

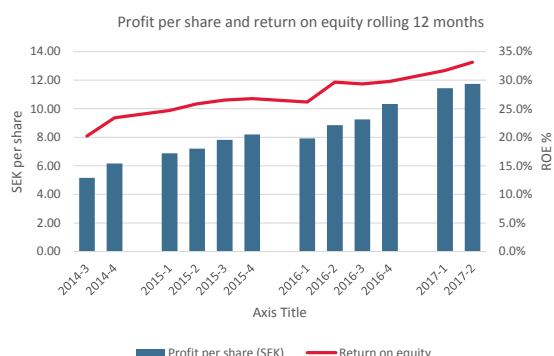
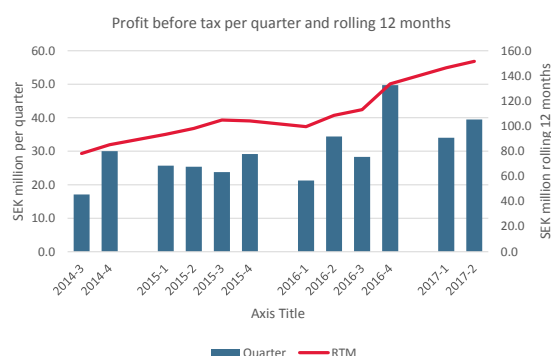
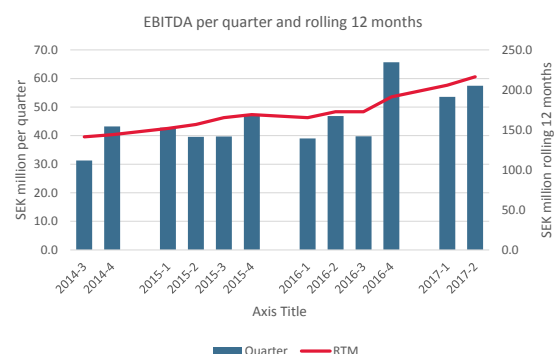
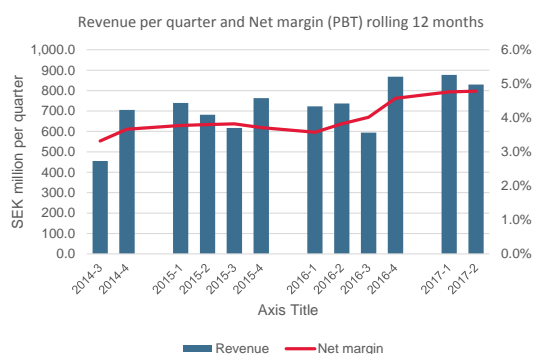
Half-yearly report, January – June 2017

The second quarter in brief

- Revenues increased by 13% to SEK 830 (737) million, the organic growth equals -4%.
- EBITDA increased by 22% and amounted to SEK 57.4 (46.9) million.
- Profit before tax increased by 15% to SEK 39.5 (34.4) million.
- Profit after tax increased by 10% to SEK 30.2 (27.4) million.
- Profit per share amounted to SEK 3.21 (2.91).

The first six months in brief

- Revenues increased by 17% to SEK 1,707 (1,459) million, the organic growth equals 2%.
- EBITDA increased by 29% and amounted to SEK 111.0 (85.9) million.
- Profit before tax increased by 32% to SEK 73.5 (55.7) million. Adjusted for items affecting comparability for the first six months 2017 (SEK 5.8 million) the increase was 20%.
- Profit after tax increased by 31% to SEK 55.2 (42.2).
- Profit per share amounted to SEK 5.86 (4.45).
- Return on equity over the last 12 months amounted to 33.1% (29.7%).



Report by the CEO of Proact

Continued positive development for revenues and profits

I am proud to once again report a positive development in both revenues and profits. This excellent development means that we are reporting the best revenues and profits for a second quarter in the history of the company. We have also continued to improve the company's margin throughout the quarter, compared with the same period last year, which clearly is also very pleasing to see.

Profit before tax for the second quarter amounted to SEK 39.5 million, representing an increase of 15% compared with the corresponding period last year. Service revenues have continued to develop positively during the period and amounted to SEK 280 million, representing an increase of 7%. Service revenues relating to cloud services amounted to SEK 104 million, representing an increase of 14%. System revenues also developed positively and amounted to SEK 548 million, representing an increase of 15%.

As already reported, Proact acquired all of the shares of the German company Teamix GmbH in early January 2017. The integration has continued successfully throughout the quarter and progresses in accordance with defined integration plan. Important functions such as sales, service delivery and financial reporting are now integrated in the Proact Group. It is also pleasing to see that the German business has developed positively throughout the quarter financially.

