

# Year-end report

## » Measures have created stability

### JANUARY – DECEMBER 2023

NET SALES INCREASED BY 3.9 PERCENT TO SEK 7,097.4 (6,833.8) MILLION

THE OPERATING PROFIT (EBITA) WAS SEK 496.3 (596.5) MILLION

THE ADJUSTED OPERATING PROFIT (EBITA) WAS SEK 497.5 (608.5) MILLION <sup>1)</sup>

THE OPERATING MARGIN (EBITA) WAS 7.0 (8.7) PERCENT

THE ADJUSTED OPERATING MARGIN (EBITA) WAS 7.0 (8.9) PERCENT <sup>1)</sup>

RESULTS AFTER TAX WERE SEK 241.8 (392.2) MILLION

EARNINGS PER SHARE WERE SEK 8.74 (14.05) <sup>2)</sup>

CASH FLOW FROM OPERATING ACTIVITIES WAS SEK 399.8 (475.3) MILLION

THE BOARD PROPOSES A DIVIDEND OF SEK 5.20 PER SHARE, TOTALING SEK 142.2 MILLION <sup>3)</sup>

### OCTOBER – DECEMBER 2023

NET SALES WERE SEK 1,824.0 (1,972.9) MILLION

THE OPERATING PROFIT (EBITA) WAS SEK 147.7 (178.0) MILLION

THE ADJUSTED OPERATING PROFIT (EBITA) WAS SEK 147.7 (179.3) MILLION <sup>1)</sup>

THE OPERATING MARGIN (EBITA) WAS 8.1 (9.0) PERCENT

THE ADJUSTED OPERATING MARGIN (EBITA) WAS 8.1 (9.1) PERCENT <sup>1)</sup>

RESULTS AFTER TAX WERE SEK 91.5 (119.0) MILLION

EARNINGS PER SHARE WERE SEK 3.32 (4.31) <sup>2)</sup>

CASH FLOW FROM OPERATING ACTIVITIES WAS SEK 271.3 (319.4) MILLION

<sup>1)</sup> 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 27.

<sup>2)</sup> Before and after dilution.

<sup>3)</sup> The Board proposes a dividend of SEK 5.20 (7.50) per share, to be paid out in two installments of SEK 2.60 each.

The information contained herein is such as shall be made public by Knowit AB (publ) in accordance with the EU Market Abuse Regulation.

The information was made public through the agency of CEO and President Per Wallentin, at 07.30 CET on February 8, 2024.

## COMMENTS FROM THE CEO

# Positive utilization trend closes out the year

The Nordic consultancy market has challenged us and other players during the final quarter of the year. We continue to focus our attention on initiatives and actions that promote a sound long-term development and protect profitability in the short term. This means increased pressure in sales-driving activities and a retained focus on lowering costs and increasing revenue. The actions taken are having a positive on both utilization and operative costs, and creating the conditions for long-term growth and higher margins. The Board proposes a dividend of SEK 5.20 per share.

**WHEN WE SUMMARIZE** 2023, we can conclude that the market conditions were significantly different than a year earlier. The deterioration that has gradually impacted the Nordic markets during the year has affected us too, including in the final quarter. Net sales in the fourth quarter decreased by 7.5 percent and the adjusted EBITA margin was 8.1 percent. The trend towards more stable utilization has continued during the fourth quarter.

### TARGETED ACTIONS STRENGTHEN THE MARGIN

During the quarter, we have continued working to implement the targeted actions identified as necessary to increase profitability in our four business areas. This includes both decreased costs for travel, conferences, education, work tools, and continued optimization of staffing. The business area Connectivity continues to show good results, driven by a very strong development in our Polish operations, a high degree of flexibility, and the capacity to make quick changes to the organization. Our other three business areas face greater challenges, in particular on the Swedish market, where we have not reached an acceptable utilization. The digital agency operations in the business area Experience are affected to a greater degree than other parts of the organization as a result of the weak economic climate.

In total, around 260 employees have been given notice to quit in 2023 to adapt capacity to demand. We can see that the cost-reducing actions taken have a positive effect on our operative costs, which lays the foundation for an improved margin in 2024.

### NEW CLIENT AGREEMENTS, A RETAINED FOCUS

On a slower market, a focus on new deals and client dialogues is more important than ever – and I am proud of the focus and commitment our teams have shown during the year. It is crucial to increase competitiveness going forward and retain our price point on a weaker market. At the same time, we are working hard to reallocate resources and direct our efforts toward the sectors and segments where demand remains strong – such as defense, industry, and cybersecurity.



At the start of the fourth quarter, Knowit signed a deal with the Norwegian Police (Politiet) regarding digitalization of their operations. The four-year agreement is the result of hard work to establish Knowit as a stable partner to the public sector players in the Nordic region, and one of the largest agreements in Knowit's history. In light of the increased competition and decreased demand, this is proof of our strength, showing that Knowit has a unique and strong position as a supplier of digitalization services in the Nordic region.

Our promise to strive for a sustainable and inclusive society will always be at the top of our long-term agenda. On a weaker market, there is a stronger focus on streamlining processes and ensuring profitability – efforts that create value in the long term as well. Through the efforts and changes made during the year, we have created a stronger foundation and are well-prepared to take on the challenges and opportunities we are facing. ■

**PER WALLENTIN**  
CEO and President

## EVENTS DURING THE QUARTER



### OCTOBER – DECEMBER 2023

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Knowit signed a deal with the **NORWEGIAN POLICE** regarding the assignment to support digitalization of their operations. The framework agreement extends over four years and encompasses a wide range of competences. The deliveries will take place in collaboration with two main partners and the estimated total value of the framework agreement for all the main partners is NOK 4 billion, of which the net sales for Knowit are estimated at NOK 200-400 million.

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The Board of Knowit AB has, based on authorization from the AGM 2023, a decision on **ACQUISITION OF OWN SHARES** on Nasdaq Stockholm. The acquisitions may take place on one or more occasions before the AGM 2024. The purpose of such repurchasing is to cover the Company's undertakings and costs within the framework of the long-term incentive program (LTIP) 2023.

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Knowit has presented a **UNIQUE GUIDANCE ON ANALYSIS OF DATA PROTECTION** in the Amazon Web Services (AWS) cloud environment. The purpose of the guidance is to support Swedish companies and authorities in their transformations to the cloud and support service suppliers in building cloud environments that comply with core legal requirements in the General Data Protection Regulation (GDPR).

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For the third year running, Knowit has been given the **PARTNER OF THE YEAR AWARD** in the Nordic region by Amazon Web Services (AWS). Every year, this award is given to partners that play a key role in helping clients drive innovation and build solutions on the AWS cloud platform.

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Together with its employees, clients, and partners, Knowit raised over SEK 400,000 for **UNHCR** and the Tertiary Scholarship Programme, helping displaced people apply for higher education.

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In December, an updated branding platform was presented to all Knowit employees. The heart of the new platform is the **KNOWIT MANIFESTO** – We are in it together, which summarizes the brand's position, vision, and values.

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## THE PERIOD IN BRIEF

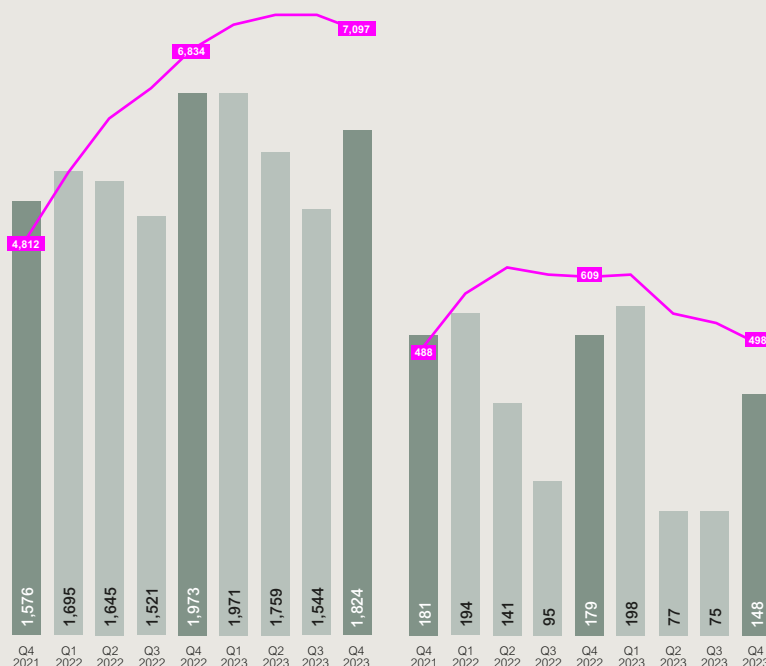
# A focus on client dialogues and cost control

## OCTOBER – DECEMBER 2023

**DURING THE FINAL** quarter of the year, the Nordic consultancy market has continued to weaken, in particular in Sweden, where demand has decreased in several areas. Efforts to review and reduce operative costs continue and are having effects, resulting in a general stabilization of Knowit's utilization during the quarter and creating good conditions for a positive development going forward.

Demand in segments like industry, defense, and cybersecurity remains high, whereas segments like retail and parts of the public sector are more negatively affected.

Maintaining and increasing proactive client dialogues, combined with strict cost control, are top priorities to increase the margins in the long term.



