

## Interim Report, January – March 2016

### The first quarter in brief

- Revenue remained unchanged, when adjusted for currency effects the revenue fell by 2% to SEK 723 (739) million.
- EBITDA fell by 9% to SEK 39.0 (42.8) million.
- Profit before tax fell by 17% to SEK 21.2 (25.7) million. Profit before tax amounted to SEK 27.1 (25.7) million when adjusted for non-recurring items, representing an increase of 5%.
- Profit after tax fell by 16% to SEK 14.8 (17.7) million.
- Earnings per share amounted to SEK 1.55 (1.82)
- Non-recurring items attributable to the change of CEO have adversely affected the operating profit for the quarter in the sum of SEK 5.8 (-) million.
- Return on equity over the last 12 months amounted to 26.2 (24.7)%



## Report by Jason Clark, CEO of Proact

### Stable development in revenues and profit

I am very pleased to be able to present the best results for a first quarter that the company has ever seen. Profit before tax for the first quarter amounted to SEK 27.1 million, before adjusting for non-recurring items of SEK 5.8 million, representing an increase of 5% compared with the corresponding period last year. Profits have continued to develop positively thanks to focused and continuous improvement and streamlining work, in combination with higher revenues and greater profitability, in respect of service operations in particular. This is pleasing to see as the company's strategy includes increasing the proportion of contracted revenues, which involves support and cloud services. The company's margin, profit before tax, has increased in the quarter by 0.2 percentage. This is a positive step towards reaching our stated goal of 5%.

The company's total revenues remained unchanged throughout the quarter and amounted to SEK 723 million. One positive aspect is that total revenues for service operations have developed well and amounted to SEK 255 million during the quarter, representing an increase of 11%. Revenues relating to cloud services have also developed positively during the quarter and amounted to SEK 86 million, representing an increase of 26%. System revenues fell, primarily due to the fact that fewer individual major system contracts were concluded during the quarter compared with the same period last year.

We are constantly working to develop the company according to our established strategy. Part of the company's strategy, as stated previously, involves increasing the proportion of contracted revenues. Another element of the strategy involves increasing revenues with regards to datacentre solutions, which is a combination of storage, servers and network. We have successfully implemented a number of customer projects in this area during the quarter. Examples of projects implemented can be found in the section entitled "Events during the quarter".

Proact's leading position in the technology services market was underlined when the company received the Global Partner Innovation Award by VMware. At the same event Proact also collected the VMware EMEA Partner Innovation Award. It is rewarding to see Proact's skill and expertise, in a pivotal component of the enterprise solution stack, be recognised by our strategic partners. A number of projects have lately been implemented successfully in the fields of virtualisation, networking and automation, these are key components in the company's datacentre initiative, and demonstrate that Proact is consistently chosen by customers who depend upon the level of capability that Proact enjoys.

Internal initiatives implemented in fields such as innovation, sales and business streamlining are continuing to pay off, making us even more competitive. 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, giving us good opportunities for continued positive development in terms of both revenues and profits.

#### **About Proact**

Proact is Europe's leading independent integrator in the fields of data storage and cloud solutions. 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 solutions cover all elements of data storage, including virtualisation, network functions and security, and the company has more than 3 500 successful projects behind it, along with vast information volumes which are managed at the Proact data centre.

The Proact Group has more than 720 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.

For further information about Proact's activities please visit us at [www.proact.se](http://www.proact.se)

## Market review

The rapid digitisation taking place in the majority of industries means that IT and its activities are strategically important nowadays as IT is at the very heart of business. Information volumes are also continuing to increase, which means that IT infrastructures are becoming more and more complex. Essentially, all companies and authorities are dependent on access to information of various kinds to allow their operations to work, and accessibility and security are particularly important for business-critical information. 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.

The data centre concept (a combination of storage, servers and networks) 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 sub-components are integrated and tested with one another, which in turn will have cost benefits.

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.

