

Interim report

- Increased net sales
- Stable result
- Promising integration of Cybercom

JANUARY – SEPTEMBER 2021

NET SALES INCREASED BY 31.8 PERCENT TO SEK 3,236.0 (2,455.3) MILLION
 THE OPERATING PROFIT (EBITA) INCREASED BY 19.3 PERCENT TO SEK 270.4 (226.7) MILLION,
 THE ADJUSTED OPERATING PROFIT (EBITA) INCREASED BY 35.4 PERCENT TO SEK 306.9 (226.7) MILLION ¹⁾

THE OPERATING MARGIN (EBITA) WAS 8.4 (9.2) PERCENT,
 THE ADJUSTED OPERATING MARGIN (EBITA) INCREASED TO 9.5 (9.2) PERCENT ¹⁾
 RESULTS AFTER TAXES WERE SEK 169.1 (177.5) MILLION
 EARNINGS PER SHARE WERE SEK 7.24 (8.84) ²⁾

CASH FLOW FROM OPERATING ACTIVITIES WAS SEK 195.5 (264.4) MILLION

JULY – SEPTEMBER 2021

NET SALES INCREASED BY 80.0 PERCENT TO SEK 1,190.9 (661.4) MILLION
 THE OPERATING PROFIT (EBITA) INCREASED BY 61.5 PERCENT TO SEK 94.5 (58.5) MILLION,
 THE ADJUSTED OPERATING PROFIT (EBITA) INCREASED BY 80.2 PERCENT TO SEK 105.4 (58.5) MILLION ¹⁾

THE OPERATING MARGIN (EBITA) WAS 7.9 (8.8) PERCENT,
 THE ADJUSTED OPERATING MARGIN (EBITA) WAS 8.8 (8.8) PERCENT ¹⁾
 RESULTS AFTER TAXES INCREASED TO SEK 53.5 (46.6) MILLION
 EARNINGS PER SHARE WERE SEK 1.93 (2.34) ²⁾

CASH FLOW FROM OPERATING ACTIVITIES INCREASED TO SEK 66.5 (-16.0) 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 29.
²⁾ Before and after dilution.

COMMENTS FROM THE CEO

Continued growth in a new structure

We deliver increased net sales with a stable result, while the quarter has been shaped by the integration of the Cybercom operations into Knowit's three existing business areas, and the establishment of the new business area Connectivity. Market activity has been high during the quarter, as regards both new sales and recruitment of new employees.

DURING 2021, WE have strengthened our position, while also working to integrate the operations from Cybercom and Creuna. In September, we took another step by acquiring the management consultancy operations from Capacent, with acquisition finalized on October 1. The acquisition will strengthen our management offer in Sweden and Finland as of the fourth quarter.

POSITIVE NET RECRUITMENT

The market activity has been high during the quarter, with a strong underlying demand and a positive net recruitment. We could also note a somewhat increased workforce mobility after the pandemic, which has impacted on our personnel turnover, but also opened the doors to increased new recruitment.

A somewhat lower margin for the quarter is largely explained by intensive integration efforts, combined with an accrued need for investment in personnel after the pandemic, and increased new recruitment.

A NEW BUSINESS AREA

Solutions is the business area that has been affected most by the integration efforts. This makes it particularly gratifying to note that the two largest markets, Sweden and Norway, are showing a strong positive development, with high sales growth during the quarter. In southern Sweden and Oslo, the development is very strong, with several new framework agreements. Despite investments in recruitment, combined with the integration efforts, Solutions has managed to increase its net sales and EBITA as compared with the corresponding period in 2020.

The business area Experience has been affected to a very limited extent by the integration of Cybercom and has finalized the integration of Creuna during this quarter. In all locations where operations have been merged, the development has been very positive and has led to more, new client assignments. The business area increased net sales during the quarter, with high levels of new orders, and has had a positive net recruitment. However, EBITA has been affected.

Our new business area Connectivity is reported as a business area for the first time, with operations in both the Nordic region and Poland. During the quarter, activity have been high, with a number of large assignments in the tech and telecom sectors, and in the vehicle industry. We have several new assignments for some of our existing clients, which creates strong possibilities going forward. We are investing resources in recruiting new talents to our development teams.



The business area Insight is continuing its positive development with improved EBITA and a higher margin. Our operations in Gothenburg have increased their capacity utilization greatly and demand is high in the security area, especially in Stockholm. During the quarter, we have recruited in societal security through our trainee program. Demand in the area remains strong.

INCREASED CLIMATE FOCUS

We are continuing our investments into climate and environmental efforts, now with even greater ambitions as a result of our partnership with the Exponential Roadmap Initiative and Race to Zero. This means that we are committing to supporting our clients in including climate in their business strategies and digital transformations, something that is fully in line with our vision.

When I summarize the quarter, I can conclude that we have managed to both keep a focus on our business and simultaneously perform a large operative integration, showing that Knowit is a player that can continue to take market shares in a sustainable manner. This makes me proud and creates hope for the future. ■

PER WALLENTIN
CEO and President

EVENTS DURING THE PERIOD



JULY – SEPTEMBER 2021

On July 1, Knowit finalized the previously announced acquisition of Cybercom and thus gained more than 1,200 new employees. A new business area, **KNOWIT CONNECTIVITY**, was created.

At an extraordinary general meeting, **THE BOARD WAS EXPANDED** with two new board members, Olof Cato and Sofia Karlsson.

Knowit's **CORPORATE MANAGEMENT TEAM WAS EXPANDED** with four new members on July 1, as a result of the finalized acquisition of Cybercom.

Knowit has been shown continued trust and an extended assignment to deliver system development, design, architecture, and other digital services to the **NORWEGIAN TAX ADMINISTRATION**. The extension runs through to 2025.

In the area IT consultancy services, Knowit has signed a new framework agreement with the **LEGAL, FINANCIAL AND ADMINISTRATIVE SERVICES AGENCY**. The framework agreement can be used by all authorities in Sweden.

Knowit Solutions is reinforcing its offer in southern Sweden by establishing operations and recruiting employees in the **HELSINGBORG REGION**.

In the **SWEDISH DESIGN AWARDS**, Knowit Experience has been nominated for client projects for the Gothenburg Opera and Sida.

Knowit has joined the **EXPONENTIAL ROADMAP INITIATIVE** and is thereby committing to acting in line with the 1.5° Business Playbook. This is a commitment to continually supporting clients in integrating climate matters in digital transformations.

Knowit communicated about its partnership with the **ORGANIZATION CHANGERS HUB**, with the ambition of jointly opening the digitalization sector to a broader group of potential employees and creating the conditions for a more inclusive society.