### 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 OCTOBER – DECEMBER 2023

Sweden	44% (46)
Norway	28% (30)
Denmark	13% (12)
Finland	12% (9)
Poland	3% (3)
Other	0% (0)



## → THE PERIOD IN BRIEF

### OCTOBER – DECEMBER 2023

## Financial development

The net sales for the quarter were SEK 1,824.0 (1,972.9). Profit before amortization of intangible assets (EBITA) was SEK 147.7 (178.0) million. The adjusted EBITA profit was SEK 147.7 (179.3) million, adjusted for acquisition and integration costs of SEK 0.0 (1.4) million.

Compared with the corresponding period last year, exchange rate developments had a positive effect on EBITA totaling SEK -5.3 (57.7) million. Cash flow from operating activities was SEK 271.3 (319.4) million, where the change in operating capital contributed with SEK 86.7 (69.3) million, affected mainly by decreased accounts receivable and increased interim debts.

The work to optimize the organization and reduce costs has continued during the fourth quarter. Compared with the final quarter 2022, costs for travel, conferences, and other costs, have decreased by around SEK 25 million. Restructuring costs for phase-out of employees have, during the quarter, totaled around SEK 17 million. ■

The below table shows financial history to facilitate for the reader to follow the development. See more information on page 25.

SEK, MILLIONS	OCT-DEC 2023	OCT-DEC 2022
Sales	1,824.0	1 972.9
Sales, acquisitions <sup>1)</sup>		–
Sales, including acquisitions	1,824.0	1 972.9
Sales, change, %	-7.5	
of which is exchange rate effect, %	-0.3	

1) No acquisitions have had an impact between October to December 2022.

The below table shows performance measures, EBITA and the EBITA margin are adjusted for items that impair comparability between different periods, to enable increased understanding for the Group's underlying operations.

SEK, MILLIONS	OCT-DEC 2023	OCT-DEC 2022
EBITA	147.7	178.0
Adjusted EBITA profit <sup>1)</sup>	147.7	179.3
EBITA margin, %	8.1	9.0
Adjusted EBITA margin, % <sup>2)</sup>	8.1	9.1
Cash flow from operating activities	271.3	319.4
Intangible assets	4,438.0	4,629.7
Number of employees at the end of the period	4,265	4,410

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 costs for restructuring and integration programs related to acquisitions.

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

## MARKET AND OPERATIONS

# A relevant client offer in the digital transformation

Knowit contributes to the transformation towards a more digital and sustainable society by developing innovative solutions along with its clients and partners. Together, Knowit's four business areas create a complete offer in digitalization, covering the entire organization of each client. During 2023, the market circumstances have changed and some sectors have been characterized by a greatly decreased demand and longer sales cycles. At the same time, there is a continued need for support in the digital transformation, where Knowit's client offer remains relevant.

**THE DIGITAL TRANSFORMATION** means that companies and organizations are adapting their processes and business models to become entirely or partially digital and Knowit is there to support each part of this development. In a weaker market, even greater demands are made of companies as regards efficiency and resource saving, where companies' abilities to use technology are crucial. 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 good possibilities to have a positive impact on society and the climate challenges. Knowit has its largest operations in the Nordic region, with a smaller organization in Germany and operations in Poland that support the Nordic operations with expertise

in programming and system development. With its agile work method and client-tailored solutions, Knowit has a strong position on the Nordic digitalization market.

### A STRONG CLIENT OFFERING

Knowit's 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 Connectivity's target group is mainly research and development departments. Insight mainly has corporate management and management teams as its clients.

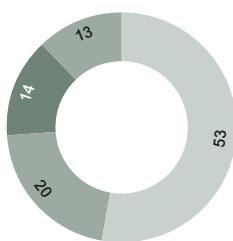
Knowit's clients often have a need for services from several business areas. This means that projects can be performed with the support of multiple competencies from more than one business area. These are collaborations that develop both Knowit's and the clients' businesses.

### GOOD SPREAD ACROSS DIFFERENT CLIENT INDUSTRIES

Knowit meets clients in many different industries, where companies and organizations have the need for competent support to develop their operations and drive the change towards a digitalized society. The largest proportion of net sales is in the public sector, providing 39 percent of Knowit's total net sales. Other significant client sectors are Industry, 17 percent, Retail and service companies, 15 percent, and Banking and finance, 11 percent of net sales, respectively.

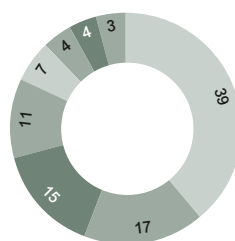
### A FOCUS ON SUSTAINABILITY

Actively contributing to the development of a sustainable and carbon-neutral society is a top priority at Knowit. Knowit has established sustainability goals that serve to ensure that the Company, along with its clients and partners, contributes to a positive environmental and climate impact, and increased inclusivity. In a digitalized society, new possibilities are created for simplified and sustainable everyday activities for both citizens and companies. 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.



**SALES PER BUSINESS AREA  
OCTOBER – DECEMBER 2023**

Solutions	53% (53)
Experience	20% (21)
Connectivity	14% (14)
Insight	13% (12)



**SALES PER CLIENT INDUSTRY  
OCTOBER – DECEMBER 2023**

Public sector	39% (39)
Industry	17% (15)
Retail and service companies	15% (16)
Banking, finance and insurance	11% (10)
Telecommunications	7% (9)
Energy	4% (4)
Media, education and gaming	4% (4)
Other	3% (3)

## → MARKET AND OPERATIONS

### A STRONG EMPLOYER BRAND REGARDLESS OF MARKET CONDITIONS

A strong employer brand is important and therefore a top priority for Knowit regardless of market conditions. During the third quarter, work to adapt the capacity to the current market situation has focused on redistributing and increasing competence in areas still characterized by high demand. Knowit's employees are specialists who helps companies and authorities develop technology and solutions in the digital transformation. As an employer, being attractive and offering great opportunities for development and interesting assignments at the cutting edge of technology are keys to continued success.

### FINANCIAL OUTCOME

The Group's operations are organized so that the corporate management team primarily follows four business areas: Solutions, Experience, Connectivity, and Insight.

Net sales for the quarter for Solutions were SEK 1,030.9 (1,127.2) million, for Experience they were SEK 385.5 (431.9) million, for Connectivity they were SEK 275.2 (287.5) million, and for Insight they were SEK 246.8 (249.2) million.

Profit before amortization of intangible assets (EBITA) for Solutions was SEK 90.4 (111.8) million, for Experience was SEK 29.0 (48.4) million, for Connectivity was SEK 31.0 (34.7) million, and for Insight was SEK 22.2 (31.4) million.

The EBITA margin for Solutions was 8.8 (9.9) percent, for Experience was 7.5 (11.2) percent, for Connectivity was 11.3 (12.1) percent, and for Insight was 9.0 (12.6) percent.

## Solutions

	OCT-DEC 2023	OCT-DEC 2022	OCT-DEC 2022 incl. acquisition <sup>1)</sup>
Sales, SEK, million	1,030.9	1,127.2	1,127.2
EBITA, SEK, million	90.4	111.8	111.8
EBITA margin, %	8.8	9.9	9.9
Number of employees at the end of the period	1,861	1,943	1,943

1) No acquisitions have affected October to December 2022.

With a strong presence in the Nordic region and around 1,900 employees, the business area Solutions is well-positioned to deliver high-quality digital solutions for companies and organizations and thereby support them in their digitalization. By working close to its clients and using the latest technologies and methods, Solutions is an important partner to companies that want to future-proof their digital platforms and ensure a more data-driven operation.

Solutions contributes with cutting-edge competence in all parts of the systems development process: from idea, architecture and project governance, to programming, implementation, testing, and security.

### COMMENTS FROM THE EVP OF SOLUTIONS

The fourth quarter has been characterized by our continuing efforts to reduce costs and increase the intensity of our sales. We are pleased to see a positive margin development in Denmark, Finland, and Norway, whereas our largest challenges remain on the Swedish market.

*“Our efforts to increase utilization have had results and we see stabilization during the fourth quarter, albeit at a lower level than a year ago. It is our assessment that the actions taken during 2023 provide a stable foundation for increasing profitability during the coming year,” says Åsa Holmberg.*

## Experience

	OCT-DEC 2023	OCT-DEC 2022	OCT-DEC 2022 incl. acquisition <sup>1)</sup>
Sales, SEK, million	385.5	431.9	431.9
EBITA, SEK, million	29.0	48.4	48.4
EBITA margin, %	7.5	11.2	11.2
Number of employees at the end of the period	937	1,000	1,000

1) No acquisitions have affected October to December 2022.

The business area Experience focuses on creating and delivering innovative digital experiences for Nordic companies at the interface between technology and communication. Knowit has unique expertise when it comes to integrating technology, design, and business strategies to create a coherent and simple user experience. By using agile methods and an iterative process, Knowit can ensure that clients' needs and expectations are met and exceeded. The business area currently has around 900 employees and offers a broad range of different services that support clients' digital business models and create unique customer experiences.

Experience also has a strong offer in e-commerce, an area that along with data-driven marketing has grown quickly in recent years. By working close to its clients, Knowit can tailor solutions to their specific needs and goals.

### COMMENTS FROM THE EVP OF EXPERIENCE

The year 2023 was one of change for us at Experience. We have adapted the organization, reduced our capacity, and increased sales efforts significantly. Taken together, this makes us stronger and better equipped for the coming years, though a short-term impact on the results can be seen.

