

Interim report

- Higher net sales and profit
- Acquisition of Cybercom
- New issue creates possibilities

JANUARY – JUNE 2021

NET SALES INCREASED BY 14.0 PERCENT TO SEK 2,045.1 (1,793.9) MILLION
 THE OPERATING PROFIT (EBITA) INCREASED BY 4.6 PERCENT TO SEK 175.9 (168.2) MILLION, THE
 ADJUSTED OPERATING PROFIT (EBITA) INCREASED BY 19.9 PERCENT TO SEK 201.6 (168.2) MILLION¹⁾
 THE OPERATING MARGIN (EBITA) WAS 8.6 (9.4) PERCENT,
 THE ADJUSTED OPERATING MARGIN (EBITA) INCREASED TO 9.9 (9.4) PERCENT¹⁾
 RESULTS AFTER TAXES WERE SEK 115.6 (130.9) MILLION
 EARNINGS PER SHARE WERE SEK 5.50 (6.50)²⁾
 CASH FLOW FROM OPERATING ACTIVITIES WAS SEK 129.0 (280.4) MILLION

APRIL – JUNE 2021

NET SALES INCREASED BY 20.5 PERCENT TO SEK 1,033.7 (857.6) MILLION
 THE OPERATING PROFIT (EBITA) WAS SEK 72.6 (72.7) MILLION, THE ADJUSTED OPERATING
 PROFIT (EBITA) INCREASED BY 35.2 PERCENT TO SEK 98.3 (72.7) MILLION¹⁾
 THE OPERATING MARGIN (EBITA) WAS 7.0 (8.5) PERCENT,
 THE ADJUSTED OPERATING MARGIN (EBITA) INCREASED TO 9.5 (8.5) PERCENT¹⁾
 RESULTS AFTER TAXES WERE SEK 43.2 (43.2) MILLION
 EARNINGS PER SHARE WERE SEK 2.03 (2.10)²⁾
 CASH FLOW FROM OPERATING ACTIVITIES WAS SEK 74.5 (240.2) MILLION

¹⁾ EBITA is adjusted for items that affect comparability between periods, to improve understanding of the Group's underlying operative activities. For more information, see definitions on page 22.
²⁾ Before and after dilution.

COMMENTS FROM THE CEO

A strong quarter and an exciting beginning

We have increased net sales and profit, with a stable margin for the first six months of the year, adjusted for one-off costs connected to the acquisition of Cybercom. Through the acquisition, we are taking big steps forward on our growth journey. At the same time, all three business areas – in particular Knowit Insight – delivered increased net sales and improved profit during the quarter.

DURING THE QUARTER, we have announced the acquisition of Cybercom, in a deal that became final on the first of July. For the past several years, we have seen a development toward more complex client needs, requiring competence throughout the entire value chain: from product development to entirely new customer interfaces and processes. Here, Cybercom supplements Knowit's offer with more tech-oriented competences and sustainability services at the cutting edge.

SUCCESSFUL CAPITAL ACQUISITION

During June, we performed a successful directed new issue, in which both existing and new shareholders showed high interest in subscription. The issue strengthens our financial position and gives us financial scope for future expansion. The high level of interest from the stock market is – to me – a clear sign that the capital market has strong faith in Knowit.

THE MARKET REMAINS STRONG

The market for the operations in the business area Solutions remains strong. We increased net sales with a retained profit, but a somewhat lower margin, as compared with in the corresponding quarter last year. In southern Sweden, we have had high capacity utilization and a positive development.

During the quarter, we have invested in new operations in Norway and performed streamlining in Gothenburg. The main focus has been on sales and we have signed a few large and important deals. We have a positive net recruitment with new consultants coming in after the summer.

SUCCESSFUL INTEGRATION

The business area Experience has, following the acquisition of Creuna, reinforced its position as the leading digital agency in the Nordic region. We continue to increase net sales and profit compared with in the second quarter 2020, and the local operations where Experience and Creuna have formed joint teams are doing very well.

Demand is high, in particular for e-commerce and e-health solutions.

A POSITIVE TREND

Our offer in management consulting in the business area Insight has continued its positive trend. During the second quarter, net sales and profit were strengthened



compared with in the corresponding quarter last year. The streamlining performed in 2020 has contributed greatly to this development.

The demand in the security area remains very high.

A NEW CHAPTER

Our successful integration of Creuna, our acquisition of Cybercom, and our simultaneous delivery of a strong result during the second quarter make me proud.

Now, a new chapter in Knowit's history begins: creating a more powerful Knowit along with our colleagues at Cybercom. The planning of the integration between our two companies is complete and we have come a fair way in the integration itself, with promising results. It is an exciting journey that we have begun together. ■

PER WALLENTIN
CEO and President

EVENTS DURING THE PERIOD



APRIL – JUNE 2021

Knowit announced the **ACQUISITION OF CYBERCOM**. The goal of the acquisition is creating a unique offer in digital transformation. The new company will have around 3,800 employees and estimated net sales of SEK 5 billion.

Knowit performed a directed new issue of 1,785,714 shares and obtained around SEK 500 million, before issue costs. The directed **NEW ISSUE WAS SUCCESSFUL** and included Swedish and international institutional investors, including Formica Capital (Knowit's largest shareholder after finalization of the acquisition of Cybercom), Clients Kapitalförvaltning, and Didner & Gerge.

The Board has during the quarter decided on **NEW FINANCIAL TARGETS**. The updated targets serve to create the conditions for sustainable growth and continued acquisitions.

A new company was established in Oslo within the business area Solutions. The company focuses on senior competence in **SYSTEM DEVELOPMENT AND ARCHITECTURE** for larger digitalization projects.

Knowit is one of eight suppliers selected as a partner to the Norwegian **PUBLIC ROADS ADMINISTRATION** for the next four years.

Knowit's contribution "War on Cancer" won an award in the **SAS GLOBAL FORUM HACKATHON**, an innovation event with more than 1,000 participants worldwide.

Three listed companies that have all won the **ALLBRIGHT AWARD** as the most equal company on the stock exchange participated in a digital breakfast seminar organized by Knowit.

Per Wallentin participated in a digital panel debate during **TECHARENAN BRIGHT** in Stockholm, on the topic "Digitalization, new business models, and large investments – important keys to saving the planet."

