



Interim Report

- Increased net sales and EBITA
- Successful integration of Creuna
- Resumed recruitment

JANUARY - MARCH 2021

NET SALES INCREASED BY 8.0 PERCENT TO SEK 1,011.4 (936.3) MILLION

THE OPERATING PROFIT (EBITA) INCREASED TO SEK 103.3 (95.5) MILLION

RESULTS AFTER TAXES WERE SEK 72.4 (87.7) MILLION

EARNINGS PER SHARE WERE SEK 3.49 (4.39) *

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

CASH FLOW FROM OPERATING ACTIVITIES INCREASED TO SEK 54.5 (40.2) MILLION

* Before and after dilution.

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 08.30 CEST on April 29 2021.

COMMENTS FROM THE CEO

Successful integration of acquisition

We start off the year by increasing our net sales and operating results as compared with the corresponding quarter in 2020. It is gratifying that the integration of Creuna has already had results. The net sales and profit in the business area Experience have increased significantly. In the business area Solutions, we are seeing a slightly weaker quarter than in the previous year, but demand remains high. The business area Insight has a positive development with an improved profit. It is the streamlining performed last year that has had a positive effect.



IN LATE MARCH, one year ago, demand ground to a halt due to the outbreak of COVID-19. We managed to quickly adapt our operations to the new circumstances and despite the ongoing pandemic, we have a good market.

SUCCESSFUL INTEGRATION

The integration of Creuna has been successful and we are seeing clear synergy gains. Experience has increased its net sales and profit by about 40 percent. Our offer has been strengthened through the acquisition and we have received several new client assignments. Demand remains strong, particularly in the fields of e-commerce and e-health.

The integration of Creuna also shows that we have an ability to both create value in our existing operations and to manage larger acquisitions.

THE MARKET REMAINS STRONG

The business area Solutions still has a strong market. In Sweden, we have had high capacity utilization and a positive development of net sales and profit. In Norway, we ended several larger projects at the turn of the year, which caused some idleness. The focus was shifted to sales. During the quarter, we have signed several large contracts during the quarter, including in the public sector, which have meant that we have gradually increased our capacity utilization. During the quarter, we have also invested in resumed recruitment.

A POSITIVE TREND

Our offer in management consultancy in the business area Insight is in a positive trend. The efforts made to streamline the business area during 2020 are contributing greatly to this development. Despite being fewer employees, we have kept net sales up and increased our profit. The demand in the security area remains very high.

POPULAR WORKPLACE

Knowit is an attractive place to work. In Universum's survey, we have once again been chosen as the best workplace in the sector by IT students at universities and university colleges. It is my ambition that we will have a continued organic growth, where we attract the very best talent. Since the turn of the year, we have resumed recruitment with a focus on the areas where we see the largest client needs. I am very pleased with the positive development for Knowit, despite the global uncertainties.

Client offers in e-commerce and security, for instance, have a positive growth. These are areas where we are well-positioned and strong. Our delivery capacity, our specialists, and our position mean that we are well-prepared for the day when society shifts back to normal. I look to the future with confidence. ■

PER WALLENTIN
CEO and President

EVENTS DURING THE PERIOD



JANUARY – MARCH 2021

Richard Oehme, senior consultant in societal security at Knowit Insight, participated as an expert at **FOLK OCH FÖRSVAR'S ANNUAL NATIONAL CONFERENCE**. The theme for the conference was Sweden's ability to deal with threats and crises in a changing world.

In Universum's student survey, Knowit was once again ranked **BEST IN THE SECTOR** and the most attractive workplace among IT students.

Knowit was in first place in Radar's **CUSTOMER SATISFACTION SURVEY** among decisionmakers in the category operation-associated IT.

THE INNOVATION AWARD IBSI FinTech Innovation Awards was won by Knowit's fully automated loan process Dploy.

KNOWIT DENMARK WON the Danish Business Authority's (Erhvervsstyrelsen's) Hackathon, which was organized to showcase the potential of geodata when combined with AI solutions.

Knowit Experience has entered into a **PARTNERSHIP WITH BRIQPAY**, a payment platform in e-commerce that provides a cost-effective way to connect different payment solutions.

Navigator named Knowit's blog **BEST IN SWEDEN IN IT** in its annual ranking.

Marianne Dorthea Jacobsen, CEO of Knowit Experience in Bergen, was named one of **NORWAY'S LEADING WOMEN IN TECH** by Abelia and ODA-Nettverk.

THE PERIOD IN BRIEF

Higher profit and increased net sales

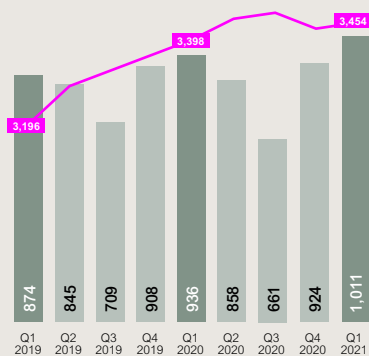
JANUARY – MARCH 2021

Sales increased to SEK 1,011.4 (936.3) million, affected by the acquisition of Creuna. Profit before amortization of intangible assets (EBITA) increased to SEK 103.3 (95.5) million. Compared with the corresponding period last year, exchange rate developments had a negative effect on EBITA totaling SEK -2.0 million.

Cash flow from operating activities increased to SEK 54.5 (40.2) million, where the change in operating capital had an impact of SEK -53.0 million.