EVENTS AFTER THE END OF THE PERIOD

Through Knowit's acquisition of the **SUBSIDIARIES IN CAPACENT** that conduct operations in management consulting, the business area Insight will grow by around 50 employees as of October 1. Insight is getting a stronger position in Helsinki and Stockholm through the acquisition. Capacent supplements Insight's offer with services mainly in finance, pricing strategy, and operating capital optimization.

THE PERIOD IN BRIEF

New business area and strong growth

JANUARY – SEPTEMBER 2021

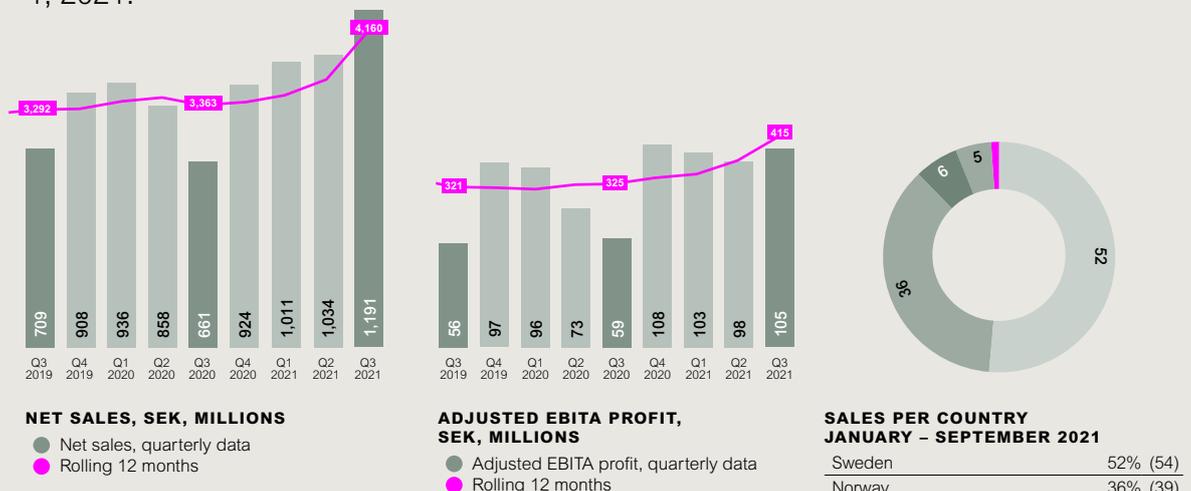
The acquisition of Cybercom and new business area

On July 1, 2021, Knowit finalized the acquisition of Cybercom, creating a Nordic powerhouse for the digital solutions of the future. The new group is expected to jointly create the conditions for a continued growth and sound profitability development.

In connection with the acquisition, a fourth business area – Connectivity – was created. The new business area Connectivity contributes to streamlining companies and organizations by developing and implementing embedded systems and cloud applications. Out of Cybercom’s approximately 1,250 employees at the time of the acquisition, around 620 employees are included in the new business area Connectivity, while around 510 have moved to Solutions, around 30 to Experience, and around 50 to Insight. Thus, the acquisition of Cybercom had its main impact on the new business area Connectivity and on the existing business area Solutions. In addition to the above, the business areas have during the quarter been affected by a reorganization, with around 40 employees moved from the business area Solutions to Connectivity. The comparative figures have therefore been recalculated and can, for the quarter and interim period, be found on page 21-22 in this report.

Acquisition of subsidiaries in Capacent

Knowit announced the acquisition of the subsidiaries within Capacent that conduct operations in management consulting. Capacent supplements Knowit’s offer with services mainly in finance, pricing strategy, and operating capital optimization, and will be part of Knowit’s business area Insight. Knowit Insight’s operations in management consulting are growing by around 50 employees and through the acquisition gain a stronger position in Sweden and Finland, with almost 400 consultants. The acquisition is finalized on October 1, 2021.



→ THE PERIOD IN BRIEF

JANUARY – SEPTEMBER 2021

Increased net sales

The net sales for the period increased to SEK 3,236.0 (2,455.3), affected by the acquisitions of Cybercom and Creuna. Profit before amortization of intangible assets (EBITA) increased to SEK 270.4 (226.7) million. The adjusted EBITA profit increased to SEK 306.9 (226.7) million, adjusted for acquisition and integration costs of SEK 36.5 million. Compared with the corresponding period last year, exchange rate developments had a negative effect on EBITA totaling SEK -0.1 million. In the previous year, Knowit received support in the form of reduced employer contributions of SEK 26 million and furlough support of SEK 13 million. In total, this meant reduced personnel costs of SEK 39 million at the end of the third quarter. Knowit has not received any support during 2021.

Cash flow from operating activities was SEK 195.5 (264.4) million, where the change in operating capital had an impact of SEK -102.6 (85.2) million. The change in operating capital in the previous year was positively affected by one-off effects connected to personnel debts and accounts receivable. ■

The below table shows financial history that includes the acquisitions of Creuna and Cybercom for comparable periods, to facilitate for the reader to follow the development. See more information on page 28 in this report.

| SEK, MILLIONS | JUL-SEP 2021 | JUL-SEP 2020 | JAN-SEP 2021 | JAN-SEP 2020 |
|--|--------------|---------------------|--------------|---------------------|
| Sales | 1,190.9 | 661.4 | 3,236.0 | 2,455.3 |
| Sales, Creuna and Cybercom | – | 445.9 ¹⁾ | – | 647.4 ²⁾ |
| Sales, incl. Creuna and Cybercom | 1,190.9 | 1,107.4 | 3,236.0 | 3,102.7 |
| Sales, change, % | 7.5 | | 4.3 | |
| <i>of which is exchange rate effect, %</i> | 0.1 | | -0.3 | |

1) Adjustments relate to addition of net sales in Cybercom and Creuna for the period July-September 2020, when they were not included in regulatory financial reports.

2) Adjustments relate to addition of net sales in Cybercom for the period July-September 2020, and Creuna for the period January-September 2020, when they were not included in regulatory financial reports.

