

# PROACT

Press release 30 March 2023

## ANNUAL GENERAL MEETING OF PROACT IT GROUP AB (publ)

The shareholders of Proact IT Group AB (publ), 556494-3446, are hereby summoned to the Annual General Meeting on Thursday, 4 May 2023 at 4 pm CET. The annual general meeting will be held at Citykonferensen, Ingenjörshuset, Malmskillnadsgatan 46, Stockholm.

The Board of Directors has decided that the shareholders can opt to exercise their voting rights through postal voting before the general meeting according to the directions in Proact's articles of association.

### Registration and notification

Shareholders who wish to participate in the Annual General Meeting by physical attendance must

- Be recorded in the share register kept by Euroclear Sweden AB on Tuesday 25 April 2023, and
- Give notice of their intention to participate no later than Thursday 27 April 2023, at the address Computershare AB, "Proact IT Group AB:s årsstämma", Box 5267, 102 46 Stockholm our through email to [info@computershare.se](mailto:info@computershare.se).

Shareholders who wish to participate in the Annual General Meeting by postal voting must

- Be recorded in the share register kept by Euroclear Sweden AB on Tuesday 25 April 2023, and
- Cast their postal votes in accordance with the instructions under the heading *Postal voting* below so that the postal voting form is received by Computershare no later than Thursday 27 April 2023.

For shareholders who have their shares registered through a bank or other nominee, the following applies in order to be entitled to participate in the meeting. In addition to giving notice of participation, such shareholder must re-register its shares in its own name so that the shareholder is registered in the share register kept by Euroclear Sweden AB as of the record date, Tuesday 25 April 2023. Such registration may be temporary (so-called voting rights registration). Shareholders who wish to register their shares in their own names must, in accordance with the respective nominee's routines, request that the nominee make such registration. Voting rights registration that have been requested by the shareholder at such time that the registration has been completed by the nominee no later than Thursday, 27 April 2023, will be taken into account in the preparation of the share register.

## **Postal Voting**

The Board of Directors has decided that shareholders should also be able to exercise their voting rights by postal voting in accordance with the directions in Proact's Articles of Association. A special form must be used for the postal vote. The form for postal voting is available on the company's website [proact.eu](http://proact.eu). Completed and signed forms for postal voting can be sent by mail to Computershare AB, "Proact IT Group AB's AGM", Box 5267, 102 46 Stockholm or by e-mail to [proxy@computershare.se](mailto:proxy@computershare.se). Completed forms must be received by Computershare no later than 27 April 2023. Shareholders who are natural persons may also cast their votes electronically through verification with BankID via a link provided on the Company's website [proact.eu](http://proact.eu). Such electronic votes must be submitted no later than 27 April 2023.

The Shareholders may not provide special instructions or conditions to the postal vote. If so, the entire postal vote is invalid. Further instructions or conditions can be found on the postal voting form and at [proact.eu](http://proact.eu).

## **Power of attorney**

If the shareholder is represented by a proxy at the general meeting a written and dated power of attorney must be signed by the shareholder and attached to the notice to participate in the meeting.

If the shareholder submits its postal vote by proxy, a written and dated power of attorney signed by the shareholder must be attached to the postal voting form.

Proxy forms are available on the company's website [proact.eu](http://proact.eu) and will be sent to shareholders who thus request and state their postal address. If the shareholder is a legal person, a registration certificate or other authorization document must be attached to the notice or the form respectively.

The total number of shares and votes in the company at the time of this notice amounts to 28,001,658 of which 546,807 are owned by the company.

## **Proposed agenda**

1. Opening of the meeting
2. Election of chair of the meeting
3. Preparation and approval of voting list
4. Approval of the agenda
5. Election of at least one person to approve the minutes
6. Examination of whether the meeting has been properly convened
7. Presentation of the annual report and auditor's report as well as the consolidated accounts and the auditor's report for the consolidated accounts and in connection therewith the CEO presentation
8. Resolution on adoption of the profit and loss account and the balance sheet as well as the consolidated profit and loss account and the consolidated balance sheet
9. Resolution on allocation of the company's profit or loss according to the adopted balance sheet
10. Resolution to discharge the board members and the managing director from liability
11. Determination of number of board members and deputy board members
12. Determination of fees payable to the board members and to the auditors
13. Election of board members and chair of the board as well as auditor

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14. Resolution on approval of the remuneration report
15. Decision on performance share plan and transfer of repurchased shares
16. Nomination committee for the Annual General Meeting in 2024
17. Resolution on authorization for the board of directors to decide on new share issue
18. Resolution on authorization for the board of directors to acquire and transfer of treasury shares
19. Resolution on change of Articles of Association
20. Closing of the meeting

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## **The nomination committee's proposal for election of chairman at the meeting (item 2), election of board members and auditor, etc. (items 11-13) and nomination committee for the Annual General Meeting in 2024 (item 16)**

The nomination committee proposes Anna Söderblom to be elected chair of the meeting.