*“During the fourth quarter, we have been impacted by ongoing transformation efforts, primarily on the Swedish market. At the same time, we are pleased at new client assignments and a positive development in Denmark, for instance, and early signs of improvements in Finland. The changes we are now making are necessary and while costly in the short term will strengthen our capacity going forward,” says Fredrik Ekerhovd.*

## → MARKET AND OPERATIONS

### Connectivity

	OCT-DEC 2023	OCT-DEC 2022	OCT-DEC 2022 incl. acquisition <sup>1)</sup>
Sales, SEK, million	275.2	287.5	287.5
EBITA, SEK, million	31.0	34.7	34.7
EBITA margin, %	11.3	12.1	12.1
Number of employees at the end of the period	739	773	773

1) No acquisitions have affected October to December 2022.

Connectivity combines technical expertise and business competence for innovative, secure, and sustainable solutions in IT and communication technology. The business area's expertise extends from wireless technology and the Internet of Things (IoT) to network architecture and security. The business area supports clients in everything from developing prototypes and proof-of-concepts to implementing large-scale solutions for smart homes, industrial automation, or smart cities.

Connectivity has close to 750 employees in Sweden and Poland and a smaller operation in Germany. 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. Connectivity is a leading supplier to clients in the telecommunications, vehicle and manufacturing industries and has been delivering services to the Swedish Armed Forces for many years. Connectivity collaborates with the clients' research and development departments.

#### COMMENTS FROM THE EVP OF CONNECTIVITY

Connectivity has faced a trickier market during this quarter, with increasing uncertainty in demand from some clients and segments. Our Polish operations continue to operate with very high utilization, which – alongside strong deliveries from the Swedish units – has meant sound profitability overall during the quarter.

*“We are performing well during the quarter, given the market conditions. Throughout the year, we have performed solid work with new deals, extensions of ongoing assignments, and optimization of resource allocation – efforts that have shown results in a situation with shifting demand,” says Lennart Waldenström.*

### Insight

	OCT-DEC 2023	OCT-DEC 2022	OCT-DEC 2022 incl. acquisition <sup>1)</sup>
Sales, SEK, million	246.8	249.2	249.2
EBITA, SEK, million	22.2	31.4	31.4
EBITA margin, %	9.0	12.6	12.6
Number of employees at the end of the period	578	541	541

1) No acquisitions have affected October to December 2022.

Insight supports its clients in creating agile organizations and performing digital transformations, from idea to result. With a focus on giving clients a deeper understanding for their operations and supporting them in their transformation efforts, from idea to result, Insight's consultants contribute to business models being shifted and adapted to the digital transformation. Using data analytics, Knowit Insight can help companies find possibilities, identify challenges, and make data-driven decisions to improve their operations.

Insight has close to 600 employees who support Nordic companies in areas like growth and profitability strategies, development of new business models, change management, and cybersecurity. Clients are found in both the public and the private sector. Investments in Knowit's management consulting operations in the past year have created a significantly broader and more attractive offer for Nordic clients.

#### COMMENTS FROM THE EVP OF INSIGHT

We are seeing a market that remains volatile during the final quarter of the year, with some clients now choosing to make new investments, while others remain cautious. We continue our efforts to optimize the organization and decrease costs, to ensure long-term profitability.

*“Insight is delivering revenue on par with that of the previous year, but with a lower margin, primarily as a result of our ongoing decrease in the number of employees, to adapt to a more cautious market. We see a stable development in cybersecurity and defense, and are pleased at the increased demand in sustainability, for example,” says Carin Strindmark. ■*



## REFERENCE CASES

# Current projects that create client value

Knowit are digitalization consultants that create unique client values by offering digital solutions that help companies and organizations to future-proof their business models and simultaneously create 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.



### EXPLORING MICRO-MOBILITY IN PUBLIC TRANSPORT SYSTEMS

Dealing with the challenge of mobility in and around urban centers is one of the most urgent matters of our time. Mobility can contribute not only to decreasing carbon dioxide emissions significantly, but also to building better societies. New players and developing business models are changing the shape of public infrastructure and transportation. Reacting to these changes quickly is crucial to meeting the changing expectations of travelers.

Consumers are looking for an increasing level of flexibility, but also long for predictability and more personalized pricing options. Together with Ruter, the Norwegian public transport company serving Oslo and Viken, Knowit has actively explored and tested strategies to integrate new types of mobility, such as e-scooters and e-bikes, into the public transport system. This involves investigating appropriate rules, implementing deep integrations into the Ruter app, and packaging tickets for a seamless experience.



### KNOWIT IS DASHING THROUGH THE SNOW – ELECTRONICALLY

Vidde is a Swedish start-up revolutionizing mobility during the winter months. As pioneers in electric snowmobiles, their commitment goes far beyond simple transport on snow – they are shaping a sustainable and peaceful winter experience.

Designing a new vehicle creates unique challenges. Aside from figuring out the purely mechanical aspects, setting up a system to control each part of a snowmobile is crucial to functionality. This encompasses the engine, battery, throttle, brakes, lights, and many other functions. In addition, there are growing expectations from customers that snowmobiles will be connected and offer the ability to follow up and access new services in the cloud.

Knowit has recently become Vidde's Software Partner and is implementing the entire embedded control system for the electric snowmobiles. In addition, Knowit operates the Ezentric platform that each vehicle communicates with. This makes it easier for Vidde to manage the snowmobiles in a web portal and prepare for an entirely connected experience for the end users.

The journey we are sharing with Vidde is proof of Knowit's commitment to innovation and sustainability.

## → REFERENCE CASES



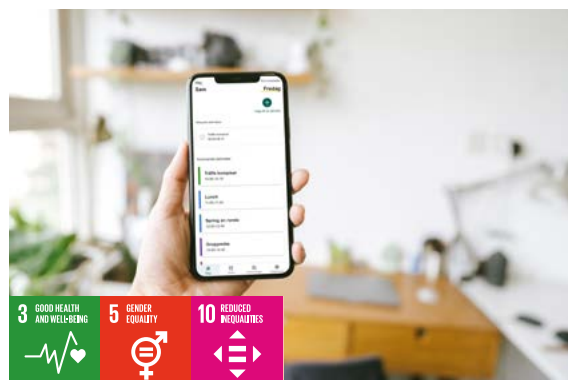
### CLOUD ENVIRONMENT WITH 24/7 SUPPORT PROVIDES A SEAMLESS EXPERIENCE TO TEACHERS AND PUPILS

Skolsynk is the application that ensures that teachers and pupils at over 400 schools around Sweden can easily log in to the largest suppliers of digital teaching materials and education support. Knowit has entered into a long-term partnership with Skolsynk to provide operations of the application in the cloud service Google Cloud Platform (GCP).

Swedish schools can register their users in Google Workplace for Education and then Skolsynk does the rest. When a teacher or pupil logs in to a platform from any of the included suppliers, they automatically get access to the materials encompassed by their respective agreements. The seamless integration means less administration for everyone involved and saves time, as users do not have to create accounts and passwords in several different places.

The collaboration between Skolsynk and Knowit began as a so-called code review, an audit of architecture, code, and documentation to determine how the application was working at the time, figure out which updates needed to be made, and identify any actions that should or needed to be made to improve the application.

Following the review, the parties agreed to build a test environment to increase the operative security of the application. Regardless of if a user encounters a slow login procedure or some other function in the application stops working, Knowit begins troubleshooting as soon as possible.



### TODEJ – A DIGITAL COACH FOR EVERYDAY USE

Every human being has the right to functioning everyday life. For most people, daily activities like planning for laundry, cleaning, and cooking are routine and require limited effort, but that is not the case for everyone. For individuals with cognitive impairments, such everyday tasks can be significant challenges. Depending on others to bring structure to daily life can be both difficult and frustrating. This is why Knowit and the municipality of Skellefteå created the app called Todej.

Todej is a digital assistant that gives support, for instance with scheduling and planning, and where a user can easily plan both recurring and one-off activities. A special reference group has given feedback and been involved in designing the app, so that it will in the best possible way make life easier for people with cognitive impairments. Within the project, a prototype was developed in an incremental manner, tested and adjusted based on the target group's and end users' needs and wishes.

In the app, activities can be divided into sub-tasks and supplemented with checklists to create a structure. Images and video clips can also be added. When it is time to perform an activity, a reminder will be sent through the app and each sub-task can be checked off the list as it is completed. There is also a visual timer counting down during the activity. When an activity is completed, it is possible to evaluate how the activity was experienced. This can later be used for follow-up and support during the next planning session. ■

## THE GROUP

# More stable utilization

## Net sales and profit

### *The Group*

#### JANUARY – DECEMBER

Net sales increased to SEK 7,097.4 (6,833.8) million, an increase by 3.9 percent as compared with the corresponding period last year. The exchange rate development of the year has had a positive impact on net sales of SEK 59.6 (187.8) million.

Net sales were SEK 3,161.9 (3,210.4) million in Sweden, were SEK 2,004.4 (2,110.0) million in Norway, increased to SEK 890.7 (676.8) million in Denmark, to SEK 778.9 (614.1) million in Finland, and to SEK 242.5 (199.7) in Poland. Sales per employee were KSEK 1,725 (1,763).

The operating profit before amortization of intangible assets (EBITA) was SEK 496.3 (596.5) million. The adjusted EBITA profit was SEK 497.5 (608.5) million, adjusted for acquisition costs of SEK 0.0 (8.7) million and integration costs of SEK 1.2 (3.3) million. EBITA was affected negatively by SEK 34.6 million due to allocated personnel costs for employees on garden leave during the period of notice. The exchange rate development has had a negative impact on EBITA of SEK -2.0 (12.3) million.