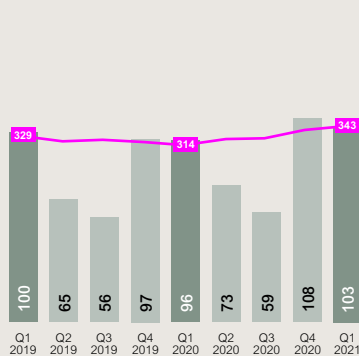
Goodwill and other intangible assets increased to SEK 1,412.7 (1,039.6) million. On March 31, 2021, a total of 2,534 (2,356) people were employed in the Group. Knowit has a stable financial position, with net cash of SEK 140.4 million. ■

SEK, MILLIONS	JAN-MARCH 2021	JAN-MARCH 2020
Sales	1,011.4	936.3
Sales, Creuna	–	102.2
Sales, including Creuna	1,011.4	1,038.3
Sales, change, %	-2,6	
of which is exchange rate effect, %	-2.0	
EBITA	103.3	95.5
EBITA margin, %	10.2	10.2
Cash flow from operating activities	54.5	40.2
Intangible assets	1,412.7	1,039.6
Number of employees	2,534	2,356



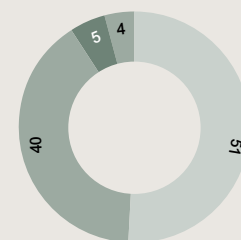
NET SALES, SEK, MILLIONS

- Net sales, quarterly data
- Rolling 12 months



EBITA, SEK, MILLIONS

- EBITA, quarterly data
- Rolling 12 months



SALES PER COUNTRY JANUARY – MARCH 2021

Sweden	51% (54)
Norway	40% (39)
Finland	5% (5)
Denmark	4% (2)
Other	0% (0)

MARKET AND OPERATIONS

Strong position

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

DIGITALIZATION CREATES NEW possibilities for citizens and society. 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, events, and travel planning. Every day, people use many solutions from Knowit that simplify their lives and create new ways to keep in touch and communicate.

Knowit Solutions helps companies and organizations to develop their operations and succeed in the digital shift. Together with its clients, Solutions develops tailored systems and solutions that make use of the latest technology. In this way, Knowit contributes to a simpler everyday life for individuals, and smarter, more effective processes for its clients.

The business area Experience assists its clients in building stronger relationships with their end customers. Through creating the most relevant and personal customer experiences, based on data-driven insights, Experience contributes to increasing customer loyalty and increasing precision in customer offers. This can involve anything from user-friendly customer interfaces, e-commerce, and bank services to new services in the public sector.

Knowit Insight offers management consultancy services that support management teams to create effective and agile organizations. The transition caused by digitalization

creates an increased demand for services in security and law, culture and behavior change, development of operative processes, and new work methods.

GOOD SPREAD ACROSS DIFFERENT CLIENT INDUSTRIES

Knowit's broad and specialized offerings mean that its clients are found in many different industries. The distribution of sales is relatively stable, with the largest net sales in the public sector, providing 38 percent of net sales. The shares in retail, banking and finance, and the manufacturing industry are relatively stable, each in the range 12-20 percent of sales.

A STRONG CLIENT OFFERING

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

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.

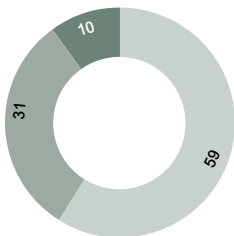
DRAMATIC DECREASE IN CO2 EMISSIONS

Knowit's CO2 emission has decreased by almost 70 percent during 2020. The reasons are in part the impact of COVID-19, with fewer physical trips, meetings, conferences, etc., and in part an increased focus on sustainability. For Sweden to become climate-neutral by 2045, all of society must undergo a transformation.

The solutions made possible by digitalization have a great potential to decrease the global emissions of greenhouse gases. As part of its sustainability efforts, Knowit has chosen to join the newly established non-profit association Digitaliseringskonsulterna (The Digitalization Consultants), with the aim of accelerating the strategic work toward a sustainable and fossil-free society.

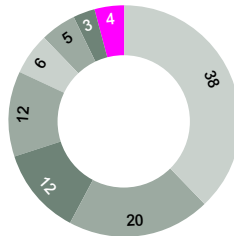
RESUMED RECRUITMENT

After being on hiatus in 2020, Knowit's trainee program, Knowit Academy, has once again opened for applications. The program has been adapted for new client needs and offers two tracks: digital service development and system development.



SALES PER SEGMENT
JANUARY - MARCH 2021

Solutions	59% (65)
Experience	31% (24)
Insight	10% (11)



SALES PER INDUSTRY FIELD
JANUARY - MARCH 2021

Public sector	38% (36)
Banking, finance and insurance	20% (15)
Retail and service companies	12% (16)
Industry	12% (12)
Energy	6% (6)
Telecom	5% (7)
Media, education and gaming	3% (2)
Other	4% (6)

→ MARKET AND OPERATIONS

A FOCUS ON EQUALITY

Marianne Dorthea Jacobsen, CEO of Knowit Experience in Bergen, has been named one of Norway's top women in tech. For the fifth year running, Abelia and ODA-Nettverk have listed the 50 leading women in tech in Norway. The purpose of the list is to highlight talent and good role models, to inspire more women to choose to work with tech.

Knowit has, since 2017, made group-wide transformation efforts across both national and company boundaries. The goal is to increase awareness within the organization as regards gender, ethnicity, and minorities. This is a high-priority area for all Knowit companies and all executives and mid-level managers in the Nordic region.

