

Interim Report

» Strong growth and increasing margins start 2022 off

JANUARY – MARCH 2022

NET SALES INCREASED BY 67.6 PERCENT TO SEK 1,695.3 (1,011.4) MILLION
 THE OPERATING PROFIT (EBITA) INCREASED BY 86.0 PERCENT TO SEK 192.1 (103.3) MILLION

THE ADJUSTED OPERATING PROFIT (EBITA) INCREASED BY 88.0 PERCENT
 TO SEK 194.2 (103.3) MILLION ¹⁾

THE OPERATING MARGIN (EBITA) INCREASED TO 11.3 (10.2) PERCENT
 THE ADJUSTED OPERATING MARGIN (EBITA) INCREASED TO 11.5 (10.2) PERCENT ¹⁾

RESULTS AFTER TAX INCREASED TO SEK 121.7 (72.4) MILLION
 EARNINGS PER SHARE INCREASED TO SEK 4.34 (3.49) ²⁾

CASH FLOW FROM OPERATING ACTIVITIES WAS SEK 5.2 (54.5) 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 27.
 2) 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 07.30 CEST on May 2, 2022.

COMMENTS FROM THE CEO

Strong development in all business areas

We are proud to start 2022 off with strong growth and growing margins, despite the uncertainty we are experiencing in the world. The high demand we saw at the end of 2021 has continued into the first quarter. We are succeeding well in our deliveries to clients and partners and we can see that all four business areas are growing with high profitability.

DURING THE FIRST quarter of the year, we have increased net sales by 67 percent, which is gratifying. We continue to improve our EBITA margin, thanks to the acquisitions integrated during 2021 and early 2022 and positive organic development.

We see a continued strong demand for our four business areas, with a gradual shift towards more complex client assignments, where we can use our broad platform with competencies from several parts of Knowit. Thus, we serve as an important source of support for our clients throughout the digital transformation.

KNOWIT CONTRIBUTES TO A SUSTAINABLE WORLD

Participating in the shift to a sustainable society has been a top priority on Knowit's agenda for many years, through both strong commitment to our climate and a focus on social sustainability. During the quarter, we have published our new sustainability targets, ensuring that we at Knowit – together with our clients and partners – actively contribute to the UN Agenda 2030 through positive environmental and climate impact and increased inclusion. The new targets supplement our financial targets and are an important steering tool on the journey towards realizing our vision of a sustainable and humane society.

SUCCESSFUL ACQUISITIONS

We are succeeding well in our ambition to combine organic growth with strategic acquisitions. In January, the acquisition of the Danish design and strategy agencies 1508 and Strømlin was finalized, further reinforcing our presence in the Copenhagen region. This also strengthens our deliveries at the intersection between technology and design, which is growing more and more crucial in the transition to a digital society.

AN ATTRACTIVE EMPLOYER

We see continued high demand for Knowit's competence and ability to deliver solutions that help Nordic companies and organizations drive their development. The key to our continued success consists of being an attractive workplace that offers the best possibilities of varied, educational, and developing assignments to our consultants. Recruiting to meet the high demand remains one of our main challenges and improving our strong employer brand is a top priority. This makes it very gratifying that we have been lauded for our employer branding work during the quarter, thanks to the campaign Makers of a sustainable future, which has



been active in social channels on all of Knowit's markets. During the first quarter, we have succeeded in adding new competence, which creates the conditions for continued positive development in 2022.

THE WAR IN UKRAINE

It would be difficult to describe the first quarter of the year without mentioning the tragedy occurring in Ukraine as a result of Russia's invasion. At an operational level, we are currently only marginally impacted, as we have a limited number of subconsultants in Ukraine. However, we are following the development. As humans, we are all affected, and I am proud of the fundraiser we initiated together with UNHCR in March, which generated more than SEK 800,000 in support to those affected by the war. As a partner of UNHCR, we support the work for peaceful, equal, and inclusive societies. ■

PER WALLENTIN
CEO and President

EVENTS DURING THE PERIOD



JANUARY – MARCH 2022

In January, the acquisition of the **DANISH TECH AND DESIGN AGENCIES**, 1508.dk and Strømlin, which significantly strengthens our position on the Danish market.

Knowit becomes a **MEMBER OF THE UN GLOBAL COMPACT (UNGC)**, the world's largest sustainability initiative, serving to strengthen the social responsibility of companies. The membership means that the company commits to actively working on sustainability matters and to report to the UN annually.

Knowit opens a fundraiser in **COLLABORATION WITH UNHCR**, to support Ukraine, with colleagues, clients, and partners having donated more than SEK 800,000 during the month of March.

Knowit wins **GOLD AT THE MAGNET AWARDS** for the campaign “Dick – Digital quality.” The award is given to the best employer branding campaigns of the year.

NEW OPERATIONS are established in the business area Insight in Oslo, with a strong offer in business processes and cloud-based ERP solutions. The new operations supplement existing services in management consulting.

Knowit launches an updated client offer for cloud services **SUSTAINABLE CLOUD** in all Nordic countries and Poland. The new framework ensures that all cloud solutions from Knowit include measurable indicators that contribute to the long-term sustainability targets of clients.

Knowit's Board establishes **UPDATED SUSTAINABILITY TARGETS** which, combined with the financial targets, serve to ensure that the Company is aiming for a long-term profitable and sustainable growth.

Knowit becomes a “Supporting partner” of **WOMEN IN TECH** and contributes to inspiring women to discover and stay in the tech industry. The annual conference Women in Tech gathers more than 3,000 women in the tech sector in Stockholm in May 2022.

A Nordic branding campaign with the theme **MAKERS OF A SUSTAINABLE FUTURE** is launched in social channels in all Nordic countries and Poland.

THE PERIOD IN BRIEF

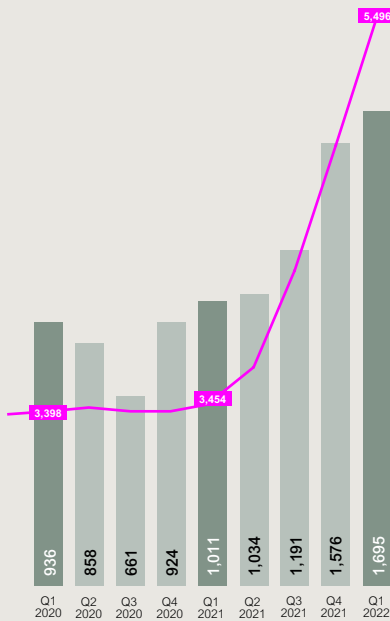
Sustainable growth

JANUARY – MARCH 2022

Strong and profitable growth

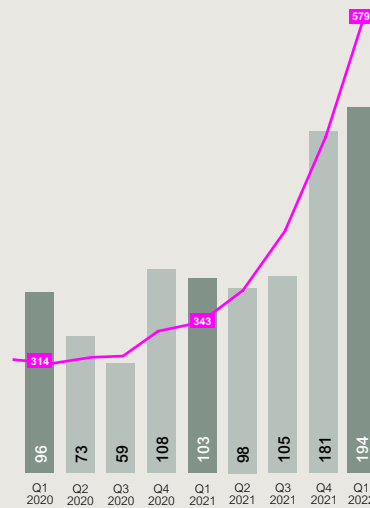
Knowit begins the year with strong and profitable growth, thanks to increased sales volume through acquired operations and positive growth in existing operations. In January, the acquisition of the Danish tech and design agencies 1508 and Strømlin, with around 40 employees, was finalized, creating a much stronger position on the Danish market. During the quarter, the integration of Cybercom has also been finalized and continued initiatives will hereafter be performed within the framework of the Group's existing operative areas.