In Sweden, EBITA was SEK 270.0 (421.4) million, in Norway it was SEK 164.9 (204.5) million, in Denmark it increased to SEK 59.2 (44.4) million, in Finland to SEK 56.7 (28.2) million, and in Poland to SEK 28.7 (22.3) million.

The EBITA margin was 7.0 (8.7) percent. The adjusted EBITA margin was 7.0 (8.9) percent.

Amortization and write-downs of intangible assets amounted to SEK -186.5 (-149.3) million, affected by increased amortization related to the acquisitions of Swedspot AB, Miracle A/S, Marketing Clinic Oy, Ascend AB, and Ionic AB, and write-downs of activated development costs in Zizr As.

The operating profit after financial items was SEK 304.1 (483.7) million. The financial net was SEK -5.7 (36.5) million, affected mainly by increased interest revenue of SEK 12.3 (8.2) million, interest costs of SEK -63.3 (-35.5) million, and revaluation of additional consideration totaling SEK 58.3 (-7.1) million. The past year was positively affected by disposal of shares in Stacc AS totaling SEK 65.6 million.

The results after taxes were SEK 241.8 (392.2) million. Tax for the period was SEK -62.3 (-91.5) million. This year's taxes are affected by a correction for the previous year's taxes of SEK -5.5 million and recovered and capitalized loss carry forwards from previous years. The non-controlling interests' share of profit for the year was SEK 2.2 (7.2) million. Earnings per share were SEK 8.74 (14.05).

#### THE FOURTH QUARTER

Net sales were SEK 1,824.0 (1,972.9) million. Compared with the corresponding period last year, the exchange rate development has had a negative impact on net sales of SEK -5.3 (57.7) million.

Net sales were SEK 807.3 (906.2) million in Sweden

and SEK 501.2 (587.3) million in Norway, increased to SEK 242.4 (232.0) million in Denmark, to SEK 208.6 (185.9) million in Finland, and to SEK 59.8 (54.7) in Poland. Sales per employee were KSEK 450 (472).

The operating profit before amortization of intangible assets (EBITA) was SEK 147.7 (178.0) million. The adjusted EBITA profit was SEK 147.7 (179.3) million, adjusted for acquisition costs of SEK 0.0 (0.8) million and integration costs of SEK 0.0 (0.6) million. EBITA was affected negatively by SEK 17.1 million due to allocated personnel costs for employees on garden leave during the period of notice. Compared with the corresponding period last year, the exchange rate development has had a negative impact on EBITA of SEK -1.6 (3.1) million.

In Sweden, EBITA was SEK 82.1 (129.2) million, in Norway it was SEK 44.6 (60.8) million, in Denmark it increased to SEK 17.2 (11.0) million, in Finland to SEK 17.5 (5.4) million, and in Poland to SEK 7.6 (6.2) million.

The EBITA margin was 8.1 (9.0) percent and the adjusted EBITA margin was 8.1 (9.1) percent.

Amortization and write-downs of intangible assets amounted to SEK -41.8 (-46.4) million.

The operating profit after financial items was SEK 99.0 (136.7) million. The financial net was SEK -6.9 (5.1) million, affected primarily by interest revenue of SEK 2.5 (4.2) and interest costs of SEK -15.3 (-15.9), as well as revaluation of additional consideration totaling SEK 11.9 (17.5) million.

The results after tax were SEK 91.5 (119.0) million. Tax for the period was SEK -7.5 (-17.7) million. This period's taxes are mainly affected by capitalized loss carry forwards from previous years. The non-controlling interests' share of profit for the year was SEK 0.7 (1.0) million. Earnings per share were SEK 3.32 (4.31).

## *The 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. The Corporate Management Team primarily follows up on five segments: Solutions, Experience, Connectivity, Insight, and other. Other items include cloud services of a smaller scope, the parent companies' group-wide costs for management, financials, and marketing, and adjustments related to IFRS 16, which are not allocated to the segments.

On October 1, 2023, Knowit performed a small organizational change, which means that an operation previously included in the segment Insight has moved to the segment Solutions. The comparative figures have been adjusted to reflect the new segmentation.

Net sales for the segment Solutions increased to SEK 3,979.9 (3,930.7) million, for the segment Experience they were SEK 1,559.0 (1,585.4) million, for the segment Connectivity they increased to SEK 1,098.3 (1,040.3) million, and for the segment Insight to SEK 891.1 (725.7) million.

EBITA was SEK 316.3 (399.8) million for the segment

## → THE GROUP

Solutions, was SEK 116.6 (167.8) million for the segment Experience, was SEK 111.2 (118.6) million for the segment Connectivity, and was SEK 57.4 (67.3) million for the segment Insight.

The EBITA margin was 7.9 (10.2) percent for the segment Solutions, 7.5 (10.6) percent for the segment Experience, 10.1 (11.4) percent for the segment Connectivity, and 6.4 (9.3) percent for the segment Insight.

### THE FOURTH QUARTER

Net sales for the segment Solutions were SEK 1,030.9 (1,127.2) million, for the segment Experience they were SEK 385.5 (431.9) million, for the segment Connectivity they were SEK 275.2 (287.5) million, and for the segment Insight they were SEK 246.8 (249.2) million.

EBITA was SEK 90.4 (111.8) million for the segment Solutions, SEK 29.0 (48.4) million for the segment Experience, SEK 31.0 (34.7) million for the segment Connectivity, and SEK 22.2 (31.4) million for the segment Insight.

The EBITA margin was 8.8 (9.9) percent for the segment Solutions, 7.5 (11.2) percent for the segment Experience, 11.3 (12.1) percent for the segment Connectivity, and 9.0 (12.6) percent for the segment Insight.

## Cash flow

### JANUARY – DECEMBER

Cash flow from operating activities was SEK 399.8 (475.3) million. The change in working capital was SEK -114.0 (-58.3) million, affected mainly by increased accounts receivable.

Cash flow from investment activities amounted to SEK -207.5 (-750.9) million, affected mainly by paid additional consideration and investments in assets. Last year's figures were affected by acquisitions and disposals of financial assets.

Cash flow from financing activities was SEK -575.7 (-88.1) million, affected mainly by dividends, amortizations, and repurchasing of own shares.

Total cash flow was SEK -383.4 (-363.7) million.

### THE FOURTH QUARTER

Cash flow from operating activities was SEK 271.3 (319.4) million, where the change in working capital had an impact of SEK 86.7 (69.3) million, affected mainly by decreased accounts receivable and increased interim liabilities.

Cash flow from investment activities amounted to SEK -17.2 (-233.8) million, affected mainly by paid additional consideration. Last year's figures were affected by acquisitions and disposals of financial assets.

Cash flow from financing activities was SEK -247.5 (-232.6) million, affected mainly by dividends, amortizations, and repurchasing of own shares.

Total cash flow increased to SEK 6.6 (-147.0) million.

## Financial position

### JANUARY – DECEMBER

Cash and cash equivalents were SEK 127.6 (497.6) million as per December 31, 2023. Goodwill and other intangible assets were SEK 4,438.0 (4,629.7) million, of which goodwill was SEK 3,738.4 (3,754.5) million, and other intangible assets were SEK 699.6 (875.2) million.

Equity was SEK 4,165.7 (4,207.7) million. Interest-bearing liabilities totaled SEK 1,095.7 (1,594.7) million by December 31, 2023, with long-term liabilities totaling

SEK 936.1 (1,303.3) million and short-term liabilities SEK 159.6 (291.4) million. Knowit has a facility of SEK 300 million that falls due in 2026 and a facility of SEK 750 million that falls due in 2027. The credit facilities granted total SEK 1,050 million. As per December 31, 2023, SEK 500.0 (700.0) million of the credit facilities granted were used. Leasing debts were SEK 542.1 (643.1) million. Debts related to future consideration in subsidiaries totaled SEK 39.4 (251.1) million.

The equity/asset ratio increased to 59.3 (55.3) percent as per December 31, 2023.

## Employees

### JANUARY – DECEMBER

On December 31, 2023, a total of 4,265 (4,410) people were employed by the Group. During 2023, the number of employees has decreased by 145 people compared with December 31, 2022. Employees on garden leave during the period of notice are included in the number of employees, but not in the average number of employees.

The average number of employees has during the period increased to 4,115.1 (3,877.2). The average number of employees in Sweden increased to 2,027.4 (1,980.6), in Norway to 1,016.4 (936.3), in Finland to 475.3 (429.8), in Poland to 302.3 (291.2), and in Denmark to 282.4 (223.9).

## Long-term incentive program (LTIP)

At the AGM 2023, the decision was made to implement a long-term share-based incentive program. LTIP 2023 was offered to 37 employees including members of the corporate management team and members of local and extended management teams at the business area level. To participate in the LTIP 2023, the participant must make an investment of their own in company shares, in accordance with the terms of the program, and these shares must be allocated to the program. Each participant may invest in investment shares up to a total corresponding to at most 10 percent of their fixed annual salary before taxes. Each share acquired for this purpose is an "investment share." Depending on the participant category that a participant belongs to, the participant is allocated a certain number of share rights per investment shares acquired. For category 1, each investment share entitles the holder to four share rights, for category 2, each investment share entitles the holder to three share rights, and for category 3, each investment share entitles the holder to two share rights.