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 | JUL-SEP 2021 | JUL-SEP 2020 | JAN-SEP 2021 | JAN-SEP 2020 |
|--|---------------------|--------------|---------------------|--------------|
| EBITA | 94.5 | 58.5 | 270.4 | 226.7 |
| Adjusted EBITA profit | 105.4 ¹⁾ | | 306.9 ¹⁾ | |
| EBITA margin, % | 7.9 | 8.8 | 8.4 | 9.2 |
| Adjusted EBITA margin, % | 8.8 ²⁾ | | 9.5 ²⁾ | |
| Cash flow from operating activities | 66.5 | -16.0 | 195.5 | 264.4 |
| Intangible assets | 3,672.5 | 1,033.2 | 3,672.5 | 1,033.2 |
| Number of employees at the end of the period | 3,857 | 2,310 | 3,857 | 2,310 |

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

A stronger position on a growing market

Knowit's strategy is to create sustainable and innovative digital solutions that contribute to high business value for its clients. With its four business areas, Knowit can accommodate purchasers throughout its clients' organizations. The four business areas are: *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.

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 the possibilities of a positive impact on society and the climate challenges.

Knowit's operations are based in the Nordic region. Through the acquisition of Cybercom, a Polish operation with high competence in programming and system development has been added. Knowit also has a smaller organization in Germany. The primary purpose of the operations in Poland is to support the Nordic operations. Knowit has a local distribution with several offices in Sweden and Norway and in two locations in Finland. With its agile work method and client-tailored solutions, Knowit has a strong position on the Nordic digitalization market.

QUICK RECOVERY ON THE MARKET

Knowit's main geographic markets have shown a fast recovery following the COVID-19 pandemic. According to the analyst Radar Ecosystem Specialists (Nordic updated 2021), the total Swedish IT consultancy market is expected to show a growth of 7.4 percent for the full year 2021, which is a strong recovery from last year's decrease of 9.2 percent. Radar also judges that the growth will continue in 2022, up to 5.8 percent. For the Swedish management consultancy market, Radar predicts a growth of 4.7 percent in 2021, compared with a decrease of 7.3 percent in 2020.

For the Norwegian IT consultancy market, Radar estimates that the growth in 2021 will be 8.4 percent and 7.8 percent in the year after that. For the Norwegian management consultancy market, the growth is expected to be 5.6 percent and for 2022, Radar expects it to be 5.2 percent.

According to Radar, the Swedish IT market will have recovered fully from the pandemic by the end of 2021.

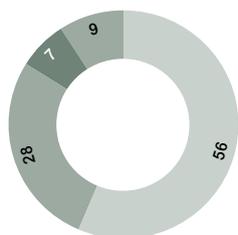
A STRONG CLIENT OFFERING

The 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.

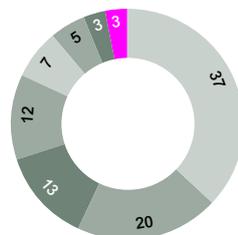
GOOD SPREAD ACROSS DIFFERENT CLIENT INDUSTRIES

Knowit'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 37 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.



SALES PER BUSINESS AREA
JANUARY - SEPTEMBER 2021

| | |
|--------------|----------|
| Solutions | 56% (63) |
| Experience | 28% (24) |
| Connectivity | 7% (3) |
| Insight | 9% (10) |



SALES PER CLIENT INDUSTRY
JANUARY - SEPTEMBER 2021

| | |
|------------------------------|----------|
| Public sector | 37% (38) |
| Retail and service companies | 20% (15) |
| Industry | 13% (11) |
| Retail and service companies | 12% (16) |
| Telecommunication | 7% (6) |
| Energy | 5% (6) |
| Media, education and gaming | 3% (2) |
| Other | 3% (6) |

→ MARKET AND OPERATIONS

A NORDIC POWERHOUSE FOR SUSTAINABLE DIGITAL TRANSFORMATION

On July 1, 2021, Knowit and Cybercom officially became one company, under the Knowit brand. Through the acquisition, Knowit is creating a Nordic powerhouse for the digital solutions of the future, with a strong focus on sustainability. The new Knowit has around 3,800 employees and has created a new business area, Knowit Connectivity.

With Cybercom's specialist competence in mobility, IoT, automation, cloud services, and cybersecurity and societal security, Knowit is significantly strengthening its offer to clients, especially in the industry and telecom sectors.

Knowit has a unique client offer in digital transformation, with a very strong position on the Nordic market. Knowit's established position in system solutions, management consulting, and digital customer experiences has been broadened and reinforced through the acquisition of Cybercom. The new business area, Connectivity, focuses on meeting the needs of its clients' research and development departments. Furthermore, Knowit's ability to offer digital solutions to the sustainability challenges in society has been strengthened through the acquisition.

AN EXPANDED SUSTAINABILITY OFFER

The acquisition of Cybercom creates new possibilities for efforts related to the environment and sustainability. Cybercom has large experience and a strong position in the area. Knowit is already well-positioned in its sustainability and environmental work, which is now reinforced further.

Knowit has already, along with several colleagues in the sector, committed to halving the operations' total carbon emissions, based on the figures for 2018, before the year 2030, through the Digitalization Consultants' initiative (Roadmap for a fossil-free Sweden).

Knowit is now also taking the next step in its long-term sustainability work and entering into a partnership with the Exponential Roadmap Initiative. Through this partnership, Knowit is also becoming part of the UN's global climate initiative, the Race to Zero. The partnership means that Knowit is acting in line with the 1.5° Business Playbook and will strive to continually support its clients in integrating climate matters into their business strategies and digital transformations. The goal is to contribute to halving global emissions before 2030, on the way to zero emissions, and limiting global warming to a maximum of 1.5 degrees.

A POPULAR WORKPLACE WITH A FLEXIBLE WORK METHOD

During the quarter, several trainee programs have begun, including in Stockholm and Oslo. Having a strong employer brand remains important. In Universum's ranking, Knowit once again placed among the 20 most popular employers in Sweden among IT students.

Knowit has elected to offer its employees the choice between working from its own offices, client facilities, or at a distance. This is a hybrid solution that will likely suit most employees and will also contribute to a better work-life balance. The factors determining where work is to be performed are the wishes of the client, in combination with the needs of the team, the project, and the individual.

The experiences of distance working and digital tools will be evaluated continuously and Knowit will gradually adapt its future offices and review its need for office facilities.

A FOCUS ON DIVERSITY

Knowit has, for several years, been working actively with equality and in 2019 won the AllBright award as the most equal listed company. The next step on the journey to becoming a more inclusive workplace is to broaden this work to include diversity as well. Therefore, Knowit has entered into a collaboration with Changers Hub.

Changers Hub was established in the outskirts of Stockholm in 2015, as a non-profit innovation house, with the vision that all young people will have the same opportunities, regardless of their background. The ambition in the partnership is to open the doors of the digitalization sector to a broader target group and create the conditions for a more inclusive society.

