

Year-end report

- Continued growth
- Acquisitions strengthening position
- A dividend of SEK 7.00 suggested*

* The Board suggests a dividend of SEK 7.00 (7.00) per share, to be paid out in two instalments of SEK 3.50 each.

JANUARY – DECEMBER 2021

NET SALES INCREASED BY 42.4 PERCENT TO SEK 4,811.8 (3,379.1) MILLION
 THE OPERATING PROFIT (EBITA) INCREASED BY 30.9 PERCENT TO SEK 438.5 (335.0) MILLION,
 THE ADJUSTED OPERATING PROFIT (EBITA) INCREASED BY 45.6 PERCENT TO SEK 487.9 (335.0) MILLION ¹⁾
 THE OPERATING MARGIN (EBITA) WAS 9.1 (9.9) PERCENT,
 THE ADJUSTED OPERATING MARGIN (EBITA) INCREASED TO 10.1 (9.9) PERCENT ¹⁾
 RESULTS AFTER TAXES INCREASED TO SEK 294.8 (257.9) MILLION
 EARNINGS PER SHARE WERE SEK 12.26 (12.96) ²⁾
 CASH FLOW FROM OPERATING ACTIVITIES INCREASED TO SEK 462.8 (441.3) MILLION
 THE BOARD SUGGESTS A DIVIDEND OF SEK 7.00 PER SHARE, TOTALING SEK 191.9 MILLION

OCTOBER – DECEMBER 2021

NET SALES INCREASED BY 70.6 PERCENT TO SEK 1,575.9 (923.8) MILLION
 THE OPERATING PROFIT (EBITA) INCREASED BY 55.3 PERCENT TO SEK 168.2 (108.3) MILLION,
 THE ADJUSTED OPERATING PROFIT (EBITA) INCREASED BY 67.2 PERCENT TO SEK 181.1 (108.3) MILLION ¹⁾
 THE OPERATING MARGIN (EBITA) WAS 10.7 (11.7) PERCENT,
 THE ADJUSTED OPERATING MARGIN (EBITA) WAS 11.5 (11.7) PERCENT ¹⁾
 RESULTS AFTER TAXES INCREASED TO SEK 125.8 (80.4) MILLION
 EARNINGS PER SHARE INCREASED TO SEK 4.67 (4.11) ²⁾
 CASH FLOW FROM OPERATING ACTIVITIES INCREASED TO SEK 267.3 (176.9) MILLION

1) EBITA is adjusted for items that affect comparability between periods, to improve understanding of the Group's underlying operative activities. For more information, see definitions on page 28.
 2) Before and after dilution.

COMMENTS FROM THE CEO

Continued success with acquisitions

We are increasing our net sales and profit, with a good margin for both the quarter and the full year. This is a show of strength, given that the period has been affected by large acquisitions and intense efforts to integrate them into the operations. A continued strong demand, combined with our position as an attractive partner for our clients and a developing workplace for our employees, creates the conditions for a continued growth journey.



THE MARKET AND demand remain positive. We have a high activity in sales and deliveries of client projects. Our business areas are also continuing to deliver in line with expectations, both separately and in joint projects. Our largest business area Solutions has grown during the quarter, with a retained profit and margin, which is impressive as this is the business area most affected by the integration of the operations in Cybercom.

SUCCESSFUL ACQUISITIONS

The fourth quarter was shaped by the continued integration of Cybercom and the establishment of the new business area Connectivity. During the quarter, integration of Capacent into the business area Insight also began.

We have a strong focus on the margins in the acquired operations. That we have succeeded there is proof that we have the ability to nurture our acquisitions. I expect a clear positive effect on profit and margin when the integration is finalized.

OUR GROWTH CONTINUES

Through our strategy of growing both organically and through acquisitions, we have strengthened our offer and increased our capacity to take on larger and more complex assignments with our clients. The latest acquisitions, of the Danish design and strategy agencies 1508 and Strømlin, were announced in December and have been finalized in January 2022.

During the quarter, we have seen slightly increased staff turnover, which has been offset by a higher pace of recruitment. New recruitment and retaining Knowit's attractiveness as an employer are top priorities in early 2022.

COMMITTED EMPLOYEES

The combination of Cybercom's climate commitment and Knowit's focus on social sustainability means that our sustainability efforts have become more rounded. We have taken the next step towards a clearer framework for our sustainability efforts. This provides us with better conditions for contributing to a more sustainable and humane society, in line with our vision. The commitment to sustainability efforts is high among our employees, which we also see tangible proof of in several client deliveries.

It is with pride that I conclude that we have succeeded with both acquisitions, integration, and retaining a focus on business and deliveries during 2021. We have a strong year behind us and it is gratifying that the Board is suggesting a dividend of SEK 7.00 per share to the AGM. In 2022, it is time to take the next step in Knowit's success journey, to benefit both shareholders, clients, and employees. ■

PER WALLENTIN
CEO and President

EVENTS DURING THE PERIOD



OCTOBER – DECEMBER 2021

The acquisition of the management consultancy operations **CAPACENT** was finalized as of October 1. The operations were integrated into the business area Insight, which thereby grew by around 50 employees and gained a stronger position in Stockholm and Helsinki.

Knowit joined **DIGITAL WITH PURPOSE**, an international initiative of digitalization consultancy firms working to increase the contributions of digitalization to sustainability.

At **TECHARENAN SUMMIT**, Knowit participated in two panel talks. The first panel focused on the matter of competence provision in the future and the second on different routes to achieving climate goals.

Knowit was named **PARTNER OF THE YEAR**, Nordic region, by Amazon Web Services (AWS).

On commission from **MICROSOFT SVERIGE AB**, Knowit has drafted guidance to support public operations in implementation of cloud services. The report contains a method for risk analysis and a basis for assessment. A team of cybersecurity experts, legal experts, and cloud architects from Knowit are behind the report MSMD AIR (Microsoft Cloud Design Analysis of Implementation and Risk).

On December 30, Knowit was accepted as a **MEMBER OF THE UN GLOBAL COMPACT** (UNGC). As a member, we commit to actively working with sustainability matters and to annually report our progress in our sustainability efforts to the UN.

At the extraordinary general meeting of **TECHSVERIGE** (formerly IT&Telefonföretagen, the Swedish IT and Telecom Industries) in November, our President **PER WALLENTIN WAS ELECTED AS THE NEW CHAIRMAN OF THE BOARD**.

Knowit again performed a **CHRISTMAS FUNDRAISER FOR UNHCR'S EDUCATION PROGRAM** for young refugees. The fundraiser was open throughout December and performed in collaboration with Knowit's employees and partners. Knowit donated double the contribution of each individual contributor.

In December, Knowit announced the acquisition of the Danish design and strategy agencies **1508 AND STRØMLIN**. The companies will be part of the business area Knowit Experience and the deal was finalized in January 2022.

THE PERIOD IN BRIEF

A good finish to an eventful year

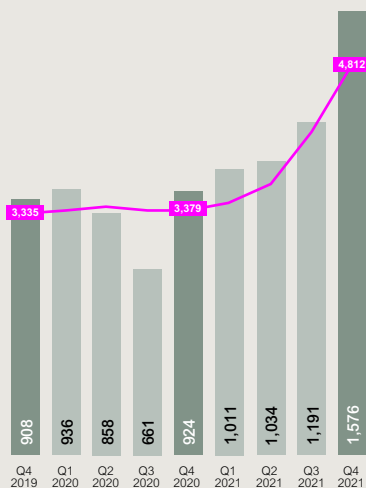
JANUARY – DECEMBER 2021

A stronger Knowit

In December, Knowit announced the acquisitions of the Danish design agency 1508.dk and the tech agency Strømmlin ApS. The new operations, combined with the business area Knowit Experience's existing operations in Copenhagen and Aarhus, will become a strong platform for continued growth on the Danish market.

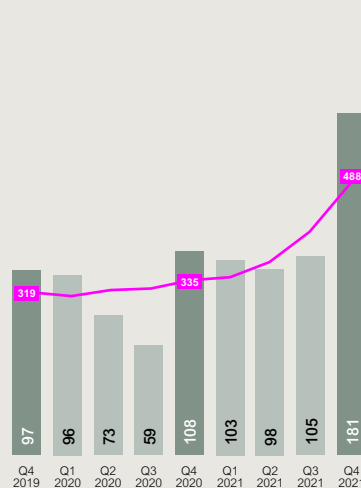
During the third quarter, Knowit announced the acquisition of the subsidiaries within Capacent conducting operations in management consultancy. In July, Knowit finalized the acquisition of Cybercom, creating a Nordic powerhouse for the digital solutions of the future.

During 2021, large efforts have been made to integrate the earlier acquisition Creuna as well as Cybercom and Capacent. The acquisitions contribute to the development of the Group and create the conditions for continued growth and a positive development of profitability.



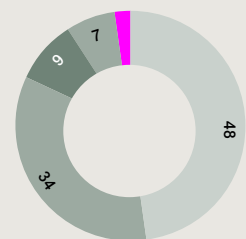
NET SALES, SEK, MILLIONS

- Net sales, quarterly data
- Rolling 12 months



ADJUSTED EBITA PROFIT, SEK, MILLIONS

- Adjusted EBITA profit, quarterly data
- Rolling 12 months



SALES PER COUNTRY JANUARY – DECEMBER 2021

Sweden	48% (54)
Norway	34% (39)
Finland	9% (5)
Denmark	7% (2)
Poland	2% (-)
Other	0% (0)

→ THE PERIOD IN BRIEF

JANUARY – DECEMBER 2021

Increased net sales

The net sales for the period increased to SEK 4,811.8 (3,379.1), affected by the acquisitions of Cybercom, Creuna, and Capacent. Profit before amortization of intangible assets (EBITA) increased to SEK 438.5 (335.0) million. The adjusted EBITA profit increased to SEK 487.9 (335.0) million, adjusted for acquisition and integration costs of SEK 49.4 million. Compared with the corresponding period last year, exchange rate developments had a positive effect on EBITA totaling SEK 2.3 million. In the previous year, Knowit received support in the form of reduced employer contributions of SEK 26 million and furlough support of SEK 14 million. In total, this meant reduced personnel costs of SEK 40 million at the end of the fourth quarter. Knowit has not received any support during 2021.

Cash flow from operating activities increased to SEK 462.8 (441.3) million, where the change in operating capital had an impact of SEK -49.8 (128.3) million. ■

The below table shows financial history that includes the acquisitions of Cybercom, Creuna, and Capacent for comparable periods, to facilitate for the reader to follow the development. See more information on page 27 in this report.