Following the selected vesting period of three years, the participants will be allotted shares in the company, free of cost, if certain conditions are met. These conditions are, with some exceptions, continued employment in the Group during the vesting period, that the holders' shareholdings in the Company have been unchanged during that period, and that certain performance goals have been reached. The performance goals are earnings per share, EBITA margin, and an ESG target. Final allocation of share rights shall be based to 45 percent on earnings per share, 45 percent on the EBITA margin, and 10 percent on the ESG target. The performance goals include both a minimum level that must be reached in order for any allocation at all to be made, and a maximum level above which no further allocation will be made.



## → THE GROUP

The maximum number of shares in the Company that can be allocated to the participants within the framework of the LTIP 2023 shall be limited to 110,000, corresponding to around 0.4 percent of the total shares and voting rights in the Company. The maximum value that a participant can get for each share right is limited to SEK 820. As of December 31, 2023, 40,239 share rights had been allocated to the 34 employees who remain in the program.

The fair value of the share rights on the allocation day (SEK 184.64 per share) was calculated using Black & Scholes. In the valuation, account has been taken of the value limitations included in the program.

### The share

On May 3, 2023, the AGM authorized the Board to decide on a program for repurchasing of own shares, to cover undertakings within the framework of the long-term incentive program (LTIP) 2023. Repurchasing of a maximum of 137,423 shares may take place on one or more occasions before the AGM 2024. As of December 31, 2023, 60,000 own shares have been repurchased.

### 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

No significant transactions have occurred during the period. For more information, see Note 29 Transactions with related parties, page 99 in the Annual Report 2022. ■

## PARENT COMPANY

# Results and financial position

### JANUARY – DECEMBER

The operating profit/loss before amortization of intangible assets (EBITA) was SEK -101.0 (-134.6) million. The financial net was SEK 188.7 (724.1) million; the previous year's figures affected positively by dividends from subsidiaries. During the third quarter, financing operations formerly

reported in the Parent Company were moved to a subsidiary. The profit/loss after financial net was SEK 83.0 (584.1) million.

As per December 31, 2023, equity was SEK 2,822.2 (2,981.8) million. Untaxed reserves, mainly accrual funds, increased to SEK 169.7 (159.6) million. ■

## OTHER INFORMATION

# The Board suggests a dividend of SEK 5.20 per share for 2023

## Dividends and dividend policy

The Board suggests a dividend of SEK 5.20 (7.50) per share for the financial year, totaling SEK 142.2 (205.6) million, to be paid out on two occasions during the year, in line with the process last year. The Board's suggestion is therefore for dividends of SEK 2.60 with a planned record date on May 7, 2024, and SEK 2.60 with a planned record date on November 18, 2024. 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.

## Annual General Meeting

The Company's Annual General Meeting will take place on Friday May 3, 2024, at 1 PM, in Knowit's facilities at Sveavägen 20, Stockholm. Notice will be made public through a press release in Post och Inrikes Tidningar and Dagens Nyheter, and published on Knowit's website.

## 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.

Knowit is affected by general political, financial, and economic circumstances. The current situation with a war in our vicinity and high inflation combined with high interest rates has significantly increased the risk levels and shaped the market with large negative effects. With a decreased demand for the Company's services comes short-term challenges with decreased invoicing pace, where the business model creates a lead time in adjusting capacity to reach the high levels of the past. Further, the decentralized steering model creates a need for each respective subsidiary to quickly realize short-term measures in relation to costs. This can in the short term affect the Company's possibilities to generate a profit and growth in line with historic values and the financial targets.

For more information on risks, see the Annual Report 2022, pages 60-63 and 83-84.

## 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.

### REMUNERATION TO EMPLOYEES, SHARE RIGHTS

The fair value of the share rights that are allocated to employees free of cost through the Group's long-term incentive program (LTIP) are carried as expenses during the vesting period. The fair value is calculated as per the allocation day and is reported in the balance sheet. The assessment of how many shares are expected to be allocated is performed anew at the end of each reporting period and any deviations are reported in the income statement, with corresponding adjustments made to equity.

The social fees that result from allocations of share rights are reported in the same way as share-related remuneration settled in cash. Costs for social fees are reported over the period during which the service is performed. The fair value of the liability is revalued at the end of each reporting period.

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.

All amounts in this report are given in million Swedish kronor (SEK, millions), unless otherwise stated. Rounding differences may occur.

## Events after the end of the interim period

No significant events have occurred after the end of the interim period.

## Forward-looking information

The forward-looking information in this report is based on the expectations of Knowit's management team at the time of the report. Although 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 forward-looking information, depending for example on changed market conditions for the Knowit corporation's offerings and more general conditions related

## → OTHER INFORMATION

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 2024**

May 3, 2024, 7:30 AM

#### **AGM 2024**

May 3, 2024, 1:00 PM

#### **INTERIM REPORT JANUARY – JUNE 2024**

July 19, 2024, 7:30 AM

#### **INTERIM REPORT JANUARY – SEPTEMBER 2024**

October 25, 2024, 7:30 AM

#### **YEAR-END REPORT 2024**

February 7, 2025, 7:30 AM

### Certification

The Chief Executive Officer certifies that the interim report provides a true and fair view of the Group's and Parent Company's operations, financial position and results, and describes significant risks and uncertainty factors that the Parent Company and the companies within the Group are faced with.

#### **PER WALLENTIN**

Chief Executive Officer

*This interim report has not been reviewed by Knowit's auditors.*

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### About Knowit

Knowit are digitalization consultants with a vision 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 now has around 4,260 employees, mainly in the Nordic countries, but also in operations in Germany and Poland. 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](https://knowit.eu). ■

## FINANCIAL STATEMENTS

# Consolidated income statement in summary

SEK, MILLIONS	OCT-DEC 2023	OCT-DEC 2022	JAN-DEC 2023	JAN-DEC 2022
Net sales	1,824.0	1,972.9	7,097.4	6,833.8
Other operating income	–	–	16.4	–
Operating costs	-1,633.0	-1,752.6	-6,439.4	-6,088.5
Depreciation of tangible fixed assets	-43.3	-42.3	-178.1	-148.8
<b>Operating result before amortization of intangible assets (EBITA)</b>	<b>147.7</b>	<b>178.0</b>	<b>496.3</b>	<b>596.5</b>
Amortization of intangible fixed assets	-41.8	-46.4	-171.1	-149.3
Write-downs of intangible assets	–	–	-15.4	–
<b>OPERATING RESULT (EBIT)</b>	<b>105.9</b>	<b>131.6</b>	<b>309.8</b>	<b>447.2</b>
Financial incomes	14.4	11.6	76.1	94.9
Financial expenses	-21.3	-6.5	-81.8	-58.4
<b>RESULT AFTER FINANCIAL ITEMS</b>	<b>99.0</b>	<b>136.7</b>	<b>304.1</b>	<b>483.7</b>
Tax	-7.5	-17.7	-62.3	-91.5
<b>RESULT FOR THE PERIOD</b>	<b>91.5</b>	<b>119.0</b>	<b>241.8</b>	<b>392.2</b>
Result for the period attributable to shareholders in Parent Company	90.8	118.0	239.6	385.0
Result for the period attributable to non-controlling interests' holdings	0.7	1.0	2.2	7.2
<b>EARNINGS PER SHARE</b>				
Earnings per share, before dilution, SEK	3.32	4.31	8.74	14.05
Earnings per share, after dilution, SEK	3.32	4.31	8.74	14.05

# Consolidated comprehensive income in summary

SEK, MILLIONS	OCT-DEC 2023	OCT-DEC 2022	JAN-DEC 2023	JAN-DEC 2022
<b>Profit for the period</b>	<b>91.5</b>	<b>119.0</b>	<b>241.8</b>	<b>392.2</b>
<i>Items that may later be reclassified to profit or loss</i>				
Profit/loss from hedging of interest risks	-14.1	–	-14.1	–
Tax effect of hedging of interest risks	2.9	–	2.9	–
Translation differences for the period from recalculation of foreign operations <sup>1)</sup>	-69.5	51.9	-46.8	144.6
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	<b>-80.7</b>	<b>51.9</b>	<b>-58.0</b>	<b>144.6</b>
<b>Total comprehensive income for the period</b>	<b>10.8</b>	<b>170.9</b>	<b>183.8</b>	<b>536.8</b>
Total comprehensive income attributable to shareholders in Parent Company	10.3	169.9	181.9	529.2
Total comprehensive income attributable to non-controlling interests' holdings	0.5	1.0	1.9	7.6

<sup>1)</sup> Reclassification has been performed of extended net investments, which have been moved to Translation differences for the period from recalculation of foreign operations. Comparison figures have been adjusted.



