised against equity.

In 2010, Proact signed an agreement concerning the purchase of 60 per cent of Storyflex Inc. The business is being run under the name Proact Czech Republic Ltd. The parties have entered into an agreement which means that Proact has the opportunity/an obligation to acquire the remaining share within three to seven years of the time of acquisition. The calculated value of the selling options assigned to owners without a controlling influence will be reported as a financial liability in the consolidated balance sheet This means that no share without a controlling influence will be recognised. Any change in the fair value of the financial liability will be recognised in equity.

In 2014, Proact acquired 70 per cent of shares in a newly started company, Proact IT Germany GmbH. There is a contract between Proact IT Group AB and the party owning 30 per cent of shares in the company which means that Proact has the opportunity/obligation to acquire the remaining shares within four to six years of the acquisition time. The calculated value of the selling options assigned to owners without a controlling influence will be reported as a financial liability in the consolidated balance sheet, and hence no share without a controlling influence will be recognised. A decision was made in December 2015 concerning restructuring and the buyout of minority holdings in accordance with a buyout clause in the contract. The financial liability was written down, and at the same time a liability of EUR 180,000 was recognised as a current non-interest-bearing liability as the intention is to settle this in early 2016.

In 2015, Proact acquired 51 per cent of shares in a new company, Proact VX B.V., with an acquired part of the business from the company VX Consultancy B.V. There is a contract between Proact and the parties owning a total of 49 per cent of shares in the company which means that Proact has the opportunity/obligation to acquire the remaining shares within three to five years of the acquisition time. The calculated value of the selling options assigned to owners without a controlling influence will be reported as a financial liability in the consolidated balance sheet. This means that no share without a controlling influence will be recognised.

Income recognition

The Group's income mainly comes from the sale and installation of hardware and software, maintenance and support services and independent IT consultancy services.

System sales
Income from the sale of hardware and software is recognised when Proact has transferred all material risks and benefits associated with ownership of the product. In most cases this is at the time of transferring legal ownership and when the goods are physically handed over to the purchaser. In cases where material risks associated with the ownership of the goods remain, the sale has not been completed and thus income is not recognised.

Services
Maintenance and support income stems mainly from fixed price service agreements and is recognised on a straight-line basis over the term of the agreements. Consultancy services are normally carried out on a current account basis, and income is reported as the work is carried out Fixed price consultancy projects or currently invoiced consultancy projects with caps are recognised in income as they are confirmed. 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.

Income from cloud service operations is generated on an ongoing basis, and income is recognised on a straight-line basis over the period of the contract.

Rental income
Income from leasing operations is generated on an ongoing basis, and rental income is recognised on a straight-line basis over the rental period.

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

Intangible fixed assets
Goodwill
Reported goodwill is the difference between - on the one hand - the acquisition value of Group company shares, the value of non-controlling interests in the acquired operations and the actual value of a previously owned share, and on the other hand the reported value in the acquisition analysis of acquired assets and transferred liabilities. An impairment test is carried out each year, as well as when there is an indication that an asset has fallen in value. Goodwill is allocated to cash generating units for the purposes of impairment testing. Each of these cash generating units constitutes the Group's business in each of the countries where this business is done. 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
Client-related asstes, brands and support contracts
Client-related assets, brands and support contracts which are identified upon the acquisition of companies are recognised as intangible assets at acquisition value (fair value at the time of acquisition). Client-related assets are depreciated on a straight-line basis over a maximum of 10 years. In each case a useful life is set over which the support contracts are depreciated on a straight-line basis according to plan. If there are indications of impairment, the asset's recoverable amount is assessed. In cases where the carrying amount of the asset exceeds its estimated recoverable amount, the value of the asset is written down to its recoverable amount.

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

Impairment
Assets that have an indeterminate useful life are not amortised but are tested annually for impairment. Assets which are depreciated/amortised are assessed in terms of decrease in value whenever an event or a change in circumstances indicates that the carrying amount may not be recoverable. The impairment made corresponds to the amount by which the book value of the asset exceeds its recovery value. The recovery value is the higher of an asset's fair value minus sales costs and value in use. During impairment testing, assets are grouped at the lowest levels at which there are separately identifiable cash generating units.

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

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

Loans receivable and accounts receivable
Loans receivable and accounts receivable are non-derivative financial assets with determined or determinable payments which are not listed on an active market. It is noteworthy that they are incurred when the Group supplies money, products or services directly to a client without

the intention of purchasing with the accrued claim. They are included in current assets, with the exception of items with due dates more than 12 months after the balance sheet date which are classified as fixed assets. The Group's financial lease receivables are reported in the balance sheet in the other long-term receivables entry.

Assets in this category are valued at accrued acquisition value after the acquisition date. Accrued historical cost is determined from the effective interest that is calculated at the date of acquisition. Accounts receivable are recognised at the amount expected to be paid following individual assessment. The expected maturity of accounts receivable is short, and so the value has been recognised at a nominal amount without discount. Write-downs of accounts receivable are reported in operating expenses.

Financial liabilities at fair value through profit or loss

Liabilities in this category are constantly valued at fair value with value changes recorded in the income statement. This category consists of financial liabilities which the company initially opted to value fair value in the income statement Proact has only carried out current value calculation of additional contingent purchase prices in this category.

Loans and accounts payable

Accounts payable have short expected maturities and are valued at nominal value without discounting.

Borrowing is initially recognised at fair value, net after transaction costs. Borrowing is then recognised at accrued cost and any difference between the amount received (net after transaction costs) and the repayment amount is recognised in the income statement, distributed across the loan period, with the application of the effective interest method.

Inclusion of derivative financial instruments and hedges

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

Calculation of fair value

The fair value of financial instruments traded in an active market (e.g. market listed derivatives and financial assets held for trading and financial assets held for sale) are based on listed market prices on the balance sheet date. Listed market prices used for the Group's financial assets are the relevant purchase price, the applied listed market price of financial liabilities is the relevant sale price.

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

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

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

Cash and cash equivalents and short-term investments

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

Leasing

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

Leasing agreements are classified as financial leasing agreements if the financial benefits and financial risks associated with ownership of the leased object are materially transferred from the lessor to the lessee. If this is not the case, the leasing agreement is reported as an operational leasing agreement.

Proact as lessee

Reporting of finance leasing agreements means that the lessee recognises the fixed asset as an asset in the balance sheet and that a corresponding liability is initially recognised. On first recognition, the leased asset is valued at an amount corresponding to its fair value or the minimum lease charges, whichever is lower. Fixed assets are depreciated according to finance leasing agreements over the estimated useful life, while the lease charges are recognised as interest and amortisation of the leasing liability.

In the case of operational leasing agreements, Proact does not recognise the leased asset in the balance sheet. In the income statement, the lease charge for operational leasing agreements is distributed on a straight-line basis over the leasing period.

In the event of what are known as sale and leaseback transactions, reporting is dependent on whether the leasing transaction is classified as financial or operational. If a transaction necessitates a financial leasing agreement, the amount by which the sales price exceeds the recovery value of the assets is not immediately reported as income; instead, the profit must be distributed over the leasing period. If, on the other hand, the sale and leaseback transaction gives rise to an operational agreement and it is evident that the transaction has been based on fair value, any profit or loss must be reported for the period in which the sale takes place.

Proact as lessor

Where Proact is the lessor in accordance with an operational leasing agreement, the asset is classified among tangible fixed assets. The asset is covered by the Group's depreciation principles. The leasing charges are recognised in the income statement on a straight-line basis over the term of the lease. In the case of finance leasing agreements, when Proact is the lessor, the transaction is reported as a sale and a lease receivable is recognised, consisting of the future minimum lease charges and any residual values guaranteed to the lessor. Lease charges received are recognised as interest income and repayment of lease receivables.

Inventories

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

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

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

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

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

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

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

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 income statement 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 schemes
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.

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

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

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

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.

Note 2 ▶ Reporting by segment

The information below is presented from an executive perspective, which means that it is presented in the manner applied in internal reporting.

Reportable segments are identified on the basis of internal reporting to the highest executive decision-maker. The Group has identified the CEO 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 decisionmaker.

The same range of products and services is offered within each BU, with the exception of Proact Finance.

The same accounting policies are used for the segments as for the Group, except for the fact that non-recurring items are not allocated.

The business units are as follows:

Nordics:	Sweden, Norway, Finland, USA and Denmark
UK:	United Kingdom
East:	Estonia, Latvia, Lithuania, Czech Republic and Slovakia
West:	Netherlands, Belgium, Spain and Germany
Proact Finance:	Proact's finance company under its own auspices is reported separately as this company supports all geographical regions.

Financial year 2015	Nordics	UK	West	East	Proact Finance	Groupwide	Eliminations	Group
External revenues	1,510,211	642,319	418,939	134,909	95,271	3	–	2,801,652
Internal revenues	87,993	271	28,865	5,285	97	129,409	–251,920	–
Total revenues	**1,598,204**	**642,590**	**447,804**	**140,194**	**95,368**	**129,412**	**–251,920**	**2,801,652**
Profit before tax and non-recurring items	**88,351**	**15,256**	**11,552**	**7,583**	**5,106**	**–15,504**	**–**	**112,344**
Non-recurring items[1)]	–	–	–	–	–	–8,282	–	–8,282
Profit before tax	**88,351**	**15,256**	**11,552**	**7,583**	**5,106**	**–23,786**	**–**	**104,062**
Tax								–25,642
Profit/loss for the year								**78,420**

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 2014	Nordics	UK	West	East	Proact Finance	Groupwide	Eliminations	Group
External revenues	1,227,004	501,520	368,548	139,541	88,283	363	–	2,325,259
Internal revenues	85,366	339	18,921	4,233	543	113,163	–222,565	–
Total revenues	**1,312,370**	**501,859**	**387,469**	**143,774**	**88,826**	**113,526**	**–222,565**	**2,325,259**
Profit before tax and non-recurring items	**59,156**	**3,294**	**17,030**	**7,531**	**5,084**	**–4,904**	**–**	**87,191**
Non-recurring items[1)]	–	–	–	–	–	–2,000	–	–2,000
Profit before tax	**59,156**	**3,294**	**17,030**	**7,531**	**5,084**	**–6,904**	**–**	**85,191**
Tax								–25,298
Profit/loss for the year								**59,893**

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

Geographical information	2015	2014
External revenues[1)]		
Sweden	831,390	664,458
Great Britain	642,319	501,520
Other countries	1,327,943	1,159,281
Total	**2,801,652**	**2,325,259**

1) These revenues are attributable to the geography in question, based on the country in which the company is located. There is no other information, e.g. on whether the company has sales to customers in other countries.