We are constantly working to our established strategy and defined focus areas, in order to meet the company's objectives and financial targets. It is pleasing to see the positive effects of this work in form of a positive growth, an increased profit as well as an improved net margin. In addition we are also constantly working to develop our offering. Areas such as security, automation and applications are of increasing strategic importance for Proact. During the quarter we announced a cooperation with Amazon Web Services (AWS). This makes Proact part of the "AWS Channel Reseller Program", which makes it possible to combine Proact's IT services, which are based on the company's extensive data centre experience, with Amazon Web Services' public cloud solutions. The objective for customers is to always have the ideal solution for their IT needs, with adaptation to the requirements of the business. As a specialist, Proact can help businesses take advantage of proven technology, enabling enterprises to move between on-premise environments, Proact data centres or the AWS cloud, quickly and without risk.

This excellent trend shows that our specialist expertise and market-leading offering with regard to data centres and cloud services are very much appreciated by both new and existing customers. We have successfully implemented a number of customer projects in the above fields during the quarter. Examples of projects implemented can be found in the section entitled "Events during the quarter".

Proact's objective is to act as a partner to our customers and offer high-quality services and market-leading technologies. We supply flexible services and solutions which quickly add sustainable, long-term value. Overall, it is clear to me that the initiatives implemented in various fields 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.

Kista, 12 July 2017

Jason Clark
CEO

About Proact

Proact is Europe's leading independent datacentre and cloud services provider. Proact supplies business benefits by helping companies and authorities to reduce risk and costs, and above all to supply them with flexible, accessible and secure IT services. Proact's cloud service operations manage 70 petabytes of information. Proact has completed more than 3,500 successful projects all over the world to date.

The Proact Group has more than 800 employees and operates in 15 countries in Europe and in the USA. Proact was founded in 1994, and its parent company Proact IT Group AB (publ) has been listed on Nasdaq Stockholm under the symbol PACT since 1999.

For further information about Proact's activities please visit us at www.proact.eu

Market review

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. Hence information security is a very important part of any business and affects the business decisions made. This fact, in combination with the rapid digitisation taking place in most industries and businesses and the increasing volume of business-critical information, means that IT infrastructure is becoming increasingly complex and new demands are being made. As a result, more and more companies and organisations are evaluating options for using various services and new fields of technology in order to simplify their IT operations and ensure that their supply of IT services meets the requirements defined by business operations and their customers.

We have lately seen an increasing trend with regard to automation of the IT infrastructure. Business processes are supported by automating

the various underlying elements in a data centre, creating opportunities to facilitate administration and thereby reduce complexity and risks. Increased automation allows IT services to be supplied in faster, more flexible ways, supporting business requirements and needs more effectively.

The underlying growth of digital business-critical information remains high, and hence more stringent demands are made of IT operations as effective provision of IT is a prerequisite for efficient running of the core business. In turn, this means that 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 Jan Yperman in Belgium, Copenhagen Municipality and Vardin Pelagic in Denmark, G4S in Estonia, Citadele Bank and LMT in Latvia, Media Markt, SMB Offshore and Stage Entertainment in the Netherlands, DNB Bank in Lithuania, Abengoa and Samsung in Spain, Skistar, Telia and Vattenfall in Sweden, Ovanet in Czech Republic, Mika Timing and Patrizia Immobilien in Germany.

Events during the quarter

Proact signs contract with Amazon Web Services (AWS)

This makes Proact part of the "AWS Channel Reseller Program", which makes it possible to combine Proact's IT services, which are based on the company's extensive data centre experience, with Amazon Web Services' flexible cloud solutions.

The aim for customers is to always have the ideal solution for their IT needs, with adaptation to the requirements of the business. Proact helps businesses take advantage of proven technology, enabling enterprises to move between on-premise environments, Proact data centres or the AWS cloud. Proact has developed a series of standardised services for the AWS cloud, helping customers all over the world to link both their own IT systems and the systems operated by Proact directly to AWS.

This offering includes backup and disaster recovery services in order to protect business-critical information, regardless of whether it is stored at AWS or internally.

Proact will also be offering a series of professional services aimed at users of Amazon Web Services to help them use the AWS cloud to the fullest extent possible. Proact is assisting with the design and implementation of cloud solutions, as well as with monitoring and system administration services that meet stringent demands in terms of performance and accessibility. Proact offers qualified support locally to its customers in Europe, with certified technicians and system architects in the Nordic region, the United Kingdom, the Benelux countries and Germany.

The combination of Proact's experience and expertise and AWS' services forms a strong platform to facilitate interaction between customers'

business and IT activities, taking into account their respective needs.