SEK, MILLIONS	OCT-DEC 2021	OCT-DEC 2020	JAN-DEC 2021	JAN-DEC 2020
Sales	1,575.9	923.8	4,811.8	3,379.1
Sales, acquisitions	–	570.0 ¹⁾	–	1,217.3 ²⁾
Sales, including acquisitions	1,575.9	1,493.8	4,811.8	4,596.4
Sales, change, %	5.5		4.7	
of which is exchange rate effect, %	1.3		0.3	

1) Adjustments relate to addition of net sales in Cybercom and Capacent for the period October-December 2020 and Creuna for the period October-November 2020.

2) Adjustments relate to addition of net sales in Cybercom for the period July-December 2020, Creuna for the period January-November 2020, and Capacent for the period October-December 2020.

In the below table, EBITA is adjusted for items that impair comparability between different periods, to enable increased understanding for the Group's underlying operations.

SEK, MILLIONS	OCT-DEC 2021	OCT-DEC 2020	JAN-DEC 2021	JAN-DEC 2020
EBITA	168.2	108.3	438.5	335.0
Adjusted EBITA profit	181.1 ¹⁾		487.9 ¹⁾	
EBITA margin, %	10.7	11.7	9.1	9.9
Adjusted EBITA margin, %	11.5 ²⁾		10.1 ²⁾	
Cash flow from operating activities	267.3	176.9	462.8	441.3
Intangible assets	3,839.5	1,380.7	3,839.5	1,380.7
Number of employees at the end of the period	3,849	2,578	3,849	2,578

1) EBITA is adjusted for items that impair comparability between different periods, to improve the understanding of the Group's underlying operations.

Comparison-impairing items include costs connected to acquisitions and sales and costs for restructuring and integration programs.

2) Adjusted EBITA profit in relation to the net sales of the period.

MARKET AND OPERATIONS

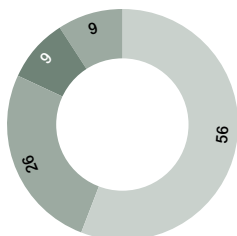
A clearer position on a growing market

Knowit's strategy is to create sustainable and innovative digital solutions that contribute to high business value for its clients. With its four business areas, Knowit can accommodate purchasers throughout its clients' organizations. The three business areas are: *Solutions*, system development and tech-associated services; *Experience*, digital communication solutions and data-driven customer experiences; *Connectivity*, development of embedded systems, security applications, and cloud services, and; *Insight*, management consultancy and organizational development.

DIGITALIZATION CREATES NEW possibilities for citizens and society. The solution to many of the main challenges in society, such as climate change, is dependent on mankind's ability to use new and existing technology in a sustainable way.

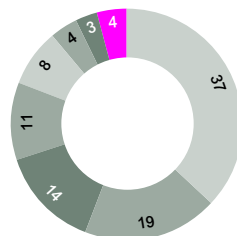
Digital solutions that Knowit has developed along with clients and partners are found throughout all parts of society, from schools, healthcare services, and authorities, to e-commerce, transportation, security systems in vehicles, and new energy systems. Knowit's competence in new technology and digital solutions, such as artificial intelligence, automation, and robotization, creates possibilities to have a positive impact on society and the climate challenges.

Knowit's operations are based in the Nordic region. Through the acquisition of Cybercom, a Polish operations with high competence in programming and system development has been added. Knowit also has a smaller organization in Germany. The primary purpose of the operations in Poland is to support the Nordic operations. Knowit has a local distribution with several offices in Sweden and Norway and in two locations in Finland and Denmark. With its agile work method and client-tailored solutions, Knowit has a strong position on the Nordic digitalization market.



**SALES PER BUSINESS AREA
JANUARY – DECEMBER 2021**

Solutions	56% (62)
Experience	26% (24)
Connectivity	9% (3)
Insight	9% (11)



**SALES PER CLIENT INDUSTRY
JANUARY – DECEMBER 2021**

Public sector	37% (39)
Retail and service companies	19% (18)
Industry	14% (9)
Banking, finance and insurance	11% (15)
Telecommunication	8% (6)
Energy	4% (6)
Media, education and gaming	3% (3)
Other	4% (4)

A CONTINUED POSITIVE DEVELOPMENT OF MARKET GROWTH

Knowit's main geographic markets have shown a fast recovery following the COVID-19 pandemic. According to the analyst Radar Ecosystem Specialists (Nordic Outlook 2021 updated), the total Swedish IT consultancy market is expected to show a growth of 5.9 percent for the full year 2022, which would continue the positive development from 2021. For the Swedish management consultancy market, Radar predicts a growth of 4.7 percent in 2021, which would be on par with the development for 2021.

For the Norwegian IT consultancy market, Radar predicts continued growth in 2022, at 7.8 percent. For the Norwegian management consultancy market, the growth is expected to be 5.2 percent.

A STRONG CLIENT OFFERING

The four business areas build on the clients' needs for support in various parts of their organizations. The business area Solutions usually collaborates with companies' operative and IT departments. Experience's usual client group encompasses sales and marketing departments, and Insight mainly has corporate management and management teams as its clients. Connectivity's target group is mainly research and development departments.

Knowit's clients often have a need for services from several business areas. This means that projects can be performed with the support of multiple competencies from more than one business area. These are collaborations that develop both Knowit's and the clients' businesses.

GOOD SPREAD ACROSS DIFFERENT CLIENT INDUSTRIES

Knowit's broad and specialized offerings mean that its clients are found in many different industries. The distribution of sales is relatively stable, with the largest net sales in the public sector, providing 37 percent of net sales. The shares in retail, banking and finance, and the manufacturing industry are relatively stable, each in the range 10-20 percent of sales.

→ MARKET AND OPERATIONS

A NORDIC POWERHOUSE FOR SUSTAINABLE DIGITAL TRANSFORMATION

On July 1, 2021, Knowit and Cybercom officially became one company, under the Knowit brand. Through the acquisition, Knowit is creating a Nordic powerhouse for the digital solutions of the future, with a strong focus on sustainability. The new Knowit has around 3,800 employees and has created a new business area, Knowit Connectivity.

With Cybercom's specialist competence in mobility, IoT, automation, cloud services, and cybersecurity and societal security, Knowit is significantly strengthening its offer to clients, especially in the industry and telecom sectors.

Knowit has a unique client offer in digital transformation, with a very strong position on the Nordic market. Knowit's established position in system solutions, management consulting, and digital customer experiences has been broadened and reinforced through the acquisition of Cybercom. The new business area, Connectivity, focuses on meeting the needs of its clients' research and development departments. Furthermore, Knowit's ability to offer digital solutions to the sustainability challenges in society has been strengthened through the acquisition.

AN EXPANDED SUSTAINABILITY FOCUS

During the climate summit in Glasgow, COP26, Knowit became the first Nordic company to join Digital with Purpose, an initiative from the Global Enabling Sustainability Initiative (GeSIF), where global corporate leaders work together to effectively disseminate digital technology and the climate solutions that the world needs.

Knowit has signed a joint commitment in the climate collaboration of the municipality of Oslo, "Næring for Klima." The collaboration encompasses both the municipality and the private sector, as a step in contributing towards Oslo's climate goals and the vision of being a climate-friendly capital.

In October, Knowit in Bergen hosted Girl Tech Fest, with more than 80 girls aged 10-12 years participating. Girl Tech Fest aims to increase the interest in tech-oriented educations and professions among young women. The youths were guided by women in the tech industry during the weekend, and performed various exciting exercises in a playful way.

For several years, Knowit has been performing an annual fundraiser for UNHCR efforts in education. During December, Knowit and its employees, clients, partners, and friends raised more than SEK 420,000 for the UNHCR project Tertiary Scholarship Programme. For each krona donated, Knowit donated two.

TRAINEE PROGRAM AND COMPETENCE DEVELOPMENT CREATE PROUD EMPLOYEES

Twice a year, Knowit performs an employee survey. In November, results showed a retained response rate of over 80 percent and an eNPS (employee Net Promoter Score) of 30. For employees at similar companies, the average eNPS is 16.

Several trainee and introduction programs have been performed during the fall. In Stockholm and Oslo, around 50 new consultants have undergone various forms of trainee programs. For example, about twenty new employees were trained as security consultants.

After several cancelled events and conference, the Knowit Developer Summit (KDS) could finally be performed as a physical event in Stockholm. KDS is an internal conference organized by developers for developers. This year, 150 participants from Knowit throughout the Nordic region, as well as from Poland and Ukraine, gathered for two days to take part in interesting lectures and workshops.

PARTNERSHIP STRENGTHENS THE CLOUD OFFERING

The demand for cloud services is increasing, with changed consumer behaviors and the possibilities of digitalization.

During the year, the cloud service offer has been reinforced through the establishment of a central organization for partnerships and sales. The aim is to create benefits for all of Knowit's business areas and develop the partnership deal in cloud services. A new organization, with around 70 employees in the Nordic region, offers sales, advisory services, and delivery of cloud services from the three main cloud suppliers.

Each year, the cloud supplier Amazon presents awards to its partners that have key roles and help their clients drive innovation and build solutions with the Amazon Web Services (AWS) platform. In connection with last year's large cloud conference, re:Invent, in December, Knowit received the award AWS Consulting Partner of the Year – Nordic region.

FINANCIAL OUTCOME

The Group's operations are organized so that the corporate management team primarily follows four business areas. The organization change that Knowit performed in connection with the integration of Cybercom, when a new business area was created, means that operations that were formerly part of Solutions have been included in the new business area Connectivity. Competences and resources that were formerly part of Cybercom have also been included in the three other business areas. As a result of this, comparative figures have been adjusted.

The net sales for Solutions increased to SEK 912.3 (580.7) million, for Experience to SEK 365.6 (258.6) million, for Connectivity to SEK 229.3 (34.3) million, and for Insight to SEK 165.1 (107.7) million.

Profit before amortization of intangible assets (EBITA) for Solutions increased to SEK 113.4 (67.1) million, for Experience to SEK 42.3 (32.6) million, for Connectivity to SEK 25.3 (2.3) million, and for Insight increased to SEK 25.3 (13.2) million.

The EBITA margin for Solutions increased to 12.4 (11.6) percent, for Experience was 11.6 (12.6) percent, for Connectivity increased to 11.0 (6.6) percent, and for Insight increased to 15.3 (12.3) percent.

Solutions

SEK, MILLION	OCT-DEC 2021	OCT-DEC 2020 ¹⁾	OCT-DEC 2020 incl. acquisition ²⁾
Net sales	912.3	580.7	816.5
EBITA	113.4	67.1	100.0
EBITA margin, %	12.4	11.6	12.3
Number of employees	1,772	1,348	1,818

¹⁾ The comparative figures have been updated based on the new organization.