	31/12/2015	31/12/2014
Intangible and tangible fixed assets		
Sweden	115,944	58,502
Great Britain	226,067	230,419
Other countries	168,118	171,762
Total	**510,129**	**460,683**

Note 3 ▶ Revenues per sector

	Group	
	2015	2014
Public sector	651,553	479,879
Retail and wholesale trade and services	616,674	546,509
Telecoms	434,949	360,442
Manufacturing industry	369,852	312,466
Banking, finance	259,558	241,137
Oil, energy	167,007	150,687
Media	94,725	87,539
Other	207,334	146,600
Total	**2,801,652**	**2,325,259**

Note 4 ▶ Intra-Group purchases and sales

Of the parent company's total purchasing expenses and sales income, SEK 25,961 (23,292) thousand, 35 (43) per cent, refers to purchasing and SEK 73,290 (54,662) thousand, 100 (99) per cent, refers to sales to other Group companies.

Note 5 ▶ Depreciation and impairment of fixed assets

	Group		Parent company	
	2015	2014	2015	2014
Depreciation/impairment included in expenses for sold goods and services				
Depreciation				
– Spare parts and demonstration equipment	4,624	4,918	–	–
– Tangible assets	23,357	27,419	–	–
– Intangible assets	23,403	22,376	–	–
Depreciation included in administration expenses				
– Tangible assets	816	2,281	27	20
– Intangible assets	3,460	2,274	3,460	2,274
Total	**55,660**	**59,268**	**3,487**	**2,294**

Note 6 ▶ Research and development costs

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

Note 7 ▶ Operating expenses

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

	Group	
Operating expenses by expense type	2015	2014
Product cost [1]	1,788,537	1,429,564
Other expenses	173,077	153,043
Payroll expenses	670,850	598,489
Depreciation and write-downs	55,660	59,268
Total operating expenses	**2,688,124**	**2,240,364**

1) Includes re-coverage expenses

Note 8 ▶ Information about auditor's remuneration

Auditing work refers to the scrutiny of the annual report and bookkeeping and administration by the Board of Directors and CEO. Audit assignments also include what the company's auditor is required to perform, advise on or other contributions resulting from observations made during this auditing work.

	Group		Parent company	
Fees and remuneration	2015	2014	2015	2014
Ernst & Young AB				
Audit assignment	2,762	2,434	522	438
Audit operations besides audit assignments	135	134	135	102
Tax advice	541	448	238	9
Other services	198	127	–	–
Total	**3,636**	**3,143**	**895**	**549**

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

	Average number		of which women		of which men	
Average number of employees	2015	2014	2015	2014	2015	2014
Parent company						
Sweden	17	13	5	5	12	8
Subsidiaries						
Sweden	119	121	14	16	105	105
Norway	64	71	10	12	54	59
Finland	41	45	4	7	37	38
Denmark	25	26	2	4	23	22
Latvia	15	14	4	4	11	10
Lithuania	19	19	5	4	14	15
Estonia	16	15	3	2	13	13
Czech Republic	23	23	4	5	19	18
The Netherlands	78	69	10	12	68	57
Belgium	16	14	–	–	16	14
Spain	15	13	3	2	12	11
Germany	4	1	–	–	4	1
United Kingdom	217	202	41	28	176	174
USA	0	–	–	–	0	–
Total subsidiaries	**652**	**633**	**100**	**96**	**552**	**537**
Group total	**669**	**646**	**105**	**101**	**564**	**545**

	Average number		of which women		of which men	
Members of the Board of Directors and senior executives	2015	2014	2015	2014	2015	2014
Group and parent company						
Board members and CEO/ Group President	7	6	2	1	5	5
Other senior executives	11	9	1	1	10	8

Salaries, remuneration and social costs	Salaries and remuneration to the Board of Directors and CEO (of which bonuses, etc.)		Salaries and remuneration to other employees		Salaries and remuneration Total		Social costs (of which pension expenses)	
	2015	2014	2015	2014	2015	2014	2015	2014
Parent company	5,176	4,235	15,990	9,355	21,166	13,590	10,500	6,506
	(1,410)	(603)			(1,410)	(603)	(3,115)	(1,840)
Subsidiaries	18,085	13,534	475,141	428,619	493,226	442,153	110,282	100,723
	(4,517)	(1,862)			(4,517)	(1,862)	(31,892)	(29,731)
Group total	**23,261**	**17,769**	**491,131**	**437,974**	**514,392**	**455,743**	**120,782**	**107,229**
	(5,927)	(2,465)			(5,927)	(2,465)	(35,007)	(31,571)

Remuneration to the Board of Directors and senior executives

	Directors' fees		Committee fees		Total fee	
	2015	2014	2015	2014	2015	2014
Board Chairman Anders Hultmark	450	425	50	40	500	465
Board member Roger Bergqvist	180	170	40	80	220	250
Board member Eva Elmstedt	180	170	50	40	230	210
Board member Christer Hellström	180	170	40	–	220	170
Board member Christer Holmén	180	170	100	100	280	270
Board member Pia Gideon	180	–	–	–	180	–
Total	**1,350**	**1,105**	**280**	**260**	**1,630**	**1,365**

	CEO		Other senior executives	
	2015	2014	2015	2014
Set salaries	2,280	2,225	18,361	14,872
Performance-related pay	1,252	603	6,399	3,606
Benefits	69	60	1,110	757
Pension costs	561	448	1,784	1,351
Total	**4,162**	**3,336**	**27,654**	**20,586**

All Group companies have only defined contribution pension plans. The CEO's pension premium is equivalent to 25 per cent of his ordinary annual salary but as a maximum the amount deductible by the company plus health insurance. The variable element of the salary provides no entitlement to a pension. Retirement age is 65. The CEO's pensionable salary for the year amounted to SEK 2,280 (2,225) thousand. There are no other pension liabilities besides the paid-in pension contributions. The company must give the CEO six months' notice of termination of employment, and the CEO must give the company six months' notice. If employment is terminated by the company, severance pay to the CEO will amount to six months' basic salary plus holiday pay. The variable element of the CEO's salary is based on the company's growth and profit.

There were eleven other senior executives in 2015. In 2014, there were nine other senior executives. Of the other senior executives, six people are employed by the parent company and five people are employed by subsidiaries. Proact's pension terms in accordance with a defined-contribution pension plan are applicable to other senior executives.The variable element of the salary entitles the incumbent to a pension, and retirement age is 65. The pensionable salary for other senior officers for the year amounted to SEK 19,865 (15,361) thousand 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 and profits both locally and within the Group.

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

Options

There are no option programmes.

Proact shareholdings of the Board of Directors, the CEO and other senior executives

Board of Directors	Shareholding in Proact 31/12/2015
Anders Hultmark (chairman)	560,378
Roger Bergqvist	1,500
Eva Elmstedt	1,595
Christer Hellström	10,000
Christer Holmén	20,000
Pia Gideon	–

CEO and other senior officers:	Shareholding in Proact 31/12/2015
Martin Ödman (CEO)[1]	22,223
Jason Clark[1]	92,000
Sander Dekker	–
Marit Fagervold	79,179
Jakob Høholdt	24,905
Peter Javestad	2,800
Arne Kungberg	7,051
Jonas Persson	7,000
Per Sedihn	500
Mattias Wallgren	–
Tomas Vikholm	–
Eirik Pedersen	2,647

1) Martin Ödman was the CEO up to 7 January 2016. Jason Clark took over as CEO on 8 January 2016.

Note 10 ▶ Financial revenues

	Group		Parent company	
	2015	2014	2015	2014
Interest income	3,891	3,559	177	292
Interest income from Group companies	–	–	5,269	5,056
Income from participations in Group companies	–	–	30,551	49,237
Other items	863	420	–	8
Total	**4,754**	**3,979**	**35,997**	**54,593**

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

Note 11 ▶ Financial expenses

	Group		Parent company	
	2015	2014	2015	2014
Interest expenses	8,816	10,856	4,947	6,317
Interest expenses to Group companies	–	–	205	853
Income from participations in Group companies	–	–	8,405	–
Exchange rate differences	4,727	–7,954	1,729	–6,992
Other items	677	781	83	189
Total	**14,220**	**3,683**	**15,369**	**367**

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

Note 12 ▶ Income tax

	Group		Parent company	
Tax expense (–) / tax income (+)	2015	2014	2015	2014
Current tax for the year	–34,077	–28,728	–	–1,045
Adjustment relating to previous years' tax	877	1,675	–	–
Deferred tax	7,558	1,755	–178	–56
Tax expense in the income statement	**–25,642**	**–25,298**	**–178**	**–1,101**

During the year, the Group paid tax of SEK 35,707 (16,193) thousand, and SEK 745 (735) thousand for the parent company.