In February, Knowit's Board made the decision to adopt updated sustainability targets. The new targets will, in combination with the financial targets, serve to safeguard the Company's goals of sustainable and profitable growth. For more information on the new sustainability targets, see page 6.



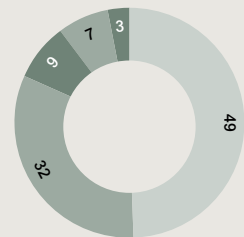
NET SALES, SEK, MILLIONS

- Net sales, quarterly data
- Rolling 12 months



ADJUSTED EBITA PROFIT, SEK, MILLIONS

- Adjusted EBITA, quarterly data
- Rolling 12 months



SALES PER COUNTRY JANUARY – MARCH 2022

Sweden	49%	(52)
Norway	32%	(39)
Finland	9%	(4)
Denmark	7%	(4)
Poland	3%	(-)
Other	0%	(0)

→ THE PERIOD IN BRIEF

JANUARY – MARCH 2022

Financial development

The net sales for the period increased to SEK 1,695.3 (1,011.4), affected by the acquisitions of Cybercom, Capacent, 1508.dk A/S, and Strømlin ApS. Profit before amortization of intangible assets (EBITA) increased to SEK 192.1 (103.3) million. The adjusted EBITA profit increased to SEK 194.2 (103.3) million, adjusted for acquisition and integration costs of SEK 2.1 million.

Compared with the corresponding period last year, exchange rate developments had a positive effect on EBITA totaling SEK 4.8 million. Cash flow from operating activities was SEK 5.2 (54.5) million, where the change in operating capital had an impact of SEK -104.8 (-53.0) million. ■

The table below shows financial history that includes the acquisitions of Cybercom, Capacent, 1508.dk A/S, and Strømlin ApS for comparable periods, to facilitate for the reader to follow the development. See more information on page 25 in this report.

SEK, MILLIONS	JAN-MAR 2022	JAN-MAR 2021
Sales	1,695.3	1,011.4
Sales, acquisitions		483.3 ¹⁾
Sales, including acquisitions	1,695.3	1,494.7
Sales, change, %	13.4	
<i>of which is exchange rate effect, %</i>	3.3	

1) Adjustments relate to addition of net sales in Cybercom, Capacent, 1508.dk A/S, and Strømlin ApS for the period January – March 2021.

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

SEK, MILLIONS	JAN-MAR 2022	JAN-MAR 2021
EBITA	192,1	103.3
Adjusted EBITA profit	194,2	103.3
EBITA margin, %	11.3	10.2
Adjusted EBITA margin, %	11.5	10.2
Cash flow from operating activities	5.2	54.5
Intangible assets	3,986.2	1,412.7
Number of employees at the end of the period	3,871	2,534

1) EBITA is adjusted for items that impair comparability between different periods, to improve the understanding of the Group's underlying operations. Comparison-impairing items include costs connected to acquisitions and sales and costs for restructuring and integration programs.

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

MARKET AND OPERATIONS

Knowit contributes to a sustainable society

Knowit contributes to a sustainable development of society by developing innovative solutions along with its clients and partners. Together, the business areas Solutions, system development and tech-associated services, Experience, digital communication solutions and data-driven customer experiences, Connectivity, development of embedded systems, security applications, and cloud services, and Insight, management consultancy and organizational development, create a complete offer in digitalization, covering the entire organization of each client.

DIGITALIZATION CREATES NEW possibilities for citizens and society. The solution to many of the main challenges in society, such as climate change, is dependent on mankind's ability to use new and existing technology in a sustainable way. Digital solutions that Knowit has developed along with clients and partners are found throughout all parts of society, from schools, healthcare services, and authorities, to e-commerce, transportation, security systems in vehicles, and new energy systems. Knowit's competence in new technology and digital solutions, such as artificial intelligence, automation, and robotization, creates good possibilities to have a positive impact on society and the climate challenges. Knowit has its largest operations in the Nordic region, with a smaller organization in Germany and operations in Poland that support the Nordic operations with expertise in programming and system development. With its agile work method and client-tailored solutions, Knowit has a strong position on the Nordic digitalization market.

A STRONG CLIENT OFFERING

Knowit's four business areas build on the clients' needs for support in various parts of their organizations. The business area Solutions usually collaborates with companies' operative and IT departments. Experience's usual client group encompasses sales and marketing departments, and Insight mainly has corporate management and management teams as its clients. Connectivity's target group is mainly research and development departments. Knowit's clients often have a need for services from several business areas. This means that projects can be performed with the support of multiple competencies from more than one business area. These are collaborations that develop both Knowit's and the clients' businesses.

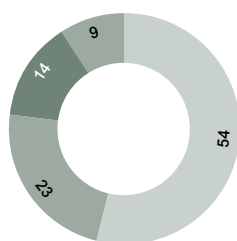
GOOD SPREAD ACROSS DIFFERENT CLIENT INDUSTRIES

Knowit meets clients in many different industries, where companies and organizations have the need for competent support to develop their operations and drive the change towards a digitalized society. The largest proportion of net sales is in the public sector, providing 36 percent of Knowit's total net sales. Other significant client sectors are retail and service companies, industry, and banking, finance, and insurance, which are behind 18, 15, and 10 percent of net sales, respectively.

AN EXPANDED SUSTAINABILITY FOCUS

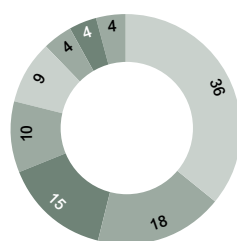
Actively contributing to the development of a sustainable and carbon-neutral society is a top priority at Knowit. As one important step, Knowit's new sustainability targets were made public in early 2022. They serve to ensure that the Company, along with its clients and partners, actively contributes to the UN Agenda 2030, with positive environmental and climate impact and increased inclusivity. To ensure progress within the Group, the management and Board will follow the development for three sub-goals:

- By 2030, eighty percent of Knowit's net sales shall contribute to at least one of the UN sustainable development goals where Knowit can make the largest difference.
- Knowit is a climate-positive company in 2022 and shall halve CO2 emissions from its own operations before 2030.



**SALES PER BUSINESS AREA
JANUARY - MARCH 2022**

Solutions	54%	(56)
Experience	23%	(31)
Connectivity	14%	(3)
Insight	9%	(10)



**SALES PER CLIENT INDUSTRY
JANUARY - MARCH 2022**

Public sector	36%	(38)
Retail and service companies	18%	(20)
Industry	15%	(13)
Banking, finance, and insurance	10%	(12)
Telecommunications	9%	(5)
Energy	4%	(6)
Media, education, and gaming	4%	(3)
Other	4%	(3)

→ MARKET AND OPERATIONS

- Knowit shall be an inclusive workplace with an even gender distribution (40–60 percent over time) among executives at all levels.

To follow up on and ensure that the ambitions in sustainability are realized, Knowit has established an internal forum, Sustainability Task Force, which will support the entire Group in sustainability matters. This is one step towards making greater use of experience within the organization and creating a closer connection to client assignments.