## Major events during the quarter

A number of major contracts have been concluded in the past quarter, with enterprises such as ALM. Brand, AP Pension and MAN in Denmark, Swedbank in Estonia, KELA and the University of Oulu in Finland, ABLV Bank and DNB in Latvia, Holland Colours and Protinus IT in the Netherlands, Conoco Phillips and Bergen University College in Norway, Cortefiel, Global Exchange and Securitas Direct in Spain, NHS Lanarkshire and Perform Group in the United Kingdom, ATG, Saab, Teracom and Vattenfall in Sweden, and OnSemiconductor and the City of Prague in the Czech Republic.

## Events during the quarter

### **ATG chooses Proact for data centre implementation**

The aim of AB Trav och Galopp, ATG, is to secure the long-term financial conditions for Swedish trotting and thoroughbred racing while maintaining good geographical diversity. ATG's business involves producing secure and entertaining gambling experiences with a view to becoming the biggest and most profitable Nordic bookmakers in a global market. ATG reported sales of SEK 12.5 billion in 2015.

Proact has been entrusted with the task of supplying a new IT infrastructure and providing associated consultancy and support services. To achieve its objective, ATG 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 ATG will have better support for its business and users.

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 will improve opportunities to launch new online services for gambling and results, for example, and internal administration of systems will be simplified considerably and made more cost-effective.

The contract 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.

### **Proact wins EMEA and Global Partner Innovation Award**

Proact has won awards for its leading offering and VMware expertise; both the EMEA Partner Innovation Award and the Global Partner Innovation Award presented by VMware. These awards are given to partner companies which go the extra mile for their customers and demonstrate high sales growth in combination with high levels of customer satisfaction. These awards are proof positive that Proact has succeeded in its strategic objective; to take a leading position with regard to VMware as well. Proact has successfully implemented a number of different customer projects, primarily in the fields of networking and automation. These are also key components in the company's data centre initiative.

### **Ymor ventures into the cloud with the help of Proact**

Ymor is a rapidly growing IT company specialising in fields such as application performance and accessibility. Ymor helps its customers to improve the performance of their complex IT environments, working on the basis of the end user perspective.

As Ymor's business developed positively, the company wanted to switch its focus from the day-to-day running of its internal IT infrastructure to its core business, application development.

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. Ymor is now venturing into the cloud thanks to services such as Disaster Recovery as a Service (DRaaS). The service will give Ymor the opportunity to focus on its core business while also achieving the required security and uptime in respect of its IT infrastructure.

The contract also includes implementation and configuration of the new service.

### **Proact supplies data centre to University of Turku**

The University of Turku was founded in 1920 and has been owned by the Finnish state since 1974. The university now has more than 20,000 students and 3,300 staff, making it the second-biggest university in Finland.

The university's increasing demands for capacity, performance and simplicity in respect of the operating environment led to a procurement procedure in which Proact was commissioned to implement new IT infrastructure. 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 will give the university greater capacity and performance. Proact will also be taking responsibility for the entire data centre, which will simplify administration as the university has just one partner with overall responsibility for data centre functionality.

The contract 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.

## Financial overview

### Revenues

Over the first quarter of 2016, the company's total revenues amounted to SEK 723 (739) million, representing a decrease of 2%. Revenues remained unchanged when adjusted for currency effects.

### Industry segments

Proact has good revenue distribution in respect of its various industry segments. The four biggest industry segments are Public Sector (24%), Trade & Services (21%), Telecoms (14%) and Manufacturing Industry (14%).

### Business Units

Total revenues for Nordics have fallen. Service revenues increased during the quarter, support and cloud services in particular have undergone positive development. System revenues have fallen compared with the same period last year, primarily on account of fewer individual major system contracts.

Total revenues remain relatively unchanged in the UK. Service revenues have developed well in respect of both support and cloud services. At the same time, system revenues have fallen slightly compared with the same period last year.