	Group		Parent company	
Reconciliation of effective tax	2015	2014	2015	2014
Reported profit before tax	104,062	85,191	22,813	52,965
Tax for the parent company, based on the Swedish tax rate of 22%	–22,894	–18,742	–5,019	–11,652
Difference attributable to foreign tax rates	414	420	–	–
Non-deductible costs	–3,897	–7,582	–1,881	–282
Non-taxable income	873	758	6,722	10,833
Losses for the year for which no deferred tax claims have been capitalised	–4,216	–4,505	–	–
Tax effect for the year relating to capitalised unused loss carryforwards from previous years	27	–	–	–
Adjustment relating to previous years' tax	877	1,675	–	–
Adjustment relating to previous years' deferred tax	567	–	–	–
Other taxes	–	–190	–	–
Other adjustments relating to deferred tax	2,607	2,868	–	–
Tax expense (–) / tax income (+)	**–25,642**	**–25,298**	**–178**	**–1,101**

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:

Group

2015 **Deferred tax assets**	Opening balance	Deferred tax reported in income statement (+ income/– expense)	Deferred tax reported in balance sheet	Exchange rate differences	Closing balance
Unused loss carryforwards	6,088	–927	–	–207	4,954
Goodwill	–639	–115	–	32	–722
Other intangible assets	839	–	–	–13	826
Tangible fixed assets	7,336	2,841	–	–59	10,118
Other	227	11	–	–56	182
Provisions	698	–178	–	–6	514
Net reporting	–1,020	160	–	–	–860
Total deferred tax assets	**13,529**	**1,792**	**–**	**–309**	**15,012**

2015 **Deferred tax liabilities**	Opening balance	Deferred tax reported in income statement (– income/+ expense)	Deferred tax reported in balance sheet	Exchange rate differences	Closing balance
Goodwill	2,814	–	–	–257	2,557
Other intangible assets	22,965	–4,101	2,686	–42	21,508
Tangible fixed assets	1,645	–976	–	–57	612
Other	369	–849	–	3	–477
Provisions	–	–	60	–	60
Net reporting	–1,020	160	–	–	–860
Total deferred tax liabilities	**26,773**	**–5,766**	**2,746**	**–353**	**23,400**

2014 **Deferred tax assets**	Opening balance	Deferred tax reported in income statement (+ income/– expense)	Deferred tax reported in balance sheet	Exchange rate differences	Closing balance
Unused loss carryforwards	11,146	–5,671	–	613	6,088
Goodwill	–425	–173	–	–41	–639
Other intangible assets	–670	1,478	–	31	839
Tangible fixed assets	6,823	833	–	–320	7,336
Other	1,791	–1,657	–	93	227
Provisions	–1,083	1,629	–	152	698
Net reporting	24	–1,044	–	–	–1,020
Total deferred tax assets	**17,606**	**–4,605**	**–**	**528**	**13,529**

2014 **Deferred tax liabilities**	Opening balance	Deferred tax reported in income statement (– income/+ expense)	Deferred tax reported in balance sheet	Exchange rate differences	Closing balance
Goodwill	2,822	–	–	–8	2,814
Other intangible assets	27,572	–7,082	–	2,475	22,965
Tangible fixed assets	–44	1,397	–	292	1,645
Other	–	369	–	–	369
Net reporting	24	–1,044	–	–	–1,020
Total deferred tax liabilities	**30,374**	**–6,360**	**–**	**2,759**	**26,773**

Net deferred tax assets and tax liabilities are reported when there is a legal set-off right for current tax assets and liabilities. Deferred tax assets have been reported for unused loss carryforwards relating to tax losses in the subsidiaries where the company has assessed that it will be possible to utilise these unused loss carryforwards against future taxable profits. Expected taxable profits have been calculated individually for each company. Changes to the cost structure were implemented at some of the subsidiaries in 2014. The level of expenses means that a positive result can be achieved with no appreciable growth. The measures implemented had the desired effect in the second six months of 2014 and 2015 as a whole, which is why the company has assessed that deferred tax in respect of these loss carryforwards is reasonable. As at 31 December 2015, it has been deemed possible to utilise 16 per cent of the total loss carryforwards in the Group. Deferred tax is not reported on temporary differences attributable to participations in subsidiaries. Future effects are reported when Proact can no longer control the time of charging back the temporary differences. The positive profit development over the year has resulted in the Group being able to report a tax expense amounting to SEK 25,642 (25,298) thousand.

Parent company

2015	Opening balance	Deferred tax	Closing balance
Temporary differences	–322	–178	–500
Total deferred tax asset (+)/ tax liability (–)	**–322**	**–178**	**–500**

2014	Opening balance	Deferred tax	Closing balance
Temporary differences	–266	–56	–322
Total deferred tax asset (+)/ tax liability (–)	**–266**	**–56**	**–322**

Unutilised loss carryforwards
Unutilised loss carryforwards are reported as deferred tax assets when it is likely that these can be utilised to offset future taxable excesses. The parent company's unutilised loss carryforwards amount to SEK – (–) thousand. The Group's unutilised loss carryforwards amount to SEK 117,864 (112,346) thousand, of which SEK 19,160 (23,922) thousand has been deemed to be utilisable, which is why deferred tax receivables of SEK 4,954 (6,088) thousand have been reported.

Can be utilised at the latest by:

	31/12/2015	31/12/2014
Not subject to time limit	117,864	112,346
Total unutilised loss carryforwards	**117,864**	**112,346**

Note 13 ▶ Non-recurring items

In 2015, operating profit was affected by SEK 8,282 thousand as per the non-recurring items specified below.

	Group	
	2015	2014
Cost of goods and services sold	2,399	920
Sales and marketing expenses	1,413	860
Administration expenses	4,470	220
Total [1, 2]	**8,282**	**2,000**

1) The non-recurring item for 2014 relates to a cost for a reserve holiday bonus in Finland and is attributable to previous years.
2) The non-recurring items for 2015 relate to expenses for restructuring initiatives SEK 5.0 million and acquisitions, SEK 3.3 million.

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	2015	2014	2015	2014
EUR	9.1350	9.5155	9.3562	9.0968
USD	8.3524	7.8117	8.4350	6.8577
GBP	12.3785	12.1388	12.8962	11.2917
NOK	0.9556	1.0516	1.0465	1.0894
CZK	0.3380	0.3435	0.3430	0.3304
DKK	1.2242	1.2781	1.2544	1.2203
LTL [1]	–	2.7555	–	2.6348

1) The currency LTL was converted to EUR from January 2015

Exchange rate differences affecting net result for the year	Group		Parent company	
(+ profit, – loss)	2015	2014	2015	2014
Recognised within cost of sold product	–4,797	–2,192	–	–
Recognised within net financial items	–4,727	7,954	–1,710	7,040

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

	Group							
	2015				2014			
Invoicing and goods purchased in: (Amounts in SEK 000)	Invoicing	Percentage of total revenues	Goods purchases	Percentage of total purchases	Invoicing	Percentage of total revenues	Goods purchases	Percentage of total purchases
USD	340,138	12%	411,789	19%	247,039	11%	419,830	24%
EUR	876,360	31%	590,343	28%	749,856	32%	449,922	26%
GBP	634,593	23%	366,263	17%	503,061	22%	297,095	17%

Accounts receivable and accounts payable in foreign currencies

	Group							
	2015				2014			
Accounts receivable and accounts payable in: (Amounts in SEK 000)	Accounts receivable	Percentage of total accounts receivable	Accounts payable	Percentage of total accounts payable	Accounts receivable	Percentage of total accounts receivable	Accounts payable	Percentage of total accounts payable
USD	54,815	10%	124,110	24%	58,644	12%	146,428	30%
EUR	162,071	30%	175,955	35%	126,744	25%	164,906	34%
GBP	117,714	22%	82,482	16%	90,121	18%	56,222	12%

Hedges as at 31/12/2015
As at the balance sheet date, hedged accounts payable amounted to USD 2,052 (5,180) thousand and EUR - (-) thousand in the Group. In Swedish kronor, the hedged amount totals SEK 17,139 (40,465) thousand. The effect on profit is recognised within net financial items in the statement of comprehensive income. The fair value of these forward contracts as at 31/12/2015 meant an unrealised loss of SEK –16 (1,675) thousand, which has affected the statement of comprehensive income by an equivalent amount. Hedged long-term receivables in leasing contracts as at the balance sheet date amount to EUR 3,385 (4,193) thousand, GBP 56 (1,637) thousand, USD 1,206 (8,898) thousand and NOK 12,105 (-) thousand within the Group. In Swedish kronor, the hedged amount totals SEK 53,258 (129,277) thousand. The effect on profit is recognised within financial items in the statement of comprehensive income. The fair value of these forward contracts as at 31/12/2015 meant an unrealised profit of SEK 1,466 (2,228) thousand, which has affected the statement of comprehensive income by an equivalent amount.

There are no outstanding forward contracts in the parent company as at 31/12/2015, and so no unrealised profit/loss has arisen. Nor was there any unrealised profit/loss at the end of the previous year. As at 31 December 2015, accounts receivable in foreign currencies amounted to SEK 434,259 (399,923) thousand and accounts payable amounted to SEK 458,859 (418,851) thousand.

Net investments (excluding goodwill) in foreign subsidiaries
Net assets in foreign subsidiaries divided by currency When translating foreign subsidiaries' balance sheets to Swedish kronor, the Group is exposed to exchange rate fluctuations. The effect on equity in 2015 for the translation of foreign subsidiaries' accounts to Swedish kronor was SEK –10,207 (9,637) thousand.

Note 14 - Continued

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

	2015		2014	
Amount in thousands	Amount	Converted to SEK acc. to exchange rate on balance sheet date	Amount	Converted to SEK acc. to exchange rate on balance sheet date
CZK	–879	–297	369	127
DKK	299	366	–2,277	–2,910
EUR	5,980	54,627	4,443	42,277
GBP	5,940	73,528	4,653	56,482
USD	11	92	–	–
LTL [1]	–	–	2,831	7,801
NOK	49,806	47,597	38,058	40,022

1) The currency LTL was converted to EUR from January 2015

Note 15 ▶ Intangible fixed assets

	Group				Parent company
	Goodwill	Customer relations	Other intangible fixed assets [1]	Total	Other intangible fixed assets [2]
Opening acquisition cost as at 1 January 2015	392,439	202,677	41,017	636,133	13,166
Acquisitions for the year	55,776	11,005	16,212	82,993	9,468
Exchange rate differences	–4,669	–2,801	–368	–7,838	–
Closing accumulated acquisition value	**443,546**	**210,882**	**56,861**	**711,288**	**22,634**
Opening depreciation and impairment	–111,821	–100,762	–21,655	–234,238	–4,098
Depreciation for the year	–	–18,410	–8,453	–26,863	–3,460
Exchange rate differences	2,586	2,839	286	5,711	–
Accumulated depreciation and impairment – closing balance	**–109,235**	**–116,333**	**–29,822**	**–255,390**	**–7,558**
Book value as at 31 December 2015	**334,311**	**94,548**	**27,039**	**455,898**	**15,076**
Opening acquisition cost as at 1 January 2014	368,280	186,974	35,101	590,355	9,202
Acquisitions for the year	–	–	8,341	8,341	3,964
Sales/disposals	–	–200	–5,177	–5,377	–
Exchange rate differences	24,159	15,903	2,752	42,814	–
Closing accumulated acquisition value	**392,439**	**202,677**	**41,017**	**636,133**	**13,166**
Opening depreciation and impairment	–110,086	–78,140	–17,279	–205,505	–1,824
Depreciation for the year	–	–16,268	–8,382	–24,650	–2,274
Sales/disposals	–	–	5,411	5,411	–
Exchange rate differences	–1,735	–6,354	–1,405	–9,494	–
Accumulated depreciation and impairment – closing balance	**–111,821**	**–100,762**	**–21,655**	**–234,238**	**–4,098**
Book value as at 31 December 2014	**280,618**	**101,915**	**19,362**	**401,895**	**9,068**

1) Other intangible fixed assets include brands, support contracts and capitalised software expenses.
2) Other intangible assets in the parent company in their entirety comprise capitalised software expenses.
.