HIGHEST SUPPLIER QUALITY IN OPERATION-ASSOCIATED IT

In the survey company Radar Ecosystem's annual measurement of supplier quality, Knowit is at the top of the list for the category operation-associated IT. The justification is that Knowit has a complete understanding of each client's operations and works to develop its business processes and potential opportunities.

The report on supplier quality is part of Radar's annual reporting since 2011. It presents developments and analyses regarding customer satisfaction in four defined segments of the IT service market, based on eight assessment areas. The area operation-associated IT includes the IT-related investments that are closest to home for the purchaser.

This year, more than 1,000 Swedish operations participated in assessing their suppliers in this, Sweden's largest quantitative survey among decisionmakers within IT, measuring supplier quality, customer satisfaction and business value.

FINANCIAL OUTCOME

The Group's operations are organized so that the Corporate Management Team primarily follows three business areas. The net sales for Solutions were SEK 631.5 (635.1) million, for Experience, they increased to SEK 337.2 (242.8) million, and for Insight, they were SEK 103.1 (109.4) million.

Profit before amortization of intangible assets (EBITA) for Solutions was SEK 70.8 (82.5) million, for Experience increased to SEK 41.7 (29.6) million, and for Insight increased to SEK 7.3 (6.6) million.

The EBITA margin for Solutions was 11.2 (13.0) percent, for Experience increased to 12.4 (12.2) percent, and for Insight increased to 7.1 (6.0) percent.

Solutions

SEK, MILLION	JAN-MARCH 2021	JAN-MARCH 2020
Sales	631.5	635.1
EBITA	70.8	82.5
EBITA margin, %	11.2	13.0
Number of employees	1,369	1,384

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 approximately 1,400 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.

As of January 1, 2021, Knowit Mobile Syd, with 26 consultants, has switched business area from Solutions to Experience. This means that comparative figures have been adjusted.

DATA-DRIVEN BUSINESS

Solutions has a clear focus on gathering and highlighting competencies in the area of data-driven insights. This serves to create a clearer and more attractive client offer. Through multiple partnerships with larger platform suppliers, we create unique possibilities to support our clients' usage of existing data, combined with external open data sources.

INCREASED PACE IN DIGITALIZATION PROJECTS

COVID-19 has had a relatively small impact on the performance of projects for existing clients in the business area Solutions. New work methods with teleworking and digital meetings have made it possible to more or less keep deliveries to clients at the same level as before.

DIGITAL STUDENT EVENTS

The lack of physical job fairs for students has led universities and university colleges to organize digital solutions. During the fall and after the turn of the year, many students have contacted Knowit to get more information. In March, Knowit Solutions therefore held a digital job fair aimed at these students.

COMMENTS FROM THE EVP OF SOLUTIONS:

"The Swedish operations have started the year in a positive manner, on par with last year, despite fewer work hours. In Norway, we have several new assignments that have now been begun, primarily in the public sector, have begun and will have a direct positive impact on capacity utilization going forward," says Åsa Holmberg.

STRONG DEMAND FOR NEW TECHNICAL SOLUTIONS

In both Norway and Sweden, the business area Solutions has the single largest share of its clients in the public sector. The Norwegian Tax Administration, the Municipality of Oslo, and the City of Stockholm are clients where Knowit has, for a long time, had assignments to support and drive large digitalization projects forward.

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

In banking and finance, there are some clients among the more niche players that are challenging existing business models, such as Länsförsäkringar and Sparebank 1.

→ MARKET AND OPERATIONS

A CURRENT REFERENCE CASE: DIGITAL TRANSFORMATION OF NORWEGIAN AUTHORITY

Knowit is one of four suppliers selected as a partner to NAV (the Norwegian Labor and Welfare Administration) for the next four years. The goal is to increase the pace of the digital transformation in the Norwegian labor and welfare service. Knowit will, together with other partners, contribute in product development, data, design, and agile coaching.

Experience

SEK, MILLION	JAN-MARCH 2021	JAN-MARCH 2020
Sales	337.2	242.8
EBITA	41.7	29.6
EBITA margin, %	12.4	12.2
Number of employees	868	643

The business area Experience is one of the leading digital agencies in the Nordic region, with almost 900 specialists at the interface between technology and communication, who take responsibility for the entire digital customer experience. In the client projects, staffed with multiple competencies in web, e-commerce, analysis, marketing, design, and big data, Experience helps companies and organizations achieve their business-critical goals. As of January 1, 2021, Knowit Mobile Syd, with 26 consultants, has switched business area from Solutions to Experience. This means that comparative figures have been adjusted.

SUSTAINABLE DEVELOPMENT IN HEALTHCARE

Experience has several client assignments in healthcare, in both the private and public sector. Many parts of the patient experience have come into focus during the pandemic, for obvious reasons. Here, Experience has created a clearer position through assignments where new, user-friendly customer interfaces have been developed and processes have integrated between different players within healthcare. At the same time, Experience has succeeded in gathering players from several parts of the healthcare chain in digital panels and seminars. The ambition is to create tangible, innovative solutions that contribute to Sweden achieving its goal of being a leader in e-health.

INCREASED INTEREST IN E-COMMERCE

Knowit Experience's relationship with its clients is a typical combination of time-limited project assignments and long-term partnerships. As a result of COVID-19, a few client assignments have been downsized or postponed. At the same time, demand has increased in other areas. An example is the increased need to shift sales to data-driven e-commerce solutions more quickly.