→ FINANCIAL STATEMENTS

## Consolidated balance sheet in summary

SEK, MILLIONS	2023-12-31	2022-12-31
<b>Assets</b>		
Intangible fixed assets	4,438.0	4,629.7
Tangible fixed assets	619.1	723.9
Financial fixed assets	7.2	11.4
Deferred tax asset	99.8	106.5
Current assets	1,734.4	1,636.5
Cash equivalents	127.6	497.6
<b>TOTAL ASSETS</b>	<b>7,026.1</b>	<b>7,605.6</b>
<b>Equity and liabilities</b>		
Share capital	27.4	27.4
Other capital provided and provisions	2,918.3	2,976.1
Retained earnings, including profit for the period	1,205.3	1,183.0
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY</b>	<b>4,151.0</b>	<b>4,186.5</b>
Non-controlling interests	14.7	21.2
<b>TOTAL EQUITY</b>	<b>4,165.7</b>	<b>4,207.7</b>
Non-current provisions	238.8	276.5
Interest-bearing non-current liabilities	936.1	1,303.3
Interest-bearing current liabilities	159.6	291.4
Other current liabilities	1,525.9	1,526.7
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7,026.1</b>	<b>7,605.6</b>

→ FINANCIAL STATEMENTS

## Consolidated cash flow statement in summary

SEK, MILLIONS	OCT-DEC 2023	OCT-DEC 2022	JAN-DEC 2023	JAN-DEC 2022
<b>Operating activities</b>				
Profit before taxes	99.0	136.7	304.1	483.7
Adjustment for non-cash items	80.0	116.6	274.8	245.0
Paid taxes	5.6	-3.2	-65.1	-195.1
<b>CASH FLOW BEFORE CHANGES IN OPERATING CAPITAL</b>	<b>184.6</b>	<b>250.1</b>	<b>513.8</b>	<b>533.6</b>
Changes in operating capital	86.7	69.3	-114.0	-58.3
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>271.3</b>	<b>319.4</b>	<b>399.8</b>	<b>475.3</b>
<b>Investing activities</b>				
Acquisition of businesses	-11.0	-204.8	-157.9	-752.9
Disposals of businesses	–	–	-2.2	–
Acquisition on intangible assets	-1.8	-3.0	-12.6	-10.0
Acquisition of property, plant and equipment	-4.4	-26.0	-34.8	-63.3
Disposal of financial assets	–	–	–	75.3
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-17.2</b>	<b>-233.8</b>	<b>-207.5</b>	<b>-750.9</b>
<b>Financing activities</b>				
Amortization of loans and leasing liabilities	-135.9	-136.6	-449.1	-228.7
Loans raised	–	–	100.0	344.7
Dividend	-102.8	-96.0	-217.8	-204.1
Repurchasing of own shares	-8.8	–	-8.8	–
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-247.5</b>	<b>-232.6</b>	<b>-575.7</b>	<b>-88.1</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>6.6</b>	<b>-147.0</b>	<b>-383.4</b>	<b>-363.7</b>
Cash and cash equivalents at the beginning of the period	101.9	638.5	497.7	851.4
Translation differences in cash and cash equivalents	19.1	6.1	13.3	9.9
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>127.6</b>	<b>497.6</b>	<b>127.6</b>	<b>497.6</b>

## → FINANCIAL STATEMENTS

# Consolidated statement of changes in equity in summary

SEK, MILLIONS	OCT-DEC 2023	OCT-DEC 2022	JAN-DEC 2023	JAN-DEC 2022
<b>Opening balance</b>	<b>4,164.1</b>	<b>4,136.9</b>	<b>4,207.7</b>	<b>3,892.4</b>
Profit/loss from hedging of interest risks	-14.1	–	-14.1	–
Tax effect of hedging of interest risks	2.9	–	2.9	–
Translation differences for the period from recalculation of foreign operations <sup>1)</sup>	-69.5	51.9	-46.8	144.6
Result for the period	91.5	119.0	241.8	392.2
<b>TOTAL PROFIT FOR THE PERIOD RECOGNIZED IN THE INCOME STATEMENT</b>	<b>10.8</b>	<b>170.9</b>	<b>183.8</b>	<b>536.8</b>
<b>TOTAL BEFORE TRANSACTIONS WITH SHAREHOLDERS</b>	<b>4,174.9</b>	<b>4,307.8</b>	<b>4,391.5</b>	<b>4,429.2</b>
Non-controlling interests	–	5.9	–	6.3
Additional capital from non-controlling interests	-0.7	-10.0	-4.6	-28.4
Dividend paid	–	-96.0	-217.8	-204.1
Repurchasing of own shares	-8.8	–	-8.8	–
Share-based payment	0.6	–	1.4	–
Acquisition of partially owned subsidiary with non-controlling interests	–	–	–	4.7
Disposal of partially owned subsidiary with non-controlling interests	-0.3	–	4.0	–
<b>CLOSING BALANCE</b>	<b>4,165.7</b>	<b>4,207.7</b>	<b>4,165.7</b>	<b>4,207.7</b>

1) Reclassification has been performed of extended net investments, which have been moved to Translation differences for the period from recalculation of foreign operations. Comparison figures have been adjusted.

## Performance measures and data per share

	OCT-DEC 2023	OCT-DEC 2022	JAN-DEC 2023	JAN-DEC 2022
Number of employees at end of period	4,265	4,410	4,265	4,410
Average number of employees	4,053.8	4,179.3	4,115.1	3,877.2
Sales per average number of employees, (SEK, 000s)	450	472	1,725	1,763
Result after financial items per average number of employees, (SEK, 000s)	24	33	74	125
Return on total capital, %	1.7	1.9	5.3	7.8
Return on equity, %	2.2	2.9	5.8	9.7
Return on capital employed, %	2.3	2.5	7.0	10.2
EBITA margin, %	8.1	9.0	7.0	8.7
Adjusted EBITA margin, %	8.1	9.1	7.0	8.9
Equity ratio, %	59.3	55.3	59.3	55.3
Net debt ratio, multiples	0.2	0.3	0.2	0.3
<b>Earnings per share, SEK</b>				
Before dilution	3.32	4.31	8.74	14.05
After dilution	3.32	4.31	8.74	14.05
<b>Equity per share, SEK</b>				
Before dilution	151.78	152.74	151.78	152.74
After dilution	151.78	152.74	151.78	152.74
<b>Average number of shares, 000s</b>				
Before dilution	27,384	27,409	27,402	27,409
After dilution	27,384	27,409	27,402	27,409
<b>Number of shares on balance sheet day, 000s</b>				
Before dilution	27,349	27,409	27,349	27,409
After dilution	27,349	27,409	27,349	27,409

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# Consolidated segment reporting in summary

OCTOBER – DECEMBER 2023 SEK, MILLIONS	Solutions	Experience	Connectivity	Insight	Other	Total
External net sales	965.3	360.3	265.5	233.3	-0.4	1,824.0
Net sales between segments	65.6	25.2	9.7	13.5	-114.0	–
<b>NET SALES</b>	<b>1,030.9</b>	<b>385.5</b>	<b>275.2</b>	<b>246.8</b>	<b>-114.4</b>	<b>1,824.0</b>
<b>Operating result before amortization of intangible assets (EBITA)</b>	<b>90.4</b>	<b>29.0</b>	<b>31.0</b>	<b>22.2</b>	<b>-24.9</b>	<b>147.7</b>
Amortization of intangible assets	-17.6	-6.5	-10.6	-6.0	-1.1	-41.8
<b>OPERATING PROFIT (EBIT)</b>	<b>72.8</b>	<b>22.5</b>	<b>20.4</b>	<b>16.2</b>	<b>-26.0</b>	<b>105.9</b>
Result after financial items						99.0
<b>RESULT FOR THE PERIOD</b>						<b>91.5</b>
<b>EBITA margin, %</b>	<b>8.8</b>	<b>7.5</b>	<b>11.3</b>	<b>9.0</b>		<b>8.1</b>
<b>Average number of employees</b>	<b>1,788.4</b>	<b>871.8</b>	<b>703.0</b>	<b>557.3</b>	<b>133.3</b>	<b>4,053.8</b>

OCTOBER – DECEMBER 2022 SEK, MILLIONS	Solutions <sup>1)</sup>	Experience	Connectivity	Insight <sup>1)</sup>	Other	Total
External net sales	1,049.5	401.3	274.8	226.3	20.9	1,972.9
Net sales between segments	77.7	30.6	12.7	22.8	-143.8	–
<b>NET SALES</b>	<b>1,127.2</b>	<b>431.9</b>	<b>287.5</b>	<b>249.2</b>	<b>-122.9</b>	<b>1,972.9</b>
<b>Operating result before amortization of intangible assets (EBITA)</b>	<b>111.8</b>	<b>48.4</b>	<b>34.7</b>	<b>31.4</b>	<b>-48.2</b>	<b>178.0</b>
Amortization of intangible assets	-17.1	-6.5	-15.1	-5.9	-1.8	-46.4
<b>OPERATING PROFIT (EBIT)</b>	<b>94.7</b>	<b>41.9</b>	<b>19.6</b>	<b>25.5</b>	<b>-50.0</b>	<b>131.6</b>
Result after financial items						136.7
<b>RESULT FOR THE PERIOD</b>						<b>119.0</b>
<b>EBITA margin, %</b>	<b>9.9</b>	<b>11.2</b>	<b>12.1</b>	<b>12.6</b>		<b>9.0</b>
<b>Average number of employees</b>	<b>1,867.0</b>	<b>914.3</b>	<b>741.9</b>	<b>519.4</b>	<b>136.7</b>	<b>4,179.3</b>

1) On October 1, 2023, Knowit performed a small organizational change, which means that an operation previously included in the segment Insight has moved to the segment Solutions.

The Group's operations are organized so that the Corporate Management Team 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 companies' group-wide costs for management, financials, and marketing, and adjustments related to IFRS 16, which are not allocated to the segments.