NRK chooses Proact as its partner

Norwegian state media company NRK, which employs around 3500 staff, offers TV and radio services of various kinds and a wide range of online services to people all over Norway. NRK has stringent demands in terms of scalability, uptime and performance, and it requires its IT infrastructure to be cost-effective.

The rapid digitisation taking place in the media world is making new demands of IT infrastructure design in order to meet end-users' needs in respect of the various services offered by NRK. In order to meet the company's increasing demands, a procurement procedure took place in which Proact was entrusted with the task of supplying a new IT infrastructure with associated consultancy services, thanks to its specialist expertise and experience.

Thanks to this new IT infrastructure, NRK now has improved support for its activities and users, and internal administration of systems is also considerably simpler and more cost-effective. This is being achieved by automating the handling of business-critical information, for instance.

The contract also includes implementation and configuration of the new IT infrastructure.

Proact signs framework agreement with United Kingdom public sector

This agreement means that Proact, as a leading data centre and cloud services provider, will continue to be able to offer services and solutions to the public sector in the United Kingdom within the scope of G-Cloud 9, the latest framework agreement. This framework agreement is divided into three elements: "Cloud Hosting", "Cloud Software" and "Cloud Support".

Proact has been the selected provider for the previous G-Cloud 7 and G-Cloud 8 framework agreements as well, and is therefore consolidating its role as a trusted advisor and supplier to public organisations in the United Kingdom.

The further trust now shown in Proact thanks to this new framework agreement is not only an indicator of Proact's credibility, but also provides exciting opportunities for both new and existing customers to pursue IT innovation by using cloud technology.

Proact will be providing various specialist and cloud services, which also includes security services and hybrid cloud services. All services included in the framework agreement are available via a digital marketplace, which makes it possible for customers to easily find and order appropriate cloud services for their digital projects. This means that customers can be sure they are buying high-quality services at the right price, which will benefit taxpayers in the long run.

Financial overview

Revenues

For the second quarter 2017, total revenues amounted to SEK 830 (737) million, an increase of 13%. The organic growth equals to -4%.

For the first six months 2017, total revenues amounted to SEK 1,707 (1,459) million, an increase of 17%. The organic growth equals to 2%.

Industry segments

Proact has good revenue distribution in respect of its various industry segments. The four biggest industry segments are Trade & Services (24%), Public Sector (20%), Telecoms (14%), Manufacturing Industry (10%) and Bank & Finance (10%).

Business Units

In Nordics total revenues decreased during the quarter. System revenues were unchanged at the same time as support revenues decreased. However, revenues from cloud services have developed positively.

In UK total revenues decreased during the quarter. The decline was mainly attributable to a cautious market which has affected system sales negatively. Service revenues have continued to develop positively, in comparison with the same period last year.

In West total revenues have developed positively during the quarter. The organic growth was 11% compared to same period previous year. The positive development is attributable to both system and service revenues.

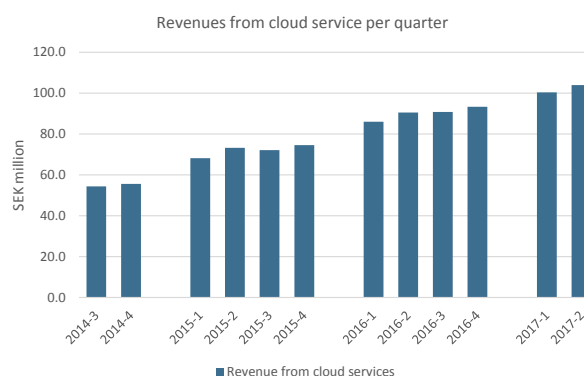
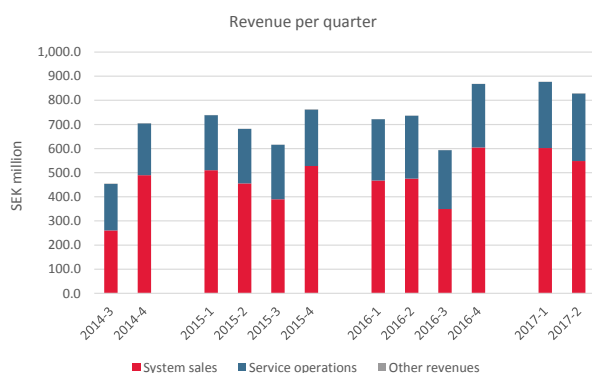
In East total revenues increased during the quarter. The increase is attributable to both system and service revenues.

Future contracted cash flows from Proact Finance amount to SEK 127 (136) million, representing a decrease of 7%.

Operating segment

System revenues increased by 15% to SEK 548 (475) million in the second quarter. The organic growth equals to -6%. Service revenues increased by 7% to SEK 280 (261) million during the same period. The organic growth equals to 1%. Service revenues amount to 34% of total revenues for the quarter.