Together with its clients, Experience creates effective and integrated e-commerce platforms with a focus on data-driven client experiences and increased sales. One such client is Apoteksgruppen, for which Knowit Experience has been asked to develop the user experience with a focus on simplifying and clarifying the user journey.

COMMENTS FROM THE EVP OF EXPERIENCE:

"A good start to the year, where we have both succeeded in quickly and effectively integrating Creuna and at the same time created a development with both higher net sales and margin in the locations where we both have operations," says Fredrik Ekerhovd.

Experience has several clients in the public sector, where they contribute in various ways to create better and more accessible societal services for individual citizens. Experience has developed websites for several municipalities and authorities, such as Innovasjon Norge and the Finnish National Opera and Ballet.

A CURRENT REFERENCE CASE: NEW DIGITAL CUSTOMER PLATFORMS FOR HOUSING DEVELOPER

Usbl is one of Norway's largest housing developers. Knowit Experience has developed a powerful, digital service platform with new digital services. The goal was to create a total solution and simplify things for Usbl's customers. The close collaboration with Usbl has, in two years, resulted in an integration platform for secure, seamless data streams between Usbl's core systems, a new API, an adjusted graphical profile, a new illustration style, new websites, a new client portal, and several new, digital customer services.

Insight

SEK, MILLION	JAN-MARCH 2021	JAN-MARCH 2020
Sales	103.1	109.4
EBITA	7.3	6.6
EBITA margin, %	7.1	6.0
Number of employees	267	303

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

The business area Insight, with around 270 employees, is a challenger on the Nordic management consulting market. Primary offers from Insight include data-driven growth, organizational and strategic development, security, e-health, and sourcing.

INCREASED DEMAND FOR SECURITY SOLUTIONS

In the wake of COVID-19, an increased demand in the security area has been noticeable, as well as increased demand from the public sector, where several digitalization projects have been given higher priority. Around a hundred of Insight's consultants are currently in offers related to the security field, which has shown strong growth. As a result of the continued strong demand in security and law, Insight has continued to recruit more experts and will, this fall, be performing another "cyber hero program" for newly recruited employees.

→ MARKET AND OPERATIONS

PROCUREMENT SUPPORT FOR CLIENTS

Knowit Insight has launched an updated offer in sourcing to assist clients in purchasing processes and support them with strategy, purchasing, and other types of procurements. The business area has had management consultants working with purchasing and procurement before, and with the new venture, all the competence in sourcing is gathered in a single company.

COMMENTS FROM THE EVP OF INSIGHT:

“Our long-term efforts to review our organization and adapt our client offer is now showing results, and we have operations with increased profitability. Several parts are contributing to the positive trend and I want to make particular mention of the security area and the turnaround we have had in Gothenburg,” says Carin Strindmark.

NEW WORK METHODS IN HEALTHCARE

Insight has a strong and significant client base in the public sector and an important role in developing and leading performance of the digital transformation for its clients. Its assignments often involving reviewing the operations and its processes, and providing supporting in implementing more agile work methods.

For Region Stockholm, Insight has taken part in creating a more cohesive healthcare chain, ensuring that child patients reach the right healthcare provider right away, decreasing the workload on emergency rooms. The project contributed to improved relationships between 1177 Vårdguiden by phone and other care providers, and increased collaboration regarding each patient and their care.

A CURRENT REFERENCE CASE: 1177 BY PHONE DECREASED THE ER WORKLOAD

Region Stockholm has used the help of Knowit Insight to create the technical and operational conditions for 1177 Vårdguiden by phone, so the client can book appointments for patients directly with care providers, directly during an ongoing conversation. Thanks to the new service, patients who do not have acute or life-threatening conditions will get appointments booked with the right care provider, without having to visit an emergency room. ■

THE GROUP

Increased sales and EBITA

Net sales and profit

The group

JANUARY – MARCH

Net sales increased to SEK 1,011.4 (936.3) million, an increase by 8.0 percent as compared with the corresponding period last year. Compared with the corresponding period last year, the exchange rate development has had a negative impact on net sales of SEK -20.3 million. Net sales increased to SEK 515.8 (502.2) million in Sweden, to SEK 403.0 (368.9) million in Norway, to SEK 46.3 (44.9) million in Finland, and to SEK 42.0 (17.7) million in Denmark. Sales per employee increased to KSEK 418 (410).

The operating profit before amortization of intangible assets (EBITA) increased to SEK 103.3 (95.5) million. Compared with the corresponding period last year, the exchange rate development has had a negative impact on EBITA of SEK -2.0 million. In Sweden, EBITA was SEK 62.7 (65.6) million, in Norway it increased to SEK 50.1 (47.2) million, in Finland it was SEK 1.9 (4.5) million, and in Denmark it increased to SEK 4.4 (1.1) million. The operating margin (EBITA) was 10.2 (10.2) percent.

Amortization of intangible assets amounted to SEK -7.1 (-2.9) million, affected by increased amortization in relation to the acquisition of Creuna.

The operating profit after financial items was SEK 95.0 (111.4) million. The financial net was SEK -1.2 (18.8) million, affected primarily by revaluation of additional consideration and exchange rate development. The figures for last year are largely affected by exchange rate development.

The results after taxes were SEK 72.4 (87.7) million. Tax for the period was SEK -22.6 (-23.7) million. The non-controlling interests' share of profit for the year increased to SEK 3.6 (3.1) million. Earnings per share were SEK 3.49 (4.39).