²⁾ Net sales pertain to the acquisition of Cybercom from October 1 to December 31, 2020.

Solutions is Knowit's largest business area, with operations on all of Knowit's markets in the Nordic region and with

→ MARKET AND OPERATIONS

smaller operations in Germany. The approximately 1,800 consultants offer cutting-edge competence in all parts of the systems development process: from idea, architecture and project governance, to programming, implementation, testing, and security.

With innovation and bespoke system solutions, we increase our possibilities to ensure that clients' operations develop in tandem with the latest technology and changing business needs.

Following the merger with Cybercom, Solutions has grown by around 420 consultants in system development in Sweden and Finland. In Finland, the merger means that Solutions' local offer in system development has become significantly broader. As of January 1, 2021, Knowit Mobile Syd, with 26 consultants, has switched business area from Solutions to Experience. This means that comparative figures have been adjusted.

COMMENTS FROM THE EVP OF SOLUTIONS

The business area Solutions has had a strong fourth quarter with increased net sales and a retained margin, while a large integration of employees from the former Cybercom has been performed. Demand has been high and several new large client assignments have been gained in both Sweden and Norway during the year.

“During the year, we have seen generally increased competition over employees, making it particularly gratifying that we have managed to grow organically in Norway, while we have become a much larger player in Sweden thanks to the addition of Cybercom. We have a stable platform for continued profitable growth,” says Åsa Holmberg.

FUTURE-PROOF TRANSPORT

In the Nordic region, the business area Solutions has most of its clients in the public sector. Examples of clients include VY (formerly NSB), a Norwegian transport group operating passenger transport with trains and buses in Norway and Sweden. Solutions has a large, long-term assignment in supporting the company with modernizing and maintaining its system portfolio. Knowit Solutions also supports large companies in retail and e-commerce with payment solutions and AI solutions.

In the telecommunications industry, the business area Solutions has several larger clients, including Telenor and Telia, with long-term relationships, where it both develops new system solutions and is in charge of operations. Here, deliveries are to an increasing extent performed in agile teams.

In banking and finance, there are some clients among the more niche players that are challenging existing business models, such as Nordax bank and BMW Financial services.

Experience

SEK, MILLION	OCT-DEC 2021	OCT-DEC 2020 ¹⁾	OCT-DEC 2020 incl. acquisition ²⁾
Net sales	365.6	258.6	352.1
EBITA	42.3	32.6	46.6
EBITA margin, %	11.6	12.6	13.2
Number of employees	929	899	923

1) The comparative figures have been updated based on the new organization.

2) Net sales pertain to the acquisition of Cybercom from October 1 to December 31, 2020 and Creuna from October 1 to November 30, 2020.

The business area Experience is one of the leading digital agencies in the Nordic region, with over 900 specialists at the interface between technology and communication, who take responsibility for the entire digital customer experience. In the client projects, staffed with multiple competencies in web, e-commerce, analysis, marketing, design, and big data, Experience helps companies and organizations achieve their business-critical marketing and sales goals.

The business area has reinforced with around 30 consultants which joined existing operations in Stockholm and Sundsvall from Cybercom. As of January 1, 2021, Knowit Mobile Syd, with 26 consultants, has switched business area from Solutions to Experience. This means that comparative figures have been adjusted.

DIGITAL TRANSFORMATION IN THE ENERGY SECTOR

Knowit Experience has performed several projects along with Norway's largest electricity supplier, Fjordkraft. The development of digital channels and platforms is performed in close collaboration with Fjordkraft, always with a focus on the client and end users. During the year, Knowit has been given renewed confidence to develop and establish an ecosystem for the client's services in the corporate segment.

Norway's largest airport owner, Avinor, has chosen Knowit Experience as a new partner. Experience will support Avinor with ad agency services and serve as a strategic partner in brand consultancy.

DATA-DRIVEN CUSTOMER EXPERIENCES

Knowit Experience's relationship with its clients is a typical combination of time-limited project assignments and long-term partnerships. An example is the increased need to shift sales to data-driven e-commerce solutions more quickly.

Danish Arla, Fiskars lifestyle products, the Swedish Legal, Financial and Administrative Services Agency, and the Norwegian insurance company Storebrand are clients where Experience has a long-term collaboration and is continuously developing new digital services and user interfaces.

Together with its clients, Experience is creating efficient and integrated e-commerce platforms with a focus on data-driven customer experiences and increased sales.

Experience has several clients in the public sector, where it contributes in various ways to create better, more accessible public services for individual citizens. One example of this is 1177.se.

COMMENTS FROM THE EVP OF EXPERIENCE

The business area Experience has had a very strong quarter in terms of both net sales and profit. Experience has, during the quarter, gained several new, large clients. Relatively high staff turnover has been offset by new

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recruitments. In Norway, growth has been strong, but recruitment has negatively impacted on the margin. The Swedish operations, particularly in Stockholm and Gothenburg, have shown strong growth and managed to increase their margins, both for the quarter and for the full year.

"We deliver a stable fourth quarter. The strong market position and sense of confidence that we have gained in both Sweden and Norway have meant that we have gained more large client assignments than ever before," says Fredrik Ekerhovd.

Connectivity

SEK, MILLION	OCT-DEC 2021	OCT-DEC 2020 ¹⁾	OCT-DEC 2020 incl. acquisition ²⁾
Net sales	229.3	34.3	224.2
EBITA	25.3	2.3	27.8
EBITA margin, %	11.0	6.6	12.4
Number of employees	659	34	675

1) The comparative figures have been updated based on the new organization.

2) Net sales pertain to the acquisition of Cybercom from October 1 to December 31, 2020.

Connectivity combines technical expertise and business competence for innovative, secure, and sustainable solutions in IT and communication technology. The business area is primarily active in product, system, and service development of embedded systems, cloud solutions, and security applications.

The business area, with its around 660 consultants in Sweden and Poland, is a leading supplier to clients in the telecom industry, the vehicle industry, the manufacturing industry, and to research and development departments.

In connection with the creation of Connectivity, the group companies Dataunit, Defence, and Technology were moved from Solutions to the new business area in July 2021.

A CONNECTED WORLD

Knowit Connectivity is specialized in development of 5G technology, at the absolute cutting edge of digitalization. The platform enables usage of artificial intelligence (AI), the internet of things (IoT), and extended reality (XR). Thus, it has potential to decrease costs, energy usage, emissions and waste, and to mitigate climate change.

The business area Connectivity has several large assignments in the manufacturing industry, including for ABV, Assa, Ericsson, Scania, and Vector.

COMMENTS FROM THE EVP OF CONNECTIVITY

The business area Connectivity shows positive growth with increased net sales for both the quarter and the full year. The Swedish operations are showing a particularly strong development, even while performing large-scale integration efforts. A somewhat lower margin is mainly an effect of temporary price adjustments and increased costs in Poland.

"We are seeing a much stronger market and have gained several new, large client assignments during the quarter. After intense work with integration, the Swedish operations are delivering a strong result and healthy margins for both the quarter and the full year," says Annika Nordlander.

INVESTMENT IN CLOUD SERVICES

To make full use of the possibilities of cloud services, we need to see beyond the technology and understand the potential of cloud use to increase organizational efficiency in a scalable manner. The business area offers cloud solutions from agile teams in everything from advisory services, installation, and implementation of cloud infrastructure to development of future cloud applications.

The demand for cloud services is increasing, not least from clients in retail, insurance, and the industrial sector. For Valmet, Connectivity is developing solutions for data analysis and cloud services for the industrial internet. This assignment encompasses helping the client with development, analytics and platform services based on Microsoft Azure, with the aim to create a sustainable future.

Insight

SEK, MILLION	OCT-DEC 2021	OCT-DEC 2020 ¹⁾	OCT-DEC 2020 incl. acquisition ²⁾
Net sales	165.1	107.7	170.9
EBITA	25.3	13.2	26.4
EBITA margin, %	15.3	12.3	15.4
Number of employees	375	269	379

1) Net sales pertain to the acquisition of Cybercom from October 1 to December 31, 2020.

Specialists at Knowit Insight support their clients in creating agile organizations and performing digital transformations, from idea to result. In close collaboration with the client, they create methods and model based on the client's challenges and unique market circumstances.

The business area Insight, with around 375 employees, is a challenger on the Nordic management consulting market. Primary offers from Insight include data-driven growth, organizational and strategic development, security, e-health, and sourcing.

Through the acquisition of Capacent, finalized during the quarter, the business area Insight has added around 50 new employees in Stockholm and Helsinki. The client offer has been reinforced mainly in finance, pricing strategy, and operating capital optimization. This gives Knowit Insight greater possibilities to deliver broad, cross-operation projects, with a high level of digitalization, and a clearer position in Finland. Through the acquisition of Cybercom, the number of employees in Insight increased by around 50 people in Sweden, primarily in the areas of sustainability and societal security.

INCREASED DEMAND FOR SECURITY SOLUTIONS

Around a hundred of Insight's consultants are currently in offers related to the security field, which has shown strong growth. Clients are found in both the private and

→ MARKET AND OPERATIONS

public sectors and assignments in the healthcare sector and banking and finance have increased rapidly in recent years. Examples of assignments include implementation of a new medical records system in the Västtra Götaland region and data protection for Bankgirot.

As a result of the continued strong demand in security and law, Insight has continued to recruit more experts and during the fall performed another trainee program for newly recruited employees, with around twenty cybersecurity specialist graduates.

COMMENTS FROM THE EVP OF INSIGHT

The business area Insight has a continued positive trend in the fourth quarter and increases both its net sales and its margin. The positive margin of 15.3 percent (12.3) in the fourth quarter is an effect of restructuring performed during the year, primarily in Stockholm and Göteborg, and that the acquired operations from Capacent are generally contributing with high average prices.

"It is gratifying that we continue to grow both organically and through the acquisitions of Cybercom and Capacent. We have managed to

create a stronger market position, which makes us more attractive employer now than we were one year ago," says Carin Strindmark.

A SMARTER AND MORE SUSTAINABLE SOCIETY

For many years, Knowit has helped operations in various industries to develop everything from smart homes to smart offices and municipalities. With its clients, Insight develops and implements strategies where digitalization and new technology enable solutions that make everyday life easier and increase people's quality of life, while also helping the environment and our planet. In Uppsala, a chatbot has been created to inspire and guide both local citizens and visitors to the hidden gems in the area. This is a way to create a more dynamic city and promote sustainable tourism. Another example is the portal developed for all public sector services in Finland. The portal has led to major savings and provides a better overview of Finnish societal functions. Sending in your tax returns, voting, or in other ways using your rights and fulfilling your obligations is easy and intuitive. ■

Current projects create client value

Knowit are digitalization consultants that create unique client values by offering digital solutions that contribute to creating a sustainable society.