THE PERIOD IN BRIEF

Expansion with stable margin

JANUARY – JUNE 2021

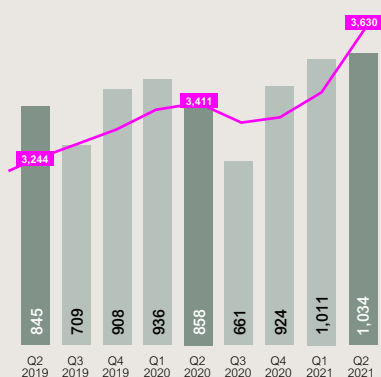
KNOWIT ACQUIRES CYBERCOM GROUP Knowit announced the acquisition of Cybercom during this quarter. The goal of the acquisition is creating a unique client offer in digital transformation. The new company will have around 3,800 employees, net sales of SEK 5 billion, and an EBITA of SEK 517 million for the full year 2020 according to pro forma calculations in connection with the prospectus made public on June 8, 2021. The acquisition will be consolidated as per July 1, 2021.

CONTINUED POSITIVE DEVELOPMENT AND STRONG FINANCIAL POSITION The net sales for the period increased to SEK 2,045.1 (1,793.8), affected by the acquisition of Creuna. Profit before amortization of intangible assets (EBITA) increased to SEK 175.9 (168.2) million. The adjusted EBITA profit increased to SEK 201.6 (168.2) million, adjusted for acquisition and integration costs of SEK 25.7 million. Compared with the corresponding period last year, exchange rate developments had a negative effect on EBITA totaling SEK -0.3 million. Last year, Knowit was granted support in the form of reduced employer contributions of SEK 26 million and furlough support of SEK 6 million. Taken together, this meant reduced personnel costs of SEK 32 million at the end of the second quarter.

Cash flow from operating activities was SEK 129.0 (280.4) million, where the change in operating capital had an impact of SEK -44.0 (164.7) million. The change in operating capital in the previous year was positively affected by one-off effects connected to personnel debts and accounts receivable.

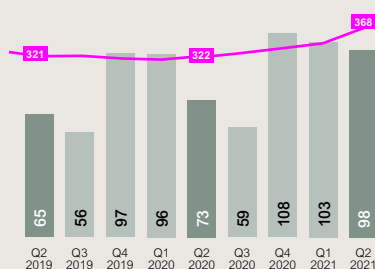
In June, Knowit performed a directed new issue of 1,785,714 shares and obtained around SEK 500 million. Knowit has a stable financial position, with net cash of SEK 559.9 million. ■

SEK, MILLIONS	JAN-JUNE 2021	JAN-JUNE 2020
Sales	2,045.1	1,793.8
Sales, Creuna	–	201.4
Sales, including Creuna	2,045.1	1,995.2
Sales, change, %	2.5	
of which is exchange rate effect, %	-0.5	
EBITA	175.9	168.2
Adjusted EBITA profit	201.6	168.2
EBITA margin, %	8.6	9.4
Adjusted EBITA margin, %	9.9	9.4
Cash flow from operating activities	129.0	280.4
Intangible assets	1,394.2	1,036.8
Number of employees	2,549	2,326



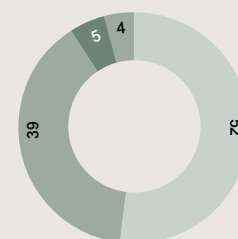
NET SALES, SEK, MILLIONS

- Net sales, quarterly data
- Rolling 12 months



ADJUSTED EBITA PROFIT, SEK, MILLIONS

- Adjusted EBITA profit, quarterly data
- Rolling 12 months



SALES PER COUNTRY

Sweden	52% (55)
Norway	39% (38)
Finland	5% (5)
Denmark	4% (2)

MARKET AND OPERATIONS

Sustainability and digitalization in focus

Knowit's strategy is to create 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.

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.

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.

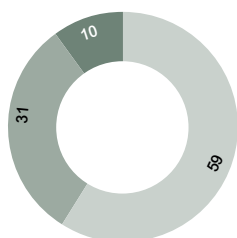
A FOCUS ON SUSTAINABILITY

There are several initiatives within Knowit with the goal of developing our client offers within sustainability. A number of webinars on sustainability were held during the spring for the target group of decisionmakers in companies interested in sustainability matters.

Together with Cybercom, which has a clear position in sustainability – primarily through initiatives in the climate area – the companies' joint efforts will be coordinated to create an even stronger client offer, with digitalization as an enabler of a sustainable society.

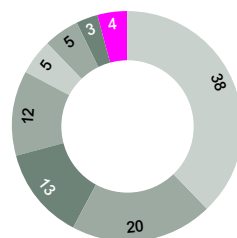
ATTRACTIVE TRAINEE PROGRAM

Knowit's trainee program Knowit Academy has accepted around 30 new talents. Interest has been high, with many



SALES PER BUSINESS AREA
JANUARY – JUNE 2021

Solutions	59% (66)
Experience	31% (23)
Insight	10% (11)



SALES PER CLIENT INDUSTRY
JANUARY – JUNE 2021

Public sector	38% (38)
Retail and service companies	20% (15)
Banking, finance and insurance	13% (16)
Industry	12% (12)
Energy	5% (6)
Telecommunication	5% (5)
Media, education and gaming	3% (2)
Other	4% (6)

→ MARKET AND OPERATIONS

applicants. The program has been adapted based on new client needs and offers two tracks: digital service development and system development.

Knowit once again placed high up in the ranking of the Nordic region's most popular workplaces in the employer branding company Universum's annual survey among students.

NEW WORK METHODS AFTER THE PANDEMIC

The pandemic has affected large parts of society during the past year, not least as regards work methods. Knowit has managed the shift to digital meetings and distance working and is now benefitting from these experiences. It has become clear that there are opportunities for working in a more flexible way than in the past.

Knowit has elected to offer its employees the choice between working from its own offices, client facilities, or at a distance. This is a work method that will suit most employees and will also contribute to a better work-life balance. The factor determining where work is to be performed is the need for contact between the individual, the team, the project, and the client.

The new work method will be evaluated continuously and Knowit will gradually adapt its future offices and review its need for office facilities.

A FOCUS ON EQUALITY AND DIVERSITY

Since 2017, Knowit has been making group-wide transformation efforts in equality, across both national and company borders. 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 managers and mid-level managers in the Nordic region.