Segments

JANUARY – MARCH

The Group's operations are organized so that the corporate management mainly follows up on three business fields: Solutions, Experience, and Insight. The Parent Company's results, the effects of IFRS 16, and other consolidating adjustments are not included in segment reporting.

On January 1, 2021, Knowit performed a reorganization, which meant that a smaller operation that was formerly part of the segment Solutions has moved to the segment Experience, for which reason the comparative figures have been adjusted.

Net sales for the segment Solutions were SEK 631.5 (635.1) million, for the segment Experience they increased to SEK 337.2 (242.8) million, and for the segment Insight they were SEK 103.1 (109.4) million.

EBITA were SEK 70.8 (82.5) million for the segment Solutions, increased to SEK 41.7 (29.6) million for the segment Experience, and increased to SEK 7.3 (6.6) million for the segment Insight. EBITA for the segment

Experience has been affected by the acquisition of Creuna.

The EBITA margin was 11.2 (13.0) percent for the segment Solutions, increased to 12.4 (12.2) percent for the segment Experience, and increased to 7.1 (6.0) percent for the segment Insight.

Cash flow

JANUARY – MARCH

Cash flow from operating activities increased to SEK 54.5 (40.2) million, where the change in working capital is affected by increased accounts receivable.

Cash flow from investment activities amounted to SEK -9.6 (-61.0) million, affected by the acquisition of non-controlling interests and investments in property, plant, and equipment. The previous year was affected by the acquisition of Invativa AB.

Cash flow from financing activities was SEK -17.7 (-15.8) million, affected primarily by amortizations of leasing liabilities.

Total cash flow increased to SEK 27.2 (-36.6) million.

Acquisition of operations

In November 2020, Knowit acquired Creuna, a Nordic digital agency. Out of the already communicated annual cost synergies of SEK 40 million, SEK 7.5 million have had a positive effect on the first quarter. The acquisition analysis is still preliminary, no significant changes have affected this quarter.

The share

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

The number of outstanding shares before the issues totaled 19,652,179 and after the issues it was 19,862,003.

Financial position

JANUARY – MARCH

Cash and cash equivalents increased to SEK 704.4 (242.1) million as per March 31, 2021. Goodwill and other intangible assets increased to SEK 1,412.7 (1,039.6) million, of which goodwill was SEK 1,234.8 (988.5) million, and other intangible assets were SEK 177.9 (51.1) million.

Equity increased to SEK 1,724.6 (1,281.6) million. Interest-bearing liabilities totaled SEK 564.0 (263.5) million on March 31, 2021, of which SEK 326.1 (161.2) million were long-term and SEK 237.9 (102.3) million were short-term. Bank loans were SEK 155.3 (0.0) million of a granted credit facility totaling SEK 250.0 (0.0) million. Use of an overdraft facility totaled SEK 0.0 (0.0) million.

→ THE GROUP

of a granted overdraft facility of SEK 50.0 (50.0) million, leasing liabilities totaled SEK 208.4 (180.7) million and liabilities related to future consideration in subsidiaries totaled SEK 200.4 (82.8) million.

The equity/asset ratio was 53.3 (56.1) percent as per March 31, 2021.

Employees

JANUARY – MARCH

On March 31, 2021, a total of 2,534 (2,356) people were employed by the Group. The number of employees has decreased by 44 people during 2021.

The average number of employees has during the period increased to 2,419 (2,286). The average number of employees in Sweden was 1,334 (1,359), in Norway increased to 838 (764), in Finland increased to 138 (122), and in Denmark increased to 102 (36).

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 events have occurred after the end of the Interim Report. For more information, see Note 29 Transactions with related parties, page 81 in the Annual Report 2020. ■

PARENT COMPANY

Results and financial position

JANUARY – MARCH

The operating profit/loss before amortization of intangible assets (EBITA) was SEK -18.4 (-21.2) million. The financial net was SEK 11.4 (23.3) million. The profit/loss after financial net was SEK -8.1 (1.1) million.

As per March 31, 2021, equity had increased to SEK 620.6 (437.2) million, in part affected by the issues performed. Untaxed reserves, mainly accrual funds, increased to SEK 115.7 (111.8) million. ■

OTHER INFORMATION

AGM in May

AGM

In accordance with what has been communicated in the Annual Report 2020, the AGM will occur on Tuesday May 11, 2021, through postal voting. Notice to attend was published on April 7, 2021, and the complete documents ahead of the AGM, including the notice, can be found on the Company's website, knowit.eu.

Essential risks and uncertainty factors

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

Aside from that, the current COVID-19 pandemic entails a risk for the company. COVID-19 is a unique event in the sense that it is unpredictable, hard to assess and a risk

→ OTHER INFORMATION

for the market on which the company operates, and for its clients. Thus, the pandemic will potentially also affect Knowit's possibilities of generating profits and growth in line with historic values.

For a more comprehensive description of the essential risks and uncertainty factors, see Note 2 in Knowit's Annual Report for 2020, page 67.

Accounting principles

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

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

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

Events after the end of the interim period

The shares subscribed in the offset issue on March 30, 2021, were registered at the Swedish Companies Office on April 8, 2021. Aside from that, no significant events have occurred after the end of the interim period.