	Group	
Distribution of goodwill per cash-generating unit	31/12/2015	31/12/2014
Sweden	88,328	39,356
Norway	17,511	19,269
Finland	658	685
Denmark	1,488	1,554
Latvia	5,408	5,633
Lithuania	7,372	7,682
Czech Republic	8,750	8,893
The Netherlands	62,456	57,959
Great Britain	142,340	139,587
Total	**334,311**	**280,618**

Note 15 - Continued

Impairment test
Any goodwill impairment requirements are tested each year by calculating the utilisation value of each cash-generating unit.

When estimating the utilisation value, the future cash flows of the respective cash-generating units have been calculated based on the forthcoming year's budget and forecasts for a further 4 years, assuming an eternal growth rate of 1-2 (3) per cent.

A Weighted Average Cost of Capital (WACC) before tax of between 10 and 12 (10 and 13) per cent has been used for calculation, depending on risk factor in the various cash-generating units. Besides these important assumptions in respect of WACC and future growth, profitability (margin on profit before tax) of 3-8 (3-10) per cent has been estimated, depending on company. The corporate executive's determination of important assumptions, and the values inherent in these, are based on a reflection of earlier experiences. Eternal growth of 1-2 per cent has been deemed reasonable on the market in which the company is active. This assessment is based on a weighted analysis of both products and services.

The company has implemented sensitivity analyses based on isolated changes of lower budget levels, lower growth figures and higher weighted capital costs. When assessing reasonable changes to these important assumptions, the recoverable amount exceeds the recognised value for intangible assets.

The greatest uncertainty lies in the future profit development for the cash-generating unit Czech Republic, where it is estimated that profits will exceed historical profits. If the outcome is in line with the actual outcome for 2015 instead, there is a risk that an impairment requirement may arise.

Impairment requirements are present if the reported value of goodwill exceeds the calculated future utilisation value. For 2015, no impairment requirement was deemed to exist

	Group WACC, before tax		Group Growth during terminal period	
Cash-generating unit	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Sweden	10%	10%	2%	3%
Norway	10%	10%	2%	3%
Finland	10%	10%	2%	3%
Denmark	10%	10%	1%	3%
Latvia	12%	13%	2%	3%
Lithuania	12%	13%	2%	3%
Czech Republic	11%	11%	1%	3%
The Netherlands	10%	10%	1%	3%
Great Britain	10%	10%	2%	3%

Note 16 ▶ Tangible fixed assets

	Group		Parent company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
COMPUTERS AND MACHINERY				
Opening balance, historical cost	199,785	172,044	1,376	1,318
Acquisitions for the year	57,345	53,974	75	58
Accumulated acquisition values in acquired companies	23,038	–	–	–
Sales/disposals	–10,124	–308	–	–
Reclassifications [1)]	–43,420	–37,079	–	–
Exchange rate differences	–4,100	11,154	–	–
Closing accumulated acquisition value	**222,524**	**199,785**	**1,451**	**1,376**
Opening balance, depreciation	–171,760	–135,179	–1,332	–1,312
Depreciation for the year	–19,933	–25,201	–27	–20
Accumulated depreciation in acquired companies	–17,995	–	–	–
Sales/disposals	9,986	–57	–	–
Reclassifications	–	–1,750	–	–
Exchange rate differences	4,293	–9,573	–	–
Year-end accumulated depreciations	**–195,409**	**–171,760**	**–1,359**	**–1,332**
BOOK VALUE	**27,115**	**28,025**	**92**	**44**

	Group		Parent company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
EQUIPMENT				
Opening acquisition value	41,798	39,228	–	–
Acquisitions during the year	1,744	1,818	–	–
Sales/disposals	–2,451	–504	–	–
Reclassifications	–	–41	–	–
Exchange rate differences	–924	1,297	–	–
Closing accumulated acquisition value	**40,167**	**41,798**	**–**	**–**
Opening balance, depreciation	–33,022	–28,398	–	–
Depreciation for the year	–3,943	–4,171	–	–
Sales/disposals	2,435	495	–	–
Reclassifications	–	3	–	–
Exchange rate differences	779	–951	–	–
Year-end accumulated depreciations	**–33,751**	**–33,022**	**–**	**–**
BOOK VALUE	**6,416**	**8,776**	**–**	**–**

1) In 2015, an amount of SEK 43,420 (38,903) thousand was reclassified from fixed assets to financial leasing.

	Group		Parent company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
SPARE PARTS				
Opening acquisition value	47,636	33,454	–	–
Acquisitions during the year	3,248	4,661	–	–
Sales/disposals	–864	–80	–	–
Reclassification	–	7,735	–	–
Exchange rate differences	–905	1,866	–	–
Closing accumulated acquisition value	**49,115**	**47,636**	**–**	**–**
Opening balance, depreciation	–41,029	–26,924	–	–
Depreciation for the year	–4,624	–4,918	–	–
Sales/disposals	850	63	–	–
Reclassification	–	–7,735	–	–
Exchange rate differences	953	–1,515	–	–
Year-end accumulated depreciations	**–43,850**	**–41,029**	**–**	**–**
BOOK VALUE	**5,265**	**6,607**	**–**	**–**

	Group		Parent company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
BUILDINGS				
Opening acquisition value	16,827	14,454	–	–
Acquisitions during the year	37	194	–	–
Exchange rate differences	355	2,179	–	–
Closing accumulated acquisition value	**17,219**	**16,827**	**–**	**–**
Opening balance, depreciation	–1,447	–819	–	–
Depreciation for the year	–297	–328	–	–
Exchange rate differences	–40	–300	–	–
Year-end accumulated depreciations	**–1,784**	**–1,447**	**–**	**–**
BOOK VALUE	**15,435**	**15,380**	**–**	**–**
TOTAL BOOK VALUE, TANGIBLE FIXED ASSETS	**54,231**	**58,788**	**92**	**44**

Note 17 ▶ Shares in Group companies

Shares in Group companies	Company registration number	Registered office	Number of shares	Share of equity, %	Book value 31/12/2015 SEK 000	Book value 31/12/2014 SEK 000
Proact IT Sweden AB	556328-2754	Stockholm, SE	47,456,047	100.0%	34,400	34,400
Proact IT Norge AS	971 210 737	Oslo, NO	3,475,000	100.0%	49,523	49,523
Proact Finland OY	1084241-2	Esbo, FI	20,000	100.0%	15,519	15,519
Proact Systems A/S	18 803 291	Bröndby, DK	600	100.0%	3,085	3,085
Proact Finance AB	556396-0813	Sollentuna, SE	500,000	100.0%	5,000	5,000
Proact IT Latvia SIA	LV40003420036	Riga, LV	850	85.0%	4,432	4,432
Proact Lietuva UAB	110861350	Vilnius, LT	7,386	73.9%	7,845	7,845
Proact Netherlands B.V.	20136449	Breda,NL	44,419	98.2%	63,306	63,306
Proact Estonia AS	115131151	Tallinn, EE	22,757	85.0%[1)]	4,094	170
Proact IT (UK) Ltd	07493526	Chesterfield, UK	775,000	87.5%[2)]	37,635	24,761
Databasement International Holding B.V.	27326003	Zoetermeer, NL	1,802	100.0%	117,971	117,971
Proact Belgium BVBA	090211403	Drongen, BE	6,408	100.0%[3)]	11,691	–
Proact Czech Republic Ltd	24799629	Prag, CZ	–	74.5%[4)]	12,910	20,457
Proact IT Germany GmbH	132327	Hamburg, DE	210,000	70.0%	1,953	1,953
Proact Compose IT AB	556300-7664	Örebro, SE	26,317	100.0%[5)]	62,272	–
					431 636	**348 422**

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. Impairment of parent company shares in the company Proact Czech Republic Ltd has taken place in 2015, see footnote 4) below.

1) In 2015, a further 15.0 per cent has been acquired from non-controlling interests.
2) In 2015, a further 6.25 per cent has been acquired from non-controlling interests.
3) 100 per cent of shares in Proact Belgium BVBA were acquired by the parent company Proact IT Group AB from the subsidiary Proact Netherlands B.V. for a price of EUR 1. At the same time, a capital contribution of EUR 1,300 thousand (SEK 11,691 thousand) was made to Proact Belgium BVBA.
4) In 2015, the parent company impaired the value of shares in the subsidiary Proact Czech Republic Ltd by SEK 7,547 thousand.
5) In December 2015, 100 per cent of shares in the company Proact Compose IT System AB were required at a purchase price of SEK 61,000 thousand. Acquisition-related transaction expenses amounted to SEK 1,272 thousand.

Shares in subsidiaries	Parent company 31/12/2015	Parent company 31/12/2014
Opening book value	348,422	343,983
Capital contribution	11,691	6,600
Impairment	–7,547	–30,427
Acquisitions during the year	79,070	28,266
Closing accumulated acquisition value	**431,636**	**348,422**
BOOK VALUE	**431 636**	**348 422**

Income from participations in Group companies	Parent company 2015	Parent company 2014
Dividends, earned	30,551	49,237
Total	**30,551**	**49,237**

Acquisition of further interests in 2015 from non-controlling interests.

Acquisition of Proact IT (UK) Ltd.

In April 2015, the company acquired a further 6.25 per cent of shares in its British subsidiary Proact IT (UK) Ltd. from holders without a controlling influence. Following the acquisition, the company holds 87.5 per cent of shares in the subsidiary. The purchase price amounted to GBP 1,000 thousand (SEK 12,874 thousand).

Acquisition of Proact Estonia AS

In September 2015, the company acquired a further 7.5 per cent of shares in Proact Estonia AS from non-controlling interests. The purchase price amounted to EUR 210 thousand (SEK 1,965 thousand). In November 2015, the company acquired a further 7.5 per cent of shares in Proact Estonia AS from non-controlling interests. The purchase price amounted to EUR 210 thousand (SEK 1,959 thousand). Following these two acquisitions, the company holds 85 per cent of shares in the subsidiary.

