



INTERIM REPORT

January - June 2019

Continued growth Increased profit Strong development in Norway

JANUARY – JUNE 2019

NET SALES INCREASED BY 10.3 PERCENT TO SEK 1,718.3 (1,558.2) MILLION

THE OPERATING PROFIT (EBITA) INCREASED BY 4.4 PERCENT, TO SEK 165.7 (158.7) MILLION *

RESULTS AFTER TAXES INCREASED TO SEK 124.2 (117.4) MILLION

EARNINGS PER SHARE, BEFORE AND AFTER DILUTION, INCREASED TO SEK 6.19 (5.89)

THE OPERATING MARGIN (EBITA) WAS 9.6 (10.2) PERCENT

CASH FLOW FROM OPERATING ACTIVITIES WAS SEK 68.8 (79.6) MILLION

APRIL – JUNE 2019

NET SALES INCREASED BY 5.9 PERCENT TO SEK 844.6 (797.2) MILLION

THE OPERATING PROFIT (EBITA) WAS SEK 65.3 (72.4) MILLION **

RESULTS AFTER TAXES WERE SEK 47.4 (51.9) MILLION

EARNINGS PER SHARE, BEFORE AND AFTER DILUTION, WERE SEK 2.34 (2.60)

THE OPERATING MARGIN (EBITA) WAS 7.7 (9.1) PERCENT

CASH FLOW FROM OPERATING ACTIVITIES INCREASED TO SEK 89.5 (72.8) MILLION

*) IFRS 16 has a positive impact on the EBITA profit of SEK 0.9 million

**) IFRS 16 has a positive impact on the EBITA profit of SEK 0.5 million

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 1 PM CEST on July 15.

Continued profitable growth

Our operations in Norway continued to increase their share of our net sales. The public sector in Norway has continued to invest heavily in digitalization. We have several important agreements with a number of large players, such as the municipality of Oslo, the Norwegian Railway Directorate, and the Norwegian Public Roads Administration, to mention but a few. That we have been successful in our client agreements, with strong and close client relations, is a large part of the explanation for the increase.

THREE STRONG BUSINESS AREAS

Our three business areas, Experience, Insight, and Solutions, supplement one another and contribute to an increasing number of joint deals and assignments. This is a result of the fact that more of our assignments are becoming more complex and involve organizational development, use of new technology, and data-driven client relations. A large challenge for our clients is to create a culture that promotes digital development and innovation, where old ways of working are challenged by new ones. Other important areas are big data, advanced analysis, and artificial intelligence. These are all areas in which Knowit has strong client offerings.

During the first six months of the year, Experience has continued to develop its offering by creating a tailored education for new talents in e-commerce, the E-commerce Academy, that provides us with new experts in our offering to e-commerce clients. During these months, we have also invested in developing the organization, while increasing net sales. The profit and margin are close to the figures for the previous year. Insight increased its net sales during the first six months of the year. A successful establishment in Norway is part of the reason. The operations in Oslo are growing and we now have more than 40 highly qualified consultants, who assist clients mainly in the public sector. During this period, we have also invested in developing and restructuring our client offerings.

Our largest business area, Solutions, increased both its net sales and its profit, while the margin was on par with that of the previous six-month period. For this business area, it is clear that the Norwegian market is gaining in importance and that client projects are growing longer. We have wide experience of working in long projects close to our clients, which is also reflected by an increased number of application management assignments.




A STRONG CULTURE CREATES SUCCESS

Digitalization does not just affect our clients; it affects us as well. To seize all the opportunities that a quickly changing world offers, we need to be agile ourselves. Our decentralized model, with independent and strong units, is important to our success. Each employee has plenty of space to act on his or her own initiative, with own responsibilities. This contributes to the commitment that permeates the entire organization, from senior management to consultants. That leads to increased client value, increased employee value, and increased shareholder value.

ORGANIC GROWTH

As in the past, we strive to achieve organic growth through recruitment. We have a very strong employer brand, an attractive corporate culture, and three business areas that continue to attract new colleagues. We are one of the most popular workplaces among younger professionals, which can be seen in Universum's annual ranking of Nordic employers. Our net recruitment has continued at a measured pace during the first six months of the year.

As part of our efforts toward becoming a sustainable business, we have performed a Carbon Footprint Assessment for Knowit. This is one of several steps on the road to achieving our ambition of being an entirely climate-neutral company as of 2019. 

Per Wallentin
CEO and president

January – June

Events during the period

TEKNISKA VERKEN IN LINKÖPING has chosen Knowit as its digital partner for its five websites.

Knowit has signed a **FRAMEWORK AGREEMENT WITH THE AMBULANCE CARE** in Stockholm (AISAB).

KAMMARKOLLEGIET has signed the **FRAMEWORK AGREEMENT** “Software and services – Systems development” with Knowit.

When the business journal Dagens Industri named **THE BEST IT CONSULTANCY FIRMS** on the Stockholm Stock Exchange, Knowit was in first place.

Together with Furhat Robotics, Knowit is developing a concept to help clients and stakeholders to study new uses for **SOCIAL ROBOTS**.

For **BEIJER**, Knowit Insight is contributing to leading the digital transformation in the organization, from strategy to implementation.

Knowit has created a **NEW VENTURE** aimed at the **FORESTRY INDUSTRY’S INCREASED NEEDS** of digitalization and new technology.

The Finnish Council for Gender Equality **REWARDED THE DAD CHALLENGE** campaign **IN FINLAND**, for which Knowit was one of the initiators.

When IT **STUDENTS IN THE NORDIC REGION** vote for their **FAVORITE EMPLOYERS**, Knowit is in tenth place among all companies with operations in the Nordic countries.

Knowit was in **SHARED FIRST PLACE IN THE NORDIC HACK SAS VIYA**, with an algorithm for facial recognition.

In collaboration with Oslo Green Capital, the **OSLO ENVIRONMENTAL HACK** was performed.

Knowit was named **EPISERVER PARTNER OF THE YEAR 2019** in Sweden.

NEW OPERATIONS in Customer Relationship Management were established by Knowit Experience in Norway and Sweden.

The digitalization consultancy industry handed over a **JOINT ROADMAP FOR A FOSSIL-FREE SWEDEN** to the government.

Knowit was ranked **ONE OF THE MOST ATTRACTIVE IT CONSULTANCY FIRMS** in Universum’s FöretagsBarometern 2019 among students.

In Malmö, Knowit Insight established **NEW OPERATIONS** in management consulting.

Knowit has developed a new **TECHNICAL PLATFORM FOR 1177.SE**, which is one of the most visited websites in Sweden for health and health care information.