During the past quarter, an internal digital education was performed in Norway, aiming to provide an introduction to the Company's equality and diversity efforts. Within the framework of the education, a digital workshop was held, during which participants reflected on various situations that can arise in everyday work.

Knowit has entered into a partnership with the organization Changers Hub. During the year, workshops, experience exchange, and inspirational talks will be organized, on the topic of diversity. Changers Hub is a non-profit innovation house, focused on increasing diversity and democratizing success. The goal is to create the conditions for all young people to have the same change to realize their ideas, regardless of their background.

FINANCIAL OUTCOME

The Group's operations are organized so that the corporate management team primarily follows three business areas. The net sales for Solutions increased to SEK 1,282.6 (1,238.0) million, for Experience to SEK 670.5 (450.8) million, and for Insight to SEK 207.5 (200.1) million.

Profit before amortization of intangible assets (EBITA) for Solutions was SEK 143.2 (154.8) million, for Experience increased to SEK 75.2 (55.9) million, and for Insight to SEK 18.7 (8.8) million.

The EBITA margin for Solutions was 11.2 (12.5) percent, for Experience was 11.2 (12.4) percent, and for Insight increased to 9.0 (4.4) percent.

Solutions

SEK, MILLION	JAN-JUNE 2021	JAN-JUNE 2020
Sales	1,282.6	1,238.0
EBITA	143.2	154.8
EBITA margin, %	11.2	12.5
Number of employees	1,376	1,388

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.

HIGH 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.

OFFER IN CLOUD SERVICES

With deep competence and large experience in cloud services, Knowit supports its clients, from strategy and planning to taking full responsibility, in migration to the cloud. Through the acquisition of Cybercom, Knowit has reinforced its position further.

Knowit currently has strategic partnerships with all the large platform suppliers, including Amazon, Google, and Microsoft, and can adapt solutions based on each client's specific needs and IT structures.

During the spring, the client offer has been expanded with activities in the form of webinars, education efforts, and campaigns in social media, primarily in the business area Solutions in Sweden and Norway.

COMMENTS FROM THE EVP OF SOLUTIONS:

"The pace of recruitment is high and several new consultants are coming in. Our assignments in southern Sweden show a continued strong development and in the Norwegian operations we have won several new assignments that will contribute to a positive impact on capacity utilization going forward," says Åsa Holmberg.

→ MARKET AND OPERATIONS

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. Norwegian NRK, the Norwegian Tax Administration, Region Västerbotten, and the Swedish Transport Administration 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 BMW Finans.

Experience

SEK, MILLION	JAN-JUNE 2021	JAN-JUNE 2020
Sales	670.5	450.8
EBITA	75.2	55.9
EBITA margin, %	11.2	12.4
Number of employees	875	618

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 and an increased focus on more accessible and user-friendly self-service solutions.

Together with its clients, Experience creates effective and integrated e-commerce platforms with a focus on data-driven client experiences and increased sales. Knowit Experience has, during the quarter, entered into a partnership with Jeeves, a full-service supplier of business system solutions. Knowit Experience supports Jeeves' clients in developing their e-commerce solutions to increase growth and strengthen their brands.

SUSTAINABILITY AND A CIRCULAR ECONOMY

The business area Experience in Norway has launched a campaign focusing on solutions and competence in sustainability and a circular economy. The ambition is to gather inspiration, insights, and real-world examples of assignments where Knowit has helped clients become part of the green shift.

An example of an assignment is for Norsirk, which manages collection, environmental rehabilitation, and recycling of electronic products, where Knowit has developed a cloud-based business system with microservices that connect, streamline, and simplify for both the company and its clients.

COMMENTS FROM THE EVP OF EXPERIENCE:

"The integration of Creuna has contributed strongly to our positive development. The new Experience now has a more competitive offer and can deliver both larger and more complex assignments," says Fredrik Ekerhovd.

Experience has several clients in the public sector, where they contribute in various ways to creating better and more accessible societal services for individual citizens. Experience has developed websites for several municipalities and authorities, such as the Blekinge Institute of Technology and the Agency for Digital Government (DIGG).

Insight

MSEK	JAN-JUNE 2021	JAN-JUNE 2020
Sales	207.5	200.1
EBITA	18.7	8.8
EBITA-margin, %	9.0	4.4
Number of employees	268	293

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.

→ MARKET AND OPERATIONS

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.

COMMENTS FROM THE EVP OF INSIGHT:

"The positive trend continues and our profitability is significantly improved as compared with last year. The operations in sourcing, which we restructured during the last quarter, had a strong development and in the security area we have continued recruitment and reinforced our offer further," 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 involve reviewing the operations and its processes, and providing support in implementing more agile work methods. For SALAR, Insight has trained leaders in healthcare to change their work methods and make better use of digitalization.

Current reference cases

Knowit are digitalization consultants that create unique client values by offering digital and cross-border solutions from all its three business areas, Solutions, Experience, and Insight.

It is the ability to combine competence in design and communication, management consulting, and IT that sets Knowit apart from other consultancy firms.



DIGITALIZATION OF THE WORK-LIFE BALANCE

Together with Familjens Jurist, Sweden's largest law firm, Knowit has created livspusslet.se – a digital platform for all the challenges and possibilities in life, whether they are related to law, economy, parenting, entrepreneurship,

or any other of the many situations that most of us face at one point or another in life.

Knowit has contributed with business development, strategy, user design, and system development.



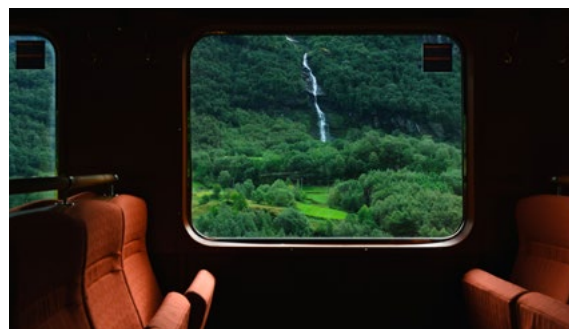
A CLOUD SOLUTION FOR THE ENVIRONMENT

Knowit has helped Fortum Oslo Varme (FOV) take on greater ownership for its infrastructure and data. FOV is Norway's largest supplier of district heating and also produces and distributes both renewable heating and cooling in the Oslo region.

By using scalable cloud technology, FOV has gained a possibility to scale and adapt its solutions to changes in both the customer base and energy provision.