New contracts relating to cloud services worth SEK 61 million, with terms of three to five years, have been concluded during the quarter. Total revenues from cloud services amounted to SEK 104 (91) million during the quarter, representing an increase of 14% compared with the corresponding period in the previous year. Revenues from cloud services amount to SEK 389 million over a period of 12 consecutive months.



Revenue per Business Unit	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	12 mths Jul-Jun	Full Year 2016
Nordics	415	421	862	828	1,678	1,645
UK	130	167	278	339	574	635
West	257	123	521	220	809	509
East	31	28	56	77	128	149
Proact Finance	28	30	38	47	64	73
Group-wide	-31	-32	-47	-51	-85	-89
Total revenue	830	737	1,707	1,459	3,169	2,922

Revenue per operating segment	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	12 mths Jul-Jun	Full Year 2016
System sales	548	475	1,150	942	2,104	1,896
Services operations	280	261	555	516	1,062	1,023
Other revenue	1	1	2	1	3	2
Total revenue	830	737	1,707	1,459	3,169	2,922

Comprehensive income

EBITDA increased during the quarter by 22%, compared with the same period last year, and amounted to SEK 57.4 (46.9) million. Profit before tax increased by 15% to SEK 39.5 (34.4) million.

For the first six months EBITDA increased by 29% to 111.0 (85.9) million. Profit before tax increased by 32% to SEK 73.5 (55.7) million. Adjusted for items affecting comparability for the first six months 2016 (SEK 5.8 million) the increase was 20%.

Business Units

In Nordics the result has been negatively affected due to lower system sales margins in combination with decreased support sales.

In UK the result is largely unchanged compared with the same period last year. Positive development in the service operation has compensated for the lack of profitability from the system sales business.

In West the result has improved during the quarter. This has been achieved mainly by organic growth with good profitability, compared with the same period last year. During the quarter the acquired company, Teamix, in Germany has contributed positively to the earnings.

In East the result is unchanged during the quarter compared to the same period last year.

Proact Finance continues to show a stable development regarding earnings and profitability.

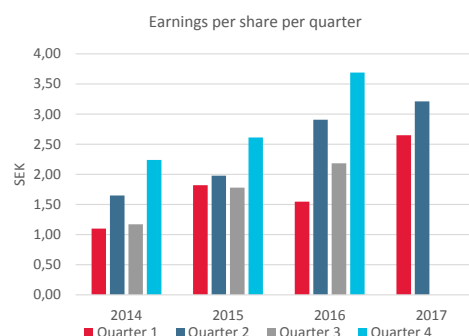
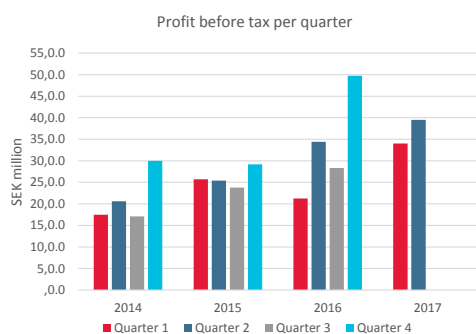
Balance sheet and cash flow

Cash and equivalents amounted to SEK 188 million as at 30 June 2017, compared with SEK 122 million previous year. Of total bank overdraft facilities of SEK 240 million, SEK 2 million has been utilised. Bank loans amounted to SEK 156 million, of which SEK 46 million are due within 12 months. 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 -34 (17) million for the quarter, of which SEK 86 (44) million from operating activities. For the first six months cash flow was SEK -26 (-44), of which SEK 132 (-6) million was from operating activities. Rolling 12 month cash flow amounted to SEK 60 million.

During the first six months SEK 38 (33) million has been invested in fixed assets. SEK 47 (42) million has been paid out in cash, at the same time as shares in own custody amounting to SEK 27 million, has been utilised for acquisition of shares in subsidiaries. Change in bank loans and use of overdraft facilities together burdened the cash flow with SEK 4 million. Buy back of own shares have been made during the first six months amounting to SEK 15 million. Dividends amounting to SEK 32 million has been paid to the parent company's shareholders.

The Group's equity ratio at the end of the period was 22% (19%). As per year end 2016 the equity ratio was 18%.