KNOWIT DELIVERS CLIENT PROJECTS that contribute to societal development and involve the human aspect, based on both usability and privacy. An important part of Knowit's contributions is increasing the clients' understanding of how digitalization can contribute to a circular economy and an improved society.



SUPPORT FOR IMPLEMENTATION OF CLOUD SERVICES

On commission from Microsoft Sverige AB, Knowit has drafted guidance to support public operations in implementation of cloud services. The report contains a method for risk analysis and a basis for assessments that the operations may need to make. A team of cybersecurity experts, legal experts, and cloud architects from Knowit are behind the report MSMD AIR (Microsoft Cloud Design Analysis of Implementation and Risk).

The report MSMD AIR offers public sector operations a method for risk analysis and a basis for the assessments an operation must make before implementing the cloud service. The legal aspects of cloud services are a central part of the guidance. A municipality or other party that wants to use cloud services needs to make several legal assessments that are both wide-ranging and complex. MSMD AIR describes the legal context and provides a model that guides the reader through the legal questions that require answers.

→ MARKET AND OPERATIONS



AI PREVENTING THEFT

Knowit has developed Hamnlarm, an AI-based security system to discover and prevent theft gangs. The new technology is an effective form of protection for harbors, which suffer boat engine thefts at a total value of several hundred million Swedish kronor annually. The pilot project has been performed in collaboration with insurance companies and suppliers of security solutions.

Theft of boat engines is common across the country and each year, boat engines with a total value of around SEK 300 million are stolen from marinas and boatyards. To deal with this problem, Knowit has created Hamnlarm, a security system based on advanced audio analysis and video surveillance using artificial intelligence and machine learning. Hamnlarm can discover thieves before they arrive and sound an alert if they try to steal boats or boat engines.

In September and October 2021, Hamnlarm has been used for surveillance of a marina and adjacent boatyard and of a boatyard for motorboats in the Stockholm area.



DIGITAL SIGNATURES FOR PUBLIC ADMINISTRATION

Knowit has developed a reliable and complete solution, SignPort, for digital signatures. The e-signature service is well-adapted for use in Swedish public administrations and larger companies requiring functionality for both external and internal signatures.

The Agency for Digital Government (DIGG) has drafted a standard for digital signatures specifically for Swedish public administrations. Knowit has based SignPort on DIGG's technical framework for signature services and the solution has undergone tests and is approved by both DIGG and the Swedish Legal, Financial and Administrative Services Agency. SignPort is used by several large Swedish authorities. SignPort can be purchased through the Swedish Legal, Financial and Administrative Services Agency's framework agreement Software and Services, Software solutions. Knowit is one of three approved suppliers.



DATA ANALYTICS CONTRIBUTING TO A CLEANER OCEAN

Corvus Energy is a world leader in maritime zero emission solutions and has more than 200 battery-powered ships. The batteries that run the engines are equipped with sensors that can measure a broad spectrum of factors, such as voltage, temperature, and charging status. Knowit was tasked with gathering data from the batteries and presenting them in a simple, comprehensive overview, to thereby ensure quality and functionality.

In the project, Knowit developed a DataAPI (Application Program Interface, a controlled way to transfer information between two systems), to gather large amounts of data for usage by both Corvus and its clients – but also in an anonymized form for usage by scientists or in machine learning projects.

The information, in the form of a constant stream of millions of data points, is presented in a simple and user-friendly dashboard. All the relevant data are provided visually and in real-time, making it easy to discover any changes or alterations needed, thereby promoting long battery life.

The result was that investments in electric ships became predictable and cheaper. A shift towards a cleaner ocean. For the good of both shipping lines, the environment, and the general public. ■

THE GROUP

Strong growth with a new organization

Net sales and profit

The Group

JANUARY – DECEMBER

Net sales increased to SEK 4,811.8 (3,379.1) million, an increase by 42.4 percent as compared with the corresponding period last year. Compared with the corresponding period last year, the exchange rate development has had a positive impact on net sales of SEK 11.7 (-137.9) million. Net sales increased to SEK 2,292.8 (1,836.1) million in Sweden, to SEK 1,621.1 (1,287.2) million in Norway, to SEK 444.9 (169.5) million in Finland, to SEK 360.7 (74.0) million in Denmark, and to SEK 76.3 (-) in Poland. Sales per employee increased to KSEK 1,615 (1,526).

The operating profit before amortization of intangible assets (EBITA) increased to SEK 438.5 (335.0) million. The adjusted EBITA profit increased by 45.6 percent to SEK 487.9 (335.0) million, adjusted for acquisition costs of SEK 26.4 million and integration costs of SEK 23.0 million. Compared with the corresponding period last year, the exchange rate development has had a positive impact on EBITA of SEK 2.3 (-15.3) million.

In the previous year, Knowit was granted support in the form of reduced employer contributions of SEK 26 million and support for furloughs totaling SEK 14 million. In all, this reduced personnel costs by SEK 40 million as per December 31, 2020.

In Sweden, EBITA increased to SEK 307.0 (224.3) million, in Norway to SEK 175.2 (156.4) million, in Finland to SEK 30.1 (17.8) million, in Denmark to SEK 22.7 (4.0) million, and in Poland to SEK 7.7 (-) million. The operating margin (EBITA) was 9.1 (9.9) percent. The adjusted EBITA margin increased to 10.1 (9.9) percent.

Amortization of intangible assets amounted to SEK -75.2 (-12.3) million, affected by increased amortization related to the acquisitions of Cybercom, Creuna, and Capacent.

The operating profit after financial items increased to SEK 370.1 (331.9) million. The financial net was SEK 6.8 (9.2) million, affected primarily by revaluation of additional consideration and exchange rate development. The figures for last year are largely affected by exchange rate development.

The results after taxes increased to SEK 294.8 (257.9) million. Tax for the period was SEK -75.3 (-74.0) million. The non-controlling interests' share of profit for the year was SEK 4.3 (8.1) million. Earnings per share were SEK 12.26 (12.96).

THE FOURTH QUARTER

Net sales increased to SEK 1,575.9 (923.8) million, an increase by 70.6 percent as compared with the corresponding period last year. Compared with the corresponding period last year, the exchange rate development has had a positive impact on net sales of SEK 20.0 (-41.0) million. Net sales increased to SEK 653.2 (505.8) million

in Sweden, to SEK 445.6 (341.6) million in Norway, to SEK 238.3 (46.8) million in Finland, to SEK 194.7 (26.4) million in Denmark, and to SEK 39.8 (-) million in Poland. Sales per employee increased to KSEK 435 (422).

The operating profit before amortization of intangible assets (EBITA) increased to SEK 168.2 (108.3) million. The adjusted EBITA profit increased by 67.2 percent to SEK 181.1 (108.3) million, adjusted for acquisition costs of SEK 3.1 million and integration costs of SEK 9.8 million.

In the fourth quarter last year, Knowit was granted support for furloughs totaling SEK 1 million.

Compared with the corresponding period last year, the exchange rate development has had a positive impact on EBITA of SEK 2.3 (-4.4) million. In Sweden, EBITA increased to SEK 127.0 (72.1) million, in Norway to SEK 47.3 (37.2) million, in Finland to SEK 19.2 (3.6) million, in Denmark to SEK 8.1 (2.9) million, and in Poland to SEK 3.8 (-) million. The operating margin (EBITA) was 10.7 (11.7) percent. The adjusted EBITA margin was 11.5 (11.7) percent.

Amortization of intangible assets amounted to SEK -35.9 (-4.1) million, affected by increased amortization related to the acquisitions of Cybercom, Creuna, and Capacent.

The operating profit after financial items increased to SEK 148.7 (103.6) million. The financial net increased to SEK 16.4 (-0.6) million, affected primarily by revaluation of additional consideration and exchange rate development.

The results after taxes increased to SEK 125.8 (80.4) million. Tax for the period was SEK -22.9 (-23.2) million. The non-controlling interests' share of profit for the year was SEK -2.2 (0.8) million. Earnings per share increased to SEK 4.67 (4.11).

Segments

JANUARY – DECEMBER

The Group's operations are organized so that the corporate management primarily follows up on net sales, EBITA profit, and average number of employees for the Group's segments. The Corporate Management Team does not follow up on balance sheet items other than intangible assets across the different segments. In connection with the acquisition of Cybercom, a fourth segment, Knowit Connectivity, was created, with a focus on meeting the needs from clients in the industry, tech, and telecom sectors. Thus, the Corporate Management Team primarily follows up on four segments: Solutions, Experience, Connectivity, and Insight. Other items include cloud services of a smaller scope, the Parent Company's group-wide costs for management, financials, and marketing, and adjustments related to IFRS 16, which are not allocated to the segments.

On July 1, Knowit performed an organizational change which means that operations that had formerly been part of Solutions were moved to the new segment Connectivity. Further, on January 1, 2021, Knowit performed a reorganization, which meant that a smaller operation that was formerly part of the segment Solutions has moved to the segment Experience. The comparison periods have been altered to reflect the new segmentation.

→ THE GROUP

Net sales for the segment Solutions increased to SEK 2,843.1 (2,209.5) million, for the segment Experience to SEK 1,306.8 (875.5) million, for the segment Connectivity to SEK 479.4 (116.8) million, and for the segment Insight to SEK 458.8 (377.8) million.

EBITA increased to SEK 320.8 (265.5) million for the segment Solutions, to SEK 131.9 (104.7) million for the segment Experience, to SEK 48.3 (9.9) million for the segment Connectivity, and to SEK 46.7 (21.5) million for the segment Insight.

The EBITA margin was 11.3 (12.0) percent for the segment Solutions, was 10.1 (12.0) percent for the segment Experience, increased to SEK 10.1 (8.5) for the segment Connectivity, and increased to 10.2 (5.7) percent for the segment Insight.

THE FOURTH QUARTER

Net sales for the segment Solutions increased to SEK 912.3 (580.7) million, for the segment Experience to SEK 365.6 (258.6) million, for the segment Connectivity to SEK 229.3 (34.3) million, and for the segment Insight to SEK 165.1 (107.7) million.

EBITA increased to SEK 113.4 (67.1) million for the segment Solutions, to SEK 42.3 (32.6) million for the segment Experience, to SEK 25.3 (2.3) for the segment Connectivity, and to SEK 25.3 (13.2) million for the segment Insight.