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

	Equity, SEK 000 31/12/2015	Profit, SEK 000 2015	Cash flow, SEK 000 2015	Percentage of non-controlling interests, %	Equity, SEK 000 31/12/2014	Profit, SEK 000 2014	Cash flow, SEK 000 2014	Percentage of non-controlling interests, %
Proact IT Latvia SIA	564	379	321	15%	679	456	182	15%
Proact Lietuva UAB	947	296	–1,669	26%	1,670	943	1,611	26%
Proact Netherlands B.V.	161	515	–498	2%	51	389	–140	2%
Proact Estonia AS	4,449	498	–138	15%	4,805	743	440	30%
Proact IT (UK) Ltd	5,145	1,392	–423	13%	5,602	197	339	19%
Proact Czech Republic Ltd 1)	–	–	–	25%	–	–	–	25%
Proact IT Germany GmbH 1)	–	–	–	30%	–	–	–	30%
Proact VX B.V 1)	–	–	–	49%	–	–	–	0%
InControl Portal Ecosystem B.V. 2)	–	–	–	0%	–275	–23	–6	5%
	11,266	**3,079**	**–2,406**		**12,531**	**2,705**	**2,426**	

1) These companies have 100 per cent inclusion in the financial statements. Liabilities to non-controlling interests are included as a financial liability in the balance sheet, see Note 24.
2) Indirect minority 5.11 per cent. The remaining 5.11 per cent was acquired in 2015, since which time the parent company has owned 100 per cent.

Dividends to non-controlling interests

	2015	2014
Proact IT Latvia SIA	465	413
Proact Lietuva UAB	952	487
Proact Netherlands B.V.	368	1,167
Total	**1,785**	**2,067**

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

	Parent company		
	<1 year	1-5 year	>5 year
Receivables with group companies due within	99,145	193,960	–
Liabilities with group companies due within	312,105	12,379	–

There are no subordinated loans to foreign subsidiaries.

	Group	
Other long-term receivables	31/12/2015	31/12/2014
Frozen accounts of tenancy agreements	794	826
Receivables relating to financial leasing	88,800	73,490
Long-term accounts receivable	–	3,156
Loan to CEO of subsidiary	986	3,314
Other long-term receivables	5,457	5,208
Total	**96,037**	**85,994**

Note 19 ▶ Inventories

Inventories are valued at the acquisition value or the net realisable value, whichever is the lower. The reported value of goods in stock may need to be written down if they are exposed to damage, if all or some of them become too old or if their sale prices decline. Stock value as at 31 December 2015 amounted to SEK 12,262 (28,227) million. During the year, the group wrote down inventories to the value of SEK 426 (1,418) thousand due to obsolescence.

Note 20 ▶ Trade receivables

	Group	
	31/12/2015	31/12/2014
Accounts receivable	539,170	497,899
Provisions for impairment of accounts receivable	–308	–845
Accounts receivable - net	**538,862**	**497,054**

The Group has had no customer losses in 2015 or 2014.
See the section entitled "Risks and risk management" for age analysis relating to accounts receivable.

Note 21 ▶ Prepaid expenses and accrued income

	Group		Parent company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Prepaid rental costs	8,423	6,827	–	–
Prepaid leasing fees	7,791	4,853	–	–
Prepaid insurance premiums	1,642	2,564	–	–
Prepaid maintenance charges	167,691	141,102	–	–
Other prepaid expenses	34,163	56,656	1,830	9,395
Accrued system revenues	28,083	19,837	–	–
Accrued service revenues	15,632	25,034	–	–
Accrued agreement revenues	11,612	11,859	–	–
Other accrued revenues	28,202	20,877	–	–
Total	**303,239**	**289,609**	**1,830**	**9,395**

Note 22 ▶ Other liabilities

	Group		Parent company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Personnel withholding tax	15,077	14,964	592	546
VAT liabilities	36,980	36,304	940	–
Current liability, additional purchase price	–	7,488	–	7,488
Advance payments from customers	3,784	3,497	–	–
Liabilities for non-controlling interests[1]	–	18,930	–	18,930
Other items	13,847	9,354	5,205	1,224
Total	**69,688**	**90,537**	**6,737**	**28,188**

All liabilities are due for payment within one year.

1) Liabilities to non-controlling interests in connection with the acquisition of a further 7.35 per cent of interests in the company Proact Netherlands B.V.

Note 23 ▶ Accrued expenses and deferred income

	Group		Parent company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Accrued wages and salaries	41,339	30,957	3,296	1,763
Accrued holiday pay liabilities	35,517	32,903	2,811	1,660
Accrued social costs	18,318	15,745	474	168
Accrued servicing costs	132,340	113,967	–	–
Prepaid system revenues	7,935	–	–	–
Prepaid service revenues	234,186	225,313	–	–
Other items	55,177	47,081	4,422	8,107
Total	**524,812**	**465,966**	**11,003**	**11,698**

Note 24 ▶ Financial assets and liabilities

	Group		Parent company	
Other financial liabilities	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Non-interest-bearing				
Financial liability on acquisition [1]	–	856	–	–
Currency derivatives	762	2,228	–	–
Accounts payable	508,402	491,458	4,059	5,029
Total non-interest-bearing	**509,164**	**494,542**	**4,059**	**5,029**
Interest-bearing				
Financial liability on acquisition [1]	14,856	1,905	–	–
Current liability, additional purchase price	–	7,488	–	7,488
Utilised overdraft facility	1,904	4,495	–	–
Bank loans, of which current portion	33,067	32,524	31,879	31,359
Bank loans, of which non-current portion	106,026	87,477	101,471	81,857
Contract borrowing, of which current portion	20,547	17,415	–	–
Contract borrowing, of which non-current portion	1,598	7,617	–	–
Financial leasing liabilities[2]	1,197	1,455	–	–
Total interest-bearing	**179,195**	**160,376**	**133,350**	**120,704**
Total other financial liabilities	**688,359**	**654,918**	**137,409**	**125,733**

1) Financial liability on acquisition of Storyflex Inc. (now known as Proact Czech Republic Ltd.) SEK 1,875 thousand and Proact VX B.V. 12,981.
2) See also Note 27.

Note 24 – Continued

Interest-bearing liabilities, Group 31/12/2015

	Interest	Maturity	Book value
Financial liability on acquisition [1]	10% – 15%	2018 - 2020	14,856
Utilised overdraft facility, Nordea [3] [4]	Base rate + 2.0%	31/12/2016	1,904
Bank loan, Nordea [3]	LIBOR 3M + 2.25%	29/07/2016	77,100
Bank loan, Nordea [3]	STIBOR 3M + 3.25%	17/02/2017	6,250
Bank loan, Nordea [3]	2.5%	31/12/2018	50,000
Bank loan, Lloyds TSB Bank [2]	Base Rate + 4%	04/02/2020	3,564
Bank loan, Lloyds TSB Bank [2]	Base Rate + 4%	30/11/2020	2,179
Contract borrowing, Nordea Finans [2] [5]	STIBOR 1M + 1.1%	2018	22,145
Financial leasing liability [2]	7.45%	2017	695
Financial leasing liability [2]	1.16%	01/08/2016	502
Total interest-bearing liabilities			**179,195**

Of the above interest-bearing liabilities, current loans which fall due in 2016 amount to SEK 56,353 thousand.

1) The interest rate used when carrying out a current value calculation for Proact Czech Republic Ltd is 15 per cent with a term until 2018, plus 10% for Proact VX B.V. 10% with a term until 2020.
2) Interest is payable over one month.
3) Interest is payable over three months.
4) The limit for the Group overdraft facility is SEK 172,842 thousand, and for the parent company SEK 7,000 thousand, of which the Group amount utilised amounted to SEK 1,904 thousand and SEK - thousand for the parent company.
5) Swedish agreements up to 31/12/2018 and Norwegian agreements up to 30/04/2017.

Interest-bearing liabilities, Group 31/12/2014

	Interest	Maturity	Book value
Financial liability on acquisition [1]	15%	2017	1,905
Liabilities, additional purchase price [2]	5%	01/06/2015	7,488
Utilised overdraft facility, Nordea [4] [5]	NSSu + 1.8%	31/03/2015	4,495
Bank loan, Nordea [2]	LIBOR 3M + 2.25%	29/07/2016	101,966
Bank loan, Nordea [2]	STIBOR 3M + 3.25%	17/02/2017	11,250
Bank loan, Lloyds TSB Bank [3]	Base Rate + 4%	04/02/2020	4,260
Bank loan, Lloyds TSB Bank [3]	Base Rate + 4%	30/11/2020	2,525
Contract borrowing, Nordea Finans [3] [6]	STIBOR 1M + 1.1%	2017	25,032
Financial leasing liability [3]	4.5%	2015-2016	1,001
Financial leasing liability [3]	7.1%	31/12/2015	454
Total interest-bearing liabilities			**160,376**

Of the above interest-bearing liabilities, current loans which fell due in 2015 amounted to SEK 55,388 thousand.

1) The interest rate used for current value calculation is 15 per cent.
2) The interest rate used for current value calculation is 5 per cent and is used over the entire term.
3) Interest is payable over one month.
4) Interest is payable over three months.
5) The limit for the Group overdraft facility is SEK 145,426 thousand, and for the parent company SEK 7,000 thousand, of which the Group amount utilised amounted to SEK 4,495 thousand and SEK - thousand for the parent company.
6) Swedish agreements up to 31/10/2017 and Norwegian agreements up to 30/04/2017.

Interest-bearing liabilities Parent company 31/12/2015

	Interest	Maturity	Book value
Bank loan, Nordea [1]	LIBOR 3M + 2.25%	29/07/2016	77,100
Bank loan, Nordea [1]	STIBOR 3M + 3.25%	17/02/2017	6,250
Bank loan, Nordea [1]	2.5%	31/12/2018	50,000
Total interest-bearing liabilities			**133,350**

Of the above interest-bearing liabilities, current loans which fall due in 2016 amount to SEK 31,879 thousand.

1) Interest is payable over three months.

Interest-bearing liabilities Parent company 31/12/2014

	Interest	Maturity	Book value
Liabilities, additional purchase price [1]	5%	01/06/2015	7,488
Bank loan, Nordea [2]	LIBOR 3M + 2.25%	29/07/2016	101,966
Bank loan, Nordea [2]	STIBOR 3M + 3.25%	17/02/2017	11,250
Total interest-bearing liabilities			**120,704**

Of the above interest-bearing liabilities, current loans which fell due in 2015 amounted to SEK 31,359 thousand.

1) The interest rate used for current value calculation is 5 per cent and is used over the entire term.
2) Interest is payable over three months.