Profit before tax per Business Unit	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	12 mths Jul-Jun	Full Year 2016
Nordics	19.9	25.7	44.8	48.7	98.8	102.6
UK	3.7	3.8	8.9	9.6	20.8	21.6
West	14.7	5.9	17.0	4.6	22.6	10.2
East	1.6	1.6	3.5	5.5	8.1	10.1
Proact Finance	2.2	2.5	2.8	3.4	7.0	7.6
Group-wide	-2.5	-5.0	-3.5	-10.3	-5.7	-12.6
Profit before tax and items affecting comparability	39.5	34.4	73.5	61.5	151.5	139.5
Items affecting comparability	-	-	-	-5.8	-	-5.8
Profit before tax	39.5	34.4	73.5	55.7	151.5	133.7

Financial position	Jun 30 2017	Mar 31 2017	Jun 30 2016	Mar 31 2016
Cash and cash equivalents	188	221	122	102
Bank overdraft facilities	-2	-17	-40	-21
Liabilities to credit institutions	-163	-176	-152	-160
Contract borrowing	-	-21	-31	-24
Net cash (+)/Net debt (-)	23	7	-100	-104
Unutilized bank overdraft facility	238	153	146	150
Total bank overdraft facility	240	170	186	171

Buy-back of own shares

At the Annual General Meeting held on 9 May 2017, the Board of Directors was authorised to acquire up to 10% of the company's shares by the next Annual General Meeting. As at 30 June 2017, no shares have been acquired under this authorisation.

During the year, 200,000 shares in the company's own custody have been used for company acquisition. See also note 10.

The company holds 78,669 shares in its own custody as at 30 June 2017, which is equivalent to 0.8% of the total number of shares.

Employees

The company employed 821 (728) people as at 30 June 2017, of which 85 employees was added when acquiring the German company Teamix.

Parent Company in brief

Parent Company's total revenues for the period amounted to SEK 50.7 (39.7) million. Profit before tax amounted to SEK 3.1 (-8.9) million.

Parent Company's liabilities in a joint group currency account amounted as at 30 June 2017 to SEK 389 (324) million.

At the end of the period, the number of people employed by the parent company totalled 13 (15).

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

Events after the balance sheet date

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

Risks and uncertainty factors within the enterprise

The company has in the current situation difficulties to assess consequences' of United Kingdom's forthcoming exit from EU. Short term, currency rate effects will affect the group's financial statements. Otherwise 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 2016, page 21.

Alternative Performance Measures

The company presents performance measures in the interim report that are not defined under IFRS. The company believes that these performance measures provide useful supplemental information to investors and the company's management. Definitions of performance measures are available in Proact's Annual Report 2016, page 60.

Annual General Meeting 9 May 2017

Following board members were re-elected: Anders Hultmark, Eva Elmstedt and Christer Holmén. Newly elected board members are Martin Gren and Annikki Schaeferdiek.

A decision was made to pay a dividend of SEK 3.50 (2.70) per share.

The Board members and Managing Director were granted discharge from liability for the 2016 business year

For further information, please see the company's website at www.proact.se.

Other information

This half-yearly report has not been audited.

Forthcoming reports

20 Oct 2017 Interim Report Q3 2017
8 Feb 2018 Year-end report 2017

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The Board of Directors and the managing Director guarantee that this half-yearly report provides a true and fair view of the activities, position and profits of Proact and the Group. No new risks or uncertainty factors have arisen over the first six months of the year, by comparison with those commented upon in the last Annual Report issued.

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 13:00 (CET) on 12 July 2017.

Kista, 12 July 2017

Proact IT Group AB (publ)

Jason Clark
CEO

Anders Hultmark
Chairman

Christer Holmén

Eva Elmstedt

Martin Gren

Annikki Schaeferdiek

Financial reports (SEK million)

Consolidated Statement of Comprehensive Income

	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	12 mths Jul-Jun	Full Year 2016
System income	548.1	475.1	1,150.2	942.5	2,104.0	1,896.3
Service income	280.3	261.1	554.5	515.6	1,061.9	1,023.0
Other operating income	1.3	0.6	1.9	1.3	3.0	2.4
Total income	829.7	736.7	1,706.6	1,459.4	3,168.8	2,921.7
Cost of goods and services sold	-641.3	-559.6	-1,325.6	-1,109.1	-2,430.7	-2,214.2
Gross profit	188.4	177.2	381.0	350.3	738.1	707.5
Sales and marketing expenses	-89.0	-91.4	-185.9	-186.0	-362.7	-362.8
Administration expenses	-58.3	-52.0	-116.5	-99.7	-218.3	-201.6
Items affecting comparability	-	-	-	-5.8	-0.0	-5.8
Operating profit/loss, EBIT	41.1	33.7	78.6	58.8	157.0	137.2
Net financial items	-1.6	0.7	-5.1	-3.1	-5.5	-3.5
Profit before tax	39.5	34.4	73.5	55.7	151.5	133.7
Income tax	-9.3	-7.1	-18.3	-13.5	-41.8	-37.0
Comprehensive income for the period	30.2	27.4	55.2	42.2	109.7	96.7
<i>Other comprehensive income</i>						
<i>Items which may be reversed later in the income statement</i>						
Change of hedging reserve (net investment in foreign operations)	-0.1	-0.1	0.1	-0.8	-0.0	-0.9
Tax effect of change of reserve (net investment in foreign operations)	0.0	0.0	-0.0	0.2	0.0	0.2
Translation differences	0.1	3.5	-1.3	4.2	4.1	9.7
Total items which may be reversed later in the income statement	0.0	3.5	-1.2	3.6	4.1	9.0
Total comprehensive income for the period	30.2	30.8	53.9	45.8	113.8	105.7
<i>Profit attributable to:</i>						
Shareholders of the Parent company	29.8	27.0	54.5	41.4	108.5	95.4
Holdings without a controlling influence	0.4	0.3	0.7	0.8	1.2	1.3
<i>Total comprehensive income for the period attributable to:</i>						
Shareholders of the Parent company	31.1	30.4	54.6	45.4	113.9	104.7
Holdings without a controlling influence	-0.9	0.4	-0.7	0.4	-0.1	1.0