As of January 1, 2022, Knowit is a climate-positive company and has, within the framework of Fossil-free Sweden, committed to decreasing its carbon dioxide emissions by at least 50 percent by 2030. The goal is in line with the Science-Based Target initiative (SBTi), an initiative that objectively reviews the emission decrease targets of companies in relation to scientific best practices.

During the quarter, Knowit has taken further steps to contribute to a sustainable world by signing the UN Global Compact, with ten principles for a sustainable society.

AN ATTRACTIVE WORKPLACE

The growing demand for digital services means that Knowit is working hard to attract new employees. During the first quarter, several trainee programs have been launched ahead of the fall, with the aim of casting light on potential career paths at Knowit and thus being an attractive alternative for new employees at an early career stage.

For the third year running, Knowit's consultancy development program GROW has been initiated. This is a program aimed at employees at the start of their career. The aim of the program is to increase motivation and inspire participants, as well as to increase the conditions for more developed networking, both in Knowit and in client relationships.

With the aim of increasing innovative power, cohesion, and motivation among employees, Knowit is operating a concept called Innovation Zones. These are collaboration hubs where consultants, students, and partners are given the chance to explore new technology and create new, innovative solutions. Within the framework of the concept, an internal "Shark Tank/Dragon's Den" was organized in February, where various ideas and suggestions for increased client efficiency were presented to Knowit's jury.

CONTINUED WORK ON INTEGRATION AND ACQUISITIONS

The Nordic market for digitalization is dominated by a few larger players and large number of smaller companies specialized in particular areas in the digitalization chain. Knowit is one of the players that can, and has the ambition to, drive the consolidation trend through strategic or supplementary acquisitions. The acquisition of the Danish agencies 1508 and Strømli was finalized in January and is a good example of how two specialists in design and technology reinforce our total offer and position on the Danish market.

It has been one year since the acquisition of Cybercom was made public and during this quarter, the integration was finalized. Continued efforts to create strong and profitable platform for continued growth will hereafter be performed within the framework of existing operative areas.

Another important part of Knowit's strategy is to nurture the innovative power born out of a close collaboration with Nordic companies and organizations and which often gives rise to the establishment of new operations within

Knowit. One exciting example is the new operations in services for digital business processes and cloud-based ERP solutions, established in Norway during the first quarter. The new operations are part of the business area Insight.

FINANCIAL OUTCOME

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

The net sales for Solutions increased to SEK 976.0 (597.6) million, for Experience to SEK 413.2 (337.2) million, for Connectivity to SEK 246.0 (30.1) million, and for Insight to SEK 169.9 (110.8) million.

Profit before amortization of intangible assets (EBITA) for Solutions increased to SEK 126.2 (67.2) million, for Experience to SEK 59.3 (41.7) million, for Connectivity to SEK 29.4 (2.7) million, and for Insight increased to SEK 20.2 (8.3) million.

The EBITA margin for Solutions increased to 12.9 (11.2) percent, for Experience increased to 14.4 (12.4) percent, for Connectivity increased to 12.0 (9.0) percent, and for Insight increased to 11.9 (7.5) percent.

Solutions

	JAN-MAR 2022	JAN-MAR 2021 ¹⁾	JAN-MAR 2021 incl. acquisition ²⁾
Sales, SEK, million	976.0	597.6	833.3
EBITA, SEK, million	126.2	67.2	94.9
EBITA margin, %	12.9	11.2	11.4
Number of employees at the end of the period	1,717	1,312	1,770

1) The comparative figures have been updated based on the new organization.
2) Net sales pertain to the acquisition of Cybercom from January to March 2021.

Solutions is Knowit's largest business area, with operations on all of Knowit's markets in the Nordic region. Solutions has more than 1,700 consultants. The number of employees in Solutions has decreased during the year partly as a result of internal transfers. The consultants in Solutions offer cutting-edge competence in all parts of the systems development process: from idea, architecture and project governance, to programming, implementation, testing, and security.

COMMENTS FROM THE EVP OF SOLUTIONS

The business area Solutions has had a strong first quarter with increased net sales and margin. We are seeing high demand for our services on all markets, which is apparent in strong growth – both organic and through acquisitions.

"Our largest markets are developing very well. Norway stands out in particular, with several interesting new assignments for both new and existing clients. We are also seeing very positive developments with improved results in Finland,"
says Åsa Holmberg.

→ MARKET AND OPERATIONS

FUTURE-PROOFING THE PUBLIC SECTOR

In the Nordic region, the business area Solutions has most of its clients in the public sector. Examples of clients include VY (formerly NSB), a Norwegian transport group operating passenger transport with trains and buses in Norway and Sweden. Solutions has a large, long-term assignment in supporting the company with modernizing and maintaining its system portfolio. Knowit Solutions also supports large companies in retail and e-commerce with payment solutions and AI solutions. In the telecommunications industry, the business area Solutions has long-term relationships with several larger clients, for which it both develops new system solutions and is in charge of operations. Here, deliveries are to an increasing extent performed in agile teams. In banking and finance, there are some clients among the more niche players that are challenging existing business models.

Experience

	JAN-MAR 2022	JAN-MAR 2021	JAN-MAR 2021 incl. acquisition ¹⁾
Sales, SEK, million	413.2	337.2	361.5
EBITA, SEK, million	59.3	41.7	45.1
EBITA margin, %	14.4	12.4	12.5
Number of employees at the end of the period	959	868	937

1) Net sales pertain to the acquisition of Cybercom, 1508.dk A/S and Strömlin ApS from January to March 2021.

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

DATA-DRIVEN CUSTOMER EXPERIENCES

Knowit Experience's relationship with its clients is a typical combination of time-limited project assignments and long-term partnerships. An example is the increased need to shift sales to data-driven e-commerce solutions more quickly. Danish Arla, Fiskars lifestyle products, the Swedish Legal, Financial and Administrative Services Agency, and the Norwegian insurance company Storebrand are clients where Experience has a long-term collaboration and is continuously developing new digital services and user interfaces. Together with its clients, Experience is creating efficient and integrated e-commerce platforms with a focus on data-driven customer experiences and increased sales. Experience has several clients in the public sector, where it contributes in various ways to create better, more accessible public services for individual citizens. One example of this is 1177.se.

COMMENTS FROM THE EVP OF EXPERIENCE

The business area Experience has had a strong quarter with growth in both net sales and profit. In Sweden and Denmark, the profit development has been very positive thanks to high demand and positive price development. Gratifyingly, the integration of 1508 and Strömlin has moved ahead and contributed positively to the entire business area, increasing commitment and motivation.

"I am very proud of the continued strong development in Knowit Experience, with several large, value-adding deliveries to our clients. We have had very good profit development in both Denmark and Sweden, which contributes to a strong result for the entire business area,"
says Fredrik Ekerhovd.

Connectivity

	JAN-MAR 2022	JAN-MAR 2021	JAN-MAR 2021 incl. acquisition ¹⁾
Sales, SEK, million	246.0	30.1	218.2
EBITA, SEK, million	29.4	2.7	21.8
EBITA margin, %	12.0	9.0	10.0
Number of employees at the end of the period	676	34	678

1) Net sales pertain to the acquisition of Cybercom from January to March 2021.

Connectivity combines technical expertise and business competence for innovative, secure, and sustainable solutions in IT and communication technology. The business area is primarily active in product, system, and service development of embedded systems, cloud solutions, and security applications. The business area, with its around 700 consultants in Sweden and Poland, is a leading supplier to clients in the telecom industry, the vehicle industry, the manufacturing industry, and to research and development departments.