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

AGM

May 11, 2021, 1:00 PM

INTERIM REPORT JANUARY – JUNE 2021

July 15, 2021, 7:30 AM (NB: changed time)

INTERIM REPORT JANUARY – SEPTEMBER 2021

October 22, 2021, 7:30 AM (NB: changed time)

YEAR-END REPORT 2021

February 4, 2022, 7:30 AM (NB: changed time)

Certification

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

STOCKHOLM, APRIL 29, 2021

PER WALLENTIN

Chief Executive Officer

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

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, please contact

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
Marie Björklund, 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: Solutions, Experience, and Insight. It is the ability 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 2,550 employees in 15 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. ■

ACCOUNTS

Consolidated income statement in summary

SEK, MILLIONS	JAN-MARCH 2021	JAN-MARCH 2020	JAN-DEC 2020
Net sales	1,011.4	936.3	3,379.1
Operating costs	-886.0	-822.7	-2,970.4
Depreciation of tangible fixed assets	-22.1	-18.1	-73.7
Operating result before depreciations of intangible assets (EBITA)	103.3	95.5	335.0
Depreciation of intangible fixed assets	-7.1	-2.9	-12.3
OPERATING RESULT (EBIT)	96.2	92.6	322.7
Financial incomes	4.5	19.5	15.5
Financial costs	-5.7	-0.7	-6.3
RESULT AFTER FINANCIAL ITEMS	95.0	111.4	331.9
Taxes	-22.6	-23.7	-74.0
RESULT FOR THE PERIOD	72.4	87.7	257.9
Result for the period attributable to shareholders in Parent Company	68.8	84.6	249.8
Result for the period attributable to non-controlling interests' holdings	3.6	3.1	8.1
EARNINGS PER SHARE			
Earnings per share, before dilution, SEK	3.49	4.39	12.96
Earnings per share, after dilution, SEK	3.49	4.39	12.96

Consolidated total results in summary

SEK, MILLIONS	JAN-MARCH 2021	JAN-MARCH 2020	JAN-DEC 2020
Result for the period	72.4	87.7	257.9
<i>Items that may later be reclassified to profit or loss</i>			
Loss on hedging of exchange rate risks in foreign operations	8.1	–	-1.6
Tax effects on hedging	-1.7	–	0.3
Translation differences	45.2	-47.2	-55.9
OTHER TOTAL RESULTS FOR THE PERIOD, NET AFTER TAX	124.0	40.5	200.7
Total result for the period			
Total result assignable to shareholders in Parent Company	120.4	37.4	192.8
Total result assignable to non-controlling interests' holdings	3.6	3.1	7.9

→ ACCOUNTS

Consolidated balance sheet in summary

SEK, MILLIONS	2021-03-31	2020-03-31	2020-12-31
Assets			
Intangible fixed assets	1,412.7	1,039.6	1,380.7
Tangible fixed assets	236.7	209.2	232.3
Financial fixed assets	15.7	10.6	16.7
Deferred tax assets	18.1	2.7	17.9
Current assets	845.7	779.7	738.9
Cash equivalents	704.4	242.1	675.6
TOTAL ASSETS	3,233.3	2,283.9	3,062.1
Equity and liabilities			
Share capital	19.8	19.3	19.7
Other paid-in capital and provisions	791.3	528.2	517.2
Recognized profits, including profit for the year	894.6	716.3	993.9
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY	1,705.7	1,263.8	1,530.8
Non-controlling interests	18.9	17.8	14.2
TOTAL EQUITY	1,724.6	1,281.6	1,545.0
Long-term provisions	92.4	57.3	91.0
Interest-bearing long-term liabilities	326.1	161.2	326.7
Interest-bearing short-term liabilities	237.9	102.3	277.6
Other short-term liabilities	852.3	681.5	821.8
TOTAL EQUITY AND LIABILITIES	3,233.3	2,283.9	3,062.1

Consolidated cash flow analysis in summary

SEK, MILLIONS	JAN-MARCH 2021	JAN-MARCH 2020	JAN-DEC 2020
Cash flow current operations before changes in working capital	107.5	71.3	313.0
Change in working capital	-53.0	-31.1	128.3
CASH FLOW FROM CURRENT OPERATIONS	54.5	40.2	441.3
Cash flow from investing activities	-9.6	-61.0	-97.4
Cash flow from financing activities	-17.7	-15.8	56.4
CASH FLOW FOR THE PERIOD	27.2	-36.6	400.3
Opening balance at start of period	675.6	278.4	278.4
Exchange rate differences in cash equivalents	1.6	0.3	-3.1
CLOSING BALANCE AT END OF PERIOD	704.4	242.1	675.6

→ ACCOUNTS

Statement of changes in equity in summary – Group

SEK, MILLIONS	JAN-MARCH 2021	JAN-MARCH 2020	JAN-DEC 2020
Opening balance	1,545.0	1,241.1	1,241.1
Translation differences	45.2	-47.2	-55.9
Loss on hedging of exchange rate risks in foreign operations	8.1	–	-1.6
Tax effects on hedging	-1.7	–	0.3
Result for the period	72.4	87.7	257.9
TOTAL RESULT FOR THE PERIOD	124.0	40.5	200.7
TOTAL BEFORE TRANSACTIONS WITH SHAREHOLDERS	1,669.0	1,281.6	1,441.8
Non-controlling interests' holdings	0.1	–	-0.3
Additional capital from non-controlling interests' holdings	–	–	-3.4
Dividend payment	–	–	-8.4
New issue in connection with acquisition	55.5	–	115.3
CLOSING BALANCE	1,724.6	1,281.6	1,545.0