PARTNERSHIP STRENGTHENS THE CLOUD OFFERING

The demand for cloud services is increasing, with changed consumer behaviors and the possibilities of digitalization.

While Knowit has long experience of leading organizations through the digital transformation journey, Cybercom has large competence in technology, not least as a designated AWS partner. Thus, Knowit's cloud offering is becoming more competitive for both the public and the private sector.

Through strategic partnership, primarily with Amazon Web Services (AWS), but also with Microsoft Azure and Google Cloud, Knowit can offer the cloud supplier that suits the client's specific needs and IT structure best.

During the year, the cloud service offer has been reinforced through the establishment of a central organization for partnerships and sales. The aim is to create benefits for all of Knowit's business areas and develop the partnership deal in cloud services. A new organization, with around 70 employees in the Nordic region, offers sales, advisory services, and delivery of cloud services from the three main cloud suppliers.

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 699.2 (448.3) million, for Experience to SEK 270.8 (166.1) million, for Connectivity to SEK 185.9 (15.4) million, and for Insight to SEK 86.3 (70.0) million.

Profit before amortization of intangible assets (EBITA) for Solutions increased to SEK 70.2 (49.6) million, for Experience was SEK 14.3 (16.2) million, for Connectivity increased to SEK 17.1 (1.6) million, and for Insight increased to SEK 2.4 (-0.6) million.

The EBITA margin for Solutions was 10.0 (11.1) percent, for Experience was 5.3 (9.7) percent, for Connectivity was 9.2 (10.1) percent, and for Insight increased to 2.7 (-0.8) percent.

→ MARKET AND OPERATIONS

Solutions

| SEK, MILLION | JUL-SEP 2021 | JUL-SEP 2020 ¹⁾ incl. acquisition ²⁾ | JUL-SEP 2020 |
|---------------------|--------------|--|--------------|
| Sales | 699.2 | 448.3 | 640.7 |
| EBITA | 70.2 | 49.6 | 68.4 |
| EBITA margin, % | 10.0 | 11.1 | 10.7 |
| Number of employees | 1,808 | 1,363 | 1,833 |

1) The comparative figures have been updated based on the new organization.
2) Net sales pertain to the acquisition of Cybercom from July 1 to September 30 2020.

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 1,800 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.

Following the merger with Cybercom, Solutions has grown by around 510 consultants in system development in Sweden and Finland. In Finland, the merger means that Solutions' local offer in system development has become significantly broader.

During the quarter, Solutions has invested in increased geographic presence in southern Sweden by establishing operations and an office in Helsingborg.

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.

COMMENTS FROM THE EVP OF SOLUTIONS:

"We continue to grow and are increasing net sales, primarily in Norway. We have done this while integrating many new employees from Cybercom into our existing organization, which is a show of strength. With many new client agreements, it is gratifying that we have managed to retain a high pace of recruitment and remain an attractive employer," says Åsa Holmberg.

STRONG DEMAND FOR NEW TECHNICAL SOLUTIONS

In the Nordic region, the business area Solutions has most of its clients in the public sector. Examples of clients include Norwegian Entur, which provides sales and ticketing solutions for the railways and a travel planner for public sector throughout Norway, and SOS Alarm in Sweden. For these clients, Knowit has developed apps that simplify use of their services.

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 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 Financial Services.

Experience

| SEK, MILLION | JUL-SEP 2021 | JUL-SEP 2020 ¹⁾ incl. acquisition ²⁾ | JUL-SEP 2020 |
|---------------------|--------------|--|--------------|
| Sales | 270.8 | 166.1 | 252.9 |
| EBITA | 14.3 | 16.2 | 21.9 |
| EBITA margin, % | 5.3 | 9.7 | 8.7 |
| Number of employees | 934 | 608 | 916 |

1) The comparative figures have been updated based on the new organization.
2) Net sales pertain to the acquisition of Cybercom from July 1 to September 30 2020.

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.

The business area has reinforced with around 30 consultants which joined existing operations in Stockholm and Sundsvall from Cybercom.

The integration of Creuna, which was acquired in December 2020, has been performed successfully, with a positive outcome. The company has succeeded well in both keeping a high pace in its operative work and having a high-quality dialogue with both clients and employees.

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.

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.

Experience's three largest clients are Arla in Denmark, Norwegian Fjordkraft, and Swedish 1177.se, for which Knowit is 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 they contribute in various ways to creating better and more accessible societal services for individual citizens.

→ MARKET AND OPERATIONS

COMMENTS FROM THE EVP OF EXPERIENCE:

Following a successful integration of Creuna, we are seeing a continued positive development. We are increasing the pace of recruitment in most locations, to meet the demand from both new and existing clients,” says Fredrik Ekerhovd.

agues in the other business areas. The new Knowit has been received very well among both clients and employees and has given us an even stronger platform in relationship to our largest clients,” says Annika Nordlander.

Connectivity

| SEK, MILLION | JUL-SEP 2021 | JUL-SEP 2020 ¹⁾ | JUL-SEP 2020 incl. acquisition ²⁾ |
|---------------------|--------------|----------------------------|--|
| Sales | 185.9 | 15.4 | 180.8 |
| EBITA | 17.1 | 1.6 | 18.4 |
| EBITA margin, % | 9.2 | 10.1 | 10.1 |
| Number of employees | 677 | 32 | 693 |

¹⁾ The comparative figures have been updated based on the new organization.
²⁾ Net sales pertain to the acquisition of Cybercom from July 1 to September 30 2020.

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 670 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.

In connection with the creation of Connectivity, the group companies Dataunit, Defence, and Technology were moved from Solutions to the new business area.

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 public sector. For the Öresund Bridge consortium (owned by the Danish and Swedish governments), Connectivity has devised a strategy for maintenance of the bridge, through so-called data-driven predictive maintenance. With the help of AI and machine learning, the client can predict where and when maintenance should take place and thus decrease maintenance costs and interrupted operations.

COMMENTS FROM THE EVP OF CONNECTIVITY:

“We have gotten a really great start for our new business area, where we have managed to work with both retaining a high profitability and establishing new, exciting assignments in collaboration with our colle-

INVESTMENT IN CLOUD SERVICES

To make full use of the possibilities of cloud services, we need to see beyond the technology and understand the potential of cloud use to increase organizational efficiency in a scalable manner. The business area offers cloud solutions from agile teams in everything from advisory services, installation, and implementation of cloud infrastructure to development of future cloud applications.