A CONNECTED WORLD

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

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

COMMENTS FROM THE EVP OF CONNECTIVITY

The business area Connectivity has started the year off in a very positive way, with strong growth. The margin in the Swedish operations have been reinforced significantly during the quarter, as a result of the operations in Poland contributing with competence in multiple client projects.

"We have a continued positive margin trend in Connectivity, driven by the strong development on the Swedish market. During the quarter, we have seen increased net sales for several of our clients, which creates a good platform for continued growth,"
says Annika Nordlander.

→ MARKET AND OPERATIONS

Insight

	JAN-MAR 2022	JAN-MAR 2021 ¹⁾	JAN-MAR 2021 incl. acquisition ²⁾
Sales, SEK, million	169.9	110.8	158.9
EBITA, SEK, million	20.2	8.3	16.6
EBITA margin, %	11.9	7.5	10.4
Number of employees at the end of the period	376	282	380

1) The comparative figures have been updated based on the new organization.
2) Net sales pertain to the acquisition of Cybercom and Capacent from January to March 2021.

Management consultants at Knowit Insight support their clients in creating agile organizations and performing digital transformations, from idea to result. In close collaboration with the client, they create methods and model based on the client's challenges and unique market circumstances. The business area Insight, with around 375 employees, is a challenger on the Nordic management consulting market. Primary offers from Insight include data-driven growth, organizational and strategic development, security, e-health, and sourcing.

INCREASED DEMAND FOR SECURITY SOLUTIONS

Around a hundred of Insight's consultants are currently in offers related to the security field, which has shown strong growth. Clients are found in both the private and public sectors and assignments in the healthcare sector and banking and finance have increased rapidly in recent years. Examples of assignments include implementation of a new medical records system in the Västra Götaland region and data protection for Bankgirot.

A SMARTER AND MORE SUSTAINABLE SOCIETY

For many years, Knowit has helped operations in various industries to develop everything from smart homes to smart offices and municipalities. With its clients, Insight deve-

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

COMMENTS FROM THE EVP OF INSIGHT

The business area Insight has a continued positive trend in the fourth quarter and increases both its net sales and its margin. We have succeeded well with attracting new talents to the operations, but are also challenged by high staff turnover, driven by strong demand for our competence.

"We are seeing high demand for our services in both Sweden and Norway, which means very strong sales growth on both markets, combined with increased margins. We have also seen that the merger of our different offers in Stockholm has had a positive impact on both profit and business opportunities," says Carin Strindmark. ■

CUSTOMER CASE

Current projects create client value

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

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



SWEDISH TRAIN TRAVELERS GET ARRIVAL TIMES WITH A NEW CHATBOT

Helping people simplify their everyday life using digitalization is a key to Knowit's operations. The increased usage of models for machine learning and artificial intelligence (AI) creates great opportunities for this. One great example is the introduction of Railbot the Chatbot, which was developed by Knowit together with The Train Brain and Microsoft Sweden.

Sweden's rail network extends more than 15,000 kilometers and about 45,000 single-track passings occur each day. The system is vulnerable, since a delay anywhere will have consequences for the timetables of many other trains across the country, like a domino effect. By analyzing and identifying patterns in train traffic, the chatbot can predict future delays and inform passengers thereof. The new technology gives train travelers a fast, more accurate prediction of when the train they are traveling on will reach their final destination. The need for information to passengers about delays is large and Railbot the Chatbot can help deliver new arrival times based on track and weather data. The Train Brain has as its long-term goal to create intelligent trains that use AI to avoid large delays and support traffic planning.



BETTER HEALTH FOR 100,000 USERS

Knowit Experience has had a strategic partnership with Storebrand Helseforsikring for almost four years. This is a company offering health insurance to both companies and individuals in Norway and Sweden. During last year, the collaboration encompassed many exciting projects on the client's platform Bli Frisk [Get Well], which consists of three mobile apps with a joint backend system in Azure, and aims to help more than 100,000 users in the Nordic region achieve better health.

Knowit's team has just modernized the entire platform and created a new backend in the cloud with microservice architecture. The apps have also been reworked with new workflows, design, and content, to make them more accessible and relevant.

During 2022, we will be looking more closely at new websites and sales solutions in various channels.



ENGCON

Engcon is a world-leading supplier of tilt rotators, devices that make it possible to tilt and rotate excavators using hydraulics. In order for the driver to be able to maneuver

→ CUSTOMER CASE

the excavator from the driver's seat, a steering system has been developed to translate the signals sent by the driver to the tilt rotator.

During the fall of 2020, the company wanted to make a change in its software development and contacted Knowit Connectivity. This collaboration means that Knowit is taking full responsibility for development of the steering system software, as well as some hardware development, to mitigate a current lack of components.

Within the framework of Knowit's Innovation Zone, a new project is currently being tested in collaboration with Engcon. The project serves to develop a method to configure the steering system automatically upon installation, using machine learning. Through an automated configuration process, time would be freed up at installation, and fuel usage decreased – an important contribution to a sustainable society.



WELFARE TECH FOR INCREASED SAFETY

When the healthcare administration in Uppsala began its work with implementing welfare tech to increase safety, Knowit Insight was hired to drive the project forward.

There was a need to gather lessons learned from both internal projects and the work that other municipalities had done with welfare tech, in order to create a framework for its implementation.

Technology that increases safety, so-called welfare tech, serves to provide support for people in their everyday lives and thus improve safety. Examples of such tech include keyless homecare, personal safety alarms, GPS alarms, and night-time monitoring through cameras.

Thanks to long experience from working in municipal operations, Knowit could support the administration in its work preparing for a procurement. In close collaboration with the client, a project directive and overall project plan were developed. A first inventory of suppliers was taken and a market dialogue was performed. Further, existing welfare tech to increase safety was mapped, as well as existing contractual relationships. Contacts were made with several other municipalities to gather experiences in the field.

The efforts resulted in support for prioritization and further work on a procurement and a framework that will provide general support to the administration's implementation of welfare tech. The framework defined stages that needed to be passed through and contacts needed to ensure that various initiatives in welfare tech would be managed in an effective way. The next steps in the implementation of welfare tech can now be performed with a clearer sense of direction. ■

THE GROUP

Increased net sales and an improved margin

Net sales and profit

The Group

JANUARY – MARCH

Net sales increased to SEK 1,695.3 (1,011.4) million, an increase by 67.6 percent as compared with the corresponding period last year. Compared with the corresponding period last year, the exchange rate development has had a positive impact on net sales of SEK 49.6 (-20.3) million.

Net sales increased to SEK 832.0 (521.9) million in Sweden, to SEK 543.8 (398.2) million in Norway, to SEK 143.5 (45.2) million in Finland, to SEK 125.9 (41.9) million in Denmark, and to SEK 45.1 (–) in Poland. Net sales per country in the previous year have been adjusted due to a partially erroneous allocation in 2021, see also page 26 for data by quarter. Sales per employee increased to KSEK 465 (418).

The operating profit before amortization of intangible assets (EBITA) increased to SEK 192.1 (103.3) million. The adjusted EBITA profit increased by 88.0 percent to SEK 194.2 (103.3) million, adjusted for integration costs of SEK 2.1 million. Compared with the corresponding period last year, the exchange rate development has had a positive impact on EBITA of SEK 4.8 (-2.0) million.