The nomination committee proposes that the board shall consist of five board members with no deputy board members and proposes to re-elect Anna Söderblom, Martin Gren, Annikki Schaeferdiek, Thomas Thuresson and Erik Malmberg as board members. The nomination committee further proposes election of Anna Söderblom as chair of the board.

The nomination committee proposes PwC to be elected as auditors of the company, for the time period up until the end of the Annual General Meeting in 2024.

The nomination committee proposes that fees to the board members shall be SEK 2,090,000 in total, of which the chair receives SEK 590,000 and the other board members SEK 275,000 each. For committee work, a total fee of SEK 400,000 is proposed to be allocated by the board within the board's three committees. Fees to the auditors is proposed to be paid according to the approved invoices.

The nomination committee proposes that the nomination committee for the Annual General Meeting in 2024 consists of representatives of the four largest, directly registered or owner grouped, shareholders according to the number of votes per 30 September 2023, according to ownership statistics from Euroclear Sweden AB and other reliable information that has been given to the company at this time. If there is a change in the ownership structure of the company after 30 September 2023 but before the date which takes place two months prior to the next Annual General Meeting, and if a shareholder which after this change has become one of the four largest shareholders in the company, seen to the number of votes, notifies the chair of the nomination committee that it wishes to be part of the nomination committee, this shareholder shall have the right either to appoint one further member of the nomination committee or, if the nomination committee so decides, to appoint a member of the nomination committee who shall replace the member which, after the ownership change, is the smallest shareholder seen to the number of votes and who has been appointed member by the nomination committee. A member appointed by a shareholder which after 30 September 2023 has sold more than half of its shareholding, and which thereby no longer is one of the ten largest shareholders in the company, is obliged to resign from the company's nomination committee within two weeks after the date of the sale. The nomination committee furthermore has the right to adjoin the chair of the board to the meetings of the nomination committee.

The chair of the board shall summon the first meeting. The nomination committee shall prepare and make proposals to the Annual General Meeting of election of chair of the meeting, election of chair of the board and other board members, the fee to be allocated between the chairman and the other board members, compensation, if any, for work with the committees and election of auditor and fees to the auditors as well as decision on principles for the appointment of a nomination committee. If any member leaves the nomination committee before his/her work is completed, the shareholder who appointed the member shall firstly be offered the opportunity to appoint a new member or, if this is not made, the next of the larger shareholders shall be given the opportunity to appoint a member.

## **Preparation and approval of voting list (item 3)**

The voting list proposed for approval is the voting list established by Computershare AB on behalf of the Company, based on the general meeting's share register, shareholders who have notified their presence and are present in the meeting venue, and advance postal votes received.

## **The board of directors' proposed allocation of the company's profit or loss (item 9)**

The board proposes a dividend of SEK 1.85 per share.

The record date for dividends is proposed to be 8 May 2023. If the Annual General Meeting resolves in accordance with the proposal, the dividend is expected to be sent out through Euroclear Sweden AB on 11 May 2023.

## **Resolution on a performance share plan and transfer of own shares (item 15)**

The board proposes that the Annual General Meeting resolves on a performance share plan ("Performance Share Plan 2023") for Proact IT Group AB (publ), reg. no. 556494-3446, ("Proact") and on transfer of own shares according to items A and B below.

### **(A) PERFORMANCE SHARE PLAN 2023**

#### **1.1 Performance Share Plan 2023 in brief**

Performance Share Plan 2023 follows the same structure as the performance share plan resolved at the Annual General Meeting 2022. Performance Share Plan 2023 is designed to drive profitability and growth, and comprises approximately 21 persons consisting of the CEO (the President), the Group Management and additional key employees of the company. To participate in the plan, a personal investment in Proact shares is required. After the vesting period, the participants will be allocated shares in Proact free of charge, provided that certain conditions are met. In order to be entitled to allotment of shares, the participant must have had continued employment in the Proact group during the vesting period and the personal investment in Proact shares must have been continuously maintained in full during the same period of time. In addition, allocation of shares in Proact requires that performance targets related to earnings per share, net sales and return on capital employed have been achieved.