The EBITA margin increased to 12.4 (11.6) percent for the segment Solutions, was 11.6 (12.6) percent for the segment Experience, increased to 11.0 (6.6) percent for the segment Connectivity, and increased to 15.3 (12.3) percent for the segment Insight.

Cash flow

JANUARY – DECEMBER

Cash flow from operating activities was SEK 462.8 (441.3) million, where the change in working capital has impacted by SEK -49.8 (128.3). The working capital has mainly been affected by increased accounts receivable.

Cash flow from investment activities amounted to SEK -411.9 (-97.4) million, affected mainly by the acquisitions of Cybercom and Capacent.

Cash flow from financing activities increased to SEK 126.6 (56.4) million, affected mainly by new issues, new loans, amortizations connected to the acquisition of Cybercom, and dividends.

Total cash flow was SEK 177.5 (400.3) million.

THE FOURTH QUARTER

Cash flow from operating activities was SEK 267.3 (176.9) million, where the change in working capital has impacted by SEK 52.8 (43.1) million. The working capital has mainly been affected by increased short-term liabilities.

Cash flow from investment activities amounted to SEK -169.9 (-20.9) million, affected mainly by the acquisition of Capacent.

Cash flow from financing activities was SEK -34.6 (38.2) million, affected primarily by amortizations of leasing liabilities.

Total cash flow was SEK 62.8 (194.2) million.

Acquisition of operations

On July 1, 2021, Knowit finalized the acquisition of Cybercom and created a Nordic powerhouse for the digital solutions of the future. The new group is expected to jointly create the conditions for continued growth and sound profitability development. Knowit estimates that the acquisition will have a positive impact on earnings per share during 2022.

The consideration for the acquisition of Cybercom was SEK 2,094 million. The consideration was paid in a cash portion of SEK 467 million and through a non-cash share issue of SEK 1,602 million (5,760,883 newly issued shares at a share price of SEK 278). The formerly communicated annual cost synergies totaling SEK 45 million have been achieved. Cost synergies of SEK 15 million have had a positive impact during the quarter.

On October 1, 2021 Knowit acquired the subsidiaries within Capacent that conduct operations in management consulting, Capacent X AB, Capacent Finance AB, Capacent Consulting AB, and Capacent OY. Capacent supplements Knowit's offer with services mainly in finance, pricing strategy, and operating capital optimization. The consideration was SEK 155 million on a cash and debt-free basis (enterprise value). No additional consideration will be paid out, as the target levels for this were not achieved.

The share

The Board has, based on authorization from the AGM 2020, issued 157,379 shares on February 28, 2021, and 52,445 shares on March 30. The issues pertain to payment of deferred consideration totaling SEK 43.0 million, and payment of an adjustment sum after consideration adjustment of SEK 12.5 million. Both issues are attributable to the previously performed acquisition of the Nordic digital agency Creuna.

The Board has on June 10, 2021, based on authorization from the EGM on May 28, 2021, performed a directed new issue of 1,785,714 new shares to Swedish and international institutional investors. The subscription price was SEK 280 per share and around SEK 500 million were obtained by the Group, before issue costs. The liquid assets will be used to increase the financial flexibility in order to use future business opportunities in accordance with the company's growth agenda.

The Board has on July 1, 2021, based on authorization from the EGM on May 28, 2021, decided to perform a non-cash share issue of 5,760,883 new shares as payment of part of the consideration for Knowit's acquisition of Cybercom. The subscription price was SEK 278 per share.

The number of outstanding shares before the issues totaled 19,652,179 and after the issues it was 27,408,600.

Financial position

JANUARY – DECEMBER

Cash and cash equivalents increased to SEK 851.4 (675.6) million as per December 31, 2021, affected by the directed new issues performed on June 10, 2021. Goodwill and other intangible assets increased to SEK 3,839.5 (1,380.7) million, of which goodwill was SEK 3,120.5 (1,200.6) million, and other intangible assets were SEK 719.0 (180.1) million.

→ THE GROUP

Equity increased to SEK 3,892.4 (1,545.0) million, affected mainly by the new issues during the year. Interest-bearing liabilities increased to SEK 892.9 (604.3) million on December 31, 2021, with long-term liabilities totaling SEK 286.3 (326.7) million and short-term liabilities increasing to SEK 606.6 (277.6) million. Bank loans increased to SEK 455.3 (155.3) million, of a granted credit facility totaling SEK 550.0 (250.0) million. In connection with the acquisition of Cybercom, Knowit signed an agreement on bridge financing of SEK 700 million. During the third quarter, this financing was transformed into a revolving credit facility. In total, there are granted credit facilities of SEK 550.0 (250.0) million.

Use of overdraft facilities totaled SEK 0.0 (0.0) million of granted overdraft facilities of SEK 50.0 (50.0) million, leasing liabilities increased to SEK 247.6 (198.7) million and liabilities related to future consideration in subsidiaries totaled SEK 190.0 (250.3) million.

The equity/asset ratio increased to 61.4 (50.5) percent as per December 31, 2021.

Employees

JANUARY – DECEMBER

On December 31, 2021, a total of 3,849 (2,578) people were employed by the Group. The number of employees has increased by 1,271 people during 2021, affected by the acquisitions of Cybercom and Capacent, among other things.

The average number of employees has during the period increased to 2,980 (2,214). The average number of employees in Sweden increased to 1,593 (1,279), in Norway to 863 (767), in Finland to 269 (118), in Denmark to 105 (44), and in Poland to 142 (–).

In connection with the acquisition of Cybercom, the corporate management team was expanded by four people.

Seasonal variation

The Group's revenue and operating results are subject to seasonal variation, which means that they vary by quarter. The number of working days and, by extension, normal working hours, affect net sales and profit.

The quarter that includes the Easter period – the first or second – has lower revenue, leading to a lower profit, as the costs are largely unchanging, unlike the revenue. The revenue is affected negatively, as the activity on the market decreases or is non-existent on these days. Further, the second and third quarter of the Group's financial year are affected by including parts of the summer holiday period, which impacts on the demand for the Group's services. The fourth quarter is affected by the work days and normal working hours that are dropped due to the Christmas and New Year holidays.

Transactions with related parties

Aside from the issue described in the section "The share," no significant events have occurred after the end of the Interim Report. For more information, see Note 29 Transactions with related parties, page 81 in the Annual Report 2020. ■

PARENT COMPANY

Results and financial position

JANUARY – DECEMBER

The operating profit/loss before amortization of intangible assets (EBITA) was SEK -104.3 (-64.6) million. The financial net increased to SEK 209.6 (100.0) million. The profit/loss after financial net increased to SEK 100.5 (31.9) million.

As per December 31, 2021, equity had increased to SEK 2,652.4 (573.3) million, affected by the issues performed and dividends paid out. Untaxed reserves, mainly accrual funds, increased to SEK 128.0 (115.7) million. ■

OTHER INFORMATION

The Board suggest a dividend of SEK 7.00 SEK per share for 2021

Dividend and dividend policy

The Board suggests a dividend of SEK 7.00 (7.00) per share for the financial year, totaling SEK 191.9 (137.6) million.

In order to both support an increased interest in trading of the share and gain a more even liquidity across the year, thereby increasing the financial flexibility, payouts of dividends will in the future be made at two occasions during the year. The Board's suggestion is therefore for dividends of SEK 3.50 with a planned balance day on April 22, 2022, and SEK 3.50 with a planned balance day on November 16, 2022.

The Board has adopted a dividend policy where the ambition is that the dividend shall be 40-60 percent of earnings after tax. The dividend shall reflect the Board's view on the expected market development and the Company's growth strategy.

General meeting

The AGM will take place on Monday May 2, 2022, at 1 PM, in Knowit's offices on Klarabergsgatan 60, Stockholm. Notice will be issued through a press release published in Post och Inrikes Tidningar and Dagens Industri, and on Knowit's website.

Updated financial targets

In connection with the acquisition of Cybercom, the Board of Knowit established new financial targets and adopted a new dividend policy.

"Knowit is uniquely positioned to drive and accelerate the digital transformation toward the sustainable business models of tomorrow. Through the acquisition of Cybercom, we gain a very strong position on the Nordic market and create the conditions for profitable growth and continued selective acquisitions," says the Chairman of Knowit's Board, Jon Risfelt.

THE FINANCIAL TARGETS

Growth target: Sales growth exceeding market growth, targeting an annual growth rate of around 15 percent over time. Growth is to be achieved sustainably by continued organic growth and acquisitions.

Earnings target: EBITA increasing to 12 percent of net sales over time.

Capital structure: Net debt in relation to EBITDA should not exceed two multiples over time.

Dividend policy: The ambition is to pay dividends corresponding to 40-60 percent of profit after tax. The dividend should reflect the Board's expectations on future market development, as well as the Company's growth strategy.

Essential risks and uncertainty factors

Knowit's general essential business risks consist of reduced demand for consultancy services, problems attracting and retaining skilled personnel, price pressures and financial risks related to credit and exchange rates and, to a lesser extent, risks related to fixed price projects.

Aside from that, the COVID-19 pandemic entails a risk for the Company. COVID-19 is a unique event in the sense that it is unpredictable, hard to assess and a risk for the market on which the Company operates, and for its clients. Thus, the pandemic will potentially also affect Knowit's possibilities of generating profits and growth in line with historic values.

For a more comprehensive description of the essential risks and uncertainty factors, see Note 2 in Knowit's Annual Report for 2020, page 6 and the prospectus published on June 8, 2021, pages 9-14.

Accounting principles

This report has been prepared in accordance with IAS 34, Interim Financial Reporting, and the Swedish Annual Accounts Act. The Interim Report for the Parent Company has been prepared in accordance with the Chapter 9 of the Swedish Annual Accounts Act, Interim Reporting.

For the Group and the Parent Company, the same accounting principles and bases for calculation have been applied as in the latest Annual Report, excepting the altered accounting principles described below.

Information in accordance with IAS 34.16A appears in the financial reports and connected notes, as well as in other parts of the Interim Report.

Events after the end of the interim period

After the end of the interim period, Knowit acquired the shares in the design agency 1508.dk AS and the tech agency Strömlin ApS. Acquisition was finalized on January 3, 2022. 1508 and Strömlin have around 45 employees and will be integrated with Experience in Copenhagen as soon as possible. Aside from that, no significant events have occurred after the end of the interim period.