Through smart steering of district heating, Fortum optimizes heat production and heating of buildings at varying intervals, so that heating is directed where it is most needed at each time.

In the project, new possibilities have been created to adapt production and distribution dynamically, which has played a large role in the local green shift in the Oslo region.



LOWERED EMISSIONS WITH MORE TRAIN TRAVEL

Knowit has assisted BaneNor in Norway in a digital communication campaign to inform people about the climate benefits of choosing to travel by train.

The goal of the campaign is to describe how train travel means lower emissions than other modes of transportation and that the railways contribute to creating a better future.

In a nation-wide information campaign, Knowit Experience has, among other things, developed a communication concept, a podcast, and content for social media and BaneNor's website. ■

THE GROUP

Strong growth with stable margin

Net sales and profit

The Group

JANUARY – JUNE

Net sales increased to SEK 2,045.1 (1,793.9) million, an increase by 14.0 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 -9.2 million. Net sales increased to SEK 1,054.5 (988.0) million in Sweden, to SEK 806.4 (678.1) million in Norway, to SEK 92.4 (88.3) million in Finland, and to SEK 83.6 (33.6) million in Denmark. Sales per employee increased to KSEK 845 (807).

The operating profit before amortization of intangible assets (EBITA) increased to SEK 175.9 (168.2) million. The adjusted EBITA profit increased by 19.9 percent to SEK 201.6 (168.2) million, adjusted for acquisition costs of SEK 23.7 million and integration costs of SEK 2.0 million. Compared with the corresponding period last year, the exchange rate development has had a negative impact on EBITA of SEK -0.3 million.

Last year, Knowit was granted support in the form of reduced employer contributions of SEK 26 million and furlough support of SEK 6 million. Taken together, this meant reduced personnel costs of SEK 32 million as per June 30, 2020.

In Sweden, EBITA increased to SEK 127.0 (121.6) million, in Norway it increased to SEK 95.0 (88.5) million, in Finland it was SEK 3.9 (9.6) million, and in Denmark it increased to SEK 8.9 (0.3) million. The operating margin (EBITA) was 8.6 (9.4) percent. The adjusted EBITA margin increased to 9.9 (9.4) percent.

Amortization of intangible assets amounted to SEK -14.2 (-5.1) million, affected by increased amortization related to the acquisition of Creuna.

The operating profit after financial items was SEK 155.4 (170.4) million. The financial net was SEK -6.3 (7.3) 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 115.6 (130.9) million. Tax for the period was SEK -39.8 (-39.5) million. The non-controlling interests' share of profit for the year increased to SEK 5.9 (5.8) million. Earnings per share were SEK 5.50 (6.50).

THE SECOND QUARTER

Net sales increased to SEK 1,033.7 (857.6) million, an increase by 20.5 percent as compared with the corresponding period last year. Compared with the corresponding period last year, the exchange rate development has had a positive impact on net sales of SEK 11.1 million. Net sales increased to SEK 495.7 (485.8) million in Sweden, to SEK 438.4 (309.2) million in Norway, to SEK 50.1 (43.4) million in Finland, and to SEK 45.2 (15.9)

million in Denmark. Sales per employee increased to KSEK 428 (402).

The operating profit before amortization of intangible assets (EBITA) was SEK 72.6 (72.7) million. The adjusted EBITA profit increased by 35.2 percent to SEK 98.3 (72.7) million, adjusted for acquisition costs of SEK 23.7 million and integration costs of SEK 2.0 million.

Last year, Knowit was granted support in the form of reduced employer contributions of SEK 21 million and furlough support of SEK 6 million. Taken together, this meant reduced personnel costs of SEK 27 million during the second quarter 2020.

Compared with the corresponding period last year, the exchange rate development has had a positive impact on EBITA of SEK 1.6 million. In Sweden, EBITA increased to SEK 64.3 (56.0) million, in Norway it increased to SEK 44.9 (41.3) million, in Finland it was SEK 2.0 (5.1) million, and in Denmark it increased to SEK 4.5 (-0.8) million. The operating margin (EBITA) was 7.0 (8.5) percent. The adjusted EBITA margin increased to 9.5 (8.5) percent.

Amortization of intangible assets amounted to SEK -7.1 (-2.2) million, affected by increased amortization related to the acquisition of Creuna.

The operating profit after financial items increased to SEK 60.4 (59.0) million. The financial net was SEK -5.1 (-11.5) million, affected primarily by revaluation of additional consideration and exchange rate development.

The results after taxes were SEK 43.2 (43.2) million. Tax for the period was SEK -17.2 (-15.8) million. The non-controlling interests' share of profit for the year was SEK 2.3 (2.7) million. Earnings per share were SEK 2.03 (2.10).

Segments

JANUARY – JUNE

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 1,282.6 (1,238.0) million, for the segment Experience they increased to SEK 670.5 (450.8) million, and for the segment Insight they increased to SEK 207.5 (200.1) million.

EBITA was SEK 143.2 (154.8) million for the segment Solutions, increased to SEK 75.2 (55.9) million for the segment Experience, and increased to SEK 18.7 (8.8) million for the segment Insight. EBITA for the segment Experience has been affected by the acquisition of Creuna.

→ THE GROUP

The EBITA margin was 11.2 (12.5) percent for the segment Solutions, was 11.2 (12.4) percent for the segment Experience, and increased to 9.0 (4.4) percent for the segment Insight.

THE SECOND QUARTER

Net sales for the segment Solutions increased to SEK 651.1 (602.9) million, for the segment Experience they increased to SEK 333.3 (208.0) million, and for the segment Insight they increased to SEK 104.4 (90.7) million.

EBITA increased to SEK 72.4 (72.3) million for the segment Solutions, increased to SEK 33.5 (26.3) million for the segment Experience, and increased to SEK 11.4 (2.2) million for the segment Insight.

The EBITA margin was 11.1 (12.0) percent for the segment Solutions, was 10.1 (12.6) percent for the segment Experience, and increased to 10.9 (2.4) percent for the segment Insight.

Cash flow

JANUARY – JUNE

Cash flow from operating activities was SEK 129.0 (280.4) million, where the change in working capital has impacted by SEK -44.0 (164.7). The change in working capital in the previous year was positively affected by one-off effects connected to personnel debts and increased accounts receivable.

Cash flow from investment activities amounted to SEK -11.4 (-73.7) 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 305.4 (33.8) million, affected primarily by new issues, dividends, and amortizations of leasing liabilities.