Key figures in brief

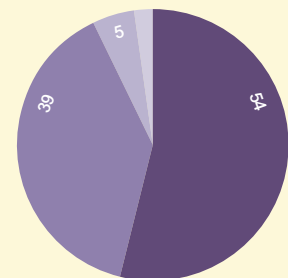
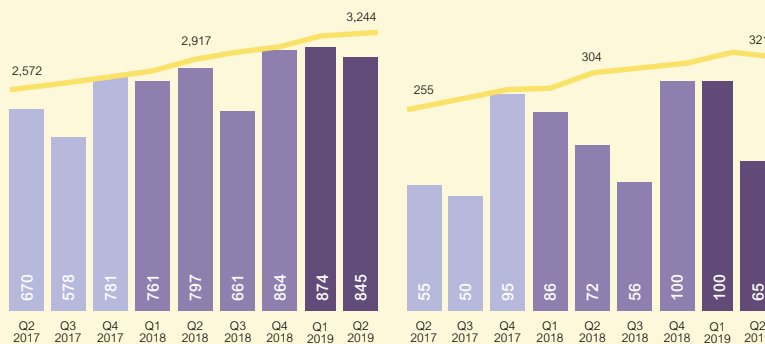
Profit before amortization of intangible assets (EBITA) increased to SEK 165.7 (158.7), an increase by 4.4 percent as compared with the corresponding period last year. If IFRS 16 (Leases) had not been applied, EBITA would have increased to SEK 164.8 (158.7) million.

Cash flow from operating activities was SEK 68.8 (79.6) million, where the change in operating capital is affected by increased accounts receivable, decreased short-term liabilities, and IFRS 16.

Goodwill and other intangible assets were SEK 981.3 (949.9) million, of which goodwill was SEK 957.5 (931.9) million, and other intangible assets were SEK 23.8 (18.0) million.

On June 30 2019, 2,275 (2,113) people were employed in the group.

	JAN-JUN 2019	JAN-JUN 2018
Sales	1,718.3	1,558.2
EBITA	165.7	158.7
EBITA margin, percent	9.6	10.2
Cash flow from operating activities	68.8	79.6
Intangible assets	981.3	949.9
Number of employees	2,275	2,113



NET SALES, SEK, MILLIONS

- Net sales, quarterly data
- Rolling 12 months

EBITA, SEK, MILLIONS

- Net sales, quarterly data
- Rolling 12 months

SALES PER COUNTRY JANUARY – JUNE 2019

Sweden	54% (59)
Norway	39% (34)
Finland	5% (5)
Other	2% (2)

Strong market for Knowit's three business areas

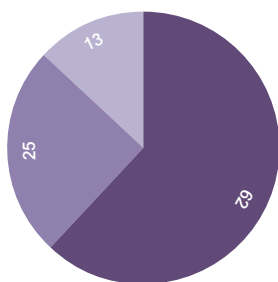
Knowit's geographic market is the Nordic region. The group has its strongest presence in Norway and Sweden. The proportion of Knowit's sales that comes from other parts of the client's business operations than the IT department continues to increase. For Knowit, it is important to understand the business operations of the clients to stay relevant as a supplier. Knowit is well-positioned for that development, as the group has for several years been investing in management consultancy, analysis of big data, design and communication, in addition to systems development and tech-associated services.



Within Knowit's three business areas, demand is very high overall, in all operations and on all geographic markets. Knowit has a strong brand in the private and public sector and is seeing increased demand for more complex assignments.

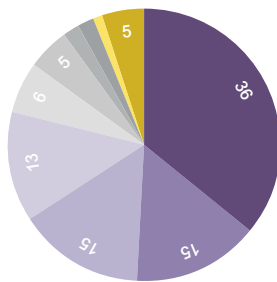
GOOD SPREAD ACROSS DIFFERENT CLIENT INDUSTRIES

Knowit's broad offering means that its clients are found in many different industries. The distribution of sales is relatively stable, with the largest sales in the public sector. The shares in banking and finance, retail and the manufacturing industry are relatively stable, in the range 13–15 percent of sales.



**SALES PER BUSINESS AREA
JANUARY – JUNE 2019**

Solutions	62% (65)
Experience	25% (22)
Insight	13% (13)



**SALES PER INDUSTRY FIELD
JANUARY – JUNE 2019**

Public sector	36% (35)
Banking, finance and insurance	15% (15)
Retail and service companies	15% (16)
Industry	13% (13)
Telecommunications operators	6% (6)
Energy	5% (5)
Media, education and gaming	2% (2)
Telecommunications industry	2% (2)
Pharmaceuticals	1% (1)
Other	5% (5)

A STRONG CLIENT OFFERING

Knowit's three business areas build on the clients' needs for support in various parts of their organizations. The business area Experience's most common client group encompasses sales and marketing departments. Insight mainly has corporate management and management teams as its clients, and Solutions usually collaborates with companies' operative departments.

FINANCIAL OUTCOME

The group's operations are organized so that the corporate management team primarily follows three business areas, Experience, Insight, and Solutions. The net sales for Experience increased to SEK 451.8 (380.5) million, for Insight to SEK 231.3 (224.9) million, and for Solutions to SEK 1,118.9 (1,033.3) million.

Profit before amortization of intangible assets (EBITA) for Experience was SEK 33.6 (34.2) million, for Insight was SEK 32.1 (36.3) million, and for Solutions increased to SEK 130.7 (123.7) million.

The EBITA margin for Experience was 7.4 (9.0) percent, for Insight was 13.9 (16.1) percent, and for Solutions was 11.7 (12.0) percent.

Experience

	JAN-JUN 2019	JAN-JUN 2018
Sales, SEK, million	451.8	380.5
EBITA, SEK, million	33.6	34.2
EBITA margin, percent	7.4	9.0
Number of employees	607	558

The business area Experience is one of the leading digital agencies in the Nordic region. With over 600 specialists in technology and communication, Experience takes responsibility for the entire digital customer experience. With competence in web, e-commerce, analysis, marketing, design, and big data, they help companies and organizations achieve their business-critical goals.

Market and operations cont.

Experience's clients are found in several different industries, but especially in the public sector and retail.

LONG-TERM CLIENT RELATIONSHIPS

Knowit Experience has long relationships with its clients. With Fjordkraft, a client that places high demands on its suppliers as regards climate impact, the collaboration has been ongoing for 15 years. Fjordkraft has received several awards for its commitment to climate matters, including from the UN. Currently, Knowit is developing the digital client dialogue through apps and other platforms. In 2019, the goal is to increase synergies and improve the customer experience even further.