In Sweden, EBITA increased to SEK 132.3 (62.7) million, in Norway to SEK 65.4 (50.1) million, in Finland to SEK 9.9 (1.9) million, in Denmark to SEK 12.3 (4.4) million, and in Poland to SEK 5.2 (–) million. The operating margin (EBITA) increased to 11.3 (10.2) percent. The adjusted EBITA margin increased to 11.5 (10.2) percent.

Amortization of intangible assets amounted to SEK -31.2 (-7.1) million, affected by increased amortization related to the acquisitions of Cybercom, Capacent, 1508.dk A/S, and Strømlin ApS.

The operating profit after financial items increased to SEK 156.6 (95.0) million. The financial net was SEK -4.3 (-1.2) million, affected primarily by revaluation of additional consideration and exchange rate development. The figures for last year are mainly affected by exchange rate development.

The results after tax increased to SEK 121.7 (72.4) million. Tax for the period was SEK -34.9 (-22.6) million. The non-controlling interests' share of profit for the year was SEK 2.7 (3.6) million. Earnings per share increased to SEK 4.34 (3.49).

The segments

JANUARY – MARCH

The Group's operations are organized so that the corporate management primarily follows up on net sales, EBITA profit, and average number of employees for the Group's segments. The Corporate Management Team does not follow up on balance sheet items other than intangible assets across the different segments. In connection with the acquisition of Cybercom on July 1, 2021, a fourth segment, Knowit Connectivity, was created, with

a focus on meeting the needs from clients in the industry, tech, and telecom sectors. Thus, the Corporate Management Team primarily follows up on four segments: Solutions, Experience, Connectivity, and Insight. Other items include cloud services of a smaller scope, the Parent Company's group-wide costs for management, financials, and marketing, and adjustments related to IFRS 16, which are not allocated to the segments.

On July 1, Knowit performed an organizational change which means that operations that had formerly been part of Solutions were moved to the new segment Connectivity. Further, on December 31, 2021, a smaller operation formerly part of the segment Solutions was transferred to the segment Insight. The comparative figures have been altered to reflect the new segmentation.

Net sales for the segment Solutions increased to SEK 976.0 (597.6) million, for the segment Experience they increased to SEK 413.2 (337.2) million, for the segment Connectivity they increased to SEK 246.0 (30.1) million, and for the segment Insight they increased to SEK 169.9 (110.8) million.

EBITA increased to SEK 126.2 (67.2) million for the segment Solutions, to SEK 59.3 (41.7) million for the segment Experience, to SEK 29.4 (2.7) million for the segment Connectivity, and to SEK 20.2 (8.3) million for the segment Insight.

The EBITA margin increased to 12.9 (11.2) percent for the segment Solutions, to 14.4 (12.4) percent for the segment Experience, to SEK 12.0 (9.0) for the segment Connectivity, and to 11.9 (7.5) percent for the segment Insight.

Cash flow *The Group*

JANUARY – MARCH

Cash flow from operating activities was SEK 5.2 (54.5) million, affected by tax paid totaling SEK -143.2 (-42.0) million, mainly related to restructuring effects in Finland. The change in working capital was SEK -104.8 (-53.0) million.

Cash flow from investment activities amounted to SEK -104.2 (-9.6) million, affected mainly by the acquisition of 1508.dk A/S and Strømlin ApS.

Cash flow from financing activities was SEK -30.6 (-17.7) million, affected mainly by amortizations of finance lease debts.

Total cash flow was SEK -129.6 (27.2) million.

Acquisition of operations

On January 3, 2022, Knowit AB acquired 80 percent of the shares in the design agency 1508.dk A/S and 100 percent of the tech agency Strømlin ApS. The remaining 20 percent of 1508.dk A/S will be acquired during 2023 and 2024.

The new operations, combined with the existing operations of the business area Experience in Copenhagen

→ THE GROUP

and Aarhus, are expected to become a strong platform for continued growth on the Danish market. The companies' offers supplement each other well and reinforce Knowit Experience's offer in mainly design, consultancy, and tech. The acquisition analysis remains preliminary.

Financial position

JANUARY – MARCH

Cash and cash equivalents increased to SEK 722.8 (704.4) million as per March 31, 2022. Goodwill and other intangible assets increased to SEK 3,986.2 (1,412.7) million, of which goodwill was SEK 3,241.7 (1,234.8) million, and other intangible assets were SEK 744.5 (177.9) million.

Equity increased to SEK 4,063.2 (1,724.6) million, affected mainly by the new issues during 2021. Interest-bearing liabilities increased to SEK 906.8 (564.0) million by March 31, 2022, with non-current liabilities totaling SEK 298.5 (326.1) million and current liabilities increasing to SEK 608.3 (237.9) million. Bank loans increased to SEK 455.3 (155.3) million of granted credit facilities of SEK 550.0 (250.0) million.

Use of an overdraft facility totaled SEK 0.0 (0.0) million of a granted overdraft facility of SEK 50.0 (50.0) million, lease liabilities totaled SEK 219.0 (208.4) million and liabilities related to future consideration in subsidiaries totaled SEK 232.6 (200.4) million.

The equity/asset ratio increased to 62.3 (53.3) percent as per March 31, 2022.

Employees

JANUARY – MARCH

On March 31, 2022, a total of 3,871 (2,534) people were employed by the Group. The number of employees has increased by 22 people during 2022.

The average number of employees has during the period increased to 3,645 (2,419). The average number of employees in Sweden increased to 1,928 (1,334), in Norway to 895 (838), in Finland to 400 (138), in Denmark to 147 (102), and in Poland to 264 (–).

Seasonal variation

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

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

Transactions with related parties

No significant transactions have occurred during the period. For more information, see Note 29 Transactions with related parties, page 93 in the Annual Report 2021. ■

PARENT COMPANY

Results and financial position

JANUARY – MARCH

The operating profit/loss before amortization of intangible assets (EBITA) was SEK -29.0 (-18.4) million. The financial net increased to SEK 5.3 (11.4) million. The profit/loss after financial net was SEK -25.0 (-8.1) million.

As per March 31, 2022, equity was SEK 2,627.4 (620.6) million, affected by the issues performed in 2021. Untaxed reserves, mainly accrual funds, increased to SEK 128.0 (115.7) million. ■

OTHER INFORMATION

Accounting principles and forward-looking information

Annual General Meeting

The Company's Annual General Meeting will take place on Monday May 2, 2022, at 1 PM. In accordance with temporary legislation, the AGM will be held through advance postal voting. There will be no meeting with the possibility to participate in person or through a proxy.

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.

Russia's invasion of Ukraine and the sanctions carried out affect our surroundings and the development is unpredictable. Knowit is following the situation carefully. The direct financial effects on Knowit are currently assessed to be minor. Aside from this, the COVID-19 pandemic entails a continued risk for the Company. For more information on risks, see the Annual Report 2021, pages 54-56 and 77-78.