Total cash flow increased to SEK 423.0 (240.5) million.

THE SECOND QUARTER

Cash flow from operating activities was SEK 74.5 (240.2) million, where the change in working capital has impacted by SEK 9.0 (195.8) million. The change in working capital in the previous year was positively affected by one-off effects connected to personnel debts and increased accounts receivable.

Cash flow from investment activities amounted to SEK -1.8 (-12.7) million, affected by investments in property, plant, and equipment.

Cash flow from financing activities increased to SEK 323.1 (49.6) million, affected primarily by new issues, dividends, and amortizations of leasing liabilities.

Total cash flow increased to SEK 395.8 (277.1) 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 16 million have had a positive effect on the interim period. The acquisition analysis has been finalized; no significant changes have affected this quarter.

The share

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

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

The number of outstanding shares before the issues totaled 19,652,179 and after the issues it was 21,647,717.

Financial position

JANUARY – JUNE

Cash and cash equivalents increased to SEK 1,100.6 (518.6) million as per June 30, 2021, affected by the direct new issue performed on June 10, 2021. Goodwill and other intangible assets increased to SEK 1,394.2 (1,036.8) million, of which goodwill was SEK 1,224.1 (984.9) million, and other intangible assets were SEK 170.1 (51.9) million.

Equity increased to SEK 2,079.8 (1,319.4) million, affected mainly by the directed new issue. Interest-bearing liabilities totaled SEK 540.7 (319.7) million on June 30, 2021, with long-term liabilities increasing to SEK 244.9 (159.3) million and short-term liabilities increasing to SEK 295.8 (160.4) million. Bank loans increased to SEK 155.3 (91.3) million of a granted credit facility totaling SEK 250.0 (0.0) million.

In connection with the acquisition of Cybercom, Knowit has during the second quarter signed an agreement on bridge financing of SEK 700 million. There is a possibility to transform the financing into a revolving credit facility of the corresponding sum, with a term of three or five years.

Use of an overdraft facility totaled SEK 0.0 (0.0) million of a granted overdraft facility of SEK 50.0 (50.0) million, leasing liabilities totaled SEK 183.2 (180.5) million and liabilities related to future consideration in subsidiaries totaled SEK 202.2 (47.9) million.

The equity/asset ratio increased to 57.5 (53.2) percent as per June 30, 2021.

Employees

JANUARY – JUNE

On June 30, 2021, a total of 2,549 (2,326) people were employed by the Group. The number of employees has decreased by 29 people during 2021.

The average number of employees has during the period increased to 2,420 (2,223). The average number of employees in Sweden increased to 1,329 (1,303), in Norway to 847 (757), in Finland to 137 (120), and in Denmark to 100 (37).

→ THE GROUP

Seasonal variation

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

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

for the Group's services. The fourth quarter is affected by the work days and normal working hours that are dropped due to the Christmas and New Year holidays.

Transactions with related parties

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

PARENT COMPANY

Results and financial position

JANUARY – JUNE

The operating profit/loss before amortization of intangible assets (EBITA) was SEK -41.0 (-38.7) million. The financial net was SEK 14.2 (16.7) million. The profit/loss after financial net was SEK -29.1 (-23.3) million.

As per June 30, 2021, equity had increased to SEK 949.4 (413.2) million, in part affected by the issues performed and dividends paid out. Untaxed reserves, mainly accrual funds, increased to SEK 115.7 (111.8) million. ■

OTHER INFORMATION

New financial targets

Updated financial targets

The Board of Knowit established new financial targets and adopted a new dividend policy.

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

THE FINANCIAL TARGETS

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

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

Capital structure: Net debt in relation to EBITDA should not exceed 2x over time.

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

Further, Knowit intends to present updated non-financial sustainability targets during the year, in line with the Company's focus on positive societal impact.

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 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.

→ OTHER INFORMATION

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

On July 1, 2021, Knowit is finalizing the acquisition of Cybercom and creating a Nordic powerhouse for the digital solutions of the future. The two organizations will be gathered under the Knowit brand. The new Group is expected to jointly create the conditions for continued growth and positive profitability development. Knowit estimates that the acquisition will have a positive effect on earnings per share during 2022.

The Board has, on July 1, with authorization from the EGM of May 28, 2021, performed an issue in kind of 5,760,833 new shares as payment of part of the consideration attributable to Knowit's acquisition of Cybercom Intressenter AB ("Cybercom"). The consideration for the acquisition of Cybercom totals around SEK 2,094 million. The consideration is paid in a cash portion of SEK 493 million and an issue in kind of SEK 1,602 million (5,760,933 newly issued shares at a price of SEK 278 per share). The newly issued shares from the issue in kind correspond to a dilution of around 21 percent. The main selling owners of Cybercom, Formica Capital and JCE Group, will become Knowit's largest shareholders, with around 10.5 and 8.5 percent of the total number of shares and votes in the Company, respectively. In connection with the acquisition of Cybercom, Knowit has used around SEK 600 million of the granted bridging facility of SEK 700 million.

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

INTERIM REPORT JANUARY – SEPTEMBER 2021

October 22, 2021, 7:30 AM

YEAR-END REPORT 2021

February 4, 2022, 7:30 AM

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About Knowit

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

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

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

→ OTHER INFORMATION

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.

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

STOCKHOLM, JULY 15, 2021

JON RISFELT
Chairman

PEDER RAMEL
Board Member

CAMILLA MONEFELDT KIRSTEIN
Board Member

STEFAN GARDEFJORD
Board Member

GUNILLA ASKER
Board Member

PER WALLENTIN
Chief Executive Officer

KARIN (KIA) ORBACK PETERSSON
Board Member

ACCOUNTS

Consolidated income statement in summary

SEK, MILLIONS	APR-JUNE 2021	APR-JUNE 2020	JAN-JUNE 2021	JAN-JUNE 2020	JAN-DEC 2020
Net sales	1,033.7	857.6	2,045.1	1,793.9	3,379.1
Operating costs	-938.7	-766.3	-1,824.7	-1,589.0	-2,970.4
Depreciation of tangible fixed assets	-22.4	-18.6	-44.5	-36.7	-73.7
Operating result before depreciations of intangible assets (EBITA)	72.6	72.7	175.9	168.2	335.0
Depreciation of intangible fixed assets	-7.1	-2.2	-14.2	-5.1	-12.3
OPERATING RESULT (EBIT)	65.5	70.5	161.7	163.1	322.7
Financial incomes	-0.2	-10.2	4.3	9.3	15.5
Financial costs	-4.9	-1.3	-10.6	-2.0	-6.3
RESULT AFTER FINANCIAL ITEMS	60.4	59.0	155.4	170.4	331.9
Taxes	-17.2	-15.8	-39.8	-39.5	-74.0
RESULT FOR THE PERIOD	43.2	43.2	115.6	130.9	257.9
Result for the period attributable to shareholders in Parent Company	40.9	40.5	109.7	125.1	249.8
Result for the period attributable to non-controlling interests' holdings	2.3	2.7	5.9	5.8	8.1
EARNINGS PER SHARE					
Earnings per share, before dilution, SEK	2.03	2.10	5.50	6.50	12.96
Earnings per share, after dilution, SEK	2.03	2.10	5.50	6.50	12.96