An example of a client in the public sector is Tekniska Verken in Linköping. Knowit has for many years successfully delivered services to Tekniska verken; mainly through a long-standing collaboration with the subsidiary Bixia, the electricity supplier within the group. Now, the collaboration has been expanded with a strong focus on working with Tekniska verken to find smart solutions for all of their five websites. The goal is to create innovative digital experiences with users taking center stage.

In retail, Experience has specialist competence in e-commerce and works with its clients to create modern e-commerce platforms with a focus on data-driven customer experiences and increased sales. The retail group Julia and the Norwegian dairy product cooperative Tine are examples of clients in e-commerce.

Knowit Experience also has assignments for the banking and finance sector. For Santander Consumer Bank in Norway, Knowit Experience has designed a new website, internet bank, and banking app. For Marginalen Bank, the business area is assisting in the development of an internet bank, and on the Norwegian market it is collaborating with Sparbanken Vest.

Insight

	JAN-JUN 2019	JAN-JUN 2018
Sales, SEK, million	231.3	224.9
EBITA, SEK, million	32.1	36.3
EBITA margin, percent	13.9	16.1
Number of employees	300	265

Knowit Insight helps mainly management teams in companies and organizations to create organizations that are quicker on their feet and adapted for the digital opportunities and challenges of the future. The changes driven by digitalization create a strong demand for management consultancy services.

The business area Insight, with around 300 employees, is a competitor on the Nordic management consulting market. Insight encompasses several clear offerings, to meet the needs arising from the clients' new circumstances. Data-driven growth, the organization of the future, efficiency and automation, cybersecurity, and strategy are areas in which the clients' needs are growing quickly.

TRANSFORMATION AND THE ORGANIZATION OF THE FUTURE

Insight's clients are often found in the public sector, but the business area also has many clients in the energy industry and the manufacturing industry.

In the public sector, the business area is supporting several clients with strategic consultancy connected to needs in cybersecurity and the increased demands for management of personal data and information security.

With support from Knowit and through process development and automation, the Swedish Transport Administration can now satisfy the operation's need for more support and specialist competence in HR/payroll. A robot called Brolle is now supporting employees at the payroll department of the Swedish Transport Administration, writing decisions, registering consultants, doing administrative work related to interim employments, and managing daily time reports.

Knowit Insight is assisting Region Skåne in its investment in a digital care system working in the field of medical services and with expert knowledge in digital resource planning, supplier management, and procurement strategy.

Solutions


	JAN-JUN 2019	JAN-JUN 2018
Sales, SEK, million	1,118.9	1,033.3
EBITA, SEK, million	130.6	123.7
EBITA margin, percent	11.7	12.0
Number of employees	1,355	1,277

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

The business area Solutions helps companies and organizations to develop their operations through IT and system solutions based on the latest technology. The 1,355 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.

NEW VENTURE AIMED AT THE FORESTRY INDUSTRY

In both Norway and Sweden, the business area Solutions has the largest single share of its clients in the public sector. An example is the Norwegian Public Roads Administration, for which Knowit Solutions performs testing and quality assurance of data warehouses. For several larger municipalities, including Oslo and Uppsala, the business area is assisting in digital transformation. In the telecommunications industry, Solutions has several large clients and is supporting Telenor, among others, with agile teams. Solutions is also assisting clients in the banking and financing sector with system solutions. Examples include Eika bank and Santander Consumer Bank.

With Norrskog, Knowit Solutions is performing a large-scale business development project. In the first phase, the focus is on providing suggestions for streamlining of operational processes, suggesting improvement areas for the systems currently used by the client, and analyzing requirements for a calculation function to be used for future procurement of timber. Knowit is also drafting system specifications for further development of both calculation functions and other client functions. 

Knowit ranked highly

When the business journal Dagens Industri named the best IT consultancy firms on the Stockholm Stock Exchange, Knowit was in first place. The recipe for success is operative improvement, secure clients, and strong recruitment capacity, writes Johan Wendel in Dagens Industri. The almighty cloud and the increasing number of third party solutions on the market means that companies like Knowit fill an important hole on the market, as they help companies tailor solutions with their experience and specialist competence, he writes.

The Finnish Council for Gender Equality gave the Dad Challenge campaign (Isähaaste) the award Miehen työ 2019 (Man's work 2019). The purpose and goal of the campaign has been to challenge employers in Finland to actively work to create a more dad-friendly corporate culture. Knowit is one of the initiators behind the Dad Challenge.

Knowit remains an attractive company to work for. When IT students in the Nordic region voted for their favorite employers, Knowit was in tenth place among all companies with operations in the Nordic countries. This was revealed in the employer branding company Universum's annual survey, in which over 25,000 IT students from Sweden, Norway, Denmark, and Finland voted for the most attractive employers in the Nordic region.

A NEW VENTURE


Knowit has begun a new venture for digitalization in the forestry industry. Half of the forestry companies in Sweden lack a business strategy for digitalization, according to the 2018 IT barometer of the forestry industry. To meet the forestry companies' increased need for digitalization, Knowit has set up an expert team aimed at the forestry industry companies in Norrland, with the goal to expand to the rest of Sweden over time.

CLIMATE-NEUTRAL OPERATIONS

Knowit has performed a Carbon Footprint Assessment in accordance with the GreenHouseGas Protocol, and made the decision to be climate-neutral and perform carbon offsetting of our greenhouse gas emissions as of 2019.

COLLABORATION FOCUSED ON EDUCATION

Knowit in Örebro has entered into a partnership with Örebro University and Alfred Nobel Science Park, aimed at providing the possibility for promising students at the university to test new product ideas. The winning project this year is an app where the user rates meals. The information can then be used by researchers and the food industry.

For the third year running, Knowit has organized Codeit, a summer camp involving programming for children in middle school. Knowit has developed the contents and educational materials for Codeit along with Edvira. All the materials were tailored for the age group and during the camp, the children have worked with various projects, including programming games, apps, and robots through the platform Scratch Studio. A summer school for children and youths was also organized in Oslo. 

Improved cash flow during the quarter

Net sales and profit

JANUARY – JUNE

Net sales increased to SEK 1,718.3 (1,558.2) million, an increase by 10.3 percent as compared with the corresponding period last year. Net sales increased to SEK 921.3 (901.7) million in Sweden, SEK 673.4 (535.3) million in Norway and SEK 89.1 (83.6) million in Finland. Sales per employee increased to SEK 786 (775) thousand.