→ OTHER INFORMATION

Forward-looking information

Forward-looking information in this report is based on the expectations of Knowit's management team at the time of the report. While Knowit's management team assesses these expectations to be reasonable, there is no guarantee that these expectations are or will turn out to be correct. Consequently, future outcomes may vary significantly compared with what is presented in the future-oriented information, depending for example on changed market conditions for the Knowit corporation's offerings and more general conditions related to economy, market, competition, regulatory changes and other alterations in policy, as well as variations on exchange rates. Knowit does not commit to update or correct such forward-looking information beyond what is required by law.

Financial calendar

INTERIM REPORT JANUARY – MARCH 2022

May 2, 2022, 7:30 AM

AGM 2022

May 2, 2022, 1:00 PM

INTERIM REPORT JANUARY – JUNE 2022

July 15, 2022, 7:30 AM

INTERIM REPORT JANUARY – SEPTEMBER 2022

October 25, 2022, 7:30 AM

YEAR-END REPORT 2022

February 7, 2023, 7:30 AM

Certification

The Chief Executive Officer certifies that the Interim Report gives a fair overview of the Group's and the Parent Company's operations, position, and profit, and describes the significant risks and uncertainty factors faced by the Parent Company and the companies within the Group.

Stockholm, February 4, 2022

PER WALLENTIN

Chief Executive Officer

This Interim Report has not been reviewed by Knowit's auditors.

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About Knowit

We are digitalization consultants and a Nordic powerhouse for the digital business models of the future. Our vision is to create a sustainable and humane society through digitalization and innovation. Knowit supports its clients in the digital transformation and stands out among other consultancy firms through its decentralized organization and agile work methods in client assignments. The operations are divided into four business areas – Solutions, Experience, Connectivity, and Insight – which offer services in bespoke system development, digital customer experiences, the internet of things, cloud, cybersecurity, and management consultancy. Competences from several business areas are often combined in client projects.

Knowit was founded in 1990 and, following the acquisition of Cybercom on July 1, 2021, has around 3,800 employees, mainly in the Nordic countries, but also in Poland and Germany. The merger with Cybercom has created new opportunities to take on larger and more complex assignments, primarily within the industry, tech, and telecom sectors. In addition, an even stronger platform is created, from which we offer digital solutions to the sustainability challenges of society.

Knowit AB (publ) has been listed on the stock market since 1997 and is currently listed on Nasdaq OMX Stockholm Mid Cap. For more information on Knowit, please visit knowit.eu. ■

ACCOUNTS

Consolidated income statement in summary

SEK, MILLIONS	OCT-DEC 2021	OCT-DEC 2020	JAN-DEC 2021	JAN-DEC 2020
Net sales	1,575.9	923.8	4,811.8	3,379.1
Operating costs	-1,367.2	-796.6	-4,249.7	-2,970.4
Depreciation of tangible fixed assets	-40.5	-18.9	-123.6	-73.7
Operating result before depreciations of intangible assets (EBITA)	168.2	108.3	438.5	335.0
Depreciation of intangible fixed assets	-35.9	-4.1	-75.2	-12.3
OPERATING RESULT (EBIT)	132.3	104.2	363.3	322.7
Financial incomes	16.9	1.2	25.0	15.5
Financial costs	-0.5	-1.8	-18.2	-6.3
RESULT AFTER FINANCIAL ITEMS	148.7	103.6	370.1	331.9
Taxes	-22.9	-23.2	-75.3	-74.0
RESULT FOR THE PERIOD	125.8	80.4	294.8	257.9
Result for the period attributable to shareholders in Parent Company	128.0	79.6	290.5	249.8
Result for the period attributable to non-controlling interests' holdings	-2.2	0.8	4.3	8.1
EARNINGS PER SHARE				
Earnings per share, before dilution, SEK	4.67	4.11	12.26	12.96
Earnings per share, after dilution, SEK	4.67	4.11	12.26	12.96

Consolidated total results in summary

SEK, MILLIONS	OCT-DEC 2021	OCT-DEC 2020	JAN-DEC 2021	JAN-DEC 2020
Result for the period	125.8	80.4	294.8	257.9
<i>Items that may later be reclassified to profit or loss</i>				
Loss on hedging of exchange rate risks in foreign operations	0.5	-1.6	5.1	-1.6
Tax effects on hedging	-0.1	0.3	-1.3	0.3
Translation differences	24.8	1.3	56.9	-55.9
OTHER TOTAL RESULTS FOR THE PERIOD, NET AFTER TAX	25.2	0.0	60.7	-57.2
Total result for the period	151.0	80.4	355.5	200.7
Total result assignable to shareholders in Parent Company	153.3	78.4	351.5	192.8
Total result assignable to non-controlling interests' holdings	-2.3	2.0	4.0	7.9

→ ACCOUNTS

Consolidated balance sheet in summary

SEK, MILLIONS	2021-12-31	2020-12-31
Assets		
Intangible fixed assets	3,839.5	1,380.7
Tangible fixed assets	290.7	232.3
Financial fixed assets	17.0	15.1
Deferred tax assets	96.8	17.9
Current assets	1,240.0	739.0
Cash equivalents	851.4	675.6
TOTAL ASSETS	6,335.4	3,060.6
Equity and liabilities		
Share capital	27.4	19.7
Other paid-in capital and provisions	3,104.1	517.2
Recognized profits, including profit for the year	753.2	993.9
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY	3,884.7	1,530.8
Non-controlling interests	7.7	14.2
TOTAL EQUITY	3,892.4	1,545.0
Long-term provisions	229.9	89.4
Interest-bearing long-term liabilities	286.3	326.7
Interest-bearing short-term liabilities	606.6	277.6
Other short-term liabilities	1,320.2	821.8
TOTAL EQUITY AND LIABILITIES	6,335.4	3,060.6

Consolidated cash flow analysis in summary

SEK, MILLIONS	OCT-DEC 2021	OCT-DEC 2020	JAN-DEC 2021	JAN-DEC 2020
Cash flow current operations before changes in working capital	214.5	133.8	512.6	313.0
Change in working capital	52.8	43.1	-49.8	128.3
CASH FLOW FROM CURRENT OPERATIONS	267.3	176.9	462.8	441.3
Cash flow from investing activities	-169.9	-20.9	-411.9	-97.4
Cash flow from financing activities	-34.6	38.2	126.6	56.4
CASH FLOW FOR THE PERIOD	62.8	194.2	177.5	400.3
Opening balance at start of the period	792.4	484.6	675.6	278.4
Exchange rate differences in cash equivalents	-3.8	-3.2	-1.7	-3.1
CLOSING BALANCE AT END OF THE PERIOD	851.4	675.6	851.4	675.6

→ ACCOUNTS

Statement of changes in equity in summary – Group

SEK, MILLIONS	OCT-DEC 2021	OCT-DEC 2020	JAN-DEC 2021	JAN-DEC 2020
Opening balance	3,741.6	1,362.1	1,545.0	1,241.1
Translation differences	24.8	1.3	56.9	-55.9
Result on hedging of exchange rate risks in foreign operations	0.5	-1.6	5.1	-1.6
Tax effects on hedging	-0.1	0.3	-1.3	0.3
Result for the period	125.8	80.4	294.8	257.9
TOTAL RESULT FOR THE PERIOD	151.0	80.4	355.5	200.7
TOTAL BEFORE TRANSACTIONS WITH SHAREHOLDERS	3,892.6	1,442.5	1,900.5	1,441.8
Non-controlling interests' holdings	-3.0	–	-4.4	-0.3
Additional capital from non-controlling interests' holdings	0.0	-4.4	1.5	-3.4
Dividend payment	–	-8.4	-152.0	-8.4
New issue in connection with acquisition	2.8	115.3	2,146.8	115.3
CLOSING BALANCE	3,892.4	1,545.0	3,892.4	1,545.0

Key figures

	OCT-DEC 2021	OCT-DEC 2020	JAN-DEC 2021	JAN-DEC 2020
Average number of employees	3,626	2,189	2,980	2,214
Sales per average number of employees (SEK, 000s)	435	422	1,615	1,526
Result after financial items per average number of employees (SEK, 000s)	41	47	124	150
Return on total capital, %	2.4	3.8	8.3	12.8
Return on equity, %	3.3	5.5	10.8	18.5
Return on capital employed, %	3.1	5.5	11.2	18.4
EBITA margin, %	10.7	11.7	9.1	9.9
Adjusted EBITA margin, %	11.5	11.7	10.1	9.9
Equity ratio, %	61.4	50.5	61.4	50.5

Data per share

	OCT-DEC 2021	OCT-DEC 2020	JAN-DEC 2021	JAN-DEC 2020
Earnings per share, SEK				
Before dilution	4.67	4.11	12.26	12.96
After dilution	4.67	4.11	12.26	12.96
Equity per share, SEK				
Before dilution	141.73	77.90	141.73	77.90
After dilution	141.73	77.90	141.73	77.90
Average number of shares (000s)				
Before dilution	27,409	19,358	23,702	19,280
After dilution	27,409	19,358	23,702	19,280
Number of shares on balance sheet day (000s)				
Before dilution	27,409	19,652	27,409	19,652
After dilution	27,409	19,652	27,409	19,652

→ ACCOUNTS

Group segment reporting in summary

OCT-DEC 2021 SEK, MILLIONS	Solutions ¹⁾	Experience ¹⁾	Connectivity ¹⁾	Insight	Other	Total
External net sales	856.6	340.2	205.7	149.4	24.0	1,575.9
Net sales between segments	55.7	25.4	23.6	15.7	-120.4	0.0
NET SALES	912.3	365.6	229.3	165.1	-96.4	1,575.9
Operating result before depreciations of intangible assets (EBITA)	113.4	42.3	25.3	25.3	-38.1	168.2
Depreciation of intangible assets	-16.0	-4.0	-12.5	-1.8	-1.6	-35.9
OPERATING PROFIT (EBIT)	97.4	38.3	12.8	23.5	-39.7	132.3
Result after financial items						148.7
RESULT FOR THE PERIOD						125.8
EBITA margin, %	12.4	11.6	11.0	15.3		10.7
Average number of employees	1,695	834	645	352	101	3,626

OCT-DEC 2020 SEK, MILLIONS	Solutions ¹⁾	Experience ¹⁾	Connectivity ¹⁾	Insight	Other	Total
External net sales	564.0	231.1	28.5	100.2	—	923.8
Net sales between segments	16.7	27.5	5.8	7.5	-57.5	0.0
NET SALES	580.7	258.6	34.3	107.7	-57.5	923.8
Operating result before depreciations of intangible assets (EBITA)	67.1	32.6	2.3	13.2	-6.9	108.3
Depreciation of intangible assets	-1.6	-1.5	—	—	-1.0	-4.1
OPERATING PROFIT (EBIT)	65.5	31.1	2.3	13.2	-7.9	104.2
Result after financial items						103.6
RESULT FOR THE PERIOD						80.4
EBITA margin, %	11.6	12.6	6.6	12.3		11.7
Average number of employees	1,312	574	31	251	21	2,189

The Group's operations are organized so that the corporate management primarily follows up on net sales, EBITA profit, and average number of employees for the Group's segments. The Corporate Management Team does not follow up on balance sheet items other than intangible assets across the different operating segments. Other items include cloud services of a smaller scope, where Knowit can, through its partnerships, offer the cloud supplier that is best suited for the client's specific needs and IT structure. Other items also include the Parent Company's group-wide costs for management, financials, and marketing, and adjustments related to IFRS 16, which are not allocated to the segments.