In West the total revenues remain relatively unchanged. Service revenues have developed positively at the same time, primarily in respect of consultancy and support revenues.

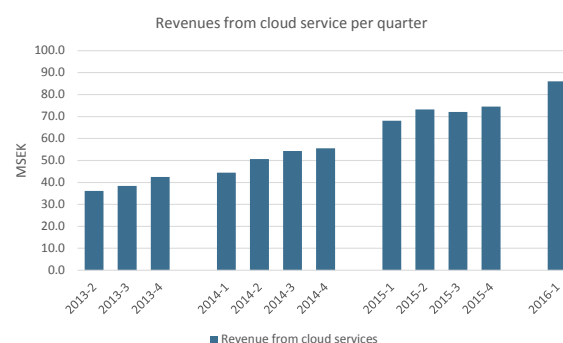
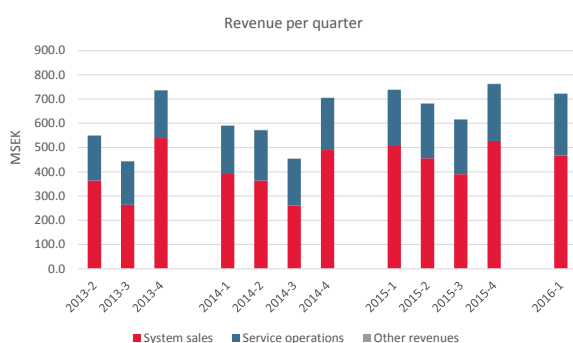
For East, total revenues have increased during the quarter. This increase is attributable to good development in system sales, while service revenues remain unchanged.

Future contracted cash flows from Proact Finance amount to SEK 149 (118) million, representing an increase of 26%.

### Operating segment

System revenues fell by 8% to SEK 467 (510) million during the first quarter on account of fewer individual major system contracts compared with the same period last year. When adjusted for currency effects, system revenues fell by 6%. Service revenues increased by 11% to SEK 255 (229) million during the same period. When adjusted for currency effects, service revenues increased by 14%. Service revenues amount to 35% of total company revenues for the quarter.

New contracts relating to cloud services worth SEK 40 million, with terms of three to five years, have been concluded during the quarter. Total revenues in respect of cloud services amounted to SEK 86 (68) million during the quarter, representing an increase of 26% compared with the corresponding period in the previous year. Revenues from cloud services amount to SEK 306 million over a period of 12 consecutive months.



Revenue per Business Unit	Jan-Mar 2016	Jan-Mar 2015	12 mths Apr-Mar	Full Year 2015
Nordics	407	441	1,565	1,598
UK	172	176	639	643
West	97	101	443	448
East	49	28	161	140
Proact Finance	17	16	97	95
Group-wide	-19	-22	-120	-123
Total revenue	723	739	2,785	2,802

Revenue per operating segment	Jan-Mar 2016	Jan-Mar 2015	12 mths Apr-Mar	Full Year 2015
System sales	467	510	1,841	1,884
Services operations	255	229	940	914
Other revenue	1	1	4	4
Total revenue	723	739	2,785	2,802

## Comprehensive income

EBITDA fell by 9% during the quarter to SEK 39.0 (42.8) million. Profit before tax fell by 17% to SEK 21.2 (25.7) million during the quarter. Adjusted for non-recurring items, profit before tax increased by 5% to SEK 27.1 (25.7) million.

### Business Units

Profits have developed positively for Nordics during the quarter, despite lower revenues. This is due to improved profitability in respect of system and service operations in combination with lower sales and administration costs.

Profit remains unchanged in the UK. The profitability of both system and service operations remains at the same level as in the same period last year.

Profitability has fallen for West, primarily on account of weak development in Belgium. The Netherlands are continuing to demonstrate good profitability, however.

Profits improved for East, primarily on account of increased revenues and improved profitability in respect of system business.

Proact Finance is continuing to develop well and is demonstrating stable profitability.