The operating profit before amortization of intangible assets (EBITA) increased to SEK 165.7 (158.7) million, an increase by 4.4 percent as compared with the corresponding period last year. If IFRS 16 (Leases) had not been applied, EBITA would have increased to SEK 164.8 (158.7) million. In Sweden, EBITA was SEK 106.1 (117.2) million, in Norway it increased to SEK 87.1 (65.8) million, and in Finland it was SEK 6.2 (9.4) million. The operating margin (EBITA) was 9.6 (10.2) percent.

Amortization of intangible assets amounted to SEK -3.1 (-3.2) million.

The operating profit after financial items increased to SEK 159.0 (154.0) million. The financial net was SEK -3.6 (-1.5) million. The financial net was affected by costs for synthetic options, as well as costs for interest relating to bank loans and leasing. IFRS 16 has affected financial net 2019 by SEK -1.9 million.

The results after taxes increased to SEK 124.2 (117.4) million. Tax for the period amounted to SEK -34.8 (-36.6) million. The non-controlling interests' share of profit for the year increased to SEK 5.1 (4.6) million. Earnings per share increased to SEK 6.19 (5.89).

THE SECOND QUARTER

Net sales increased to SEK 844.6 (797.2) million, an increase by 5.9 percent as compared with the corresponding period last year. Net sales increased to SEK 456.2 (450.1) million in Sweden, SEK 328.9 (285.6) million in Norway and SEK 43.8 (42.1) million in Finland. Sales per employee were SEK 386 (395) thousand.

The operating profit before amortization of intangible assets (EBITA) was SEK 65.3 (72.4) million. If IFRS 16 (Leases) had not been applied, EBITA would have been SEK 64.8 (72.4) million. In Sweden, EBITA was SEK 44.5 (53.9) million, in Norway it increased to SEK 40.1 (32.9) million, and in Finland EBITA was SEK 2.0 (3.9) million. The operating margin (EBITA) was 7.7 (9.1) percent.

Amortization of intangible assets amounted to SEK -1.5 (-1.6) million.

The operating profit after financial items increased to SEK 62.0 (69.6) million. The financial net was SEK -1.8 (-1.2) million. The financial net was affected by costs for synthetic options, as well as costs for interest relating to bank loans and leasing. IFRS 16 has affected the financial net 2019 by SEK -1.0 million.

The results after taxes were SEK 47.4 (51.9) million. Tax for the period amounted to SEK -14.6 (-17.7) million. The non-controlling interests' share of profit for the year increased to SEK 2.3 (2.1) million. Earnings per share were SEK 2.34 (2.60).

Cash flow

JANUARY – JUNE

Cash flow from operating activities was SEK 68.8 (79.6) million, where the change in working capital is affected by increased accounts receivable, decreased short-term liabilities, and IFRS 16.

Cash flow from investment activities totaled SEK -13.1 (-53.5) million, affected mainly by consideration for acquisitions made in past years, which totaled SEK -7.7 (-45.2) million and investments in tangible assets.

Cash flow from financing activities was SEK -152.6 (-106.0) million, affected by dividends to shareholders in Knowit AB and non-controlling interests in group companies, IFRS 16, and amortization of bank loans.

Total cash flow was SEK -96.9 (-79.9) million.

APRIL – JUNE

Cash flow from operating activities was SEK 89.5 (72.8) million, where the change in working capital is affected by decreased accounts receivable.

Cash flow from investment activities totaled SEK -10.1 (-48.3) million, affected mainly by consideration for acquisitions made in past years, which totaled SEK -7.7 (-45.2) million and investments in tangible assets.

Cash flow from financing activities was SEK -135.2 (-102.5) million, affected by dividends to shareholders in Knowit AB and non-controlling interests in group companies, IFRS 16, and amortization of bank loans.

Total cash flow was SEK -55.8 (-78.0) million.

Segment

JANUARY – JUNE

The group's operations are organized so that the corporate management mainly follows up on three business areas: Experience, Insight, and Solutions. Net sales for the segment Experience increased to SEK 451.8 (380.5) million, for the segment Insight they increased to SEK 231.3 (224.9) million, and for the segment Solutions they increased to SEK 1,118.9 (1,033.3) million.

The operating profit before amortization of intangible assets (EBITA) was SEK 33.6 (34.2) million for the segment Experience, was SEK 32.1 (36.3) for the segment Insight, and increased to SEK 130.6 (123.7) for the segment Solutions.

The EBITA margin was 7.4 (9.0) percent for the segment Experience, 13.9 (16.1) percent for the segment Insight and 11.7 (12.0) percent for the segment Solutions.

The parent company's results, the effects of IFRS 16, and other consolidating adjustments are not included in segment reporting.

The group cont.

Financial position

JANUARY – JUNE

Cash and cash equivalents were SEK 97.2 (25.6) million as per June 30 2019. Goodwill and other intangible assets amounted to SEK 981.3 (949.9) million, of which goodwill was SEK 957.5 (931.9) million, and other intangible assets were SEK 23.8 (18.0) million.

Equity increased to SEK 1,141.9 (1,021.0) million. Interest-bearing liabilities totaled SEK 289.3 (95.3) million on June 30 2019, of which SEK 189.4 (45.7) million were long-term and SEK 99.9 (49.6) million were short-term. Bank loans decreased to SEK 5.2 (16.3) million, a used overdraft facility totaled SEK 0 (0) million of a granted overdraft facility of SEK 25.0 (170.0) million, financial leases totaled SEK 216.4 (24.4) million and

liabilities related to future consideration and synthetic options in subsidiaries totaled SEK 67.6 (54.6) million.

The equity ratio was 52.2 (55.8) percent as per June 30 2019.

Employees

JANUARY – JUNE

On June 30 2019, a total of 2,275 (2,113) people were employed by the group. The number of employees has increased by 15 people during 2019.

The average number of employees during the period increased to 2,185 (2,010). The average number of employees in Sweden increased to 1,298 (1,247), in Norway to 734 (618), and in Finland to 115 (109). **k**

Parent company

Results and financial position

JANUARY – JUNE

The operating profit before amortization of intangible assets (EBITA) totaled SEK -28.1 (-28.2) million. The financial net was SEK 34.6 (5.5) million, affected mainly by dividends to subsidiaries. The result after financial net was SEK 5.2 (-22.7) million.

As per June 30 2019, equity was SEK 266.4 (298.4) million. Untaxed reserves, mainly accrual funds, were SEK 92.9 (78.5) million. **k**

Other information

Changed accounting principles

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.

For a comprehensive description of the essential risks and uncertainty factors, see Note 2 in Knowit's annual report for 2018, pages 70–71. No significant changes have occurred since.

Accounting principles

This summary interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, and applicable provisions in the Swedish Annual Accounts Act.