Through a share-based incentive plan, the employees' rewards can be linked to the company's future earnings and value growth. The long-term value growth is thereby rewarded, and the shareholders and the concerned employees have the same goals.

#### **1.2 Participants in Performance Share Plan 2023**

Performance Share Plan 2023 comprises approximately 21 persons, divided into three categories based on their position in the company. The first category includes the CEO of the company, the second category comprises approximately ten employees who are part of the Group Management and the third category comprises approximately ten additional key employees in the Proact group. Additional persons who have been recruited but not yet commenced their employment in the Proact group when the application for participation in the plan is to take place at the latest, may be offered participation conditional upon the employment commencing (whereby the number of persons in the different categories may be adjusted).

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## 1.3 The personal investment and allocation of share rights

To participate in the plan the participant is required to acquire shares in Proact ("Investment Shares") to a number of minimum 500 (however not more than 4,000, 2,000 or 1,250 shares, depending on the category to which the participant belongs). If the participant has inside information and is therefore unable to acquire Proact shares in connection with the application to participate in the plan, the acquisition of Investment Shares shall take place as soon as possible thereafter, but no later than 31 December 2023. Each Investment Share entitles to seven (7) share rights. Allocation of shares in Proact shall normally occur after the expiration of the vesting period, which runs from the time that an agreement to participate in Performance Share Plan 2023 was made, up to and including the date of announcement of Proact's interim report for the first quarter of 2026 (the "Vesting Period").

## 1.4 Terms and conditions for share rights

The following terms and conditions apply for the share rights:

- Share rights are allocated free of charge.
- The participants are not entitled to transfer, pledge or divest the share rights or exercise any shareholders' rights regarding the share rights.
- The allocation of Proact shares in accordance with the share rights requires, with certain limited exemptions, that the participant remains employed within the Proact group and that none of the Investment Shares acquired initially have been divested during the Vesting Period. In addition, allocation of Proact shares requires that Proact has achieved performance targets in accordance with item 1.5 below.
- Proact will compensate the participants if Proact pays dividends exceeding the high end of the range according to Proact's dividend policy.
- The maximum value (including any compensation that the participants receive for dividends paid) that a participant can receive per share right is limited to an amount of SEK 306. If the value of the Proact share, at the time of allocation of shares, exceeds the maximum value, the number of shares to be allocated shall be reduced accordingly.

## 1.5 Performance targets

The allocation of Proact shares depends on the extent to which three performance targets are achieved, which refer to Proact's earnings per share, return on capital employed and net sales in year 2025, as well as a threshold value of earnings per share in 2025. The performance targets shall be measured independently and be given equal weight. The board has set a minimum level and a maximum level for each performance target. In the case that the threshold value of earnings per share is not reached, the share rights do not entitle to any shares, independently of the achievement of the performance targets. In order for all share rights to entitle to shares in Proact, the maximum level for all performance targets must be achieved. If the minimum levels for the performance targets are not achieved, the share rights will not give entitlement to any allocation of Proact shares. In cases where the degree of achievement of the performance targets is between the minimum and maximum levels, the outcome will be determined linearly within the intervals. Proact intends to present the minimum and maximum levels for the performance targets and to what extent these have been achieved in connection with the expiry of the plan. The outcome of the plan will be included in Proact's remuneration report for 2026 in relation to the participants who are senior executives in Proact.

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## 1.6 Formulation and administration

The board, or a specific committee appointed by the board, shall be responsible for the formulation and administration of Performance Share Plan 2023 within the scope of the terms and directions set out herein. If the delivery of shares to persons outside of Sweden cannot be achieved at reasonable costs and with reasonable administrative efforts, the board may decide that participants outside of Sweden may instead be offered cash-based settlement. The board shall also be entitled to divest shares on behalf of participants in connection with allocation, to cover the participant's tax obligations. If significant changes occur in Proact or in the conditions in which it operates, which would have the effect that the resolved terms and conditions for allocation and the possibility to use the share rights no longer are appropriate, the board shall be entitled to make other adjustments. Before the number of shares that are to be allocated based on the share rights is finally determined, the board shall assess if the outcome of Performance Share Plan 2023 is reasonable. This assessment is made in relation to Proact's financial result and position, the stock market and other conditions in general. If the board in its assessment considers that the outcome is not reasonable, the board may reduce the number of Proact shares to be allocated.