The demand for cloud services is increasing, not least from clients in insurance companies, the industrial sector, and retail companies. For the retail company S-gruppen (S-ryhmä), a cooperative corporation, Connectivity has delivered cloud services such as functional services, round-the-clock support, advisory services, project delivery, and cloud security.

Insight

| SEK, MILLION | JUL-SEP 2021 | JUL-SEP 2020 | JUL-SEP 2020 incl. acquisition ¹⁾ |
|---------------------|--------------|--------------|--|
| Sales | 86.3 | 70.0 | 86.7 |
| EBITA | 2.4 | -0.6 | -1.5 |
| EBITA margin, % | 2.7 | -0.8 | -1.7 |
| Number of employees | 335 | 283 | 340 |

¹⁾ Net sales pertain to the acquisition of Cybercom from July 1 to September 30 2020.

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 330 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.

Through the acquisition of Cybercom, the number of employees in Insight increased by around 50 people in Sweden, primarily in the areas of sustainability and societal security.

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.

As a result of the continued strong demand in security and law, Insight has continued to recruit more experts and is during the fall performing another “cyber hero program” for newly recruited employees, with 18 participants.

→ MARKET AND OPERATIONS

COMMENTS FROM THE EVP OF INSIGHT:

“We are continuing the positive trend with increased profitability, and see a particularly strong development in Gothenburg, with several exciting client assignments. Demand for our security offer remains very high,” 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. ■

Current reference cases

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.



THE HEALTH GAUGE FOR BETTER HEALTH IN SOCIETY

Knowit Solutions has, together with the Center for Epidemiology and Community Medicine within Region Stockholm created the mobile app Hålsometern, the health gauge. This is a public health app that simplifies collection of correct health data at a group and society level, for instance using digital questionnaires.

The underlying idea is that health data prevent ill health. With the help of the users, we can gain more knowledge and improve research, and both healthcare and preventive efforts can be planned more accurately.



ACCESS TO MARINE DATA

During the past year, Knowit Experience has been working with Havvassel, a service that presents information on the state of the ocean in a simple way, for everyone who works, travels, or has other interests on, in, or near the ocean. The service currently focuses only on water temperature and salinity, but there are plans to expand this to data on waves and ocean currents. General data and calculations are combined with users' own contributions and observations. In this project, Knowit has delivered UX, design, and a visual identity.

Havvassel is a collaboration between the Norwegian Institute of Marine Research, the meteorological institute, and SINTEF, Europe's largest independent research institute.

→ MARKET AND OPERATIONS



DIGITAL SUSTAINABILITY WITH HUSQVARNA

Husqvarna Group is one of the world's leading suppliers of gardening machines, tools for gardening and forestry, and watering systems. Within the area Commercial Lawn and Gardening, Knowit Connectivity has helped Husqvarna create a strategic plan and updated business model, where the UN SDGs are the starting point for innovation and sales.

The focus has shifted from products to services, with operations based on client needs, digitalization, and sustainability – the goal being to offer sustainable and user-tailored solutions for green spaces and urban environments.



MORE SECURE DIGITAL SERVICES

Knowit Insight is helping Fonus, Sweden's most used funeral home, with Privacy by Design for the operations' digital services. Privacy by Design is both a tool and a legal requirement that serves to ensure that the rules in the General Data Protection Regulation are observed. The goal of the project is that Fonus will become even better at protecting the rights of the data subjects, and can create even more secure digital services.

Privacy by Design means that the digital services are shaped so that they, by their design, make it easy to act in accordance with the General Data Protection Regulation. This is done for instance by ensuring that only the data that are actually needed are processed in the digital service or by creating possibilities within the service to easily protect the rights of the data subjects. ■

THE GROUP

Strong result and increased net sales following acquisition

Net sales and profit

The Group

JANUARY – SEPTEMBER

Net sales increased to SEK 3,236.0 (2,455.3) million, an increase by 31.8 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 -8.3 (-96.9) million. Net sales increased to SEK 1,639.8 (1,330.3) million in Sweden, to SEK 1,175.5 (945.6) million in Norway, to SEK 206.6 (122.7) million in Finland, to SEK 166.0 (47.6) million in Denmark, and to SEK 36.4 (-) in Poland. Sales per employee increased to KSEK 1,150 (1,120).

The operating profit before amortization of intangible assets (EBITA) increased to SEK 270.4 (226.7) million. The adjusted EBITA profit increased by 35.4 percent to SEK 306.9 (226.7) million, adjusted for acquisition costs of SEK 23.4 million and integration costs of SEK 13.1 million. Compared with the corresponding period last year, the exchange rate development has had a negative impact on EBITA of SEK -0.1 (-10.8) million.

In the previous year, Knowit was granted support in the form of reduced employer contributions of SEK 26 million and support for furloughs totaling SEK 13 million. In all, this reduced personnel costs by SEK 39 million as per September 30, 2020.

In Sweden, EBITA increased to SEK 179.9 (152.2) million, in Norway to SEK 127.9 (119.2) million, in Finland it was SEK 10.9 (14.2) million, in Denmark it increased to SEK 14.6 (0.6) million, and in Poland to SEK 3.9 (-) million. The operating margin (EBITA) was 8.4 (9.2) percent. The adjusted EBITA margin increased to 9.5 (9.2) percent.

Amortization of intangible assets amounted to SEK -39.3 (-8.2) million, affected by increased amortization related to the acquisitions of Cybercom and Creuna.

The operating profit after financial items was SEK 221.5 (228.3) million. The financial net was SEK -9.6 (9.8) million, affected primarily by revaluation of additional consideration and exchange rate development. The figures for last year are largely affected by exchange rate development.

The results after taxes were SEK 169.1 (177.5) million. Tax for the period was SEK -52.4 (-50.8) million. The non-controlling interests' share of profit for the year was SEK 6.6 (7.3) million. Earnings per share were SEK 7.24 (8.84).

THE THIRD QUARTER

Net sales increased to SEK 1,190.9 (661.4) million, an increase by 80.0 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 1.0 (-36.5) million. Net sales increased to SEK 598.1 (342.3) million in Sweden, to SEK 356.2 (267.5) million in Norway, to SEK 114.2 (34.4) million in Finland, to SEK 82.5 (14.0)

million in Denmark, and to SEK 36.4 (-) million in Poland. Sales per employee increased to KSEK 336 (312).

The operating profit before amortization of intangible assets (EBITA) increased to SEK 94.5 (58.5) million. The adjusted EBITA profit increased by 80.2 percent to SEK 105.4 (58.5) million, adjusted for acquisition costs of SEK 0.3 million and integration costs of SEK 11.1 million.