Consolidated total results in summary

SEK, MILLIONS	APR-JUNE 2021	APR-JUNE 2020	JAN-JUNE 2021	JAN-JUNE 2020	JAN-DEC 2020
Result for the period	43.2	43.2	115.6	130.9	257.9
<i>Items that may later be reclassified to profit or loss</i>					
Loss on hedging of exchange rate risks in foreign operations	-3.8	–	4.3	–	-1.6
Tax effects on hedging	0.8	–	-0.9	–	0.3
Translation differences	-20.2	-5.3	25.0	-52.5	-55.9
OTHER TOTAL RESULTS FOR THE PERIOD, NET AFTER TAX	20.0	37.9	144.0	78.4	200.7
Total result for the period					
Total result assignable to shareholders in Parent Company	17.7	35.3	138.1	72.7	192.8
Total result assignable to non-controlling interests' holdings	2.3	2.6	5.9	5.7	7.9

→ ACCOUNTS

Consolidated balance sheet in summary

SEK, MILLIONS	2021-06-30	2020-06-30	2020-12-31
Assets			
Intangible fixed assets	1,394.2	1,036.8	1,380.7
Tangible fixed assets	213.5	207.9	232.3
Financial fixed assets	15.2	12.5	16.7
Deferred tax assets	17.8	3.1	17.9
Current assets	873.5	700.1	738.9
Cash equivalents	1,100.6	518.6	675.6
TOTAL ASSETS	3,614.8	2,479.0	3,062.1
Equity and liabilities			
Share capital	21.6	19.3	19.7
Other paid-in capital and provisions	716.1	522.9	517.2
Recognized profits, including profit for the year	1,330.3	756.7	993.9
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY	2,068.0	1,298.9	1,530.8
Non-controlling interests	11.8	20.5	14.2
TOTAL EQUITY	2,079.8	1,319.4	1,545.0
Long-term provisions	93.5	57.9	91.0
Interest-bearing long-term liabilities	244.9	159.3	326.7
Interest-bearing short-term liabilities	295.8	160.4	277.6
Other short-term liabilities	900.8	782.0	821.8
TOTAL EQUITY AND LIABILITIES	3,614.8	2,479.0	3,062.1

Consolidated cash flow analysis in summary

SEK, MILLIONS	APR-JUNE 2021	APR-JUNE 2020	JAN-JUNE 2021	JAN-JUNE 2020	JAN-DEC 2020
Cash flow current operations before changes in working capital	65.5	44.4	173.0	115.7	313.0
Change in working capital	9.0	195.8	-44.0	164.7	128.3
CASH FLOW FROM CURRENT OPERATIONS	74.5	240.2	129.0	280.4	441.3
Cash flow from investing activities	-1.8	-12.7	-11.4	-73.7	-97.4
Cash flow from financing activities	323.1	49.6	305.4	33.8	56.4
CASH FLOW FOR THE PERIOD	395.8	277.1	423.0	240.5	400.3
Opening balance at start of period	704.4	242.1	675.6	278.4	278.4
Exchange rate differences in cash equivalents	0.4	-0.6	2.0	-0.3	-3.1
CLOSING BALANCE AT END OF PERIOD	1,100.6	518.6	1,100.6	518.6	675.6

→ ACCOUNTS

Statement of changes in equity in summary – Group

SEK, MILLIONS	APR-JUNE 2021	APR-JUNE 2020	JAN-JUNE 2021	JAN-JUNE 2020	JAN-DEC 2020
Opening balance	1,724.6	1,281.6	1,545.0	1,241.1	1,241.1
Translation differences	-20.2	-5.3	25.0	-52.5	-55.9
Loss on hedging of exchange rate risks in foreign operations	-3.8	-	4.3	-	-1.6
Tax effects on hedging	0.8	-	-0.9	-	0.3
Result for the period	43.2	43.2	115.6	130.9	257.9
TOTAL RESULT FOR THE PERIOD	20.0	37.9	144.0	78.4	200.7
TOTAL BEFORE TRANSACTIONS WITH SHAREHOLDERS	1,744.6	1,319.5	1,689.0	1,319.5	1,441.8
Non-controlling interests' holdings	-1.5	-0.2	-1.4	-0.2	-0.3
Additional capital from non-controlling interests' holdings	-	0.1	-	0.1	-3.4
Dividend payment	-152.0	-	-152.0	-	-8.4
New issue in connection with acquisition	488.7	-	544.2	-	115.3
CLOSING BALANCE	2,079.8	1,319.4	2,079.8	1,319.4	1,545.0

Key figures

	APR-JUNE 2021	APR-JUNE 2020	JAN-JUNE 2021	JAN-JUNE 2020	JAN-DEC 2020
Average number of employees	2,416	2,135	2,420	2,223	2,214
Sales per average number of employees (SEK, 000s)	428	402	845	807	1,526
Result after financial items per average number of employees (SEK, 000s)	25	28	64	77	150
Return on total capital, %	1.9	2.5	5.0	7.3	12.7
Return on equity, %	2.3	3.3	6.4	10.2	18.5
Return on capital employed, %	2.7	3.8	7.0	10.9	18.4
EBITA margin, %	7.0	8.5	8.6	9.4	9.9
Equity ratio, %	57.5	53.2	57.5	53.2	50.5