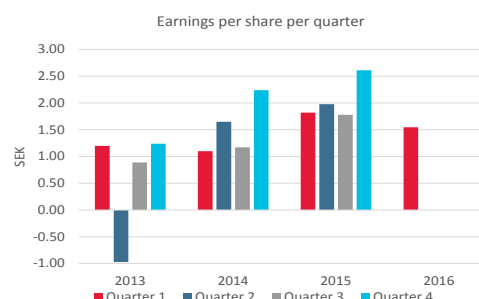
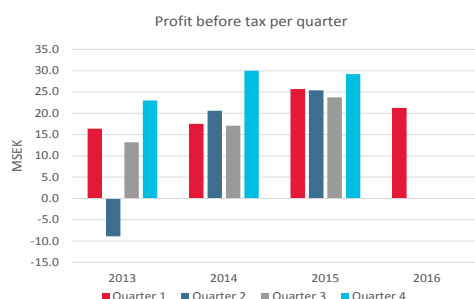
## Balance sheet and cash flow

Cash and equivalents amounted to SEK 102 million as at 31 March 2016, compared with SEK 126 million as at 31 March 2015. Of total bank overdraft facilities of SEK 171 million, SEK 21 million has been utilised. Bank loans amounted to SEK 159 million, SEK 34 million of which will fall due for repayment within 12 months. Contract borrowing is being used to finance Proact's finance company. Investments in IT equipment for cloud operations are being financed by means of operational leasing agreements, which means that these investments have no direct impact on the balance sheet.

Cash flow amounted to SEK -60 (-14) million during the quarter, of which SEK -50 (-3) million was from operating activities. Decrease is mainly attributable to less use of factoring in Nordics, on account of fewer individual major system contracts closed during the quarter. Rolling 12 month cash flow amounted to SEK -19 million.

During the quarter, SEK 16 (12) million has been invested in fixed assets, and SEK 40 (4) million has been paid out in respect of additional purchase prices and the acquisition of further shares in subsidiaries. A change in bank loans and use of overdraft facilities have together contributed SEK 44 million to cash flow.

The Group's equity ratio at the end of the period was 19 (19) %. The equity ratio was 19% as at 31 December 2015.



Profit before tax per Business Unit	Jan-Mar 2016	Jan-Mar 2015	12 mths Apr-Mar	Full Year 2015
Nordics	23.0	22.5	88.8	88.4
UK	5.8	6.1	15.0	15.3
West	-1.3	1.6	8.6	11.6
East	3.9	0.6	10.9	7.6
Proact Finance	0.9	0.9	5.2	5.1
Group-wide	-5.3	-6.0	-14.8	-15.5
Profit before tax and non-recurring items	27.1	25.7	113.7	112.3
Non-recurring items	-5.8	-	-14.1	-8.3
Profit before tax	21.2	25.7	99.6	104.1

Financial position	Mar 31 2016	Dec 31 2015	Mar 31 2015	Dec 31 2014
Cash and cash equivalents	102	159	126	143
Bank overdraft facilities	-21	-2	-16	-4
Liabilities to credit institutions	-160	-140	-118	-120
Contract borrowing	-24	-22	-26	-26
Net debt	-104	-6	-34	-8
Unutilized bank overdraft facility	150	171	147	141
Total bank overdraft facility	171	173	163	145

## Buy-back of own shares

At the Annual General Meeting held on 05 May 2015, the Board of Directors was authorised to acquire up to 10% of the company's shares by the next Annual General Meeting. As at 31 March 2016, no shares have been acquired under this authorisation.

The company holds 40,144 in its own custody as at 31 March 2016, which is equivalent to 0.4% of the total number of shares.

## Employees

The company employed 726 (662) people as at 31 March 2016, of whom 67 employees joined the company as part of the acquisition of companies in 2015.

## The Parent Company in brief

The Parent Company's total revenues for the period amounted to SEK 19.2 (19.5) million. Profit before tax amounted to SEK -9.0 (7.5) million.