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# Consolidated segment reporting in summary, continued

JANUARY – DECEMBER 2023 SEK, MILLIONS	Solutions	Experience	Connectivity	Insight	Other	Total
External net sales	3,696.9	1,447.3	1,072.8	848.2	32.2	7,097.4
Net sales between segments	283.0	111.7	25.5	42.9	-463.1	–
<b>NET SALES</b>	<b>3,979.9</b>	<b>1,559.0</b>	<b>1,098.3</b>	<b>891.1</b>	<b>-430.9</b>	<b>7,097.4</b>
<b>Operating result before amortization of intangible assets (EBITA)</b>	<b>316.3</b>	<b>116.6</b>	<b>111.2</b>	<b>57.4</b>	<b>-105.2</b>	<b>496.3</b>
Amortization of intangible assets	-71.6	-26.3	-42.5	-24.2	-6.5	-171.1
Write-downs of intangible assets	-15.4	–	–	–	–	-15.4
<b>OPERATING PROFIT (EBIT)</b>	<b>229.3</b>	<b>90.3</b>	<b>68.7</b>	<b>33.2</b>	<b>-111.7</b>	<b>309.8</b>
Result after financial items						304.1
<b>RESULT FOR THE PERIOD</b>						<b>241.8</b>
<b>EBITA margin, %</b>	<b>7.9</b>	<b>7.5</b>	<b>10.1</b>	<b>6.4</b>	<b>24.4</b>	<b>7.0</b>
<b>Average number of employees</b>	<b>1,823.8</b>	<b>910.8</b>	<b>714.0</b>	<b>528.3</b>	<b>138.2</b>	<b>4,115.1</b>
<b>Intangible assets</b>	<b>2,068.0</b>	<b>710.0</b>	<b>1,133.9</b>	<b>520.0</b>	<b>6.1</b>	<b>4,438</b>
<b>Tangible fixed assets</b>	<b>17.0</b>	<b>4.0</b>	<b>9.1</b>	<b>2.8</b>	<b>586.2</b>	<b>619.1</b>
JANUARY – DECEMBER 2022 SEK, MILLIONS	Solutions <sup>1)</sup>	Experience	Connectivity	Insight <sup>1)</sup>	Other	Total
External net sales	3,669.4	1,473.4	981.1	647.9	62.1	6,833.8
Net sales between segments	261.3	112.0	59.2	77.8	-510.4	–
<b>NET SALES</b>	<b>3,930.7</b>	<b>1,585.4</b>	<b>1,040.3</b>	<b>725.7</b>	<b>-448.3</b>	<b>6,833.8</b>
<b>Operating result before amortization of intangible assets (EBITA)</b>	<b>399.8</b>	<b>167.8</b>	<b>118.6</b>	<b>67.3</b>	<b>-157.1</b>	<b>596.5</b>
Amortization of intangible assets	-57.7	-25.6	-46.0	-13.1	-6.9	-149.3
<b>OPERATING PROFIT (EBIT)</b>	<b>342.2</b>	<b>142.2</b>	<b>72.6</b>	<b>54.2</b>	<b>-164.0</b>	<b>447.2</b>
Result after financial items						483.7
<b>RESULT FOR THE PERIOD</b>						<b>392.2</b>
<b>EBITA margin, %</b>	<b>10.2</b>	<b>10.6</b>	<b>11.4</b>	<b>9.3</b>		<b>8.7</b>
<b>Average number of employees</b>	<b>1,741.9</b>	<b>895.8</b>	<b>694.0</b>	<b>417.4</b>	<b>128.1</b>	<b>3,877.2</b>
<b>Intangible assets</b>	<b>2,152.6</b>	<b>739.1</b>	<b>1,179.7</b>	<b>539.9</b>	<b>12.9</b>	<b>4,624.2</b>
<b>Tangible fixed assets</b>	<b>20.1</b>	<b>4.2</b>	<b>11.8</b>	<b>1.8</b>	<b>686.0</b>	<b>723.9</b>

1) On October 1, 2023, Knowit performed a small organizational change, which means that an operation previously included in the segment Insight has moved to the segment Solutions.

The Group's operations are organized so that the Corporate Management Team 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 companies' group-wide costs for management, financials, and marketing, and adjustments related to IFRS 16, which are not allocated to the segments.

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# Group revenue from client contracts

SEK, MILLIONS	OCT-DEC 2023	OCT-DEC 2022	JAN-DEC 2023	JAN-DEC 2022
<b>GEOGRAPHIC CATEGORIZATION</b>				
<b>Fee revenue</b>				
Sweden	757.2	856.3	2,929.1	3,047.5
Norway	487.4	569.7	1,946.5	2,057.0
Denmark	189.8	198.2	758.0	615.7
Finland	200.9	174.8	744.7	580.8
Poland	59.5	54.1	238.0	197.2
Other	4.6	6.7	19.0	22.7
<b>TOTAL FEE REVENUE</b>	<b>1,699.5</b>	<b>1,859.9</b>	<b>6,635.4</b>	<b>6,521.0</b>
<b>Other revenue</b>				
Sweden	50.1	49.9	232.8	162.9
Norway	13.8	17.6	57.9	53.0
Denmark	52.6	33.8	132.7	61.1
Finland	7.7	11.1	34.2	33.3
Poland	0.3	0.6	4.5	2.5
Other	0.0	0.0	0.0	0.0
<b>TOTAL OTHER REVENUE</b>	<b>124.5</b>	<b>113.0</b>	<b>462.0</b>	<b>312.8</b>
<b>TOTAL NET REVENUE</b>	<b>1,824.0</b>	<b>1,972.9</b>	<b>7,097.4</b>	<b>6,833.8</b>

SEK, MILLIONS	OCT-DEC 2023	OCT-DEC 2022 <sup>1)</sup>	JAN-DEC 2023	JAN-DEC 2022 <sup>1)</sup>
<b>SEGMENT CATEGORIZATION</b>				
<b>Fee revenue</b>				
Solutions	955.9	1,062.7	3,742.7	3,775.6
Experience	364.7	407.5	1,473.7	1,502.6
Connectivity	247.8	267.8	961.4	951.7
Insight	240.5	243.5	866.5	710.6
Other	-109.4	-121.4	-408.9	-419.5
<b>TOTAL FEE REVENUE</b>	<b>1,699.5</b>	<b>1,859.9</b>	<b>6,635.4</b>	<b>6,521.0</b>
<b>Other revenue</b>				
Solutions	75.0	64.5	237.2	155.1
Experience	20.8	24.4	85.3	82.8
Connectivity	27.4	19.7	136.9	88.6
Insight	6.3	5.9	24.6	15.1
Other	-5.0	-1.4	-22.0	-28.9
<b>TOTAL OTHER REVENUE</b>	<b>124.5</b>	<b>113.0</b>	<b>462.0</b>	<b>312.8</b>
<b>TOTAL NET REVENUE</b>	<b>1,824.0</b>	<b>1,972.9</b>	<b>7,097.4</b>	<b>6,833.8</b>

1) On October 1, 2023, Knowit performed a small organizational change, which means that an operation previously included in the segment Insight has moved to the segment Solutions.

The revenue category Licensing revenue is reported under the category Other revenue, as the amount is not significant. For more information, see Note 1 Accounting and valuation principles, pages 77-83 in the Annual Report 2022.

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# Financial assets and liabilities at fair value and categorization

SEK, MILLIONS	2023-12-31			2022-12-31		
	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
<b>Assets in balance sheet</b>						
Other long-term securities	–	3.8	3.8 <sup>1)</sup>	–	2.6	2.6 <sup>1)</sup>
Other long-term receivables	0.1	–	0.1	3.8	–	3.8
Accounts receivable and other receivables	1,536.5	–	1,536.5	1,488.9	–	1,488.9
Liquid assets	127.6	–	127.6	497.6	–	497.6
<b>TOTAL</b>	<b>1,664.2</b>	<b>3.8</b>	<b>1,668.0</b>	<b>1,990.3</b>	<b>2.6</b>	<b>1,992.9</b>

SEK, MILLIONS	2023-12-31			2022-12-31		
	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
<b>Liabilities in balance sheet</b>						
Future additional considerations	–	14.7	14.7 <sup>2)</sup>	–	196.4	196.4 <sup>2)</sup>
Future consideration	24.7	–	24.7 <sup>2)</sup>	54.4	–	54.4 <sup>2)</sup>
Other interest-bearing liabilities	1,056.3	–	1,056.3	1,343.7	–	1,343.7
Accounts payable	445.0	–	445.0	400.2	–	400.2
Other liabilities	222.6	–	222.6	488.5	–	488.5
<b>TOTAL</b>	<b>1,748.6</b>	<b>14.7</b>	<b>1,763.3</b>	<b>2,286.8</b>	<b>196.4</b>	<b>2,483.2</b>

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 22 in the Annual Report for 2022.