In the third quarter last year, Knowit was granted support for furloughs totaling SEK 7 million.

Compared with the corresponding period last year, the exchange rate development has had a positive impact on EBITA of SEK 0.3 (-3.4) million. In Sweden, EBITA increased to SEK 52.5 (30.6) million, in Norway to SEK 33.4 (30.7) million, in Finland to SEK 7.2 (4.6) million, in Denmark to SEK 5.6 (0.4) million, and in Poland to SEK 3.9 (-) million. The operating margin (EBITA) was 7.9 (8.8) percent. The adjusted EBITA margin was 8.8 (8.8) percent.

Amortization of intangible assets amounted to SEK -25.1 (-3.1) million, affected by increased amortization related to the acquisitions of Cybercom and Creuna.

The operating profit after financial items increased to SEK 66.1 (57.9) million. The financial net was SEK -3.3 (2.5) million, affected primarily by revaluation of additional consideration and exchange rate development.

The results after taxes increased to SEK 53.5 (46.6) million. Tax for the period was SEK -12.6 (-11.3) million. The non-controlling interests' share of profit for the year was SEK 0.7 (1.5) million. Earnings per share were SEK 1.93 (2.34).

Segments

JANUARY – SEPTEMBER

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, 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 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. As a new segment has been added, the comparative figures have been presented in accordance with the new segmentation.

→ THE GROUP

No items that impair comparison have affected the segments during the period.

Net sales for the segment Solutions increased to SEK 1,930.7 (1,628.8) million, for the segment Experience they increased to SEK 941.3 (616.9) million, for the segment Connectivity they increased to SEK 250.0 (82.5) million, and for the segment Insight they increased to SEK 293.8 (270.1) million.

EBITA increased to SEK 207.4 (198.4) million for the segment Solutions, increased to SEK 89.6 (72.1) million for the segment Experience, increased to SEK 23.1 (7.7) million for the segment Connectivity, and increased to SEK 21.5 (8.2) million for the segment Insight.

The EBITA margin was 10.7 (12.2) percent for the segment Solutions, was 9.5 (11.7) percent for the segment Experience, was SEK 9.2 (9.3) for the segment Connectivity, and increased to 7.3 (3.0) percent for the segment Insight.

THE THIRD QUARTER

Net sales for the segment Solutions increased to SEK 699.2 (448.3) million, for the segment Experience they increased to SEK 270.8 (166.1) million, for the segment Connectivity they increased to SEK 185.9 (15.4) million, and for the segment Insight they increased to SEK 86.3 (70.0) million.

EBITA increased to SEK 70.2 (49.6) million for the segment Solutions, was SEK 14.3 (16.2) million for the segment Experience, increased to SEK 17.1 (1.6) for the segment Connectivity, and increased to SEK 2.4 (-0.6) million for the segment Insight.

The EBITA margin was 10.0 (11.1) percent for the segment Solutions, was 5.3 (9.7) percent for the segment Experience, was 9.2 (10.1) percent for the segment Connectivity, and increased to 2.7 (-0.8) percent for the segment Insight.

Cash flow

JANUARY – SEPTEMBER

Cash flow from operating activities was SEK 195.5 (264.4) million, where the change in working capital has impacted by SEK -102.6 (85.2). The change in working capital in the previous year was positively affected by one-off effects connected to personnel debts and increase accounts receivable.

Cash flow from investment activities amounted to SEK -242.0 (-76.5) million, affected mainly by the acquisition of Cybercom.

Cash flow from financing activities increased to SEK 161.2 (18.2) million, affected mainly by new issues, new loans, amortizations connected to the acquisition of Cybercom, and dividends.

Total cash flow was SEK 114.7 (206.1) million.

THE THIRD QUARTER

Cash flow from operating activities was SEK 66.5 (-16.0) million, where the change in working capital has impacted by SEK -58.6 (-79.5) million, affected by an improved result and increased amortization and depreciation.

Cash flow from investment activities amounted to SEK -230.6 (-2.8) million, affected mainly by the acquisition of Cybercom.

Cash flow from financing activities was SEK -144.2 (-15.6) million, affected primarily by new issues, new loans,

amortizations connected to the acquisition of Cybercom, and dividends.

Total cash flow decreased to SEK -308.3 (-34.4) million.

Acquisition of operations

On July 1, 2021, Knowit finalized the acquisition of Cybercom and created a Nordic powerhouse for the digital solutions of the future. The new group is expected to jointly create the conditions for continued growth and sound profitability development. Knowit estimates that the acquisition will have a positive impact on earnings per share during 2022.

The consideration for the acquisition of Cybercom was SEK 2,094 million. The consideration was paid in a cash portion of SEK 467 million and through a non-cash share issue of SEK 1,602 million (5,760,833 newly issued shares at a share price of SEK 278). Of the formerly communicated annual cost synergies totaling SEK 45 million, SEK 10 million have had a positive impact during the quarter. The acquisition analysis remains preliminary.

In November 2020, Knowit acquired Creuna, a Nordic digital agency. The formerly communicated annual cost synergies of SEK 40 million have been achieved over the year. The acquisition analysis has been finalized; no significant changes have affected the period.

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 Board has on July 1, 2021, based on authorization from the EGM on May 28, 2021, decided to perform a non-cash share issue of 5,760,833 new shares as payment of part of the consideration for Knowit's acquisition of Cybercom. The subscription price was SEK 278 per share.

The number of outstanding shares before the issues totaled 19,652,179 and after the issues it was 27,408,600.

Financial position

JANUARY – SEPTEMBER

Cash and cash equivalents increased to SEK 792.4 (484.6) million as per September 30, 2021, affected by the direct new issue performed on June 10, 2021. Goodwill and other intangible assets increased to SEK 3,672.5 (1,033.2) million, of which goodwill was SEK 2,956.6 (983.2) million, and other intangible assets were SEK 715.9 (50.0) million.

→ THE GROUP

Equity increased to SEK 3,741.6 (1,362.1) million, affected mainly by the directed new issue. Interest-bearing liabilities totaled SEK 951.1 (301.1) million on September 30, 2021, with long-term liabilities increasing to SEK 326.5 (126.9) million and short-term liabilities increasing to SEK 624.6 (174.2) million. Bank loans increased to SEK 455.3 (91.3) million of a granted credit facility totaling SEK 250.0 (0.0) million. In connection with the acquisition of Cybercom, Knowit signed an agreement on bridge financing of SEK 700 million. During the third quarter, this financing was transformed into a revolving credit facility of SEK 300 million, with a term of five years. In total, there are granted credit facilities of SEK 550.0 (150.0) 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, leasing liabilities totaled SEK 300.4 (166.7) million and liabilities related to future consideration in subsidiaries totaled SEK 195.3 (43.1) million.