The interim report for the Parent company has been prepared in accordance with 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.

Other information cont.

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.

The group applies IFRS 16 "Leases" as of January 1 2019. The parent company does not apply IFRS 16 in accordance with the exception in RFR 2. A description of IFRS 16 and the effects of the transition to this standard are presented in brief below.

ALTERED ACCOUNTING PRINCIPLES

IFRS 16 "Leases" replaces IAS 17 "Leases" and the associated interpretations IFRIC 4, SIC-15, and SIC 27. The standard requires that all assets and liabilities attributable to all leasing contracts, with some exceptions, are presented in the balance sheet. The reporting for the lessee is largely unchanged. The standard is applicable to fiscal years starting after January 1 2019. Knowit applies IFRS 16 as of January 1 2019.

The standard has mainly affected Knowit's reporting of the group's operational leasing agreements, such as rental agreements for offices and the like. The standard provides for various transitional methods and Knowit has chosen not to apply the standard retroactively. Instead, Knowit will apply IFRS 16 as of January 1 2019. The transitional rule selected means that the financial reports for 2018 will not be recalculated.

The group reports a usufruct asset and a leasing liability on the start date of the leasing contract. The usufruct asset is initially valued at the cost of acquisition, plus leasing fees paid at or before the start date plus any initial direct fees. The usufruct asset is then written off linearly, from the start date until the end of the use period of the asset or the end of the leasing period, whichever comes first.

The leasing liability is initially valued at the present value of the future leasing fees that have not been paid at the start date. The leasing fees are discounted at the marginal borrowing rate of the leasing contract. If this interest rate cannot easily be determined, Knowit's marginal borrowing rate is used. The leasing liability is then valued at amortized cost with the effective interest method. The leasing liability is revalued if the future leasing fees are changed as a result of changes in an index or a rate. When the leasing liability is revalued in this way, a corresponding adjustment is made to the reported value of the usufruct asset.

The group has chosen not to report usufruct assets and leasing liabilities for leasing contracts with a leasing period of 12 months or less, or underlying assets of lesser value. Leasing fees for these leasing contracts are reported as a cost linearly throughout the leasing period.

The opening effect on the balance sheet of the group as per January 1 2019 is that a leasing asset (usufruct) totaling SEK 229 million and a leasing liability totaling SEK 216 million are added, of which SEK 13 million have been reclassified from prepaid expenses. The effects on the balance sheet, income statement, and cash flow for the period are reported in the table "Comparative figures as if IAS 17 had been used in 2019."

To estimate the effects of IFRS 16, the group has used a weighted average of the marginal interest rate as the discount rate. The marginal interest rate applied is 1.7 percent.

For the segments, the effects of IFRS 16 are reported as Parent company and consolidating adjustments, see the segment reporting for the group.

DISCLOSURE REQUIREMENTS PER QUARTER IN ACCORDANCE WITH IFRS

Financial instruments reported at other than actual value

There are no significant differences between reported values and actual values for financial instruments in the balance sheet.

Events after the end of the interim reporting period

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

Alternative key figures

In this interim report, we are using the following alternative key figures, as a supplement to the measures defined in applicable rules for the financial report, as we believe they supplement and provide clearer and more in-depth information directly related to our consultancy operations. These measures are used in follow-up of our long-term financial targets and to give a fair idea of Knowit's results and financial position to the Board, management team, shareholders, and other stakeholders on the financial market. The Board has, among other things, determined that the EBITA profit should exceed the net debt, that the EBITA margin should exceed a 10 percent average over a period of five years and that equity should exceed the intangible assets. We also monitor capital employed, as it is an important aspect of the working capital turnover. The key figures that Knowit's management team follows up on each month have been selected so that they give an idea of profitability, growth, and cash flow. Through these measures, we can ensure that the Board's long-term goals are achieved in the operations. For more information on our long-term financial targets and further definitions of key figures, see the annual report for 2018, pages 9 and 93.

EBITA PROFIT The profit before amortization of intangible assets

EBITA MARGIN The profit before amortization of intangible assets (EBITA) in relation to the turnover of the period. $(165.7 / 1,718.3 = 9.6\%)$

NET LIABILITIES Interest-bearing liabilities less financial interest-bearing assets. $(189.4 + 99.9 - 7.2 = \text{SEK } 282.1 \text{ million})$

AVERAGE EQUITY The average of the opening equity of the period and the closing equity of the period. $((1,141.9 + 1,106.3) / 2 = \text{SEK } 1,124.1 \text{ million})$

EARNINGS ON EQUITY The profit after taxes in percent of average equity including non-controlling interest shares. $(124.2 / 1,124.1 = 11.0\%)$

CAPITAL EMPLOYED Total assets plus interest-bearing liabilities. $((1,141.9 + 189.4 + 99.9 + 1,106.3 + 79.5 + 26.8) / 2 = \text{SEK } 1,321.9 \text{ million})$

EARNINGS ON CAPITAL EMPLOYED

Profit after financial items plus financial costs in percent of average capital employed. $((159.0 + 4.6) / 1,321.9 = 12.4\%)$

Other information cont.

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 Q3

October 23 2019 08.30 AM

YEAR-END REPORT 2019

February 6 2020 08.30 AM

Certification

Stockholm, July 15 2019

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

MATS OLSSON

Chairman

CAMILLA MONEFELDT KIRSTEIN

Board Member

GUNILLA ASKER

Board Member

JON RISFELT

Board Member


Address and contact information

Knowit AB, (Company reg.no. 556391-0354)
Box 3383, 103 68 Stockholm
Visiting address: Klarabergsgatan 60
Phone: + 46 (0)8 700 66 00, Fax: +46 (0)8 700 66 10
knowit.eu.

For more information

Per Wallentin, President and CEO, Knowit AB (publ), +46 (0)8 700 66 00 or
Christina Johansson, CCO, Knowit AB (publ), +46 (0)8 700 66 00 or +46 (0)705 421 734 or
Elisabet Jarnbring, deputy CFO, Knowit AB (publ), +46 (0)8 700 66 00.

Knowit AB (publ)

Knowit AB (publ) is a consultancy firm that creates unique customer values by offering digital and cross-functional solutions from three business areas: Experience, Insight and Solutions. It is the capacity to combine competencies within IT, design and communication and management consultancy that sets us apart from other consultancy firms. Our culture is characterized by openness, understanding of the client's business, high competence and a drive to constantly develop. Knowit was founded in 1990 and currently has around 2,300 employees in 14 locations in Sweden, five locations in Norway, and one each in Denmark, Finland, and Germany. Knowit AB (publ) is quoted on NASDAQ OMX in Stockholm. For further information about Knowit, please visit knowit.eu. 