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

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 2022

May 2, 2022, 1:00 PM

INTERIM REPORT JANUARY – JUNE 2022

July 15, 2022, 7:30 AM

INTERIM REPORT JANUARY – SEPTEMBER 2022

October 25, 2022, 7:30 AM

YEAR-END REPORT 2022

February 7, 2023, 7:30 AM

Certification

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 MAY 2, 2022

PER WALLENTIN
CFO

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

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OTHER INFORMATION

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. ■

FINANCIAL STATEMENTS

Consolidated income statement in summary

SEK, MILLIONS	JAN-MAR 2022	JAN-MAR 2021	JAN-DEC 2021
Net sales	1,695.3	1,011.4	4,811.8
Operating costs	-1,468.4	-886.0	-4,249.7
Depreciation of tangible fixed assets	-34.8	-22.1	-123.6
Operating result before amortization of intangible assets (EBITA)	192.1	103.3	438.5
Amortization of intangible fixed assets	-31.2	-7.1	-75.2
OPERATING RESULT (EBIT)	160.9	96.2	363.3
Financial incomes	0.5	4.5	20.6
Financial expenses	-4.8	-5.7	-13.8
RESULT AFTER FINANCIAL ITEMS	156.6	95.0	370.1
Tax	-34.9	-22.6	-75.3
RESULT FOR THE PERIOD	121.7	72.4	294.8
Result for the period attributable to shareholders in Parent Company	119.0	68.8	290.5
Result for the period attributable to non-controlling interests' holdings	2.7	3.6	4.3
EARNINGS PER SHARE			
Earnings per share, before dilution, SEK	4.34	3.49	12.26
Earnings per share, after dilution, SEK	4.34	3.49	12.26

Consolidated comprehensive income in summary

SEK, MILLIONS	JAN-MAR 2022	JAN-MAR 2021	JAN-DEC 2021
Profit for the period	121.7	72.4	294.8
<i>Items that may later be reclassified to profit or loss</i>			
Loss on hedging of exchange rate risks in foreign operations	8.8	8.1	5.1
Tax effects on hedging	-1.8	-1.7	-1.3
Translation differences	42.7	45.2	54.3
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	49.7	51.6	58.1
Total comprehensive income for the period	171.4	124.0	352.9
Total comprehensive income attributable to shareholders in Parent Company	169.1	120.4	348.6
Total comprehensive income attributable to non-controlling interests' holdings	2.3	3.6	4.3

→ FINANCIAL STATEMENTS

Consolidated balance sheet in summary

SEK, MILLIONS	2022-03-31	2021-03-31	2021-12-31
Assets			
Intangible fixed assets	3,986.2	1,412.7	3,839.5
Tangible fixed assets	252.8	236.7	290.7
Financial fixed assets	18.5	15.7	17.0
Deferred tax assets	96.0	18.1	96.8
Current assets	1,445.7	845.7	1,240.0
Cash equivalents	722.8	704.4	851.4
TOTAL ASSETS	6,522.0	3,233.3	6,335.4
Equity and liabilities			
Share capital	27.4	19.8	27.4
Other capital provided and provisions	2,883.1	791.3	2,832.0
Retained earnings, including profit for the year	1,142.4	894.6	1,025.3
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY	4,052.9	1,705.7	3,884.7
Non-controlling interests	10.3	18.9	7.7
TOTAL EQUITY	4,063.2	1,724.6	3,892.4
Non-current provisions	235.4	92.4	229.9
Interest-bearing non-current liabilities	298.5	326.1	286.3
Interest-bearing current liabilities	608.3	237.9	606.6
Other current liabilities	1,316.6	852.3	1,320.2
TOTAL EQUITY AND LIABILITIES	6,522.0	3,233.3	6,335.4

→ FINANCIAL STATEMENTS

Consolidated cash flow statement

SEK, MILLIONS	2022-03-31	2021-03-31	2021-12-31
Operating activities			
Profit before taxes	156.6	95.0	370.1
Adjustment for non-cash items	96.6	54.5	206.9
Paid taxes	-143.2	-42.0	-64.4
Cash flow before changes in operating capital	110.0	107.5	512.6
Changes in operating capital	-104.8	-53.0	-49.8
CASH FLOW FROM OPERATING ACTIVITIES	5.2	54.5	462.8
Investing activities			
Acquisition of businesses	-97.6	-7.9	-403.4
Acquisition on intangible assets	-1.5	-1.1	-4.1
Acquisition of property, plant and equipment	-5.1	-0.6	-8.0
Acquisition of financial assets	–	–	3.6
CASH FLOW FROM INVESTING ACTIVITIES	-104.2	-9.6	-411.9
Financing activities			
New share issue	–	–	492.5
Amortization of loans	-30.6	-17.7	-813.9
Loans raised	–	–	600.0
Dividend	–	–	-151.0
CASH FLOW FROM FINANCING ACTIVITIES	-30.6	-17.7	126.6
Cash flow for the period	-129.6	27.2	177.5
Cash and cash equivalents, January 1	851.4	675.6	675.6
Translation differences in cash and cash equivalents	1.0	1.6	-1.7
CASH AND CASH EQUIVALENTS, MARCH 31	722.8	704.4	851.4

→ FINANCIAL STATEMENTS

Consolidated statement of changes in equity

SEK, MILLIONS	JAN-MAR 2022	JAN-MAR 2021	JAN-DEC 2021
Opening balance	3,892.4	1,545.0	1,545.0
Translation differences	42.7	45.2	54.3
Result from hedging of currency risk in foreign currency	8.8	8.1	5.1
Tax effect, hedging of currency risk	-1.8	-1.7	-1.3
Result for the period	121.7	72.4	294.8
TOTAL PROFIT FOR THE PERIOD RECOGNIZED IN THE INCOME STATEMENT	171.4	124.0	352.9
TOTAL BEFORE TRANSACTIONS WITH SHAREHOLDERS	4,063.8	1,669.0	1,897.9
Non-controlling interests	–	0.1	-4.4
Additional capital from non-controlling interest	-0.6	–	1.5
Dividend paid	–	–	-152.0
New share issue, company acquisition	–	55.5	2,149.4
CLOSING BALANCE	4,063.2	1,724.6	3,892.4

Performance measures

	JAN-MAR 2022	JAN-MAR 2021	JAN-DEC 2021
Average number of employees	3,645	2,419	2,980
Sales per average number of employees (SEK, 000s)	465	418	1,615
Result after financial items per average number of employees (SEK, 000s)	43	39	124
Return on total capital, %	2.5	3.2	8.2
Return on equity, %	3.1	4.2	10.8
Return on capital employed, %	3.3	4.4	11.1
EBITA margin, %	11.3	10.2	9.1
Adjusted EBITA margin, %	11.5	10.2	10.1
Equity ratio, %	62.3	53.3	61.4

Data per share

	JAN-MAR 2022	JAN-MAR 2021	JAN-DEC 2021
Earnings per share, SEK			
Before dilution	4.34	3.49	12.24
After dilution	4.34	3.49	12.24
Equity per share, SEK			
Before dilution	147.87	85.88	141.73
After dilution	147.87	85.88	141.73
Average number of shares, (000s)			
Before dilution	27,409	19,708	23,702
After dilution	27,409	19,708	23,702
Number of shares on balance sheet day, (000s)			
Before dilution	27,409	19,862	27,409
After dilution	27,409	19,862	27,409