Key figures

	JAN-MARCH 2021	JAN-MARCH 2020	JAN-DEC 2020
Average number of employees	2,419	2,286	2,214
Sales per average number of employees (SEK, 000s)	418	410	1,526
Result after financial items per average number of employees (SEK, 000s)	39	49	150
Return on total capital, %	3.2	5.0	12.7
Return on equity, %	4.2	7.0	18.5
Return on capital employed, %	4.4	7.3	18.4
EBITA margin, %	10.2	10.2	9.9
Equity ratio, %	53.3	56.1	50.5

Data per share

	JAN-MARCH 2021	JAN-MARCH 2020	JAN-DEC 2020
Earnings per share, SEK			
Before dilution	3.49	4.39	12.96
After dilution	3.49	4.39	12.96
Equity per share, SEK			
Before dilution	85.88	65.64	77.90
After dilution	85.88	65.64	77.90
Average number of shares (000s)			
Before dilution	19,708	19,254	19,280
After dilution	19,708	19,254	19,280
Number of shares on balance sheet day (000s)			
Before dilution	19,862	19,254	19,652
After dilution	19,862	19,254	19,652

→ ACCOUNTS

Group segment reporting in summary

JAN-MARCH 2021 SEK, MILLIONS	Solutions	Experience	Insight	Parent Company/ consol. adj.	Total
External net sales	608.3	308.5	94.6	–	1,011.4
Net sales between segments	23.2	28.7	8.5	-60.4	–
NET SALES	631.5	337.2	103.1	-60.4	1,011.4
Operating result before depreciations of intangible assets (EBITA)	70.8	41.7	7.3	-16.5	103.3
Depreciation of intangible assets	-1.6	-4.0	–	-1.5	-7.1
OPERATING PROFIT (EBIT)	69.2	37.7	7.3	-18.0	96.2
Result after financial items					95.0
RESULT FOR THE PERIOD					72.4
EBITA margin, %	11.2	12.4	7.1		10.2
Average number of employees	1,333	811	247	28	2,419
Intangible assets	725.3	605.4	60.8	21.2	1,412.7
Tangible fixed assets	8.7	9.3	0.1	218.6	236.7
JAN-MARCH 2020 SEK, MILLIONS	Solutions ¹⁾	Experience ¹⁾	Insight	Parent Company/ consol. adj.	Total
External net sales	611.3	226.4	98.6	–	936.3
Net sales between segments	23.8	16.4	10.8	-51.0	–
NET SALES	635.1	242.8	109.4	-51.0	936.3
Operating result before depreciations of intangible assets (EBITA)	82.5	29.6	6.6	-23.2	95.5
Depreciation of intangible assets	-1.6	-0.3	–	-1.0	-2.9
OPERATING PROFIT (EBIT)	80.9	29.3	6.6	-24.2	92.6
Result after financial items					111.4
RESULT FOR THE PERIOD					87.7
EBITA margin, %	13.0	12.2	6.0		10.2
Average number of employees	1,373	597	292	24	2,286
Intangible assets	721.1	239.7	59.7	19.1	1,039.6
Tangible fixed assets	10.2	3.5	0.2	195.3	209.2

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, and IFRS 16.

1) On January 1, 2021, Knowit performed an organizational change, which meant that a small operation formerly included in the segment Solutions has been transferred to the segment Experience, for which reason comparative figures have been adjusted.

→ ACCOUNTS

Group revenue from client contracts

SEK, MILLIONS	JAN-MARCH 2021	JAN-MARCH 2020	JAN-DEC 2020
GEOGRAPHIC CATEGORIZATION			
Fee revenue			
Sweden	536.5	484.7	1,719.4
Norway	354.1	358.5	1,248.5
Finland	41.8	44.7	168.1
Denmark	36.9	17.7	71.7
Other	3.9	2.6	12.1
TOTAL FEE REVENUE	973.2	908.2	3,219.8
Other revenue			
Sweden	22.3	17.5	116.7
Norway	13.9	10.4	38.7
Finland	0.5	0.2	1.4
Denmark	1.5	0.0	2.3
Other	0.0	0.0	0.2
TOTAL OTHER REVENUE	38.2	28.1	159.3
TOTAL NET REVENUE	1,011.4	936.3	3,379.1

SEK, MILLIONS	JAN-MARCH 2021	JAN-MARCH 2020	JAN-DEC 2020
SEGMENT CATEGORIZATION			
Fee revenue			
Solutions	612.6	626.4	2,227.0
Experience	313.0	214.3	762.5
Insight	102.1	107.1	371.4
Parent Company/consol. adjustments	-54.5	-39.6	-141.1
TOTAL FEE REVENUE	973.2	908.2	3,219.8
Other revenue			
Solutions	21.7	14.8	100.8
Experience	24.2	17.4	76.5
Insight	1.0	2.3	6.3
Parent Company/consol. adjustments	-8.7	-6.4	-24.3
TOTAL OTHER REVENUE	38.2	28.1	159.3
TOTAL NET REVENUE	1,011.4	936.3	3,379.1

As of 2021, figures for Denmark are reported separately, whereas in the past Denmark was included in the item Other. The comparative figures for 2020 have been updated.