KIA ORBACK PETERSSON

Board Member

PEDER RAMEL

Board Member

STEFAN GARDEFJORD

Board Member

PER WALLENTIN

CEO

Consolidated income statement

SEK MILLIONS	APR-JUN 2019	APR-JUN 2018	JAN-JUN 2019	JAN-JUN 2018	JAN-DEC 2018
Net sales	844.6	797.2	1,718.3	1,558.2	3,083.3
Operating costs	-761.3	-721.8	-1,516.7	-1,393.4	-2,756.3
Depreciation of tangible fixed assets	-18.0	-3.0	-35.9	-6.1	-11.9
OPERATING RESULT BEFORE DEPRECIATIONS OF INTANGIBLE ASSETS (EBITA)	65.3	72.4	165.7	158.7	315.1
Depreciation of intangible fixed assets	-1.5	-1.6	-3.1	-3.2	-6.1
OPERATING RESULT (EBIT)	63.8	70.8	162.6	155.5	309.0
Financial incomes	0.4	0.4	1.0	1.5	1.0
Financial costs	-2.2	-1.6	-4.6	-3.0	-6.4
RESULT AFTER FINANCIAL ITEMS	62.0	69.6	159.0	154.0	303.6
Taxes	-14.6	-17.7	-34.8	-36.6	-71.7
RESULT FOR THE PERIOD	47.4	51.9	124.2	117.4	231.9
Result for the period assignable to shareholders in Parent Company	45.1	49.8	119.1	112.8	223.0
Result for the period assignable to non-controlling interests' holdings	2.3	2.1	5.1	4.6	8.9
Earnings per share					
Earnings per share, before dilution, SEK	2.34	2.60	6.19	5.89	11.62
Earnings per share, after dilution, SEK	2.34	2.60	6.19	5.89	11.62

Consolidated total results

SEK MILLIONS	APR-JUN 2019	APR-JUN 2018	JAN-JUN 2019	JAN-JUN 2018	JAN-DEC 2018
Result for the period	47.4	51.9	124.2	117.4	231.9
<i>Items that may later be reclassified to profit or loss</i>					
Hedging of net investments	–	-0.1	–	-0.5	-0.5
Tax effect, hedging of net investments	–	0.0	–	0.1	0.1
Exchange rate differences	8.0	15.6	31.4	44.2	10.0
OTHER TOTAL RESULTS FOR THE PERIOD, NET AFTER TAX	55.4	67.4	155.6	161.2	241.5
Total result for the period					
Total result assignable to shareholders in Parent Company	53.1	65.2	150.5	156.5	232.6
Total result assignable to non-controlling interests' holdings	2.3	2.2	5.1	4.7	8.9

Consolidated balance sheet

SEK MILLIONS	JUN 30 2019	JUN 30 2018	DEC 31 2018
Assets			
Intangible fixed assets	981.3	949.9	962.9
Tangible fixed assets	247.8	44.7	42.5
Financial fixed assets	7.9	4.8	6.0
Deferred tax assets	2.8	4.8	2.6
Current assets	849.6	800.9	714.0
Cash equivalents	97.2	25.6	194.6
TOTAL ASSETS	2,186.6	1,830.7	1,922.6
Equity and liabilities			
Share capital	19.3	19.2	19.3
Other paid-in capital and provisions	590.3	587.7	558.8
Recognized profits, including result for the period	520.1	402.9	513.3
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY	1,129.7	1,009.8	1,091.4
Non-controlling interests	12.2	11.2	14.9
TOTAL EQUITY	1,141.9	1,021.0	1,106.3
Long-term provisions	44.4	38.0	45.0
Interest-bearing long-term liabilities	189.4	45.7	79.5
Interest-bearing short-term liabilities	99.9	49.6	26.8
Other short-term liabilities	711.0	676.4	665.0
TOTAL EQUITY AND LIABILITIES	2,186.6	1,830.7	1,922.6

Consolidated cash flow analysis

SEK MILLIONS	APR-JUN 2019	APR-JUN 2018	JAN-JUN 2019	JAN-JUN 2018	JAN-DEC 2018
Cash flow current operations before changes in working capital	45.8	55.7	134.9	120.6	250.9
Change in working capital	43.7	17.1	-66.1	-41.0	23.2
CASH FLOW FROM CURRENT OPERATIONS	89.5	72.8	68.8	79.6	274.1
Cash flow from investing activities	-10.1	-48.3	-13.1	-53.5	-68.0
Cash flow from financing activities	-135.2	-102.5	-152.6	-106.0	-113.8
CASH FLOW FOR THE PERIOD	-55.8	-78.0	-96.9	-79.9	92.3
Opening balance at start of period	152.8	106.3	194.6	107.3	107.3
Exchange rate differences in cash equivalents	0.2	-2.7	-0.5	-1.8	-5.0
CLOSING BALANCE AT END OF PERIOD	97.2	25.6	97.2	25.6	194.6

Statement of changes in equity – Group

SEK MILLIONS	APR-JUN 2019	APR-JUN 2018	JAN-JUN 2019	JAN-JUN 2018	JAN-DEC 2018
Opening balance	1,206.5	1,045.0	1,106.3	951.2	951.2
Exchange rate differences	8.0	15.6	31.4	44.2	10.0
Hedging of net investment	–	-0.1	–	-0.5	-0.5
Tax effect hedging of net investment	–	0.0	–	0.1	0.1
Result for the period	47.4	51.9	124.2	117.4	231.9
TOTAL RESULT FOR THE PERIOD	55.4	67.4	155.6	161.2	241.6
TOTAL BEFORE TRANSACTIONS WITH SHAREHOLDERS	1,261.9	1,112.4	1,261.9	1,112.4	1,192.8
Non-controlling interests' holdings	–	-0.7	–	-0.7	-0.8
Additional capital from non-controlling interests' holdings	0.1	-7.3	0.1	-7.3	-6.9
Dividend payment	-120.1	-98.7	-120.1	-98.7	-99.1
New issue in connection with acquisitions	–	–	–	–	5.0
New issue in connection with synthetic options	–	–	–	–	5.3
Share issue for the acquisition of non-controlling interests	–	15.3	–	15.3	10.0
CLOSING BALANCE	1,141.9	1,021.0	1,141.9	1,021.0	1,106.3