Data per share

	APR-JUNE 2021	APR-JUNE 2020	JAN-JUNE 2021	JAN-JUNE 2020	JAN-DEC 2020
Earnings per share, SEK					
Before dilution	2.03	2.10	5.50	6.50	12.96
After dilution	2.03	2.10	5.50	6.50	12.96
Equity per share, SEK					
Before dilution	95.53	67.46	95.53	67.46	77.90
After dilution	95.53	67.46	95.53	67.46	77.90
Average number of shares (000s)					
Before dilution	20,156	19,254	19,933	19,254	19,280
After dilution	20,156	19,254	19,933	19,254	19,280
Number of shares on balance sheet day (000s)					
Before dilution	21,648	19,254	21,648	19,254	19,652
After dilution	21,648	19,254	21,648	19,254	19,652

→ ACCOUNTS

Group segment reporting in summary

APR-JUNE 2021 SEK, MILLIONS	Solutions ¹⁾	Experience ¹⁾	Insight	Parent Company/ consol. adj.	Total
External net sales	630.9	307.5	95.3	–	1,033.7
Net sales between segments	20.2	25.8	9.1	-55.1	–
NET SALES	651.1	333.3	104.4	-55.1	1,033.7
Operating result before depreciations of intangible assets (EBITA)	72.4	33.5	11.4	-44.7	72.6
Depreciation of intangible assets	-1.6	-4.0	–	-1.5	-7.1
OPERATING PROFIT (EBIT)	70.8	29.5	11.4	-46.2	65.5
Result after financial items					60.4
RESULT FOR THE PERIOD					43.2
EBITA margin, %	11.1	10.1	10.9		7.0
Average number of employees	1,336	803	248	29	2,416
APR-JUNE 2020 SEK, MILLIONS	Solutions	Experience	Insight	Parent Company/ consol. adj.	Total
External net sales	584.5	189.9	83.2	–	857.6
Net sales between segments	18.4	18.1	7.5	-44.0	–
NET SALES	602.9	208.0	90.7	-44.0	857.6
Operating result before depreciations of intangible assets (EBITA)	72.3	26.3	2.2	-28.1	72.7
Depreciation of intangible assets	-1.6	-0.3	–	-0.3	-2.2
OPERATING PROFIT (EBIT)	70.7	26.0	2.2	-28.4	70.5
Result after financial items					59.0
RESULT FOR THE PERIOD					43.2
EBITA-margin, %	12.0	12.6	2.4		8.5
Average number of employees	1,327	551	234	23	2,135

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 segment reporting in summary, continued

JAN-JUNE 2021 SEK, MILLIONS	Solutions ¹⁾	Experience ¹⁾	Insight	Parent Company/ consol. adj.	Total
External net sales	1,239.2	616.0	189.9	–	2,045.1
Net sales between segments	43.4	54.5	17.6	-115.5	–
NET SALES	1,282.6	670.5	207.5	-115.5	2,045.1
Operating result before depreciations of intangible assets (EBITA)	143.2	75.2	18.7	-61.2	175.9
Depreciation of intangible assets	-3.2	-8.0	–	-3.0	-14.2
OPERATING PROFIT (EBIT)	140.0	67.2	18.7	-64.2	161.7
Result after financial items					155.4
RESULT FOR THE PERIOD					115.6
EBITA margin, %	11.2	11.2	9.0		8.6
Average number of employees	1,335	808	248	29	2,420
Intangible assets	717.3	596.2	60.2	20.7	1,394.4
Tangible fixed assets	10.0	7.8	0.1	195.6	213.5
JAN-JUNE 2020 SEK, MILLIONS	Solutions	Experience	Insight	Parent Company/ consol. adj.	Total
External net sales	1,195.8	416.3	181.8	–	1,793.9
Net sales between segments	42.2	34.5	18.3	-95.0	–
NET SALES	1,238.0	450.8	200.1	-95.0	1,793.9
Operating result before depreciations of intangible assets (EBITA)	154.8	55.9	8.8	-51.3	168.2
Depreciation of intangible assets	-3.2	-0.6	–	-1.3	-5.1
OPERATING PROFIT (EBIT)	151.6	55.3	8.8	-52.6	163.1
Result after financial items					170.4
RESULT FOR THE PERIOD					130.9
EBITA margin, %	12.5	12.4	4.4		9.4
Average number of employees	1,357	576	266	24	2,223
Intangible assets	716.4	239.1	59.6	21.7	1,036.8
Tangible fixed assets	10.2	3.3	0.2	194.1	207.8

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, 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	APR-JUNE 2021	APR-JUNE 2020	JAN-JUNE 2021	JAN-JUNE 2020	JAN-DEC 2020
GEOGRAPHIC CATEGORIZATION					
Fee revenue					
Sweden	470.7	437.8	1,007.2	922.5	1,719.4
Norway	428.9	301.8	783.0	660.4	1,248.5
Finland	49.7	43.5	91.5	88.2	168.1
Denmark	43.6	15.3	80.5	33.0	71.7
Other	4.3	3.4	8.2	5.9	12.1
TOTAL FEE REVENUE	997.2	801.8	1,970.4	1,710.0	3,219.8
Other revenue					
Sweden	25.0	48.0	47.3	65.5	116.7
Norway	9.5	7.3	23.4	17.7	38.7
Finland	0.4	-0.1	0.9	0.1	1.4
Denmark	1.6	0.0	3.1	0.6	2.3
Other	0.0	0.6	0.0	0.0	0.2
TOTAL OTHER REVENUE	36.5	55.8	74.7	83.9	159.3
TOTAL NET REVENUE	1,033.7	857.6	2,045.1	1,793.9	3,379.1

SEK, MILLIONS	APR-JUNE 2021	APR-JUNE 2020	JAN-JUNE 2021	JAN-JUNE 2020	JAN-DEC 2020
SEGMENT CATEGORIZATION					
Fee revenue					
Solutions	625.5	563.1	1,238.1	1,189.5	2,227.0
Experience	314.3	182.3	627.3	396.6	762.5
Insight	103.1	89.7	205.2	196.8	371.4
Parent Company/consol. adjustments	-45.7	-33.3	-100.2	-72.9	-141.1
TOTAL FEE REVENUE	997.2	801.8	1,970.4	1,710.0	3,219.8
Other revenue					
Solutions	22.8	44.8	44.5	59.6	100.8
Experience	19.0	15.8	43.2	33.2	76.5
Insight	1.3	1.0	2.3	3.3	6.3
Parent Company/consol. adjustments	-6.6	-5.8	-15.3	-12.2	-24.3
TOTAL FEE REVENUE	36.5	55.8	74.7	83.9	159.3
TOTAL NET REVENUE	1,033.7	857.6	2,045.1	1,793.9	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	2021-06-30			2020-06-30		
	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	–	3.3	3.3 ¹⁾	–	3.4	3.4 ¹⁾
Other long-term receivables	1.4	–	1.4	1.4	–	1.4
Accounts receivable and other receivables	796.4	–	796.4	620.0	–	620.0
Cash equivalents	1,100.6	–	1,100.6	518.6	–	518.6
TOTAL	1,898.4	3.3	1,901.7	1,140.0	3.4	1,143.4