The equity/asset ratio increased to 61.5 (56.4) percent as per September 30, 2021.

Employees

JANUARY – SEPTEMBER

On September 30, 2021, a total of 3,857 (2,310) people were employed by the Group. The number of employees has increased by 1,279 people during 2021, affected by the acquisition of Cybercom, among other things.

The average number of employees has during the period increased to 2,815 (2,192). The average number of employees in Sweden increased to 1,538 (1,274), in Norway to 855 (758), in Finland to 213 (117), in Denmark to 103 (37), and in Poland to 97 (–).

In connection with the acquisition of Cybercom, the corporate management team was reinforced by four people.

PARENT COMPANY

Results and financial position

JANUARY – SEPTEMBER

The operating profit/loss before amortization of intangible assets (EBITA) was SEK -108.8 (-50.2) million. The financial net increased to SEK 51.7 (16.4) million. The profit/loss after financial net was SEK -60.6 (-36.3) million.

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. ■

As per September 30, 2021, equity had increased to SEK 2,518.0 (400.3) million, affected by the issues performed and dividends paid out. Untaxed reserves, mainly accrual funds, increased to SEK 115.7 (111.8) million. ■

OTHER INFORMATION

Accounting principles and forward-looking information

AGM

The AGM will take place on Monday May 2, 2022, at 1 PM, in Knowit's offices on Klarabergsgatan 60, Stockholm. Notice will be issued through a press release published in Post och Inrikes Tidningar and Dagens Industry, and on Knowit's website.

Updated financial targets

In connection with the acquisition of Cybercom, 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.

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.

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 October 1, 2021, Knowit acquired the subsidiaries within Capacent that conduct operations in management consulting, Capacent X AB, Capacent Finance AB, Capacent Consulting AB, and Capacent OY. Capacent supplements Knowit's offer with services mainly in finance, pricing strategy, and operating capital optimization, and will become part of Knowit's business area Insight. Knowit Insight's operations in management consulting will grow by around 50 employees and will after the acquisition get a stronger position in Sweden and Finland, with around 400 consultants. The consideration is SEK 155 million on a cash and debt-free basis (enterprise value). A possible additional consideration of at most SEK 30 million can be paid out during the second quarter of 2022. The additional consideration is dependent on the EBIT level for 2021 in the acquired units.

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.

→ OTHER INFORMATION

Financial calendar

YEAR-END REPORT 2021

February 4, 2022, 7:30 AM

INTERIM REPORT JANUARY – MARCH 2022

May 2, 2022, 7:30 AM

AGM 2022

May 2, 2022, 1:00 PM

INTERIM REPORT JANUARY – JUNE 2022

June 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

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

Stockholm, October 22, 2021

PER WALLENTIN

Chief Executive Officer

Address and contact information

Knowit AB (company reg.no. 556391-0354)
Box 3383, 103 68 Stockholm

Visiting address: Klarabergsgatan 60

Phone: +46 (0)8 700 66 00, Fax: +46 (0)8 700 66 10
knowit.eu

For more information please contact

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

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. ■

Review report

**TO THE BOARD OF DIRECTORS
OF KNOWIT AB (PUBL)**
Corp. id. 556391-0354

Introduction

We have reviewed the condensed interim financial information (Interim Report) of Knowit AB (publ) as of September 30, 2021 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Interim Report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm October 22, 2021

KPMG AB

HELENA ARVIDSSON ÄLGNE
Authorized Public Accountant

ACCOUNTS

Consolidated income statement in summary

| SEK, MILLIONS | JUL-SEP 2021 | JUL-SEP 2020 | JAN-SEP 2021 | JAN-SEP 2020 | JAN-DEC 2020 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net sales | 1,190.9 | 661.4 | 3,236.0 | 2,455.3 | 3,379.1 |
| Operating costs | -1,057.8 | -584.8 | -2,882.5 | 2,173.8 | -2,970.4 |
| Depreciation of tangible fixed assets | -38.6 | -18.1 | -83.1 | -54.8 | -73.7 |
| Operating result before depreciations of intangible assets (EBITA) | 94.5 | 58.5 | 270.4 | 226.7 | 335.0 |
| Depreciation of intangible fixed assets | -25.1 | -3.1 | -39.3 | -8.2 | -12.3 |
| OPERATING RESULT (EBIT) | 69.4 | 55.4 | 231.1 | 218.5 | 322.7 |
| Financial incomes | 3.8 | 3.9 | 8.1 | 13.2 | 15.5 |
| Financial costs | -7.1 | -1.4 | -17.7 | -3.4 | -6.3 |
| RESULT AFTER FINANCIAL ITEMS | 66.1 | 57.9 | 221.5 | 228.3 | 331.9 |
| Taxes | -12.6 | -11.3 | -52.4 | -50.8 | -74.0 |
| RESULT FOR THE PERIOD | 53.5 | 46.6 | 169.1 | 177.5 | 257.9 |
| Result for the period attributable to shareholders in Parent Company | 52.8 | 45.1 | 162.5 | 170.2 | 249.8 |
| Result for the period attributable to non-controlling interests' holdings | 0.7 | 1.5 | 6.6 | 7.3 | 8.1 |
| EARNINGS PER SHARE | | | | | |
| Earnings per share, before dilution, SEK | 1.93 | 2.34 | 7.24 | 8.84 | 12.96 |
| Earnings per share, after dilution, SEK | 1.93 | 2.34 | 7.24 | 8.84 | 12.96 |

Consolidated total results in summary

| SEK, MILLIONS | JUL-SEP 2021 | JUL-SEP 2020 | JAN-SEP 2021 | JAN-SEP 2020 | JAN-DEC 2020 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Result for the period | 53.5 | 46.6 | 169.1 | 177.5 | 257.9 |
| <i>Items that may later be reclassified to profit or loss</i> | | | | | |
| Loss on hedging of exchange rate risks in foreign operations | 0.3 | - | 4.6 | - | -1.6 |
| Tax effects on hedging | -0.3 | - | -1.2 | - | 0.3 |
| Translation differences | 7.1 | -4.7 | 32.1 | -57.2 | -55.9 |
| OTHER TOTAL RESULTS FOR THE PERIOD, NET AFTER TAX | 7.1 | -4.7 | 35.5 | -57.2 | -57.2 |
| Total result for the period | 60.6 | 41.9 | 204.6 | 120.3 | 200.7 |
| Total result assignable to shareholders in Parent Company | 60.2 | 41.7 | 198.3 | 114.4 | 192.8 |
| Total result assignable to non-controlling interests' holdings | 0.4 | 0.2 | 6.3 | 5.9 | 7.9 |