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

SEK, MILLIONS	Future contingent additional considerations	Future considerations
<b>Fair value, 2023-01-01</b>	<b>196.4</b>	<b>54.4</b>
<b>Total recognized profits and losses</b>		
Recognized in profit/loss for the year	-58.4	–
Recognized in equity	–	4.6
Settlement of future additional considerations, options and future consideration	-123.3	-34.3
Cost of acquisitions	–	–
<b>Fair value, 2023-12-31</b>	<b>14.7</b>	<b>24.7</b>
<b>Fair value, 2022-01-01</b>	<b>177.7</b>	<b>12.3</b>
<b>Total recognized profits and losses</b>		
Recognized in profit/loss for the year	7.4	–
Recognized in equity	–	29.6
Settlement of future additional considerations, options and future consideration	-75.1	-11.0
Cost of acquisitions	86.4	23.5
<b>Fair value, 2022-12-31</b>	<b>196.4</b>	<b>54.4</b>

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## Income statement Parent Company

SEK, MILLIONS	OCT-DEC 2023	OCT-DEC 2022	JAN-DEC 2023	JAN-DEC 2022
Net sales	161.9	205.8	670.1	730.9
Operating costs	-186.1	-243.4	-763.2	-863.2
Depreciation of property, plant and equipment	-2.1	-0.7	-7.9	-2.3
<b>OPERATING RESULT BEFORE AMORTIZATION OF INTANGIBLE ASSETS (EBITA)</b>	<b>-26.3</b>	<b>-38.3</b>	<b>-101.0</b>	<b>-134.6</b>
Amortization of intangible assets	-0.7	-1.4	-4.7	-5.4
<b>OPERATING RESULT (EBIT)</b>	<b>-27.0</b>	<b>-39.7</b>	<b>-105.7</b>	<b>-140.0</b>
Financial items	182.5	453.3	188.7	724.1
<b>RESULT AFTER FINANCIAL ITEMS</b>	<b>155.5</b>	<b>413.6</b>	<b>83.0</b>	<b>584.1</b>
Appropriations	-10.1	-31.6	-10.1	-31.6
Income tax	-20.5	-31.2	-19.6	-31.2
<b>RESULT FOR THE PERIOD</b>	<b>124.9</b>	<b>350.8</b>	<b>53.3</b>	<b>521.3</b>

## Balance sheet Parent Company

SEK, MILLIONS	2023-12-31	2022-12-31
<b>Assets</b>		
Intangible assets	5.3	10.0
Property, plant and equipment	32.6	22.7
Financial non-current assets	4,402.4	5,514.0
Current assets	437.4	440.9
Cash equivalents	0.0	329.3
<b>TOTAL ASSETS</b>	<b>4,877.7</b>	<b>6,316.9</b>
<b>Equity and liabilities</b>		
Share capital	27.4	27.4
Statutory reserve	68.0	68.0
Unrestricted share capital including result for the period	2,726.8	2,886.4
<b>TOTAL EQUITY</b>	<b>2,822.2</b>	<b>2,981.8</b>
Untaxed reserves	169.7	159.6
Non-current provisions	–	1,438.3
Interest-bearing current liabilities	18.4	84.1
Other current liabilities	1,867.4	1,653.1
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,877.7</b>	<b>6,316.9</b>

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# Financial overview by 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 2023	OCT-DEC 2022 <sup>2)</sup>	OCT-DEC 2022 incl. acquisition <sup>1+3)</sup>	JAN-DEC 2023	JAN-DEC 2022 <sup>2)</sup>	JAN-DEC 2022 incl. acquisition <sup>2+3)</sup>
<b>The Group</b>						
Net sales	1,824.0	1,972.9	1,972.9	7,097.4	6,833.8	7,172.0
Adjusted EBITA profit	147.7	179.3	179.3	497.5	608.5	645.6
Adjusted EBITA margin, %	8.1	9.1	9.1	7.0	8.9	9.0
Number of employees at the end of the period	4,265	4,410	4,410	4,265	4,410	4,410
<b>Business areas</b>						
<b>Solutions</b>						
Net sales	1,030.9	1,127.2	1,127.2	3,979.9	3,930.7	4,107.0
EBITA profit	90.4	111.8	111.8	316.3	399.8	407.3
EBITA margin, %	8.8	9.9	9.9	7.9	10.2	9.9
Number of employees at the end of the period	1,861	1,943	1,943	1,861	1,943	1,943
<b>Experience</b>						
Net sales	385.5	431.9	431.9	1,559.0	1,585.4	1,585.4
EBITA profit	29.0	48.4	48.4	116.6	167.8	167.8
EBITA margin, %	7.5	11.2	11.2	7.5	10.6	10.6
Number of employees at the end of the period	937	1,000	1,000	937	1,000	1,000
<b>Connectivity</b>						
Net sales	275.2	287.5	287.5	1,098.3	1,040.3	1,061.7
EBITA profit	31.0	34.7	34.7	111.2	118.6	122.5
EBITA margin, %	11.3	12.1	12.1	10.1	11.4	11.5
Number of employees at the end of the period	739	773	773	739	773	773
<b>Insight</b>						
Net sales	246.8	249.2	249.2	891.1	725.7	870.3
EBITA profit	22.2	31.4	31.4	57.4	67.3	93.1
EBITA margin, %	9.0	12.6	12.6	6.4	9.3	10.7
Number of employees at the end of the period	578	541	541	578	541	541

1) No acquisitions have had an impact between October to December 2022.

2) Adjustment pertains to the acquisitions of Swedspot from January to May, Miracle and Marketing Clinic from January to June, and Ascend and Ionic from January to September 2022.

3) On October 1, 2023, Knowit performed a small organizational change, which means that an operation previously included in the segment Insight has moved to the segment Solutions.

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# Financial overview by country

The table shows the profit/loss by quarter and period where comparative figures are shown to facilitate analysis.

SEK, MILLIONS	OCT-DEC 2023	OCT-DEC 2022	JAN-DEC 2023	JAN-DEC 2022
<b>Sweden</b>				
Net sales	807.3	906.2	3,161.9	3,210.4
EBITA	82.1	129.2	270.0	421.4
EBITA margin, %	10.2	14.3	8.5	13.1
<b>Norway</b>				
Net sales	501.2	587.3	2,004.4	2,110.0
EBITA	44.6	60.8	164.9	204.5
EBITA margin, %	8.9	10.4	8.2	9.7
<b>Denmark</b>				
Net sales	242.4	232.0	890.7	676.8
EBITA	17.2	11.0	59.2	44.4
EBITA margin, %	7.1	4.7	6.6	6.6
<b>Finland</b>				
Net sales	208.6	185.9	778.9	614.1
EBITA	17.5	5.4	56.7	28.2
EBITA margin, %	8.4	2.9	7.3	4.6
<b>Poland</b>				
Net sales	59.8	54.7	242.5	199.7
EBITA	7.6	6.2	28.7	22.3
EBITA margin, %	12.6	11.3	11.8	11.2



## OTHER

# Definitions

## Alternative performance measures

Knowit uses alternative performance measures, as we believe they are relevant for following up the long-term financial targets and to provide a fair view of Knowit's profit and financial position. For instance, the Board has determined that the Company should grow faster than the market, with the goal of an annual growth rate of around 15 percent over time, and that the EBITA margin should grow to 12 percent over time. Further, net liabilities relative to EBITDA should not exceed two multiples over time. We also monitor capital employed, as it is an important aspect of the working capital turnover. Knowit's alternative performance measures are EBITDA profit, EBITA profit, adjusted EBITA profit, EBITA margin, adjusted EBITA margin, net debt, average equity, return on equity, capital employed, and return on capital employed.

The calculations of alternative performance measures on this page pertain to the period January to December.

For more information on our long-term financial targets and further definitions of performance measures, see pages 12 and 110 in the Annual Report for 2022. ■

**EBITDA PROFIT** Profit before depreciation and amortization of tangible and intangible non-current assets, respectively.  $(496.3 + 178.1 = 674.4)$

**EBITA PROFIT** Profit before amortization of intangible non-current assets.  $(496.3)$

**ADJUSTED EBITA PROFIT** EBITA is adjusted for items that impair comparability between periods, to provide increased understanding of the Group's underlying operative activities. Adjusted items include costs connected to acquisitions and such as and costs for restructuring and integration programs.

This year's adjustments of SEK 1.2 million include acquisition costs totaling SEK 0.0 million which encompass expenses for legal and financial consultancy in connection with acquisition transactions. They also include adjustments of SEK 1.2 million for integration and restructuring expenses such as financial and legal consultancy regarding restructuring, project management of integrations, financing related to acquisitions, and tax expenses connected to internal disposal of acquired foreign operations.  $(496.3 + 1.2 = 497.5)$

**EBITA MARGIN** Profit before amortization of intangible non-current assets (EBITA) in relation to net sales for the period.  $(496.3 / 7,097.4 = 7.0\%)$

**ADJUSTED EBITA MARGIN** Adjusted EBITA profit in relation to net sales for the period.  $(497.5 / 7,097.4 = 7.0\%)$

**NET DEBT** Interest-bearing liabilities less financial interestbearing assets.  $(936.1 + 159.6 - 127.6 = 968.1)$

**NET DEBT RATIO** Used to show the Company's indebtedness. Net debt in relation to equity.  $(968.1 / 4,165.7 = 0.2 \text{ multiples})$

**AVERAGE EQUITY** The average of the period's opening equity balance and the period's closing equity balance.  $((4,207.7 + 4,165.7) / 2 = 4,186.7)$

**RETURN ON EQUITY** Profit after full tax as a percentage of average equity including non-controlling interests.  $(241.8 / 4,186.7 = 5.8\%)$

**AVERAGE CAPITAL EMPLOYED** The average of the period's opening and closing balances of equity plus interest-bearing liabilities.  $((4,207.7 + 1,303.3 + 291.4 + 4,165.7 + 936.1 + 159.6) / 2 = 5,531.9)$

**RETURN ON CAPITAL EMPLOYED** Profit after financial items plus financial expenses expressed as a percentage of average capital employed.  $((304.1 + 81.8) / 5,531.9 = 7.0\%)$