Data per share*

	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	12 mths Jul-Jun	Full Year 2016
Earnings per share for the period attributable to the shareholders of the parent company, SEK	3.21	2.91	5.86	4.45	11.76	10.32
Equity per share attributable to the shareholders of the parent company, SEK	39.10	31.35	39.10	31.35	39.10	35.84
Cash flow from operations per share, SEK	9.28	4.70	14.22	-0.68	31.75	16.69
Number of outstanding shares at end of period	9,255,217	9,293,742	9,255,217	9,293,742	9,255,217	9,133,117
Weighted average number of outstanding shares	9,275,762	9,293,742	9,300,966	9,293,742	9,225,762	9,247,583

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

Consolidated Balance Sheet in Brief

	Jun 30 2017	Jun 30 2016	Dec 31 2016
ASSETS			
<u>Fixed assets</u>			
Goodwill	370.7	316.2	322.2
Other intangible fixed assets	127.1	126.1	108.8
Tangible fixed assets	67.4	53.3	55.2
Other long-term receivables	51.5	56.5	53.1
Deferred tax receivables	16.0	21.3	15.2
<u>Current assets</u>			
Inventories	41.4	11.5	43.6
Trade and other receivables	796.5	832.2	994.2
Cash and cash equivalents	187.8	122.3	214.4
Total assets	1,658.3	1,539.6	1,806.8
EQUITY AND LIABILITIES			
Equity attributable to the shareholders of the parent company	361.9	291.4	327.4
Equity attributable to holdings without a controlling influence	3.9	5.1	5.2
Total equity	365.8	296.5	332.6
<u>Long-term liabilities</u>			
Long-term liabilities, interest-bearing	128.4	146.9	133.4
Long-term liabilities, non-interest-bearing	1.6	1.8	2.0
Deferred tax liabilities	27.4	24.4	21.9
<u>Short-term liabilities</u>			
Short-term liabilities, interest-bearing	50.9	91.1	82.2
Short-term liabilities, non-interest-bearing	1,084.3	978.8	1,234.7
Total equity and liabilities	1,658.3	1,539.6	1,806.8

Consolidated Statement of Changes in Equity

	Jan-Jun 2017	Jan-Jun 2016	Full Year 2016
At beginning of period	332.6	316.8	316.8
Total comprehensive income for the period	53.9	45.8	105.7
Dividend	-32.4	-25.1	-25.1
Dividend to holdings without a controlling influence	-0.6	-0.7	-0.8
Financial liability to holdings without a controlling influence	-0.0	-0.0	-
Acquisition from holdings without a controlling influence	-	-40.3	-42.4
Share savings and share option programs	27.4	-	-
Buy-back of own shares	-15.0	-	-21.5
At end of period	365.8	296.5	332.6

Holdings without a controlling influence: Proact Latvia Ltd 7.5%, Proact Lietuva UAB 26.14% and Proact Estonia AS 15%.