1) On July 1, Knowit performed an organizational change which means that operations that had formerly been part of Solutions were moved to the new segment Connectivity. Further, on January 1, Knowit performed a reorganization, which meant that a smaller operation that was formerly part of the segment Solutions has moved to the segment Experience. As a new segment has been added, the comparative figures have been presented in accordance with the new segmentation. No items that impair comparison have affected the segments during the period.

→ ACCOUNTS

Group segment reporting in summary, continued

JAN-DEC 2021 SEK, MILLIONS	Solutions ¹⁾	Experience ¹⁾	Connectivity ¹⁾	Insight	Other	Total
External net sales	2,698.8	1,208.4	431.3	417.4	55.9	4,811.8
Net sales between segments	144.3	98.4	48.1	41.4	-332.2	0.0
NET SALES	2,843.1	1,306.8	479.4	458.8	-276.3	4,811.8
Operating result before depreciations of intangible assets (EBITA)	320.8	131.9	48.3	46.7	-109.2	438.5
Depreciation of intangible assets	-30.2	-15.9	-21.2	-1.8	-6.1	-75.2
OPERATING PROFIT (EBIT)	290.6	116.0	27.1	44.9	-115.3	363.3
Result after financial items						370.1
RESULT FOR THE PERIOD						294.8
EBITA margin, %	11.3	10.1	10.1	10.2		9.1
Average number of employees	1,499	815	326	280	59	2,980
Intangible assets	1,888.6	592.3	1,100.9	238.5	19.2	3,839.5
Tangible fixed assets	11.8	5.4	0.3	0.0	273.2	290.7
JAN-DEC 2020 SEK, MILLIONS	Solutions¹⁾	Experience¹⁾	Connectivity¹⁾	Insight	Other	Total
External net sales	2,140.4	782.3	108.7	347.7	–	3,379.1
Net sales between segments	69.1	93.2	8.1	30.1	-200.5	0.0
NET SALES	2,209.5	875.5	116.8	377.8	-200.5	3,379.1
Operating result before depreciations of intangible assets (EBITA)	265.5	104.7	9.9	21.5	-66.6	335.0
Depreciation of intangible assets	-6.5	-2.3	–	–	-3.5	-12.3
OPERATING PROFIT (EBIT)	259.0	102.4	9.9	21.5	-70.1	322.7
Result after financial items						331.9
RESULT FOR THE PERIOD						257.9
EBITA margin, %	12.0	12.0	8.5	5.7		9.9
Average number of employees	1,320	585	30	256	23	2,214
Intangible assets	700.7	587.3	11.5	59.5	21.7	1,380.7
Tangible fixed assets	8.6	10.7	0.4	0.1	212.4	232.3

The Group's operations are organized so that the corporate management primarily follows up on net sales, EBITA profit, and average number of employees for the Group's segments. The Corporate Management Team does not follow up on balance sheet items other than intangible assets across the different operating segments. Other items include cloud services of a smaller scope, where Knowit can, through its partnerships, offer the cloud supplier that is best suited for the client's specific needs and IT structure. Other items also include the Parent Company's group-wide costs for management, financials, and marketing, and adjustments related to IFRS 16, which are not allocated to the segments.

1) On July 1, Knowit performed an organizational change which means that operations that had formerly been part of Solutions were moved to the new segment Connectivity. Further, on January 1, Knowit performed a reorganization, which meant that a smaller operation that was formerly part of the segment Solutions has moved to the segment Experience. As a new segment has been added, the comparative figures have been presented in accordance with the new segmentation. No items that impair comparison have affected the segments during the period.

→ ACCOUNTS

Group revenue from client contracts

SEK, MILLIONS	OCT-DEC 2021	OCT-DEC 2020	JAN-DEC 2021	JAN-DEC 2020
GEOGRAPHIC CATEGORIZATION				
Fee revenue				
Sweden	616.2	468.1	2,184.4	1,719.4
Norway	433.4	328.4	1,571.0	1,248.5
Finland	225.1	46.0	423.6	168.1
Denmark	192.6	25.0	354.7	71.7
Poland	39.2	–	75.0	–
Other	4.1	3.2	15.8	12.2
TOTAL FEE REVENUE	1,510.6	870.7	4,624.5	3,219.9
Other revenue				
Sweden	37.0	37.7	108.4	116.7
Norway	12.2	13.2	50.1	38.7
Finland	13.2	0.8	21.3	1.4
Denmark	2.1	1.4	6.0	2.3
Poland	0.6	–	1.3	–
Other	0.2	0.0	0.2	0.1
TOTAL OTHER REVENUE	65.3	53.1	187.3	159.2
TOTAL NET REVENUE	1,575.9	923.8	4,811.8	3,379.1

SEK, MILLIONS	OCT-DEC 2021	OCT-DEC 2020	JAN-DEC 2021	JAN-DEC 2020
SEGMENT CATEGORIZATION				
Fee revenue				
Solutions	883.2	563.1	2,767.6	2,153.7
Experience	341.7	231.4	1,222.0	798.9
Connectivity	216.4	20.7	438.5	68.8
Insight	163.1	106.0	453.6	371.4
Other	-93.7	-50.4	-257.3	-172.9
TOTAL FEE REVENUE	1,510.6	870.7	4,624.5	3,219.9
Other revenue				
Solutions	29.1	17.3	75.5	55.8
Experience	23.9	27.1	84.8	76.7
Connectivity	12.9	13.6	40.9	48.0
Insight	2.0	1.7	5.2	6.3
Other	-2.7	-6.7	-19.0	-27.6
TOTAL FEE REVENUE	65.3	53.1	187.3	159.2
TOTAL NET REVENUE	1,575.9	923.8	4,811.8	3,379.1

As of 2021, figures for Denmark are reported separately, whereas in the past Denmark was included in the item Other. In connection with the acquisition of Cybercom, Poland has been included in the geographic categorization. The segmentation is updated in accordance with the segment reporting on pages 21-22. The comparative figures for 2020 have been updated.

The income category Licensing fees is reported under the category Other revenue, as the amount is not significant. For more information, see Note 1 Accounting and valuation principles, pages 70-76 in the Annual Report 2020.

→ ACCOUNTS

Financial assets and liabilities

SEK, MILLIONS	2021-12-31			2020-12-31		
	Financial assets valued at amortized costs	Financial assets valued at fair value in income statement	Fair value	Financial assets valued at amortized costs	Financial assets valued at fair value in income statement	Fair value
Assets in balance sheet						
Other long-term securities holdings	–	11.3	11.3 ¹⁾		5.9	5.9 ¹⁾
Other long-term receivables	3.4	–	3.4	1.4		1.4
Accounts receivable and other receivables	1,166.3	–	1,166.3	699.2		699.2
Liquid assets	851.4	–	851.4	675.6		675.6
CASH EQUIVALENTS	2,021.1	11.3	2,032.4	1,376.2	5.9	1,382.1

SEK, MILLIONS	2021-12-31			2020-12-31		
	Other financial liabilities	Financial liabilities valued at fair value in income statement	Fair value	Other financial liabilities	Financial liabilities valued at fair value in income statement	Fair value
Liabilities in balance sheet						
Future additional considerations and options	–	177.7	177.7 ²⁾		169.0	169.0 ²⁾
Future consideration	12.3	–	12.3 ²⁾	27.3		27.3 ²⁾
Liabilities to sellers	–	–	–	54.1		54.1 ²⁾
Other interest-bearing liabilities	703.0	–	703.0	353.9		353.9
Accounts payable	325.3	–	325.3	118.2		118.2
Other liabilities	444.0	–	444.0	290.3		290.3
TOTAL	1,484.6	177.7	1,662.3	843.8	169.0	1,012.8

1) Fair value pursuant to categorization level 2

2) Fair value pursuant to categorization level 3

Reported values of Group financial assets and liabilities, distributed based on classification pursuant to IFRS 9, are summarized in the above table. No financial assets or liabilities are reported at a value that significantly deviates from fair value. For more information, see Note 23 in the Annual Report for 2020.

The table below shows a reconciliation of the opening and closing balances for financial instruments valued at level 3.

SEK, MILLIONS	Other financial liabilities	Future considerations	Liabilities to sellers
Fair value, 2021-01-01	169.0	27.3	54.1
Total recognized profits and losses:			
Recognized in profit/loss for the year	-12.2	–	–
Recognized in equity	–	-1.5	–
Settlement of future additional considerations, options and future consideration	–	-13.5	-54.1
Cost of acquisitions	20.9	–	–
Fair value, 2021-12-31	177.7	12.3	–
Fair value, 2020-01-01	52.0	14.6	0.0
Total recognized profits and losses:			
Recognized in profit/loss for the year	-6.4		
Recognized in equity		3.4	
Settlement of future additional considerations, options and future consideration	-41.6	-7.6	
Cost of acquisitions	165.0	16.9	54.1
Fair value, 2020-12-31	169.0	27.3	54.1

→ ACCOUNTS

Income statement Parent Company in summary

SEK, MILLIONS	OCT-DEC 2021	OCT-DEC 2020	JAN-DEC 2021	JAN-DEC 2020
Net sales	164.4	127.0	569.2	433.5
Operating costs	-202.6	-141.1	-672.3	-496.9
Depreciation of tangible fixed assets	-0.3	-0.3	-1.2	-1.2
OPERATING RESULT BEFORE DEPRECIATION OF INTANGIBLE ASSETS (EBITA)	-38.5	-14.4	-104.3	-64.6
Depreciation of intangible fixed assets	-1.3	-1.0	-4.8	-3.5
OPERATING RESULT (EBIT)	-39.8	-15.4	-109.1	-68.1
Financial items	200.9	83.6	209.6	100.0
RESULT AFTER FINANCIAL ITEMS	161.1	68.2	100.5	31.9
Appropriations	-12.3	-3.9	-12.3	-3.9
Income taxes	-17.1	-6.7	-16.6	-6.2
RESULT FOR THE PERIOD	131.7	57.6	71.6	21.8

Balance sheet Parent Company in summary

SEK, MILLIONS	2021-12-31	2020-12-31
Assets		
Intangible fixed assets	15.3	17.8
Tangible fixed assets	1.4	2.4
Financial fixed assets	4,888.1	1,272.6
Current assets	125.5	108.6
Cash equivalents	699.2	593.8
TOTAL ASSETS	5,729.5	1,995.2
Equity and liabilities		
Share capital	27.4	19.7
Statutory reserve	68.0	68.0
Fund for development costs	0.4	5.2
Unrestricted share capital including result for the period	2,556.6	480.4
TOTAL EQUITY	2,652.4	573.3
Untaxed reserves	128.0	115.7
Long-term provisions	759.3	–
Provisions	133.3	172.8
Interest-bearing short-term liabilities	508.4	198.3
Other short-term liabilities	1,548.1	935.1
TOTAL EQUITY AND LIABILITIES	5,729.5	1,995.2

→ ACCOUNTS

Acquired operations

CYBERCOM

On July 1, Knowit acquired 100 percent of Cybercom. Cybercom will supplement Knowit's offer with more techassociated services and a sustainability offer. The Cybercom Group has around 1,250 employees.