The Parent Company's liabilities in a joint group currency account amounted to SEK 297.4 (260.1) million as at 31 March 2016.

At the end of the period, the number of persons employed by the Parent Company totalled 21 (18).

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

## Risks and uncertainty factors within the enterprise

No risks or uncertainty factors have altered, by comparison with those commented upon in the last Annual Report issued. For a more detailed description of significant risks and uncertainty factors, please see Proact's annual report for 2015, page 19.

## Annual General Meeting

The Annual General Meeting will take place at 6 pm on 2 May 2016 at Scandic Victoria Towers, Kista. The Nomination Committee's proposals to the Annual General Meeting, along with other information on the meeting, are published on the company's website at [www.proact.se](http://www.proact.se)

## Other information

This interim report has not been audited.

## Forthcoming reports

13 Jul 2016	Interim report, Q2 2016
19 Oct 2016	Interim report, Q3 2016
9 Feb 2017	Year-end report 2016

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The information in this interim report is such information as Proact IT Group (publ) shall publish in accordance with *lagen om värdepappersmarknad*, the Securities Market Act, and/or *lagen om handel med finansiella instrument*, the Act on Trading in Financial Instruments. This information was submitted for publication at 08:00 (CET) on 20 April 2016.

Kista, 20 April 2016

**Proact IT Group AB (publ)**

Jason Clark  
CEO



## Financial reports (SEK millions)

### Consolidated Statement of Comprehensive Income

	Jan-Mar 2016	Jan-Mar 2015	12 mths Apr-Mar	Full Year 2015
System income	467.4	510.1	1,840.9	1,883.6
Service income	254.6	228.6	940.1	914.1
Other operating income	0.7	0.7	4.0	4.0
Total income	722.7	739.4	2,785.0	2,801.7
Cost of goods and services sold	-549.5	-567.8	-2,109.0	-2,127.2
Gross profit	173.1	171.6	676.0	674.4
Sales and marketing expenses	-94.5	-95.8	-368.6	-369.9
Administration expenses	-47.7	-47.7	-182.8	-182.7
Non-recurring items	-5.8	-	-14.1	-8.3
Operating profit/loss, EBIT	25.1	28.1	110.5	113.5
Net financial items	-3.8	-2.4	-10.9	-9.5
Profit before tax	21.2	25.7	99.6	104.1
Income tax	-6.4	-8.0	-24.0	-25.6
Comprehensive income for the period	14.8	17.7	75.6	78.4
<i>Other comprehensive income</i>				
<i>Items which may be reversed later in the income statement</i>				
Change of hedging reserve <i>(net investment in foreign operations)</i>	-0.7	0.6	-1.1	0.2
Tax effect of change of reserve <i>(net investment in foreign operations)</i>	0.2	-0.1	0.2	-0.1
Translation differences	0.7	-1.5	-8.5	-10.7
<i>Total items which may be reversed later in the income statement</i>	<i>0.2</i>	<i>-1.0</i>	<i>-9.3</i>	<i>-10.5</i>
Total comprehensive income for the period	15.0	16.7	66.2	67.9
<i>Profit attributable to:</i>				
Shareholders of the Parent company	14.4	16.7	73.0	75.3
Holdings without a controlling influence	0.5	1.0	2.6	3.1
<i>Total comprehensive income for the period attributable to:</i>				
Shareholders of the Parent company	15.0	15.5	64.8	65.3
Holdings without a controlling influence	0.0	1.1	1.4	2.6

### Data per share\*

	Jan-Mar 2016	Jan-Mar 2015	12 mths Apr-Mar	Full Year 2015
Earnings per share for the period attributable to the shareholders of the parent company, SEK	1.55	1.82	7.90	8.20
Equity per share, SEK	30.79	29.59	30.79	32.87
Cash flow from operations per share, SEK	-5.38	-0.35	14.71	19.88
Number of outstanding shares at end of period	9,293,742	9,185,268	9,293,742	9,293,742
Weighted average number of outstanding shares	9,293,742	9,185,268	9,245,086	9,192,876

\* Proact does not have any outstanding warrants, convertible debentures or other instrument that could give rise to dilution.