→ FINANCIAL STATEMENTS

Consolidated segment reporting

JAN-MAR 2022 SEK, MILLIONS	Solutions	Experience	Connectivity	Insight	Other	Total
External net sales	914.1	383.2	233.1	150.5	14.4	1,695.3
Net sales between segments	61.9	30.0	12.9	19.4	-124.2	–
NET SALES	976.0	413.2	246.0	169.9	-109.8	1,695.3
Operating result before amortization of intangible assets (EBITA)	126.2	59.3	29.4	20.2	-43.0	192.1
Amortization of intangible assets	-12.0	-6.4	-9.4	-1.8	-1.6	-31.2
OPERATING PROFIT (EBIT)	114.2	52.9	20.0	18.4	-44.6	160.9
Result after financial items						156.6
RESULT FOR THE PERIOD						121.7
EBITA margin, %	12.9	14.4	12.0	11.9		11.9
Average number of employees	1,651	875	638	358	123	3,645
Intangible assets	1,889.1	743.6	1,097.6	238.2	17.7	3,986.2
Tangible fixed assets	13.4	5.8	7.5	0.7	225.4	252.8
JAN-MAR 2021 SEK, MILLIONS	Solutions ¹⁾	Experience	Connectivity ¹⁾	Insight ¹⁾	Other	Total
External net sales	580.5	308.5	23.8	98.6	–	1,011.4
Net sales between segments	17.1	28.7	6.3	12.2	64.3	–
NET SALES	597.6	337.2	30.1	110.8	64.3	1,011.4
Operating result before depreciations of intangible assets (EBITA)	67.2	41.7	2.7	8.3	-16.7	103.3
Amortization of intangible assets	-1.6	-4.0	–	–	-1.5	-7.1
OPERATING PROFIT (EBIT)	65.6	37.7	2.7	8.3	-18.2	96.2
Result after financial items						95.0
RESULT FOR THE PERIOD						72.4
EBITA margin, %	11.2	12.4	9.0	7.5		10.2
Average number of employees	1,276	811	31	264	37	2,419
Intangible assets	725.3	605.4	–	60.8	21.2	1,412.7
Tangible fixed assets	7.1	9.3	0.4	0.1	219.7	236.7

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

1) On July 1, Knowit performed an organizational change which meant that operations formerly part of the segment Solutions were moved to the new segment Connectivity. Further, a smaller operation formerly part of the segment Solutions has as of December 31, 2021, been moved to the segment Insight. The comparative figures are given based on the new segmentation. Comparison-impairing items have not affected the segments during the period.

→ FINANCIAL STATEMENTS

Group revenue from client contracts

SEK, MILLIONS	JAN-MAR 2022	JAN-MAR 2021 ¹⁾	JAN-DEC 2021 ¹⁾
GEOGRAPHIC CATEGORIZATION			
Fee revenue			
Sweden	802.9	499.7	2,412.6
Norway	529.4	384.3	1,555.7
Finland	137.2	44.7	317.1
Denmark	123.6	40.3	248.3
Poland	44.1	–	75.0
Other	4.9	4.3	15.8
TOTAL FEE REVENUE	1,642.2	973.3	4,624.4
Other revenue			
Sweden	29.1	22.2	108.5
Norway	14.4	13.9	50.1
Finland	6.3	0.5	21.3
Denmark	2.2	1.5	6.0
Poland	1.0	–	1.3
Other	0.0	0.0	0.2
TOTAL OTHER REVENUE	53.0	38.2	187.4
TOTAL NET REVENUE	1,695.3	1,011.4	4,811.7
SEGMENT CATEGORIZATION			
Fee revenue			
Solutions	953.5	584.1	2,767.6
Experience	396.2	313.1	1,222.0
Connectivity	231.8	23.7	438.5
Insight	166.3	109.7	453.6
Other	-105.5	-57.2	-257.3
TOTAL FEE REVENUE	1,642.3	973.3	4,624.4
Other revenue			
Solutions	22.5	13.5	75.4
Experience	17.0	24.1	84.8
Connectivity	14.2	6.5	40.9
Insight	3.6	1.2	5.2
Other	-4.3	-7.1	-18.9
TOTAL OTHER REVENUE	53.0	38.2	187.4
TOTAL NET REVENUE	1,695.3	1,011.4	4,811.8

Segmentation is updated in accordance with the segment reporting on page 20. The comparative figures for 2021 have been updated. The revenue category Software licenses is reported under the category Other revenue, as the amount is not significant. For more information, see Note 1 Accounting and valuation principles, pages 71-77 in the Annual Report 2021.

1) Net sales per country in the previous year have been adjusted due to a partially erroneous allocation during 2021, see also page 26 for data by quarter.

→ FINANCIAL STATEMENTS

Financial assets and liabilities at fair value and categorization

SEK, MILLIONS	2022-03-31			2021-03-31		
	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	–	11.8	11.8 ¹⁾	–	3.6	3.6 ¹⁾
Other long-term receivables	3.5	–	3.5	1.5	–	1.5
Accounts receivable and other receivables	1,313.3	–	1,313.3	771.5	–	771.5
Liquid assets	722.8	–	722.8	704.5	–	704.5
CASH EQUIVALENTS	2,039.6	11.8	2,051.4	1,477.5	3.6	1,481.1

SEK, MILLIONS	2022-03-31			2021-03-31		
	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	–	195.8	195.8 ²⁾	–	173.1	173.1 ²⁾
Future consideration	36.7	–	36.7 ²⁾	27.4	–	27.4 ²⁾
Liabilities to sellers	–	–	–	–	–	– ²⁾
Other interest-bearing liabilities	674.3	–	674.3	363.5	–	363.5
Accounts payable	320.2	–	320.2	144.6	–	144.6
Other liabilities	447.6	–	447.6	322.1	–	322.1
TOTAL	1,478.8	195.8	1,674.6	857.6	173.1	1,030.7

1) Fair value pursuant to categorization level 2

2) Fair value pursuant to categorization level 3

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

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

SEK, MILLIONS	Other financial liabilities	Future considerations	Liabilities to sellers
Fair value, 2022-01-01	177.7	12.3	–
Total recognized profits and losses:			
Recognized in profit/loss for the year	3.2	–	–
Recognized in equity	–	–	–
Settlement of future additional considerations, options and future consideration	–	–	–
Cost of acquisitions	14.9	24.4	–
Fair value, 2022-03-31	195.8	36.7	–
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	–	-13.5	-54.1
Cost of acquisitions	–	–	–
Fair value, 2021-03-31	173.1	27.4	–

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Income statement Parent Company

SEK, MILLIONS	JAN-MAR 2022	JAN-MAR 2021	JAN-DEC 2021
Net sales	186.5	136.3	569.2
Operating costs	-215.2	-154.4	-672.3
Depreciation of property, plant and equipment	-0.3	-0.3	-1.2
OPERATING RESULT BEFORE AMORTIZATION OF INTANGIBLE ASSETS (EBITA)	-29.0	-18.4	-104.3
Amortization of intangible assets	-1.3	-1.1	-4.8
OPERATING RESULT (EBIT)	-30.3	-19.5	-109.1
Financial items	5.3	11.4	209.6
RESULT AFTER FINANCIAL ITEMS	-25.0	-8.1	100.5
Appropriations	–	–	-12.3
Income tax	–	–	-16.6
RESULT FOR THE PERIOD	-25.0	-8.1	71.6

Balance sheet Parent Company

SEK, MILLIONS	2022-03-31	2021-03-31	2021-12-31
Assets			
Intangible assets	14.1	17.6	15.3
Property, plant and equipment	1.4	2.2	1.4
Financial non-current assets	4,893.6	1,278.8	4,888.1
Current assets	473.2	107.3	125.5
Cash equivalents	604.6	666.2	699.2
TOTAL ASSETS	5,986.9	2,072.1	5,729.5
Equity and liabilities			
Share capital	27.4	19.8	27.4
Statutory reserve	68.0	68.0	68.0
Fund for development costs	–	4.0	0.4
Unrestricted share capital including result for the period	2,532.0	528.8	2,556.6
TOTAL EQUITY	2,627.4	620.6	2,652.4
Untaxed reserves	128.0	115.7	128.0
Non-current provisions	759.3	–	759.3
Provisions	133.3	174.2	133.3
Interest-bearing current liabilities	508.4	155.3	508.4
Other current liabilities	1,830.5	1,006.3	1,548.1
TOTAL EQUITY AND LIABILITIES	5,986.9	2,072.1	5,729.5

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Acquired operations

1508.DK A/S AND STRØMLIN APS

On January 3, 2022, Knowit acquired 80 percent of the shares in the design agency 1508.dk A/S and 100 percent of the shares in the tech agency Strømmlin ApS. The outstanding 20 percent of 1508.dk A/S will be acquired in 2023 and 2024.