## 1.7 Scope

The maximum number of Proact shares that can be allocated under Performance Share Plan 2023, shall be limited to 256,000, which represents approximately 0.93 per cent of the outstanding shares and votes. The number of shares included in Performance Share Plan 2023 shall, under conditions that the board stipulates, be subject to recalculation where Proact implements a bonus issue, a share split or a reverse share split, a rights issue or similar corporate actions, with regard to customary practice for similar incentive plans.

## 1.8 Hedging

In order to secure the delivery of Proact shares under Performance Share Plan 2023, the board proposes that the board be entitled to decide on alternative methods for transfer of Proact shares under the plan. The board therefore proposes that it be entitled to transfer Proact's own shares to the participants (in accordance with item B below) or to enter into so-called equity swap agreements with third parties in order to fulfil its obligations under the plan. The board regards the first alternative, i.e. the transfer of own Proact shares to the participants, to be the most cost efficient and flexible arrangement for the delivery of Proact shares.

## 1.9 Estimated costs and the value of Performance Share Plan 2023

The share rights cannot be pledged or transferred to others. However, an estimated value for each share right can be calculated. The board has estimated that the average value of each share right is SEK 95. The estimation is based on well-established valuation models using the closing price for the Proact share on 22 March 2023. Based on the assumptions *inter alia* that all persons who have been offered participation in the plan participate, that the participants make maximum investments, a 50 per cent achievement of both performance targets, a 10 per cent staff turnover among the participants in the plan, an annual increase in the share price of 10 per cent and estimated social security costs of 25 per cent, the total estimated annual costs amount to approximately MSEK 4.0, of which MSEK 1.1 are social security costs.

The costs are treated as staff costs in the profit and loss accounts during the Vesting Period, in accordance with IFRS 2 on share-based payments. In the profit and loss accounts, social

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security costs will accrue in accordance with UFR 7 over the Vesting Period. The size of these costs will be calculated based on the Proact share price development during the Vesting Period and allocation of the share rights.

## **1.10 Key ratios**

The estimated annual cost of MSEK 4.0 according to the above, corresponds on a pro forma basis for 2022 to a negative effect of approximately 0.08 percentage points on Proact's operating margin and a decrease in the earnings per share of approximately SEK 0.12. However, the board considers that the positive earning effects that are expected to arise from an increased focus on profitability and sales growth together with an increased shareholding in Proact among the CEO, the Group Management and additional key persons in the company, outweighs the costs related to the plan.

## **1.11 The preparation of the proposal**

Performance Share Plan 2023 has been initiated by the board. The plan has been prepared by the remuneration committee and processed at board meetings during the first months of 2023.

## **1.12 Other incentive plans in Proact**

Proact has three outstanding performance share plans which were resolved at the Annual General Meeting 2020, the Annual General Meeting 2021 and the Annual General Meeting 2022. Other than those, there are currently no outstanding share based incentive plans in Proact.

## **1.13 The proposal by the board**

Referring to the description above, the board proposes that the Annual General Meeting resolves to introduce Performance Share Plan 2023.

## **1.14 Majority requirement**

A resolution to introduce Performance Share Plan 2023 is valid where supported by shareholders holding more than half of the votes cast at the Annual General Meeting.

## **(B) Transfer of shares to participants in Performance Share Plan 2023**

### **2.1 Background**

In order to implement Performance Share Plan 2023 in a cost-efficient and flexible manner, the board has considered different methods for ensuring the delivery of Proact shares to participants upon allocation under Performance Share Plan 2023.

Based on these considerations, the board intends to ensure delivery by transferring shares held by Proact to the participants. A transfer of Proact's own shares in this way requires a particularly high majority to be met at the Annual General Meeting. In the event that the board's proposal regarding the transfer of own shares to the participants does not receive the required majority, the board intends to enter into an equity swap agreement with a third party to secure that delivery of Proact shares can be made to the participants.



## **2.2 The board's proposal to resolve on transfer of own shares to the participants**

The board therefore proposes that the Annual General Meeting resolves on the transfer of own shares in accordance with the terms set out below:

- (i) Transfer can be made of no more than 256,000 Proact shares to participants in Performance Share Plan 2023 (or a higher number that may result from a recalculation due to Proact implementing a bonus issue, a share split or a reverse share split, a new share issue or similar measures).
- (ii) The transfer of shares shall be made without payment at the time and in accordance with the terms and conditions that the participants in Performance Share Plan 2023 are entitled to receive allocation of shares.