Group maturity structure, financial liabilities as at 31 December 2015
Contractual undiscounted amounts including future interest payments

	On request	< 3 mths	3-12 mths	1-5 years	> 5 years
Currency derivatives	–	–189	–504	–69	–
Financial liability on acquisition [1]	–	–	–	14,856	–
Utilised overdraft facility	–	–	1,916	–	–
Contract borrowing, of which current portion	–	5,932	14,877	–	–
Contract borrowing, of which non-current portion	–	–	–	1,699	–
Bank loans, of which current portion	–	9,244	27,372	–	–
Bank loans, of which non-current portion	–	–	–	108,748	–
Accounts payable	–	508,402	–	–	–
Financial leasing liabilities	–	100	792	363	–
	–	**523,489**	**44,453**	**125,597**	**–**

1) Financial liability on acquisition of Storyflex Inc. (now known as Proact Czech Republic Ltd.) SEK 1,875 thousand and Proact VX B.V. 12,981.

Group maturity structure, financial liabilities as at 31 December 2014
Contractual undiscounted amounts including future interest payments

	On request	< 3 mths	3-12 mths	1-5 years	> 5 years
Currency derivatives	–	–1,391	793	1,152	–
Financial liability on acquisition [1]	–	–	–	1,905	856
Current liability, additional purchase price	–	3,330	4,282	–	–
Utilised overdraft facility	–	–	4,515	–	–
Contract borrowing, of which current portion	–	4,391	13,252	–	–
Contract borrowing, of which non-current portion	–	–	–	8,097	–
Bank loans, of which current portion	–	9,030	26,726	–	–
Bank loans, of which non-current portion	–	–	–	89,080	–
Accounts payable	–	488,630	2,828	–	–
Financial leasing liabilities	–	133	912	478	–
	–	**504,123**	**53,308**	**100,712**	**856**

1) Financial liability on acquisition of Storyflex Inc. (now known as Proact Czech Republic Ltd.) SEK 1,905 thousand plus Proact IT Germany GmbH, SEK 856 thousand.

Note 24 – Continued

Parent company maturity structure, financial liabilities as at 31 December 2015
Contractual undiscounted amounts including future interest payments

	On request	< 3 mths	3-12 mths	1-5 years	> 5 years
Bank loans, of which current portion	–	8,853	26,221	–	–
Bank loans, of which non-current portion	–	–	–	103,964	–
Accounts payable	–	4,059	–	–	–
	–	**12,912**	**26,221**	**103,964**	**–**

Parent company maturity structure, financial liabilities as at 31 December 2014
Contractual undiscounted amounts including future interest payments

	On request	< 3 mths	3-12 mths	1-5 years	> 5 years
Current liability, additional purchase price	–	3,330	4,282	–	–
Bank loans, of which current portion	–	8,635	25,562	–	–
Bank loans, of which non-current portion	–	–	–	83,134	–
Accounts payable	–	5,029	–	–	–
	–	**16,994**	**29,844**	**83,134**	**–**

Financial assets and liabilities per valuation category

Group 2015	Assets and liabilities valued at fair value through income statement	Loans and receivables	Other liabilities	Total carrying amount	Fair value[2]
Financial lease receivables	–	89,101	–	89,101	89,101
Rent deposits	–	794	–	794	794
Accounts receivable	–	538,862	–	538,862	538,862
Cash and cash equivalents	–	158,785	–	158,785	158,785
Currency derivatives[1]	14	–	–	14	14
Total financial assets	**14**	**787,542**	**–**	**787,556**	**787,556**
Accounts payable	–	–	508,402	508,402	508,402
Accrued servicing costs	–	–	132,340	132,340	132,340
Bank loans	–	–	139,093	139,093	139,093
Bank overdraft facilities	–	–	1,904	1,904	1,904
Contract borrowing	–	–	22,145	22,145	22,145
Liabilities, acquisitions	12,981	–	1,875	14,856	14,856
Currency derivatives[1]	762	–	–	762	762
Financial leasing liabilities	–	–	1,197	1,197	1,197
Total financial liabilities	**13,743**	**–**	**806,956**	**820,699**	**820,699**

1) Assets and liabilities relating to currency derivatives are recognised in accrued income, accrued expenses and other long-term liabilities.
2) Recognised values are a reasonable estimate of fair value.

Group 2014	Assets and liabilities valued at fair value through income statement	Loans and receivables	Other liabilities	Total carrying amount	Fair value[2]
Financial lease receivables	–	73,490	–	73,490	73,490
Rent deposits	–	826	–	826	826
Accounts receivable	–	497,054	–	497,054	497,054
Cash and cash equivalents	–	142,859	–	142,859	142,859
Currency derivatives[1]	1,675	–	–	1,675	1,675
Total financial assets	**1,675**	**714,229**	**–**	**715,904**	**715,904**
Accounts payable	–	–	491,458	491,458	491,458
Accrued servicing costs	–	–	113,967	113,967	113,967
Bank loans	–	–	120,001	120,001	120,001
Bank overdraft facilities	–	–	4,495	4,495	4,495
Contract borrowing	–	–	25,032	25,032	25,032
Liabilities, additional purchase price	7,488	–	–	7,488	7,488
Liabilities, acquisitions	–	–	2,761	2,761	2,761
Currency derivatives[1]	2,228	–	–	2,228	2,228
Financial leasing liabilities	–	–	1,455	1,455	1,455
Total financial liabilities	**9,716**	**–**	**759,169**	**768,885**	**768,885**

1) Assets and liabilities relating to currency derivatives are recognised in accrued income, accrued expenses and other long-term liabilities.
2) Recognised values are a reasonable estimate of fair value.

Note 24 – Continued

Calculation of fair value

According to IAS 39, certain financial instruments must be valued at fair value in the balance sheet. To do this, information is required on valuation at fair value for each level in the following fair value hierarchy:

Level 1) Listed prices (unadjusted) on active markets for identical assets or liabilities.
Level 2) Observable data for assets or liabilities other than listed prices included in level 1, either directly (i.e. as price listings) or indirectly (i.e. derived from price listings).
Level 3) Data for assets or liabilities which is not based on observable market data (i.e. non-observable data).

In category 3, the Group has a liability in the form of a calculated future purchase price. Calculation of this liability is a current value calculation which is based on an assessment of which amount will fall due, and when.

In category 2, the Group has receivables and liabilities relating to currency hedges at a net value of SEK 762 thousand as at 30 December 2015. Receivables of SEK 14 thousand are recognised under interim receivables, current liabilities of SEK 693 thousand are recognised under interim liabilities or another long-term liability of SEK 69 thousand.

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

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

List of changes relating to level 3 instruments:

2015	Contingent purchase price in connection with business combinations
Opening liability as at 1 January 2015	7,488
Additional contingent purchase price	12,981
Payment	–7,488
Profits and losses recognised in the income statement under financial expenses	–
Closing liability as at 31 December 2015 [1)]	**12,981**

1) The fair value of the liability has been calculated as the current value of the established future payments based on an interest rate of 10 per cent.

2014	Contingent purchase price in connection with business combinations
Opening liability as at 1 January 2014	16,113
Payment	–9,847
Profits and losses recognised in the income statement under financial expenses	1,222
Closing liability as at 31 December 2014 [1)]	**7,488**

1) The fair value of the liability has been calculated as the current value of the established future payments based on an interest rate of 5 per cent.

Note 25 ▶ Pledged assets, contingent liabilities and commitments

Pledged assets

	Group		Parent company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Chattel mortgages [1)]	98,381	99,342	–	–
Frozen resources [2)]	794	826	–	–
Security, building [3)]	13,368	15,380	–	–
Security, bank loans [4)]	221,315	123,499	96,672	34,400
Pledged accounts receivable [5)]	7,329	21,195	–	–
Total pledged assets	**341,187**	**260,242**	**96,672**	**34,400**

1) Chattel mortgages refer to security placed for overdraft facilities in Proact Finance, Finland, the Netherlands and the United Kingdom amounting to SEK 97,532 (98,456) thousand.
2) Security for rental contract SEK 794 (826) thousand. Frozen liquid funds are included in the item Other long-term receivables.
3) Building in the United Kingdom used as collateral for bank loans of SEK 3,565 thousand and SEK 2,179 thousand respectively with Lloyds TSB Bank.
4) Shares in subsidiaries as security for bank loans of SEK 133,350 thousand with Nordea.
5) Pledged for overdraft facility in Proact Czech Republic Ltd.

The customer contract has been used as security for contract borrowings of SEK 22,145 thousand, see Note 24.

Contingent liabilities

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

	Group		Parent company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Guarantees for				
Subsidiaries' credit facilities	–	–	1,904	–
Bank loans	–	–	–	–
Other guarantees, subsidiaries [1)]	–	–	42,487	37,135
Total contingent liabilities	**–**	**–**	**44,391**	**37,135**

1) Other guarantees, subsidiaries relates to customer commitments of SEK 852 thousand, supplier guarantees of SEK 41,176 thousand and guarantees for leased vehicles of SEK 459 thousand.

Commitments

As at 31 December 2015, the company had no contracted commitments which had not yet been reported in the financial statements which would result in significant future disbursements, except for commitments relating to operating and support activities. For leasing commitments, see Note 27.

Note 26 ▶ Supplementary information on the cash flow statement

Information concerning interest paid
During the period, interest received in the Group amounted to SEK 2,994 (1,780) thousand and SEK 177 (292) thousand in the parent company. During the period, interest paid in the group amounted to SEK 6,877 (8,233) thousand and SEK 4,233 (5,321) in the parent company.

Acquisition of subsidiaries and activities
Proact VX B.V. was acquired in June 2015. This acquisition was funded in its entirety by own shares and involved no effect on cash and cash equivalents. See also the section entitled "Transactions not settled in cash and cash equivalents" and Note 32 Acquisitions.

The company acquired Proact Compose IT System AB at the end of December 2015. The purchase price for this company was settled in part with cash and cash equivalents, SEK 46,360 thousand in December 2015 and SEK 3,050 thousand in early January 2016. See also the section entitled "Transactions not settled in cash and cash equivalents" and Note 32 Acquisitions.

In 2015, further payments of an amount of SEK 7,529 thousand were made in cash according to plan in respect of the acquisition of Databasement International Holding B.V.

In 2014, further payments of an amount of SEK 9,847 thousand were made in cash according to plan in respect of the acquisition of Databasement International Holding B.V.