## Consolidated Balance Sheet in Brief

	Mar 31 2016	Mar 31 2015	Dec 31 2015
<b>ASSETS</b>			
<u>Fixed assets</u>			
Goodwill	317.9	286.0	334.3
Other intangible fixed assets	129.5	119.7	121.6
Tangible fixed assets	52.5	55.1	54.2
Other long-term receivables	50.1	82.7	96.0
Deferred tax receivables	18.4	14.7	15.0
<u>Current assets</u>			
Inventories	30.2	22.0	12.3
Trade and other receivables	845.8	809.7	858.5
Cash and cash equivalents	101.6	126.0	158.8
<b>Total assets</b>	<b>1,546.0</b>	<b>1,515.8</b>	<b>1,650.7</b>
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to the shareholders of the parent company	286.1	271.8	305.5
Equity attributable to holdings without a controlling influence	5.3	13.9	11.3
<b>Total equity</b>	<b>291.4</b>	<b>285.7</b>	<b>316.8</b>
<u>Long-term liabilities</u>			
Long-term liabilities, interest-bearing	141.0	92.9	122.9
Long-term liabilities, non-interest-bearing	1.4	5.5	1.3
Deferred tax liabilities	25.5	25.6	23.4
<u>Short-term liabilities</u>			
Short-term liabilities, interest-bearing	79.8	74.2	56.4
Short-term liabilities, non-interest-bearing	1,006.9	1,031.8	1,130.0
<b>Total equity and liabilities</b>	<b>1,546.0</b>	<b>1,515.8</b>	<b>1,650.7</b>

## Consolidated Statement of Changes in Equity

	Jan - Mar 2016	Jan - Mar 2015	Full Year 2015
At beginning of period	316.8	269.3	269.3
Total comprehensive income for the period	15.0	16.7	67.9
Dividend	-	-	-15.6
Dividend to holdings without a controlling influence	-	-	-1.8
Financial liability to holdings without a controlling influence	-	-	0.0
Acquisition from holdings without a controlling influence	-40.3	-0.3	-17.0
Share savings and share option programs	-	-	14.0
<b>At end of period</b>	<b>291.4</b>	<b>285.7</b>	<b>316.8</b>

Holdings without a controlling influence: Proact Latvia Ltd 15 %, Proact Lietuva UAB 26.14 % and Proact Estonia AS 15 %.

## Consolidated Cash Flow Statement in Brief

	Jan-Mar 2016	Jan-Mar 2015	12 mths Apr-Mar	Full Year 2015
Cash flow from operating activities before changes in working capital	30.2	33.9	151.4	155.1
Cash flow from changes in working capital	-80.2	-37.2	-15.4	27.7
Cash flow from operating activities	-50.0	-3.2	136.0	182.8
Cash flow from investing activities	-16.2	-14.1	-131.9	-129.9
Cash flow from financing activities	5.8	3.4	-22.8	-25.2
Total cash flow for the period	-60.3	-13.9	-18.7	27.7
Cash and cash equivalents at beginning of the period	158.8	142.9	126.0	142.9
Currency translation difference in cash and cash equivalents	3.1	-2.9	-5.8	-11.8
Cash and cash equivalents at end of the period	101.6	126.0	101.6	158.8