SEK, MILLIONS	2021-06-30			2020-06-30		
	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	–	174.9	174.9 ²⁾	–	24.4	24.4 ²⁾
Future consideration	27.3	–	27.3 ²⁾	23.6	–	23.6 ²⁾
Liabilities to sellers	–	–	0 ²⁾	–	–	0 ²⁾
Other interest-bearing liabilities	338.5	–	338.5	271.7	–	271.7
Accounts payable	134.3	–	134.3	135.0	–	135.0
Other liabilities	86.9	–	86.9	254.9	–	254.9
TOTAL	587.0	174.9	761.9	685.2	24.4	709.6

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.

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

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	7.3	–	–
Recognized in equity	-1.4	–	–
Settlement of future additional considerations, options and future consideration	–	–	-54.1
Cost of acquisitions	–	–	–
Fair value, 2021-06-30	174.9	27.3	–
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	-0.6	–
Settlement of future additional considerations, options and future consideration	-27.2	-7.3	–
Cost of acquisitions	–	16.9	–
Fair value, 2020-06-30	24.4	23.6	–

→ ACCOUNTS

Income statement Parent Company in summary

SEK, MILLIONS	APR-JUNE 2021	APR-JUNE 2020	JAN-JUNE 2021	JAN-JUNE 2020	JAN-DECE 2020
Net sales	149.2	110.6	285.5	215.0	433.5
Operating costs	-171.5	-127.8	-325.9	-253.1	-496.9
Depreciation of tangible fixed assets	-0.3	-0.3	-0.6	-0.6	-1.2
OPERATING RESULT BEFORE DEPRECIATION OF INTANGIBLE ASSETS (EBITA)	-22.6	-17.5	-41.0	-38.7	-64.6
Depreciation of intangible fixed assets	-1.2	-0.3	-2.3	-1.3	-3.5
OPERATING RESULT (EBIT)	-23.8	-17.8	-43.3	-40.0	-68.1
Financial items	2.8	-6.6	14.2	16.7	100.0
RESULT AFTER FINANCIAL ITEMS	-21.0	-24.4	-29.1	-23.3	31.9
Appropriations	–	–	–	–	-3.9
Income taxes	–	–	–	–	-6.2
RESULT FOR THE PERIOD	-21.0	-24.4	-29.1	-23.3	21.8

Balance sheet Parent Company in summary

SEK, MILLIONS	2021-06-30	2020-06-30	2020-12-31
Assets			
Intangible fixed assets	17.2	18.3	17.8
Tangible fixed assets	1.8	3.0	2.4
Financial fixed assets	1,352.2	948.7	1,272.6
Current assets	177.9	137.9	108.6
Cash equivalents	1,078.0	505.3	593.8
TOTAL ASSETS	2,627.1	1,613.2	1,995.2
Equity and liabilities			
Share capital	21.6	19.3	19.7
Statutory reserve	6.0	68.0	68.0
Fund for development costs	2.9	7.4	5.2
Unrestricted share capital including result for the period	918.9	318.5	480.4
TOTAL EQUITY	949.4	413.2	573.3
Untaxed reserves	115.7	111.8	115.7
Long-term provisions	179.3	12.8	172.8
Interest-bearing short-term liabilities	157.9	91.3	198.3
Other short-term liabilities	1,224.8	984.1	935.1
TOTAL EQUITY AND LIABILITIES	2,627.1	1,613.2	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 Company shall grow more than the market and with the goal of an annual growth rate of around 15 percent over time, with an EBITA margin increasing over time to 12 percent. Further, the net liabilities to EBITDA ratio shall not exceed 2x over time. We also monitor capital employed, as it is an important aspect of the working capital turnover. Knowit's alternative key figures are EBITDA profit, EBITA profit, adjusted EBITA profit, EBITA margin, adjusted EBITA margin, net liabilities, average equity, return on equity, capital employed, and return on capital employed.

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

EBITDA PROFIT Profit before depreciation of tangible assets and amortization of intangible noncurrent assets. $(72.6 + 22.4 = 95.0)$

EBITA PROFIT Profit before amortization of intangible noncurrent assets.

ADJUSTED EBITA PROFIT This key figure is used as of the second quarter in 2021, for which reason no comparative figures for earlier periods are presented. EBITA is adjusted for items that affect comparability between different periods, to provide increased understanding of the Group's underlying operative activities. Items that affect comparability include costs for acquisitions and disposals, costs for restructuring and integration programs, and project write-downs. $(175.9 + 25.7 = 201.6)$

EBITA MARGIN Profit before amortization of intangible noncurrent assets (EBITA) in relation to net sales for the period. $(175.9 / 2,045.1 = 8.6\%)$

ADJUSTED EBITA MARGIN Adjusted EBITA profit in relation to net sales for the period. $(201.6 / 2,045.1 = 9.9\%)$

NET LIABILITIES Interest-bearing liabilities less financial interest-bearing assets. $(244.9 + 295.8 - 1,100.6 = -559.9)$

AVERAGE EQUITY The average of the period's opening equity balance and the period's closing equity balance. $((1,545.0 + 2,079.8) / 2 = 1,812.4)$

RETURN ON EQUITY Profit after full tax as a percentage of average equity including non-controlling interests. $(115.6 / 1,812.4 = 6.4\%)$

AVERAGE CAPITAL EMPLOYED Equity plus interest-bearing liabilities. $((1,545.0 + 326.7 + 277.6 + 2,079.8 + 244.9 + 295.8) / 2 = 2,384.9)$

RETURN ON CAPITAL EMPLOYED Profit after financial items plus financial expenses expressed as a percentage of average capital employed. $((155.4 + 10.6) / 2,384.9 = 7.0\%)$