Key figures

SEK MILLIONS	APR-JUN 2019	APR-JUN 2018	JAN-JUN 2019	JAN-JUN 2018	JAN-DEC 2018
Average number of employees	2,186	2,019	2,185	2,010	2,032
Sales per average number of employees (SEK, 000s)	386	395	786	775	1,517
Result after financial items per average number of employees (SEK, 000s)	28	34	73	77	149
Return on total capital, %	2.9	3.9	8.0	8.7	16.7
Return on equity, %	4.0	5.0	11.0	11.9	22.5
Return on capital employed, %	4.4	6.2	12.4	14.2	26.8
EBITA margin, %	7.7	9.1	9.6	10.2	10.2
Equity ratio, %	52.2	55.8	52.2	55.8	57.5

Data per share

	APR-JUN 2019	APR-JUN 2018	JAN-JUN 2019	JAN-JUN 2018	JAN-DEC 2018
Earnings per share (SEK)					
Before dilution	2.34	2.60	6.19	5.89	11.62
After dilution	2.34	2.60	6.19	5.89	11.62
Equity per share (SEK)					
Before dilution	58.67	52.54	58.67	52.54	56.68
After dilution	58.67	52.54	58.67	52.54	56.68
Average number of shares (000s)					
Before dilution	19,254	19,180	19,254	19,160	19,191
After dilution	19,254	19,180	19,254	19,160	19,191
Number of shares on balance sheet day (000s)					
Before dilution	19,254	19,221	19,254	19,221	19,254
After dilution	19,254	19,221	19,254	19,221	19,254

Group segment reporting

APR-JUN 2019 SEK MILLIONS	Experience	Insight	Solutions	Parent company/ group adj.	Total
External net sales	210.6	105.5	528.5	–	844.6
Net sales between segments	11.7	8.7	22.3	-42.7	–
NET SALES	222.3	114.2	550.8	-42.7	844.6
Operating result before depreciations of intangible assets (EBITA)	13.0	13.2	56.7	-17.6	65.3
Depreciation of intangible assets	-0.2	–	-0.8	-0.5	-1.5
OPERATING PROFIT (EBIT)	12.8	13.2	55.9	-18.1	63.8
Result after financial items					62.0
RESULT FOR THE PERIOD					47.4
EBITA-margin in %	5.8	11.6	10.2		7.7
Average number of employees	574	285	1,314	13	2,186

JAN-JUN 2019 SEK MILLIONS	Experience	Insight	Solutions	Parent company/ group adj.	Total
External net sales	421.4	212.9	1,084.0	–	1,718.3
Net sales between segments	30.4	18.4	34.9	-83.7	–
NET SALES	451.8	231.3	1,118.9	-83.7	1,718.3
Operating result before depreciations of intangible assets (EBITA)	33.6	32.1	130.6	-30.6	165.7
Depreciation of intangible assets	-0.5	–	-1.3	-1.3	-3.1
OPERATING PROFIT (EBIT)	33.1	32.1	129.3	-31.9	162.6
Result after financial items					159.0
RESULT FOR THE PERIOD					124.2
EBITA-margin in %	7.4	13.9	11.7		9.6
Average number of employees	575	287	1,311	12	2,185
Intangible assets	239.4	61.6	666.1	14.2	981.3
Tangible fixed assets	2.4	0.3	12.0	233.1	247.8

The group's operations are organized so that the management team primarily follows up on sales, EBITA profit, and average number of employees for the group's segments. The management team does not follow up on balance sheets items other than intangible assets distributed across the different operating segments. Non-distributed costs consist of the Parent company's group-wide costs relating to management, finance, market.

Group segment reporting cont.

APR-JUN 2018 SEK MILLIONS	Experience	Insight	Solutions	Parent company/ group adj.	Total
External net sales	171.9	109.7	515.6	–	797.2
Net sales between segments	27.2	3.8	10.1	-41.1	–
NET SALES	199.1	113.5	525.7	-41.1	797.2
Operating result before depreciations of intangible assets (EBITA)	16.2	17.2	57.1	-18.1	72.4
Depreciation of intangible assets	–	–	-1.6	–	-1.6
OPERATING PROFIT (EBIT)	16.2	17.2	55.5	-18.1	70.8
Result after financial items					69.6
RESULT FOR THE PERIOD					51.9
EBITA-margin in %	8.1	15.2	10.9		9.1
Average number of employees	517	259	1,232	11	2,019

JAN-JUN 2018 SEK MILLIONS	Experience	Insight	Solutions	Parent company/ group adj.	Total
External net sales	342.2	209.8	1,006.2	–	1,558.2
Net sales between segments	38.3	15.1	27.1	-80.5	–
NET SALES	380.5	224.9	1,033.3	-80.5	1,558.2
Operating result before depreciations of intangible assets (EBITA)	34.2	36.3	123.7	-35.5	158.7
Depreciation of intangible assets	–	–	-3.2	–	-3.2
OPERATING PROFIT (EBIT)	34.2	36.3	120.5	-35.5	155.5
Result after financial items					154.0
RESULT FOR THE PERIOD					117.4
EBITA-margin in %	9.0	16.1	12.0		10.2
Average number of employees	514	256	1,229	11	2,010
Intangible assets	207.0	62.0	671.1	9.8	949.9
Tangible fixed assets	2.9	0.5	13.3	28.0	44.7

Group revenue from client contracts

SEK MILLIONS	APR-JUN 2019	APR-JUN 2018	JAN-JUN 2019	JAN-JUN 2018	JAN-DEC 2018
GEOGRAPHIC CATEGORIZATION					
Fee revenue					
Sweden	431.9	430.6	873.4	868.5	1,666.0
Norway	325.9	273.4	651.0	511.5	1,055.0
Finland	43.7	41.7	88.8	82.5	158.9
Other	15.9	19.1	34.3	37.2	69.6
TOTAL FEE REVENUE	817.4	764.8	1,647.5	1,499.7	2,949.5
Other revenue					
Sweden	24.3	19.5	47.9	33.2	71.2
Norway	2.9	12.2	22.4	23.8	59.8
Finland	0.0	0.5	0.3	1.1	2.7
Other	0.0	0.2	0.2	0.4	0.1
TOTAL OTHER REVENUE	27.2	32.4	70.8	58.5	133.8
TOTAL NET REVENUE	844.6	797.2	1,718.3	1,558.2	3,083.3
SEGMENT CATEGORIZATION					
Fee revenue					
Experience	206.1	179.9	407.6	344.3	701.9
Insight	110.9	111.6	225.8	220.8	417.7
Solutions	538.9	506.2	1,088.4	1,000.5	1 955.6
Parent company/consol. adjustments	-38.5	-32.9	-74.3	-65.9	-125.7
TOTAL FEE REVENUE	817.4	764.8	1 647.5	1,499.7	2,949.5
Other revenue					
Experience	16.1	19.2	44.1	36.2	78.2
Insight	3.3	1.9	5.5	4.1	8.9
Solutions	11.8	19.5	30.4	32.8	82.3
Parent company/consol. adjustments	-4.0	-8.2	-9.2	-14.6	-35.6
TOTAL OTHER REVENUE	27.2	32.4	70.8	58.5	133.8
TOTAL NET REVENUE	844.6	797.2	1,718.3	1,558.2	3,083.3

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 64-69 in the Annual report 2018.