## Key Figures

	Jan-Mar 2016	Jan-Mar 2015	12 mths Apr-Mar	Full Year 2015
Total revenue, MSEK	723	739	2,785	2,802
EBITDA, MSEK	39.0	42.8	165.4	169.2
EBITDA margin, %	5.4	5.8	5.9	6.0
EBITA, MSEK	32.5	34.4	138.4	140.4
EBITA margin, %	4.5	4.7	5.0	5.0
EBIT, MSEK	25.1	28.1	110.5	113.5
EBIT marginal, %	3.5	3.8	4.0	4.1
Profit before tax, MSEK	21.2	25.7	99.6	104.1
Net margin, %	2.9	3.5	3.6	3.7
Profit after tax, MSEK	14.8	17.7	75.6	78.4
Profit margin, %	2.1	2.4	2.7	2.8
Equity ratio, %	18.9	18.8	18.9	19.2
Capital turnover rate, times	0.5	0.5	1.8	1.8
Return on equity, %	4.9	6.4	26.2	26.8
Return on capital employed, %	5.2	6.6	23.9	25.6
Investments in fixed assets, MSEK	21.3	11.6	160.1	150.4
Profit before tax per employee, SEK thousands	29	40	145	156
Average number of employees	731	649	687	669

For a five-year summary, see Note 8. Definitions of key ratios and figures are set out in the Annual Report 2015.

## Parent Company's Income Statement and Balance Sheet, in brief

	Jan-Mar 2016	Jan-Mar 2015	Full Year 2015
Net sales	19.2	19.5	73.3
Cost of goods and services sold	-	-	-
Gross profit	19.2	19.5	73.3
Administration expenses	-25.5	-15.7	-77.1
Operating profit	-6.4	3.8	-3.8
Net financial items	-2.6	3.7	20.6
Profit after financial items	-9.0	7.5	16.8
Provisions	-	-	6.0
Profit before tax	-9.0	7.5	22.8
Income tax	2.0	-1.7	-0.2
Comprehensive income for the period	-7.0	5.8	22.6

	Mar 31 2016	Mar 31 2015	Dec 31 2015
ASSETS			
Fixed assets	677.6	528.9	640.8
Current assets	85.8	164.0	102.0
Total assets	763.4	692.9	742.8
EQUITY AND LIABILITIES			
Equity	254.6	246.8	261.6
Long-term liabilities	132.7	90.5	114.4
Short-term liabilities	376.1	355.6	366.8
Total equity and liabilities	763.4	692.9	742.8

## Explanatory information

### Note 1. General information

Proact IT Group AB (publ) (org nr: 556494-3446) har sitt säte i Stockholms kommun. Bolaget är noterat på Nasdaq Stockholm sedan juli 1999 och återfinns på Small Cap under symbolen PACT.

### Note 2. Accounting policies

The consolidated accounts for the interim report, like the annual report for 2014, have been compiled in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU, and the Swedish Annual Accounts Act. The Parent Company's accounts have been compiled in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 (Accounting for Legal Entities).

The present interim report has been prepared in accordance with IAS 34, Interim Reporting, and the Swedish Company Accounts Act. The term "IFRS" in this document includes the application of IAS and IFRS, as well as the interpretations of these standards as published by the IASB's Standards Interpretation Committee (SIC) and Internal Reporting Interpretations Committee (IFRIC). The Group applies the same accounting principles as those described in the annual report for 2015.

### Financial instruments

Proact's financial instruments consist of derivatives, accounts receivable, cash and cash equivalents, accounts payable, accrued trade creditors and interest-bearing liabilities. Derivatives are valued at fair value at level 2 as defined by IFRS 7, i.e. fair value determined using valuation techniques with observable market data, either directly (as prices) or indirectly (derived to price). All other financial assets have been classified as loans and receivables, which includes accounts receivable and cash and cash equivalents. All other financial liabilities have been classified as other financial liabilities valued at accrued cost, which includes accounts payable, accrued trade creditors and liabilities to credit institutions. Liabilities to credit institutions have variable interest rates, and the reported interest rate is on a par with the current interest rate on liabilities to credit institutions, and other financial assets and liabilities have short terms. On the basis of this, the book values of all financial assets and liabilities are deemed to be a reasonable estimate of their fair values.