The reason for the deviation from the shareholders' preferential rights is that the transfer of the shares is part of executing Performance Share Plan 2023. Therefore, the board considers it to be to the benefit of Proact to transfer shares in accordance with the proposal.

## **2.3 Majority requirement**

The board's proposal to resolve on transfer of own shares to the participants according to item 2.2 above is valid if supported by shareholders holding no less than nine-tenths of both the votes cast and the shares represented at the Annual General Meeting. The board's proposal pursuant to this item B is conditional upon that the board's proposal on Performance Share Plan 2023 is approved by the Annual General Meeting (item A above).

## **Resolution on authorization for the board to decide on new share issue (item 17)**

The board proposes that the Annual General Meeting authorizes the board to, without deviating from the shareholders' preferential right, at one or more occasions, until the date of the next annual general meeting decide on new share issues of a total of no more than 2,800,000 shares. This equals a dilutive effect of app. 10 per cent of equity and votes at full use of the authorisation. It is noted that issues in accordance with the authorisation however will be limited so that issued shares together with any repurchased shares according to the authorisation proposed under item 18 amounts to a total of not more than 10 per cent of the at each time outstanding number of shares.

Resolution on a new share issue may also include a provision regarding that new shares may be paid through set-off or by non-cash consideration with or without deviating from the shareholders' preferential right. Payment through set-off may however only be made in connection with acquisition of companies.

The board, or the person appointed by the board, is proposed to be authorized to make the minor adjustments to the decision that may prove necessary in connection with the registration of the decision by Bolagsverket.

## **Resolution on authorization for the board to decide upon acquisition and transfer of the company's treasury shares (item 18)**

The board proposes that the Annual General Meeting authorizes the board to decide on acquisition and transfer of treasury shares in accordance with the following. Acquisition of shares in the company may only be made either on Nasdaq Stockholm (the Marketplace) or in accordance with an offer to all shareholders of the company. Acquisition may only be made of a

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maximum amount of shares so that the number of treasury shares together with any newly issued shares in accordance with the authorisation proposed under item 17, amounts to a total of not more than 10 per cent of the at each time outstanding number of shares and furthermore provided that, after repurchase, there is still full coverage of the company's restricted equity.

Transfer of shares in the company may be carried out with a right to transfer deviating from the shareholders' preferential rights and it should be possible to make a payment by means of non-cash consideration, i.e. through contribution in kind or set-off. Payment through set-off may however only be made in connection with acquisition of a company. Transfer may be made of the entire number of shares which the company at each time holds. Transfer may not be made on the Market Place.

## **Resolution on change of the Articles of Association (item 19)**

The board proposes that the annual general meeting resolves to change the Articles of Association. Since the company's head office recently has moved to Solna the board proposes the following changes to the articles of association:

*§2 The registered office of the Board of Directors shall be in the municipality of Solna*

*§14 General meetings shall be held either in the municipality of Solna or in the municipality of Stockholm*

## **Documentation and further information**

Accounting documents and audit report, the board's remuneration report, the nomination committee's proposals and reasoned opinion and other necessary documentation will be kept available at the company at the address Frösundaviks Allé 1, Solna at the latest from 13 April 2023. Copies of this documentation will also be sent at no cost for the recipient to the shareholders who so wish and who state their postal address. The documentation is also available on the company's website [www.proact.se](http://www.proact.se).

At the annual general meeting, if the Board of Directors believes that it can be done without material harm to the company, any shareholder has the right to receive information regarding circumstances that may affect the assessment of an item on the agenda and circumstances that can impact the assessment of the company's or subsidiaries' financial situation (the question right following 7 kap. 32§ Aktiebolagslagen).

## **Processing of personal data**

For information on how personal data is processed in connection with the Annual General Meeting, see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

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Stockholm, March 2023  
Proact IT Group AB (publ)  
The Board of Directors



For further information, please contact:

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#### **About Proact**

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

We've completed thousands of successful projects around the world, have more than 4,000 customers and currently manage hundreds of petabytes of information in the cloud. We employ over 1,200 people in 13 countries across Europe and North America. Founded in 1994, our parent company, Proact IT Group AB (publ), was listed on Nasdaq Stockholm in 1999 (under the symbol PACT). For further information about Proact's activities please visit us at [www.proact.eu](http://www.proact.eu)