Acquisitions from non-controlling interests
In 2015, 6.25 per cent was acquired from non-controlling interests in the company Proact IT (UK) Ltd. for an amount of GBP 1,000 thousand (SEK 12,874 thousand). In addition, a total of a further 15 per cent was acquired from non-controlling interests in the company Proact Estonia AS for an amount of EUR 420 thousand (SEK 3,924 thousand), along with the remaining 5.11 per cent in the company InControl Portal Ecosystem B.V. for an amount of EUR 30 thousand (SEK 214 thousand).

In 2014, 3.75 per cent was acquired from non-controlling interests in the company Proact IT (UK) Ltd. for an amount of GBP 600 thousand (SEK 6,515 thousand). In addition, a total of a further 7.51 per cent was acquired from non-controlling interests in the company Proact Netherlands B.V. for an amount of EUR 2,081 thousand (SEK 19,798 thousand).

Divestment of subsidiaries and activities
No subsidiaries or operations were divested in 2015.

No subsidiaries or operations were divested in 2014.

Acquisition of intangible fixed assets
Intangible fixed assets worth SEK 16,212 (8,341) thousand were acquired during the year.

Acquisition of tangible fixed assets
Tangible fixed assets worth SEK 62,373 (60,802) thousand were acquired during the year.

Dividends to non-controlling interests
During the year, dividends amounting to SEK 1,785 (2,067) thousand were paid out to non-controlling interests in partly-owned subsidiaries in the Netherlands and the Baltic region.

Cash and cash equivalents	Group		Parent company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Cash and bank balances [1, 2]	158,785	142,859	–	–

1) Of Group cash and cash equivalents, SEK 46,532 (91,279) thousand relate to partly-owned companies in the Baltic region, the Netherlands, the United Kingdom, Germany and the Czech Republic.
2) The parent company's cash and cash equivalents relate to the balance of the Group account and are recognised as liabilities to Group companies, amounting to SEK 289,509 (239,192) thousand as at 31 December 2015.

Frozen liquid assets
The Group has total frozen liquid assets of SEK 794 (826) thousand. Of these, SEK 794 (826) thousand are included in Other long-term receivables and relate to security for rental contracts. See Note 18.

Transactions not settled in cash and cash equivalents
In 2015, the two company acquisitions implemented were settled to an extent by means other than cash and cash equivalents. Part of the purchase price for Compose IT System AB, SEK 11,590 thousand, plus the total purchase price, EUR 255 thousand (SEK 2,364 thousand), for the company Proact VX B.V. was settled with own shares.

Note 27 ▶ Leasing

Leasing commitments

Lessors – Operational leasing agreements
Proact runs hire operations by supplying equipment to customers in accordance with operational leasing agreements. In most of the contracts concluded, agreements have been signed concerning both the hire of hardware and the supply of support services. The future contracted leasing income is distributed as follows:

	Group Operational leasing	
	31/12/2015	31/12/2014
Within 0-1 year	8,700	10,836
Within 1-5 years	3,182	9,864
After more than 5 years	–	–
	11,882	**20,700**

The minimum lease charges for operational leasing agreements within the Group in 2015 amounted to SEK 11,789 (11,832) thousand. The total variable charge included in profit for the year amounted to SEK 2,890 (2,567) thousand.

Lessees – Operational leasing agreements
The Group has leasing commitments mainly for IT equipment, tenancy agreements and the hire of office equipment and vehicles. As at 31 December 2015, future leasing commitments in the Group and parent company for leasing contracts are distributed as follows:

	Group Operational leasing	
	31/12/2015	31/12/2014
Within 0-1 year	65,774	72,731
Within 1-5 years	62,683	48,906
After more than 5 years	–	–
	128,457	**121,637**

The minimum lease charges for assets within the Group in 2015 amounted to SEK 96,979 (82,462) thousand. The minimum lease charges for assets within the parent company in 2015 amounted to SEK 276 (282) thousand.

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

	Gross investment	Present value of future minimum lease payments	Gross investment	Present value of future minimum lease payments
	31/12/2015	31/12/2015	31/12/2014	31/12/2014
Within 0-1 year	46,869	43,713	36,794	34,360
Within 1-5 years	47,964	45,388	40,731	39,130
After more than 5 years	–	–	–	–
	94,833	**89,101**	**77,525**	**73,490**
Unearned finance income	–	5,732	–	4,035
	94,833	**94,833**	**77,525**	**77,525**

The total variable charge included in profit for the year amounted to SEK 1,008 (132) thousand.

Lessees – Financial leasing agreements
Proact holds fixed assets, IT equipment, under financial leasing agreements. Future amortisations plus interest will be paid as follows:

	Gross investment	Present value of future minimum lease payments	Gross investment	Present value of future minimum lease payments
	31/12/2015	31/12/2015	31/12/2014	31/12/2014
Within 0-1 year	859	822	1,019	955
Within 1-5 years	411	375	518	500
After more than 5 years	–	–	–	–
	1,270	**1,197**	**1,537**	**1,455**
Unpaid financial expenses	–	75	–	82
	1,270	**1,272**	**1,537**	**1,537**

Note 28 ▶ Information on related parties

Related parties refer to the company's CEO, members of the Board of Directors and companies in which any of the members of the Board of Directors of Proact are active. Besides those reported in Notes 5 and 9, the following transactions were made between related parties:

Proact IT Group AB has an outstanding loan of GBP 273 thousand (SEK 3,379 thousand) to Jason Clark, the CEO of the subsidiary in the United Kingdom. The entire loan has been repaid in January 2016.

The interest rate charged is the Official Rate of Interest in the UK (an unofficial government reference interest rate for loans to employees, for example). This was 4 per cent at the time the contract was concluded, and it can only be changed if it is increased after an initial period of 18 months. This interest rate was reduced in 2015 from 3.25 per cent to 3.00 per cent, but without affecting the interest rate on the loans described above.

During the year, 6.25 per cent of shares in Proact IT (UK) Ltd were acquired from Jason Clark, the CEO in the United Kingdom, for an amount of GBP 1,000 thousand (SEK 12,874 thousand).

Proact IT Group AB has rental agreements concerning premises with the company Klövern AB. Since the 2015 Annual General Meeting, Pia Gideon has been a Board member at Proact IT Group. She is also a Board member at Klövern AB. In 2015, Proact IT Group has had rental expenses of SEK 4.2 million for premises owned by Klövern.

Note 29 ▶ Events after the balance sheet date

On 8 January 2016, the Board of Directors made a decision to appoint Jason Clark as the new Group President and CEO of Proact IT Group AB. Jason Clark was previously responsible for Proact operations in the United Kingdom.

Note 30 ▶ Equity

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

Total no. of shares
According to the Articles of Association, the number of shares in the company must be no fewer than 5 million and no more than 20 million. As at 31 December 2015, a total of 9,333,886 shares in the company had been issued.

Total number of shares as at 01/01/2015	9,333,886
Total number of shares as at 31/12/2015	**9,333,886**

No. of shares bought back	
Opening balance, bought-back own shares, 01/01/2015	148,618
Own shares transferred over the year	–108,474
Number of bought-back own shares, 31/12/2015	**40,144**

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

Hedging of net investment in foreign operations
Exchange rate differences concerning net investment in operations in the United Kingdom

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

Specification of translation differences	Group
Opening balance, 01/01/2015	–3,610
Change, 2015	–10,207
Closing balance, 31/12/2015	**–13,817**

Retained earnings
Retained earnings in the Group include results for the year and previous years, dividends to shareholders, buy-back of own shares, disposals of businesses, acquisitions from non-controlling interests and a financial liability to non-controlling interests in the Czech Republic.

Attributable to non-controlling interests
This item refers to non-controlling interests in Estonia, Latvia, Lithuania, the Netherlands and the United Kingdom.

Capital
Proact's managed capital consists of equity. The aim of the company is to prepare profits to shareholders by increasing the value of the managed capital. There are no external capital requirements other that those referred to in the Swedish Companies Act.

Parent company
Each share entitles the holder to one vote. All shares issued are fully paid up. A dividend of SEK 15,615 thousand, equivalent to SEK 1.70 per share, was issued in 2015.

The Board of Directors will propose to the AGM on 2 May 2016 the distribution of a dividend of SEK 2.70 per share for 2015.

The total dividend will amount to SEK 25,093 thousand, or a maximum of SEK 25,202 thousand if the number of bought-back own shares changes prior to the record day for dividends.

The parent company has not issued any share options or conversion rights.

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".

	2015	2014
Profit per share for the year pertaining to the parent company's shareholders	75,341	57,188
Weighted average total number of shares	9,333,886	9,333,886
Weighted average number of outstanding shares	9,192,876	9,291,082
Earnings per share before dilution, SEK	**8.20**	**6.16**

The company has no outstanding instruments which may involve dilution.

Note 32 ▶ Acquisitions

Acquisitions, 2015
Acquisition of Proact VX B.V.

Acquired companies' net assets at the time of acquisition

Amounts in SEK 000	June 2015
Intangible fixed assets	–
Tangible fixed assets	181.3
Trade and other receivables	840.1
Cash and cash equivalents	–
Long-term liabilities	–
Accounts payable and other current liabilities	–840.1
Net identifiable assets	**181.3**
Goodwill	7,179.5
Fair value adjustment on acquired intangible fixed assets	10,902.2
Deferred tax on acquired intangible assets	–2,725.6
Fair value adjustment on acquired tangible fixed assets	–
Deferred tax on acquired tangible assets	–
Purchase price inc. calculated future additional purchase price	15,537.5
Removed:	
Acquired cash	–
Calculated additional purchase price for remaining shares	–13,173.5
Own shares used for acquisition	–2,364.0
Net cash flow	**–**

Identification of surplus values

Amounts in SEK 000	June 2015
Intangible fixed assets	
Goodwill	7,179.5
Customer contract, brand	10,902.2
Total identifiable surplus values on intangible assets	**18,081.7**
Deferred tax on surplus values on intangible fixed assets	
Customer contract, brand	–2,725.6
Total deferred tax on surplus values on intangible assets	**–2,725.6**
Net identifiable surplus values on intangible assets	**15,356.2**

The above acquisition relates to the acquisition of part of the Microsoft Datacentre Innovation Services business at VX Company IT Services B.V. The business was transferred to a new company, Proact VX B.V., in which Proact acquired 51 per cent of shares and votes. At the same time, a binding agreement was entered into which gives Proact the opportunity to acquire the remaining 49 per cent of shares, which are owned by VX Company IT Services B.V. and the executive at Proact VX B.V. This acquisition took place on 1 June 2015. VX Company is a well-established company with extensive expertise in the field of Microsoft infrastructure. This acquisition gives Proact the opportunity to offer innovative Microsoft infrastructures to its customers in combination with Proact's data centre and cloud services offering.