The new operations, combined with the business area Knowit Experience's existing operations in Copenhagen and Aarhus, will become a strong platform for continued growth on the Danish market. The companies' offers supplement each other well and strengthen Knowit Experience's offer, primarily in design, consultancy, and tech.

SEK, MILLIONS	1508.dk A/S	Strømmlin ApS	Total
Consideration paid			
Liquid assets	49.2	32.9	82.1
Liabilities to sellers	4.5	10.7	15.2
Contingent consideration	12.5	–	12.5
Total consideration paid to sellers	66.2	43.6	109.8

The reported totals represent preliminary fair values of identified acquired assets and liabilities in 1508.dk A/S and Strømmlin ApS, respectively:

SEK, MILLIONS	1508.dk A/S	Strømmlin ApS	Total
Intangible assets	18.0	18.6	36.6
Tangible assets	0.4	0.2	0.6
Current assets	8.1	3.6	11.7
Liquid assets	3.5	7.3	10.8
Long-term liabilities	-5.8	-4.6	-10.4
Short-term liabilities	-5.5	-6.2	-11.7
Acquired identifiable net assets	18.7	18.9	37.6
Goodwill	47.5	24.7	72.2
Acquired net assets	66.2	43.6	109.8

Goodwill is attributable to the high profitability of the acquired companies and the synergies expected from the merger of the operations of these companies and Knowit.

1508.dk A/S and Strømmlin ApS have during the first quarter 2022 contributed with revenue of SEK 21.9 million and an EBITA of SEK 6.1 million.

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Financial overview by business area

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

SEK, MILLIONS	JAN-MAR 2022	JAN-MAR 2021 ¹⁾	JAN-MAR 2021 incl.acquisition ²⁾
The Group			
Net Sales	1,695.3	1,011.4	1,494.7
Adjusted EBITA profit	194.2	103.3	158.1
Adjusted EBITA margin, %	11.5	10.2	10.6
Number of employees at the end of the period	3,871	2,534	3,887
Business areas			
Solutions			
Net Sales	976.0	597.6	833.3
EBITA	126.2	67.2	94.9
EBITA margin, %	12.9	11.2	11.4
Number of employees at the end of the period	1,717	1,312	1,770
Experience			
Net Sales	413.2	337.2	361.5
EBITA	59.3	41.7	45.1
EBITA margin, %	14.4	12.4	12.5
Number of employees at the end of the period	959	868	937
Connectivity			
Net Sales	246.0	30.1	218.2
EBITA	29.4	2.7	21.8
EBITA margin, %	12.0	9.0	10.0
Number of employees at the end of the period	676	34	678
Insight			
Net Sales	169.9	110.8	158.9
EBITA	20.2	8.3	16.6
EBITA margin, %	11.9	7.5	10.4
Number of employees at the end of the period	376	282	380

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

2) Adjustment pertains to the acquisitions of Cybercom, Capacent, 1508.dk AIS and Stråmlin ApS from January 1 to March 31, 2021.

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Financial overview by country

The table shows the profit/loss by quarter and period where comparative figures are shown to facilitate analysis. Net sales per country in the previous year have

been corrected, meaning that the comparative figures for 2021 have been updated.

SEK, MILLIONS	JAN-MAR 2022	JAN-MAR 2021	APR-JUN 2021	JUL-SEP 2021	OCT-DEC 2021	JAN-DEC 2021
Sweden						
Net sales	832.0	521.9	530.5	609.9	858.9	2,521.2
EBITA	132.3	62.7	64.3	52.5	127.0	306.5
EBITA margin, %	15.9	12.0	12.1	8.6	14.8	12.2
Norway						
Net sales	543.8	398.2	412.5	352.9	442.2	1,606.7
EBITA	65.4	50.1	44.9	33.4	47.3	175.7
EBITA margin, %	12.0	12.6	10.9	9.5	10.7	10.9
Finland						
Net sales	143.5	45.2	45.5	108.5	139.1	338.4
EBITA	9.9	1.9	2.0	7.2	19.2	30.3
EBITA margin, %	6.9	4.2	4.4	6.6	13.8	9.0
Denmark						
Net sales	125.9	41.9	41.3	79.6	91.6	254.3
EBITA	12.3	4.4	4.5	5.6	8.1	22.6
EBITA margin, %	9.8	10.5	10.9	7.0	8.8	8.9
Poland						
Net sales	45.1	–	–	36.4	39.8	76.2
EBITA	5.2	–	–	3.9	3.8	7.7
EBITA margin, %	11.5	–	–	10.7	9.5	10.1

OTHER

Definitions

Alternative performance measures

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

For more information on our long-term financial targets and further definitions of performance measures, see pages 4 and 91 in the Annual Report for 2021. ■

EBITDA PROFIT Profit before depreciation and amortization of tangible and intangible non-current assets, respectively. $(192.1 + 34.8 = 226.9)$

EBITA PROFIT Profit before amortization of intangible non-current assets.

ADJUSTED EBITA PROFIT This performance measure 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 impair comparability between periods, to provide increased understanding of the Group's underlying operative activities. Adjusted items include costs connected to acquisitions and disposals and costs for restructuring and integration programs.

This year's adjustments of SEK 2.1 million encompass expenses for legal and financial consultancy in connection with the acquisition transactions, totaling SEK 0.0 million. They also include adjustments for integration and restructuring expenses such as financial and legal consultancy regarding restructuring, project management of integrations, financing expenses, and tax expenses connected to internal disposal of acquired foreign operations, totaling SEK 2.1 million. $(192.1 + 2.1 = 194.2)$

EBITA MARGIN Profit before amortization of intangible non-current assets (EBITA) in relation to net sales for the period. $(192.1 / 1,695.3 = 11.3\%)$

ADJUSTED EBITA MARGIN Adjusted EBITA profit in relation to net sales for the period. $(194.2 / 1,695.3 = 11.5\%)$

NET DEBT Interest-bearing liabilities less financial interest-bearing assets. $(298.5 + 608.3 - 722.8 = 184.0)$

AVERAGE EQUITY The average of the period's opening equity balance and the period's closing equity balance. $((3,892.4 + 4,063.2) / 2) = 3,977.8$

RETURN ON EQUITY Profit after full tax as a percentage of average equity including non-controlling interests. $(121.7 / 3,977.8 = 3.1\%)$

CAPITAL EMPLOYED Equity plus interest-bearing liabilities. $((3,892.4 + 286.3 + 606.6 + 4,063.2 + 298.5 + 608.5) / 2 = 4,877.8)$

RETURN ON CAPITAL EMPLOYED Profit after financial items plus financial expenses expressed as a percentage of average capital employed. $((156.6 + 4.8) / 4,877.8 = 3.3\%)$