Comparative figures as if IAS 17 had been used in 2019

SEK MILLIONS	IFRS 16	IAS 17	
	JAN-JUN 2019	JAN-JUN 2019	JAN-JUN 2018
Profit before depreciation of tangible fixed assets	201.6	170.7	164.8
Depreciation of tangible fixed assets	-35.9	-5.9	-6.1
OPERATING RESULT BEFORE DEPRECIATIONS OF INTANGIBLE ASSETS (EBITA)	165.7	164.8	158.7
Depreciation of intangible assets	-3.1	-3.1	-3.2
Financial net	-3.6	-1.7	-1.5
RESULT AFTER FINANCIAL ITEMS	159.0	160.0	154.0
RESULT AFTER TAX	124.2	125.0	117.4
Assets			
Usufruct assets	227.1	–	–
Other tangible assets	20.7	41.5	44.7
TOTAL TANGIBLE ASSETS	247.8	41.5	44.7
TOTAL ASSETS	2,186.6	1,994.3	1,830.7
EQUITY	1,141.9	1,142.7	1,021.0
Liabilities			
Long-term leasing liabilities	148.6	–	–
Other long-term interest-bearing liabilities	40.8	57.3	45.7
TOTAL LONG-TERM INTEREST-BEARING LIABILITIES	189.4	57.3	45.7
Short-term leasing liabilities	67.8	–	–
Other short-term interest-bearing liabilities	32.1	38.9	49.6
TOTAL SHORT-TERM INTEREST-BEARING LIABILITIES	99.9	38.9	49.6
TOTAL EQUITY AND LIABILITIES	2,186.6	1,994.3	1,830.7
Cash flow			
Cash flow before changes in working capital	134.9	106.0	120.6
Changes in working capital	-66.1	-66.1	-41.0
Cash flow from operating activities	68.8	39.9	79.6
Cash flow from investments activities	-13.1	-13.1	-53.5
Cash flow from financing activities	-152.6	-123.7	-106.0
CASH FLOW FOR THE PERIOD	-96.9	-96.9	-79.9

Financial assets and liabilities

SEK MILLIONS	JUNE 30 2019			JUNE 30 2018		
	Financial assets valued at amortized costs	Financial assets valued at actual value in income statement	Actual value	Financial assets valued at amortized costs	Financial assets valued at actual value in income statement	Actual value
Assets in balance sheet						
Other long-term securities holdings	–	0.3	0.3 ¹⁾	–	0.4	0.4 ¹⁾
Other long-term receivables	1.2	–	1.2	1.3	–	1.3
Accounts receivable and other receivables	768.4	–	768.4	720.9	–	720.9
Cash equivalents	97.2	–	97.2	25.6	–	25.6
TOTAL	866.8	0.3	867.1	747.8	0.4	748.2

SEK MILLIONS	JUNE 30 2019			JUNE 30 2018		
	Other financial liabilities	Financial liabilities valued at actual value in income statement	Actual value	Other financial liabilities	Financial liabilities valued at actual value in income statement	Actual value
Liabilities in balance sheet						
Future additional considerations and options	–	52.1	52.1 ²⁾	–	15.5	15.2 ²⁾
Future consideration	15.6	–	15.6 ²⁾	39.1	–	39.1 ²⁾
Other interest-bearing liabilities	221.6	–	221.6	40.7	–	40.7
Accounts payable	130.8	–	130.8	99.7	–	99.7
Other liabilities	234.1	–	234.1	71.6	–	71.6
TOTAL	602.1	52.1	654.2	251.1	15.5	266.6

1) Actual value pursuant to categorization level 2

2) Actual value pursuant to categorization level 3

Reported values of group financial assets and liabilities, distributed based on classification pursuant to IAS 9 are summarized in the above table. No financial assets or liabilities are reported at a value that significantly deviates from actual value. For more information, see Note 23 in the Annual report for 2018.

Income statement Parent Company

SEK MILLIONS	APR-JUN 2019	APR-JUN 2018	JAN-JUN 2019	JAN-JUN 2018	JAN-DEC 2018
Net sales	91.4	74.1	175.5	144.9	307.6
Operating costs	-106.4	-88.6	-203.0	-172.4	-361.7
Depreciation of tangible fixed ass	-0.3	-0.4	-0.6	-0.7	-1.3
OPERATING RESULT BEFORE DEPRECIATION OF INTANGIBLE ASSETS (EBITA)	-15.3	-14.9	-28.1	-28.2	-55.4
Depreciation of intangible fixed assets	-0.5	-	-1.3	-	-0.7
OPERATING RESULT (EBIT)	-15.8	-14.9	-29.4	-28.2	-56.1
Financial items	10.8	1.2	34.6	5.5	130.2
RESULT AFTER FINANCIAL ITEMS	-5.0	-13.7	5.2	-22.7	74.1
Appropriations	-	-	-	-	-14.4
Income taxes	-	-	-	-	-12.9
RESULT FOR THE PERIOD	-5.0	-13.7	5.2	-22.7	46.8

Balance sheet Parent Company

SEK MILLIONS	JUN 30 2019	JUN 30 2018	DEC 31 2018
Assets			
Intangible fixed assets	14.2	9.7	12.7
Tangible fixed assets	3.9	4.6	4.1
Financial fixed assets	865.3	860.7	871.8
Current assets	114.5	103.4	102.8
Cash equivalents	91.2	22.9	189.6
TOTAL ASSETS	1,089.1	1,001.3	1,181.0
Equity and liabilities			
Share capital	19.3	19.2	19.3
Statutory reserve	68.0	68.0	68.0
Fund for development costs	10.0	9.7	11.3
Unrestricted share capital including result for the period	169.1	201.5	274.3
TOTAL EQUITY	266.4	298.4	372.9
Untaxed reserves	92.9	78.5	92.9
Interest-bearing long-term liabilities	0.0	5.2	1.6
Interest-bearing short-term liabilities	5.2	11.1	7.2
Other short-term liabilities	724.6	608.1	706.4
TOTAL EQUITY AND LIABILITIES	1,089.1	1,001.3	1,181.0