### Note 3. Revenues per industry

Revenue per industry	Jan-Mar 2016	Jan-Mar 2015	12 mths Apr-Mar	Full Year 2015
Public sector	185	163	673	652
Trading & Services	128	148	597	617
Manufacturing	89	72	387	370
Telecom	113	170	378	435
Bank and Finance	86	66	279	260
Oil and Energy	47	28	185	167
Media	15	33	76	95
Other	60	59	210	206
Total revenue	723	739	2,785	2,802

### Note 4. Depreciations and write-downs of fixed assets

	Jan-Mar 2016	Jan-Mar 2015	12 mths Apr-Mar	Full Year 2015
Depreciation intangible fixed assets	7.4	6.3	28.0	26.9
Depreciation tangible fixed assets	6.5	8.3	27.0	28.8
Total	13.9	14.6	55.0	55.7

### Note 5. Income tax

The group's tax expense includes total current tax and deferred tax calculated on the basis of applicable tax rates in the respective countries. The revised tax cost for first quarter 2016 amounts to SEK 6.4 (8.0) million.

### Note 6. Transactions with related parties

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

## Note 7. Operating segments

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

Jan-Mar 2015	Nordics	UK	West	East	Proact Finance	Group-wide	Eliminations	Group
Total revenue	407	172	97	49	17	31	-50	723
Profit before tax and non-recurring items	23.0	5.8	-1.3	3.9	0.9	-5.3	-	27.1
Non-recurring items	-	-	-0.1	-	-	-5.7	-	-5.8
Profit before tax	23.0	5.8	-1.4	3.9	0.9	-11.0	-	21.2
Tax								-6.4
Comprehensive income for the period								14.8
Jan-Mar 2014	Nordics	UK	West	East	Proact Finance	Group-wide	Eliminations	Group
Total revenue	441	176	101	28	16	34	-56	739
Profit before tax	22.5	6.1	1.6	0.6	0.9	-6.0	-	25.7
Tax								-8.0
Comprehensive income for the period								17.7

## Note 8. Five-year summary

	Apr-Mar 2015/2016	Jan-Dec 2015	Jan-Dec 2014	Jan-Dec 2013	Jan-Dec 2012
Total revenue, MSEK	2,785	2,802	2,325	2,305	2,433
EBITDA, MSEK	165.4	169.2	144.2	128.0	144.5
EBITDA margin, %	5.9	6.0	6.2	5.6	5.9
EBITA, MSEK	138.4	140.4	109.5	82.8	93.1
EBITA margin, %	5.0	5.0	4.7	3.6	3.8
EBIT, MSEK	110.5	113.5	84.9	54.0	70.7
EBIT margin, %	4.0	4.1	3.7	2.3	2.9
Profit before tax, MSEK	99.6	104.1	85.2	43.7	61.0
Net margin, %	3.6	3.7	3.7	1.9	2.5
Profit after tax, MSEK	75.6	78.4	59.9	27.2	41.8
Profit margin, %	2.7	2.8	2.6	1.2	1.7
Equity ratio, %	18.9	19.2	17.5	16.9	15.3
Capital turnover rate, times	1.8	1.8	1.6	1.6	1.6
Return on equity, %	26.2	26.8	23.4	11.6	18.9
Return on capital employed, %	23.9	25.6	21.3	13.8	17.4
Dividend to shareholders of the Parent company, MSEK	15.6	15.6	11.2	10.2	9.3
Investments in fixed assets, MSEK	160.1	150.4	69.1	54.8	62.0
Profit before tax per employee, SEK thousands	145	156	132	67	92
Average number of employees	687	669	646	649	660
Earnings per share for the period, SEK <sup>1)</sup>	7.90	8.20	6.16	2.36	3.96

1) Calculated on the basis of the weighted average number of outstanding shares. Proact does not have any outstanding warrants, convertible debentures or other instruments that could give rise to dilution.

## Note 9. Events after balance sheet date

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

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