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

→ ACCOUNTS

Financial assets and liabilities

SEK, MILLIONS	2021-03-31			2020-03-31		
	Financial assets valued at amortized costs	Financial assets valued at fair value in income statement	Fair value	Financial assets valued at amortized costs	Financial assets valued at fair value in income statement	Fair value
Assets in balance sheet						
Other long-term securities holdings	–	3.6	3.6 ¹⁾	–	3.3	3.3 ¹⁾
Other long-term receivables	1.5	–	1.5	1.0	–	1.0
Accounts receivable and other receivables	771.5	–	771.5	705.5	–	705.5
Cash equivalents	704.5	–	704.5	242.1	–	242.1
TOTAL	1,477.5	3.6	1,481.1	948.6	3.3	951.9

SEK, MILLIONS	2021-03-31			2020-03-31		
	Other financial liabilities	Financial liabilities valued at fair value in income statement	Fair value	Other financial liabilities	Financial liabilities valued at fair value in income statement	Fair value
Liabilities in balance sheet						
Future additional considerations and options	–	173.1	173.1 ²⁾	–	51.6	51.6 ²⁾
Future consideration	27.4	–	27.4 ²⁾	31.2	–	31.2 ²⁾
Liabilities to sellers	–	–	– ²⁾	–	–	– ²⁾
Other interest-bearing liabilities	363.5	–	363.5	180.7	–	180.7
Accounts payable	144.6	–	144.6	109.1	–	109.1
Other liabilities	322.1	–	322.1	258.0	–	258.0
TOTAL	857.6	173.1	1,030.7	579.0	51.6	630.6

1) Fair value pursuant to categorization level 2

2) Fair value pursuant to categorization level 3

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

SEK, MILLIONS	Future additional considerations and options	Future considerations	Liabilities to sellers
Fair value, 2021-01-01	169.0	27.3	54.1
Total recognized profits and losses:			
Recognized in profit/loss for the year	4.1	–	–
Recognized in equity	–	0.1	–
Settlement of future additional considerations, options and future consideration	–	–	-54.1
Cost of acquisitions	–	–	–
Fair value, 2021-03-31	173.1	27.4	–
Fair value, 2020-01-01	52.0	14.6	–
Total recognized profits and losses:			
Recognized in profit/loss for the year	–	–	–
Recognized in equity	-0.4	-0.3	–
Settlement of future additional considerations, options and future consideration	–	–	–
Cost of acquisitions	–	16.9	–
Fair value, 2020-03-31	51.6	31.2	–

→ ACCOUNTS

Income statement Parent Company in summary

SEK, MILLIONS	JAN-MARCH 2021	JAN-MARCH 2020	JAN-DEC 2020
Net sales	136.3	104.4	433.5
Operating costs	-154.4	-125.3	-496.9
Depreciation of tangible fixed assets	-0.3	-0.3	-1.2
OPERATING RESULT BEFORE DEPRECIATION OF INTANGIBLE ASSETS (EBITA)	-18.4	-21.2	-64.6
Depreciation of intangible fixed assets	-1.1	-1.0	-3.5
OPERATING RESULT (EBIT)	-19.5	-22.2	-68.1
Financial items	11.4	23.3	100.0
RESULT AFTER FINANCIAL ITEMS	-8.1	1.1	31.9
Appropriations	0.0	–	-3.9
Income taxes	0.0	–	-6.2
RESULT FOR THE PERIOD	-8.1	1.1	21.8

Balance sheet Parent Company in summary

SEK, MILLIONS	2021-03-31	2020-03-31	2020-12-31
Assets			
Intangible fixed assets	17.6	16.4	17.8
Tangible fixed assets	2.2	3.3	2.4
Financial fixed assets	1278.8	944.5	1,272.6
Current assets	107.3	126.0	108.6
Cash equivalents	666.2	225.3	593.8
TOTAL ASSETS	2,072.1	1,315.5	1,995.2
Equity and liabilities			
Share capital	19.8	19.3	19.7
Statutory reserve	68.0	68.0	68.0
Fund for development costs	4.0	7.7	5.2
Unrestricted share capital including result for the period	528.8	342.2	480.4
TOTAL EQUITY	620.6	437.2	573.3
Untaxed reserves	115.7	111.8	115.7
Long-term provisions	174.2	10.3	172.8
Interest-bearing short-term liabilities	155.3	–	198.3
Other short-term liabilities	1,006.3	756.2	935.1
TOTAL EQUITY AND LIABILITIES	2,072.1	1,315.5	1,995.2

OTHER

Definitions

Alternative key figures

Knowit uses alternative key figures, as we believe they are relevant in the follow-up of our long-term financial targets and provide a fair idea of Knowit's results and financial position. The Board has, among other things, determined that the 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. Knowit's alternative key figures are EBITA profit, EBITA margin, net liabilities, average equity, return on equity, capital employed, and return on capital employed. For more information on our long-term financial targets and further definitions of key figures, see the Annual Report for 2020, pages 4 and 91. ■

EBITA PROFIT Profit before amortization of intangible noncurrent assets.

EBITA MARGIN Profit before amortization of intangible noncurrent assets (EBITA) in relation to net sales for the period ($103.3 / 1,011.4 = 10.2\%$).

NET LIABILITIES Interest-bearing liabilities less financial interest-bearing assets ($326.1 + 237.9 - 704.4 = -140.4$).

AVERAGE EQUITY The average of the period's opening equity balance and the period's closing equity balance ($(1,545.0 + 1,724.6) / 2 = 1,634.8$).

RETURN ON EQUITY Profit after full tax as a percentage of average equity including non-controlling interests ($72.4 / 1,634.8 = 4.4\%$).

AVERAGE CAPITAL EMPLOYED Equity plus interest-bearing liabilities ($(1,545.0 + 326.7 + 277.6 + 1,724.6 + 326.1 + 237.9) / 2 = 2,219.0$).

RETURN ON CAPITAL EMPLOYED Profit after financial items plus financial expenses expressed as a percentage of average capital employed ($(95.0 + 5.7) / 2,219.0 = 4.5\%$).