The companies will jointly form a Nordic powerhouse for the digital solutions of the future. Both organizations will be gathered under the Knowit brand.

SEK, MILLIONS

Consideration paid

Cash	467
Shares (5,760,883 newly issued shares)	1,602
Total consideration to sellers	2,069
New issue in Cybercom	25
Total acquisition value, IFRS	2,094

On July 1, the Board, based on authorization from the EGM on May 28, performed a non-cash share issue of 5,760,883 new shares as payment of part of the consideration. The fair value of the newly issued shares (SEK 1,602 million) was based on the listed share price on July 1 of SEK 278.

The transaction costs of SEK 13.1 million, which are directly attributable to the share issue, have been reported as a deduction from equity.

The assets and liabilities reported as a result of the acquisition are the following:

MSEK	Fair value
Client relationships	477
Brand	59
Software	27
Property, plant, and equipment, and other tangible assets	16
Deferred tax assets	6
Accounts receivable	401
Other short-term receivables ¹⁾	68
Liquid assets	253
Interest-bearing provisions	17
Deferred taxes	142
Financial debts	416
Other short-term liabilities	254
Accounts payable	125
Acquired identifiable net assets	353
Goodwill	1,741
Acquired net assets	2,094

¹⁾ SEK 25 million of the receivables are related to redemption of subscription options and paid out in connection with the acquisition. They have therefore been reported, net, in the item Cash flow from investment activities in the cash flow analysis.

Goodwill is attributable to the employees and synergies thanks to Cybercom's client offers supplementing Knowit's client offers well in the tech, industry, and telecom sectors. Through the acquisition, the Group is significantly strengthening its position on the Nordicismarket.

Cybercom has been integrated into Knowit's operations during the fourth quarter, making it impossible to report how much this company contributed to profit and EBITA during the period July to December, or if the acquisition had been performed on January 1, 2021. Instead, reference is made to the tables on page 27.

→ ACCOUNTS

Acquired operation, continued

SEK, MILLIONS

Cash flow from acquiring subsidiaries, less acquired liquid assets

Cash consideration	-467
Acquired liquid assets	253
Impact on the Group's liquid assets	-214

Acquisition-related costs: In total, acquisition-related costs of SEK 22,2 million, which are not directly attributable to the share issue, are included. They are included

in EBITA in the income statement and in the operating activities in the cash flow analysis.

CAPACENT

On October 1, 2021, Knowit finalized the acquisition of the subsidiaries within Capacent that perform operations

in management consultancy: Capacent X AB, Capacent Finance AB, Capacent Consulting AB, and Capacent OY.

SEK, MILLIONS

Consideration paid

Liquid assets	173.1
Conditional consideration	13.0
Total consideration	186.1

The assets and liabilities reported as a result of the acquisition are the following:

SEK, MILLIONS	Fair value
Intangible assets	42.6
Property, plant, and equipment, and other tangible assets	0.7
Current assets	31.1
Liquid assets	6.8
Other short-term receivables	23.1
Acquired identifiable net assets	58.1
Goodwill	128.0
Acquired net assets	186.1

Goodwill is attributable to the employees thanks to Capacent's client offers supplementing Knowit's client offers well in finance, pricing strategy, and operating capital optimization. Capacent contributed with revenue of SEK 30.6 million and EBITA of SEK 5.5 million during the

period October-December 2021. If the acquisition had been performed on January 1, 2021, Capacent would have contributed with revenue of SEK 127.9 million and EBITA of SEK 21.7 million for the period.

SEK, MILLIONS

Cash flow from acquiring subsidiaries, less acquired liquid assets

Cash consideration	-173.1
Acquired liquid assets	6.8
Impact on the Group's liquid assets	-166.3

Acquisition-related costs: In total, acquisition-related costs of SEK 2,6 million, which are not directly attributable to the share issue, are included. They are

included in EBITA in the income statement and in the operating activities in the cash flow analysis.

→ ACCOUNTS

Financial overview per business area

The table shows the outcome for the quarter and interim period, with comparative figures including acquisitions, to facilitate analysis.

SEK, MILLIONS	OCT-DEC 2021	OCT-DEC 2020 ¹⁾	OCT-DEC 2020 incl. acquisition ²⁾	JAN-DEC 2021	JAN-DEC 2020 ¹⁾	JAN-DEC 2020 incl. acquisition ³⁾
The Group						
Sales	1,575.9	923.8	1,493.8	4,811.8	3,379.1	4,596.4
EBITA	181.1	108.3	192.9	487.9	335.0	470.9
EBITA margin, %	11.5	11.7	12.9	10.1	9.9	10.2
Number of employees	3,849	2,578	3,862	3,849	2,578	3,862
Business areas						
Solutions						
Sales	912.3	580.7	816.5	2,843.1	2,209.5	2,637.8
EBITA	113.4	67.1	100.0	320.8	265.5	317.1
EBITA margin, %	12.4	11.6	12.3	11.3	12.0	12.0
Number of employees	1,772	1,348	1,818	1,772	1,348	1,818
Experience						
Sales	365.6	258.6	352.1	1,306.8	875.5	1,257.1
EBITA	42.3	32.6	46.6	131.9	104.7	129.0
EBITA margin, %	11.6	12.6	13.2	10.1	12.0	10.3
Number of employees	929	899	923	929	899	923
Connectivity						
Sales	229.3	34.3	224.2	479.4	116.8	472.3
EBITA	25.3	2.3	27.8	48.3	9.9	52.3
EBITA margin, %	11.0	6.6	12.4	10.1	8.5	11.1
Number of employees	659	34	675	659	34	675
Insight						
Sales	165.1	107.7	170.9	458.8	377.7	457.7
EBITA	25.3	13.2	26.4	46.7	21.5	33.7
EBITA margin, %	15.3	12.3	15.4	10.2	5.7	7.4
Number of employees	375	269	379	375	269	379

1) The comparative figures have been recalculated retroactively based on the new segmentation implemented as July 1, 2021.

2) The adjustments of net sales pertain to the acquisitions of Creuna from October 1 to November 30, 2020, and Cybercom and Capacent from October 1 to December 31, 2020.

3) The adjustments of net sales pertain to the acquisitions of Creuna, from January 1 to November 30, 2020, Cybercom, from July 1 to December 31, and Capacent from October 1 to December 31. The comparative figures presented in the third quarter have been adjusted in regards to Creuna.

OTHER

Definitions

Alternative key figures

Knowit uses alternative key figures, as we believe they are relevant in the follow-up of our long-term financial targets and provide a fair idea of Knowit's results and financial position. The Board has, among other things, determined that the Company shall grow more than the market and with the goal of an annual growth rate of around 15 percent over time, with an EBITA margin increasing over time to 12 percent. Further, the net liabilities to EBITDA ratio shall not exceed 2x over time. We also monitor capital employed, as it is an important aspect of the working capital turnover. Knowit's alternative key figures are EBITDA profit, EBITA profit, adjusted EBITA profit, EBITA margin, adjusted EBITA margin, net liabilities, average equity, return on equity, capital employed, and return on capital employed.

For more information on our long-term financial targets and further definitions of key figures, see the Annual Report for 2020, pages 4 and 91. ■

EBITDA PROFIT Profit before depreciation of tangible assets and amortization of intangible noncurrent assets. $(438.5 + 123.6 = 562.1)$

EBITA PROFIT Profit before amortization of intangible noncurrent assets.

ADJUSTED EBITA PROFIT This key figure is used as of the second quarter in 2021, for which reason no comparative figures for earlier periods are presented. EBITA is adjusted for Adjusted items between different periods, to provide increased understanding of the Group's underlying operative activities. Adjusted items include costs connected to acquisitions and disposals and costs for restructuring and integration program.

This year's adjustments of SEK 49.4 million encompass legal and financial consultancy in connection with the acquisition transactions, totaling SEK 26.4 million. They also include adjustments for integration and restructuring costs such as financial and legal consultancy, project management of the integrations, costs for financing, and taxes connected to internal disposal of acquired foreign operations, totaling SEK 23.0 million. $(438.5 + 49.4 = 487.9)$

EBITA MARGIN Profit before amortization of intangible noncurrent assets (EBITA) in relation to net sales for the period. $(438.5 / 4,811.8 = 9.1\%)$

ADJUSTED EBITA MARGIN Adjusted EBITA profit in relation to net sales for the period. $(487.9 / 4,811.8 = 10.1\%)$

NET LIABILITIES Interest-bearing liabilities less financial interest-bearing assets. $(286.3 + 606.6 - 851.4 = 41.5)$

AVERAGE EQUITY The average of the opening equity and the closing equity for the period. $((1,545.0 + 3,892.4) / 2 = 2,718.7)$

RETURN ON EQUITY Profit after full taxes as a percentage of average equity including non-controlling interest shares. $(294.8 / 2,718.7 = 10.8\%)$

AVERAGE CAPITAL EMPLOYED Equity plus interest-bearing liabilities. $((1,545.0 + 326.7 + 227.6 + 3,892.4 + 286.3 + 606.6) / 2 = 3,467.3)$

RETURN ON CAPITAL EMPLOYED Profit after financial items plus financial expenses expressed as a percentage of average capital employed. $((370.1 + 18.2) / 3,467.3 = 11.2\%)$