Consolidated Cash Flow Statement in Brief

	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	12 mths Jul-Jun	Full Year 2016
Cash flow from operating activities before changes in working capital	17.2	44.5	54.0	74.7	152.2	172.9
Cash flow from changes in working capital	68.8	-0.8	78.3	-81.0	140.7	-18.6
Cash flow from operating activities	86.1	43.7	132.3	-6.3	292.9	154.3
Cash flow from investing activities	-21.8	-19.3	-117.9	-35.5	-144.1	-61.7
Cash flow from financing activities	-98.2	-7.9	-40.6	-2.0	-89.1	-50.5
Total cash flow for the period	-33.9	16.5	-26.2	-43.8	59.7	42.1
Cash and cash equivalents at beginning of the period	220.6	101.6	214.4	158.8	122.3	158.8
Currency translation difference in cash and cash equivalents	1.1	4.2	-0.4	7.3	5.8	13.5
Cash and cash equivalents at end of the period	187.8	122.3	187.8	122.3	187.8	214.4

Key Figures

	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	12 mths Jul-Jun	Full Year 2016
Total revenue, SEK millions	830	737	1,707	1,459	3,169	2,922
EBITDA, SEK millions	57.4	46.9	111.0	85.9	216.5	191.4
EBITDA margin, %	6.9	6.4	6.5	5.9	6.8	6.6
EBITA, SEK millions	49.6	40.7	95.4	73.2	186.1	163.9
EBITA margin, %	6.0	5.5	5.6	5.0	5.9	5.6
EBIT, SEK millions	41.1	33.7	78.6	58.8	157.0	137.2
EBIT marginal, %	5.0	4.6	4.6	4.0	5.0	4.7
Profit before tax, SEK millions	39.5	34.4	73.5	55.7	151.5	133.7
Net margin, %	4.8	4.7	4.3	3.8	4.8	4.6
Profit after tax, SEK millions	30.2	27.4	55.2	42.2	109.7	96.7
Profit margin, %	3.6	3.7	3.2	2.9	3.5	3.3
Equity ratio, %	22.1	19.3	22.1	19.3	22.1	18.4
Capital turnover rate, times	0.5	0.5	1.0	0.9	2.0	1.7
Return on equity, %	8.0	9.3	15.8	13.8	33.1	29.8
Return on capital employed, %	7.5	6.7	15.0	11.9	30.2	27.2
Investments in fixed assets, SEK millions	26.6	16.7	117.0	38.1	139.5	60.5
Financial costs included in net financial items, SEK millions	4.1	0.5	8.5	5.5	11.3	8.3
Profit before tax per employee, SEK thousands	49	48	92	77	199	185
Average number of employees	814	719	797	726	762	723

For a five-year summary, see Note 8. Definitions of key ratios and figures are set out in the Annual Report 2016.

Amortizations and depreciations included in Consolidated Statement of Comprehensive Income are specified in Note 4.

Key figures Proact reports and monitors the business by are common key figures used by the industry and by companies' listed on Nasdaq Stockholm.

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

	Jan-Jun 2017	Jan-Jun 2016	Full Year 2016		Jun 30 2017	Jun 30 2016	Dec 31 2016
Net sales	50.7	39.7	79.1	ASSETS			
Cost of goods and services sold	-	-	-	Fixed assets	675.7	674.0	642.3
Gross profit	50.7	39.7	79.1	Current assets	120.0	84.3	132.8
Administration expenses	-49.3	-49.8	-94.2	Total assets	795.7	758.3	775.1
Operating profit	1.4	-10.1	-15.1	EQUITY AND LIABILITIES			
Net financial items	1.7	1.2	6.7	Equity	205.2	230.2	222.5
Profit after financial items	3.1	-8.9	-8.4	Long-term liabilities	119.4	128.4	112.4
Provisions	-	-	15.9	Short-term liabilities	471.1	399.7	440.3
Profit before tax	3.1	-8.9	7.5	Total equity and liabilities	795.7	758.3	775.1
Income tax	-0.3	2.6	0.0				
Comprehensive income for the period	2.8	-6.3	7.5				

Explanatory information

Note 1. General information

Proact IT Group AB (publ) (co. reg. no. 556494-3446) has its registered office in the municipality of Stockholm. Since July 1999, the Company has been listed on Nasdaq Stockholm and the Small Cap list under the PACT symbol.

Note 2. Accounting policies

The consolidated accounts for the interim report, like the annual report for 2016, 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 2016. A project has been initiated to determine the effects of introducing a new standard for revenue recognition, IFRS 15 Revenues from Contracts with Customers. The project is structured in three phases: evaluation, conversion and implementation. Currently the Group has finished the evaluation phase and is starting the conversion phase. The Group has not yet been able to quantify which impact the new standard will have on the consolidated financial statement. The Group will apply the new standard from the financial year 2018.

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	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	12 mths Jul-Jun	Full Year 2016
Trading & Services	168	167	436	295	756	615
Public sector	138	113	299	298	648	646
Telecom	133	131	238	244	438	444
Bank and Finance	98	62	186	148	321	283
Manufacturing	83	96	154	185	313	345
Oil and Energy	27	46	82	93	162	172
Media	41	12	55	27	93	65
Other	142	110	257	169	438	352
Total revenue	830	737	1,707	1,459	3,169	2,922

Note 4. Depreciations and write-downs of fixed assets

	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	12 mths Jul-Jun	Full Year 2016
Depreciation intangible fixed assets	8.5	7.0	16.8	14.5	29.0	26.7
Depreciation tangible fixed assets	7.8	6.2	15.6	12.7	30.4	27.5
Total	16.3	13.2	32.4	27.2	59.5	54.2

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 six months 2017 amounts to SEK 18.3 (13.5) 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 quarter.