"Microsoft Datacentre Innovation Services" has around 15 consultants who provide expertise and extensive experience in the fields of Azure, Hyper-V, Office 365, System Center and Microsoft Lync, and also Citrix and RES software. The acquisition analysis is preliminary as the assets in the company have not been analysed definitively. The purchase price for the acquisition was greater than the recognised assets of the acquired business, and as a result the acquisition analysis gives rise to intangible assets. When acquiring a consultancy business, the company mainly acquires human capital in the form of staff expertise, customer bases and contracts. A brand has also been ascribed a value as part of this acquisition, as "VX" is an Inc name on the market where the company is active.

Since the time of the acquisition, Proact VX B.V. has contributed SEK 18.4 million in revenues and a profit before tax of SEK 2.5 million. As the business was transferred to a new company from the acquisition date, these amounts will also match pro forma revenues and profits for 2015 as a whole.

Acquisition, Proact Compose IT AB

Acquired companies' net assets at the time of acquisition

Amounts in SEK 000	December 2015
Intangible fixed assets	–
Tangible fixed assets	4,860.2
Trade and other receivables	12,428.1
Cash and cash equivalents	3,927.8
Long-term liabilities	–59.7
Accounts payable and other current liabilities	–9,124.6
Net identifiable assets	**12,031.9**
Goodwill	48,968.1
Fair value adjustment on acquired intangible fixed assets	–
Deferred tax on acquired intangible assets	–
Fair value adjustment on acquired tangible fixed assets	–
Deferred tax on acquired tangible assets	–
Purchase price	61,000.0
Removed:	
Acquired cash	–3,927.8
Own shares used for acquisition	–11,590.0
Net cash flow	**45,482.2**

Identification of surplus values

Amounts in SEK 000	December 2015
Intangible fixed assets	
Goodwill	48,968.1
Total identifiable surplus values on intangible assets	**48,968.1**
Net identifiable surplus values on intangible assets	**48,968.1**

The above acquisition relates to all shares and votes in the company Compose IT System AB. This acquisition took place on 29 December 2015.

Compose IT System is a well established supplier of cloud services on the Swedish market. The company focuses on advisory services, thereby enabling it to offer customers the right type of operating and cloud services. Its present offering also includes hosting and capacity services, as well as outsourcing and cloud services. The company employs 50 staff. The acquisition is in line with market demand and supports the Proact growth strategy in the fields of data centres and operating and cloud services.

The acquisition analysis is preliminary as the assets in the company have not been analysed definitively.

The purchase price for the acquisition was greater than the recognised assets of the acquired business, and as a result the acquisition analysis gives rise to intangible assets.

As this acquisition took place in the last few days of the year, Proact Compose IT will be contributing revenues and profit from 2016 onwards. In pro forma terms, Proact Compose IT would have contributed SEK 78.9 million in revenues and a profit before tax of SEK 6.1 million for 2015 as a whole.

Acquisitions, 2014
Acquisition of Proact IT Germany GmbH
In November 2014, Proact acquired 70 per cent of shares in Proact IT Germany GmbH, with an option to acquire the remaining 30 per cent. Final settlement of the purchase price in respect of the option will take place in accordance with a price mechanism which is based on growth and profit development in relation to an established business plan. Settlement may take place between 2018 and 2020. The German company is an entirely new company, which is why no current value calculation of an estimated final settlement has been carried out and recognised. The purchase price for the 70 per cent of shares amounted to EUR 210 thousand (SEK 1,953 thousand).

The above acquisitions are insignificant in terms of size, and hence Proact will provide no further information on these.

Five-year summary

	2015	2014	2013	2012	2011
Income statement (SEK millions)					
Total revenues	2,801.7	2,325.3	2,304.8	2,433.1	2,231.8
EBITDA	169.2	144.2	128.1	144.5	121.5
EBITA	140.4	109.5	82.9	93.1	74.6
EBIT	113.5	84.9	54.0	70.7	54.6
Profit before tax	104.1	85.2	43.7	61.0	41.9
Income for the year	78.4	59.9	27.2	41.8	29.5
EBITDA margin, %	6.0	6.2	5.6	5.9	5.4
EBITA margin, %	5.0	4.7	3.6	3.8	3.3
EBIT margin, %	4.1	3.7	2.3	2.9	2.4
Net margin, %	3.7	3.7	1.9	2.5	1.9
Profit margin, %	2.8	2.6	1.2	1.7	1.3
Equity, provisions and liabilities (SEK millions)					
Equity	316.8	269.3	242.6	228.5	214.8
Balance sheet total	1,650.7	1,540.9	1,438.8	1,492.8	1,505.9
Capital employed	496.0	427.9	407.6	416.6	424.3
Net debt	–5.6	–7.8	–121.1	–85.0	137.9
Financial key ratios					
Equity ratio, %	19.2	17.5	16.9	15.3	14.3
Capital turnover rate, times	1.8	1.6	1.6	1.6	1.9
Cash flow, SEK millions	27.7	90.0	–55.9	34.6	–2.1
Investments in fixed assets, SEK millions	150.4	69.1	54.8	62.0	73.1
Return on equity, %	26.8	23.4	11.6	18.9	14.7
Return on capital employed, %	25.6	21.3	13.8	17.4	18.4
Dividend to Parent Company's shareholders, SEK millions [2]	25.1	15.6	11.2	9.3	13.8
Key ratios per employee					
Average number of employees on annual basis	669	646	649	660	568
Number of employees at year-end	743	665	644	702	640
Profit before tax per employee, SEK thousands	156	132	67	92	74
Data per share					
Earnings per share (total number of shares), SEK	8.07	6.13	2.35	3.95	2.66
Earnings per share (outstanding shares), SEK [1]	8.20	6.16	2.36	3.96	2.69
Equity per share (total number of shares), SEK	32.73	27.51	24.57	23.36	21.99
Equity per share (outstanding shares), SEK [1]	32.87	27.96	24.63	23.42	22.27
Cash flow from current operations per share (total number of shares), SEK	19.58	26.55	4.34	19.66	17.59
Cash flow from current operations per share (outstanding shares), SEK [1]	19.88	26.67	4.35	19.71	17.81
Total number of shares at end of period	9,333,886	9,333,886	9,333,886	9,333,886	9,333,886
Total number of outstanding shares at end of period [1]	9,293,742	9,185,268	9,310,268	9,310,268	9,217,455
Weighted average number of shares (total number of shares)	9,333,886	9,333,886	9,333,886	9,333,886	9,333,886
Weighted average number of shares (outstanding shares) [1]	9,192,876	9,291,082	9,310,268	9,307,837	9,217,455
Number of own shares held at end of period	40,144	148,618	23,618	23,618	116,431
Number of warrants at end of period	–	–	–	–	–
Share price as at 31 December, SEK	139.25	78.50	81.00	102.25	158.00

1) Proact does not have any outstanding warrants, convertible debentures or other instruments that could give rise to dilution. The company has, however, bought back shares in its own custody, which affects the key ratios and figures above. Account has only been taken off buy-backs carried out as at the balance sheet date.
2) The Board of Directors and CEO will propose a dividend of SEK 2.70 per share to the Annual General Meeting for the 2015 business year.

Definitions

Capital employed
Ratio of the balance sheet total minus non interest-bearing liabilities inclusive of deferred tax liabilities.

Capital turnover rate, times
Revenues as a percentage of average balance sheet total.

Cash flow
Change in cash and equivalents.

EBIT
Operating profit before net financial items and tax.

EBIT marginal
Operating profit/loss as a percentage of total revenues.

EBITA
Profit after depreciation of tangible fixed assets but before depreciation of intangible assets, net financial items and tax.

EBITA margin
EBITA as a percentage of total revenues.

EBITDA
Profit before depreciation (tangible and intangible assets), net financial items and tax.

EBITDA margin
EBITDA as a percentage of total revenues.

Equity ratio
Equity including minority interests as a percentage of the balance sheet total.

Net debt
Cash and cash equivalents minus interest-bearing liabilities to credit institutions.

Net margin
Profit before tax as a percentage of total revenues.

Profit margin
Profit or loss after tax for the period expressed as a percentage of total revenues.

Profit per employee
Profit before tax divided by average number of full-time employees.

Return on capital employed
Profit after net financial items plus financial expenses as a percentage of average capital employed.

Return on equity
Profit or loss after tax for the period expressed as a percentage of average equity.

Certification

The undersigned assure that the consolidated and annual accounts have been prepared in accordance with international financial reporting standards IFRSs 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.

Kista, 22 March 2016

Anders Hultmark
Chairman

Roger Bergqvist
Board member

Eva Elmstedt
Board member

Pia Gideon
Board member

Christer Hellström
Board member

Christer Holmén
Board member

Jason Clark
Chief Executive Officer

Our audit report was submitted on 8 April 2016.
Ernst & Young AB

Rickard Andersson
Authorised Public Accountant

Auditor's report

To the annual meeting of the shareholders of Proact IT Group AB (publ), corporate identity number 556494-3446

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Proact IT Group AB (publ) for the year 2015, except for the corporate governance statement on pages 21-24. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 15-58.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director 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.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

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

Opinions

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 31 December 2015 and of its financial performance and its cash flows 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 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 21-24. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Proact IT Group AB (publ) for the year 2015. We have also conducted a statutory examination of the corporate governance statement.

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. The Board of Directors and the Managing Director are responsible for administration under the Companies Act and that the corporate governance statement has been prepared in accordance with the Annual Accounts Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

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

Furthermore, we have read the corporate governance statement and based on that reading and our knowledge of the company and the group we believe that we have obtained a sufficient basis for our opinion. This means that our statutory 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

Opinions

We recommend to the annual 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.

A corporate governance statement has been prepared, and its statutory content is consistent with the other parts of the annual accounts and the consolidated accounts.

Stockholm 8 April 2016
Ernst & Young AB

Rickard Andersson
Authorized Public Accountant

Proact IT Group AB
Kistagången 2, Box 1205, 164 28 Kista
Telefon 08-410 666 10
info@proact.se
www.proact.eu