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-Jun 2017	Nordics	UK	West	East	Proact Finance	Group-wide	Eliminations	Group
Total revenue	862	278	521	56	38	68	-115	1,707
Profit before tax	44.8	8.9	17.0	3.5	2.8	-3.5	-	73.5
Tax								-18.3
Comprehensive income for the period								55.2
Jan-Jun 2016	Nordics	UK	West	East	Proact Finance	Group-wide	Eliminations	Group
Total revenue	828	339	220	77	47	62	-113	1,459
Profit before tax and items affecting comparability	48.7	9.6	4.6	5.5	3.4	-10.3	-	61.5
Items affecting comparability	-	-	-0.1	-	-	-5.7	-	-5.8
Profit before tax	48.7	9.6	4.5	5.5	3.4	-16.1	-	55.7
Tax								-13.5
Comprehensive income for the period								42.2

Note 8. Five-year summary

	Jul-Jun 2016/2017	Jan-Dec 2016	Jan-Dec 2015	Jan-Dec 2014	Jan-Dec 2013
Total revenue, MSEK	3,169	2,922	2,802	2,325	2,305
EBITDA, MSEK	216.5	191.4	169.2	144.2	128.0
EBITDA margin, %	6.8	6.6	6.0	6.2	5.6
EBITA, MSEK	186.1	163.9	140.4	109.5	82.8
EBITA margin, %	5.9	5.6	5.0	4.7	3.6
EBIT, MSEK	157.0	137.2	113.5	84.9	54.0
EBIT margin, %	5.0	4.7	4.1	3.7	2.3
Profit before tax, MSEK	151.5	133.7	104.1	85.2	43.7
Net margin, %	4.8	4.6	3.7	3.7	1.9
Profit after tax, MSEK	109.7	96.7	78.4	59.9	27.2
Profit margin, %	3.5	3.3	2.8	2.6	1.2
Equity ratio, %	22.1	18.4	19.2	17.5	16.9
Capital turnover rate, times	2.0	1.7	1.8	1.6	1.6
Return on equity, %	33.1	29.8	26.8	23.4	11.6
Return on capital employed, %	30.2	27.2	25.6	21.3	13.8
Dividend to shareholders of the Parent company, MSEK ¹⁾	32.4	25.1	15.6	11.2	10.2
Investments in fixed assets, MSEK	139.5	60.5	150.4	69.1	54.8
Financial costs included in net financial items, SEK millions	11.3	8.3	14.2	3.7	13.2
Profit before tax per employee, SEK thousands	199	185	156	132	67
Average number of employees	762	723	669	646	649
Earnings per share for the period, SEK ²⁾	11.76	10.32	8.20	6.16	2.36

¹⁾ Relates to the year in which the dividend was executed. For business year 2016 a dividend of SEK 3.50 has been made.

²⁾ Calculated on the basis of the weighted average number of outstanding shares. Proact does not have any outstanding warrants, convertible debentures or other instrument 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.

Note 10. Acquired companies' net assets at the time of acquisition

<i>Amount in SEK million</i>	Jan 2017
Intangible fixed assets	0.8
Tangible fixed assets	12.6
Trade and other receivables	61.3
Cash and cash equivalents	10.8
Long-term liabilities	-16.7
Accounts payable and other short-term liabilities	-47.2
Net identifiable assets	21.5
Goodwill	50.0
Fair value adjustment acquired intangible assets	31.2
Deferred tax related to acquired assets	-9.3
Purchase price incl. estimated additional consideration	93.4
<i>Deduct:</i>	
Acquired cash	-10.8
Deferred payment of purchase price	-18.4
Own shares used in acquisition	-27.4
Net outflow of cash	36.9

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

The above acquisition pertains that 100 percent of the shares and votes of Teamix GmbH has been acquired. The acquisition was completed January 3, 2017.

For this acquisition the purchase price is higher than the recognised assets of the acquired business, as a result the acquisition analysis gives rise to intangible assets.

The acquisition of Teamix GmbH, a profitable, growing and well-managed company, will accelerate Proact's growth in Germany. Teamix is a well-established company in the German market and has outstanding expertise in various IT technology and service fields. The company has an in-depth knowledge of Proact's focus areas such as datacentres and associated services and aligns well with Proact's core values of integrity, commitment and excellence.