→ ACCOUNTS

Consolidated balance sheet in summary

| SEK, MILLIONS | 2021-09-30 | 2020-09-30 | 2020-12-31 |
|--|----------------|----------------|----------------|
| Assets | | | |
| Intangible fixed assets | 3,672.5 | 1,033.2 | 1,380.7 |
| Tangible fixed assets | 341.4 | 192.6 | 232.3 |
| Financial fixed assets | 18.2 | 12.7 | 15.1 |
| Deferred tax assets | 24.6 | 3.2 | 17.9 |
| Current assets | 1,231.1 | 687.0 | 739.0 |
| Cash equivalents | 792.4 | 484.6 | 675.6 |
| TOTAL ASSETS | 6,080.2 | 2,413.3 | 3,060.6 |
| Equity and liabilities | | | |
| Share capital | 27.4 | 19.3 | 19.7 |
| Other paid-in capital and provisions | 3,079.3 | 518.3 | 517.2 |
| Recognized profits, including profit for the year | 622.3 | 802.6 | 993.9 |
| EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY | 3,729.0 | 1,340.2 | 1,530.8 |
| Non-controlling interests | 12.6 | 21.9 | 14.2 |
| TOTAL EQUITY | 3,741.6 | 1,362.1 | 1,545.0 |
| Long-term provisions | 225.8 | 57.9 | 89.4 |
| Interest-bearing long-term liabilities | 326.5 | 126.9 | 326.7 |
| Interest-bearing short-term liabilities | 624.6 | 174.2 | 277.6 |
| Other short-term liabilities | 1,161.7 | 692.6 | 821.8 |
| TOTAL EQUITY AND LIABILITIES | 6,080.2 | 2,413.3 | 3,060.6 |

Consolidated cash flow analysis in summary

| SEK, MILLIONS | JUL-SEP 2021 | JUL-SEP 2020 | JAN-SEP 2021 | JAN-SEP 2020 | JAN-DEC 2020 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Cash flow current operations before changes in working capital | 125.1 | 63.5 | 298.1 | 179.2 | 313.0 |
| Change in working capital | -58.6 | -79.5 | -102.6 | 85.2 | 128.3 |
| CASH FLOW FROM CURRENT OPERATIONS | 66.5 | -16.0 | 195.5 | 264.4 | 441.3 |
| Cash flow from investing activities | -230.6 | -2.8 | -242.0 | -76.5 | -97.4 |
| Cash flow from financing activities | -144.2 | -15.6 | 161.2 | 18.2 | 56.4 |
| CASH FLOW FOR THE PERIOD | -308.3 | -34.4 | 114.7 | 206.1 | 400.3 |
| Opening balance at start of period | 1,100.6 | 518.6 | 675.6 | 278.4 | 278.4 |
| Exchange rate differences in cash equivalents | 0.1 | 0.4 | 2.1 | 0.1 | -3.1 |
| CLOSING BALANCE AT END OF PERIOD | 792.4 | 484.6 | 792.4 | 484.6 | 675.6 |

→ ACCOUNTS

Statement of changes in equity in summary – Group

| SEK, MILLIONS | JUL-SEP 2021 | JUL-SEP 2020 | JAN-SEP 2021 | JAN-SEP 2020 | JAN-DEC 2020 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Opening balance | 2,079.8 | 1,319.4 | 1,545.0 | 1,241.1 | 1,241.1 |
| Translation differences | 7.1 | -4.7 | 32.1 | -57.2 | -55.9 |
| Result on hedging of exchange rate risks in foreign operations | 0.3 | – | 4.6 | – | -1.6 |
| Tax effects on hedging | -0.3 | – | -1.2 | – | 0.3 |
| Result for the period | 53.5 | 46.6 | 169.1 | 177.5 | 257.9 |
| TOTAL RESULT FOR THE PERIOD | 60.6 | 41.9 | 204.6 | 120.3 | 200.7 |
| TOTAL BEFORE TRANSACTIONS WITH SHAREHOLDERS | 2,140.4 | 1,361.3 | 1,749.6 | 1,361.4 | 1,441.8 |
| Non-controlling interests' holdings | – | -0.1 | -1.4 | -0.3 | -0.3 |
| Additional capital from non-controlling interests' holdings | 1.5 | 0.9 | 1.5 | – | -3.4 |
| Dividend payment | – | – | -152.0 | 1.0 | -8.4 |
| New issue in connection with acquisition | 1,599.7 | – | 2,143.9 | – | 115.3 |
| CLOSING BALANCE | 3,741.6 | 1,362.1 | 3,741.6 | 1,362.1 | 1,545.0 |

Key figures

| | JUL-SEP 2021 | JUL-SEP 2020 | JAN-SEP 2021 | JAN-SEP 2020 | JAN-DEC 2020 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Average number of employees | 3,541 | 2,122 | 2,815 | 2,192 | 2,214 |
| Sales per average number of employees (SEK, 000s) | 336 | 312 | 1,150 | 1,120 | 1,526 |
| Result after financial items per average number of employees (SEK, 000s) | 19 | 27 | 79 | 104 | 150 |
| Return on total capital, % | 1.5 | 2.4 | 5.2 | 10.0 | 12.8 |
| Return on equity, % | 1.8 | 3.5 | 6.4 | 13.6 | 18.5 |
| Return on capital employed, % | 2.0 | 3.6 | 7.0 | 14.6 | 18.4 |
| EBITA margin, % | 7.9 | 8.8 | 8.4 | 9.2 | 9.9 |
| Equity ratio, % | 61.5 | 56.4 | 61.5 | 56.4 | 50.5 |

Data per share

| | JUL-SEP 2021 | JUL-SEP 2020 | JAN-SEP 2021 | JAN-SEP 2020 | JAN-DEC 2020 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Earnings per share, SEK | | | | | |
| Before dilution | 1.93 | 2.34 | 7.24 | 8.84 | 12.96 |
| After dilution | 1.93 | 2.34 | 7.24 | 8.84 | 12.96 |
| Equity per share, SEK | | | | | |
| Before dilution | 136.05 | 69.61 | 136.05 | 69.61 | 77.90 |
| After dilution | 136.05 | 69.61 | 136.05 | 69.61 | 77.90 |
| Average number of shares (000s) | | | | | |
| Before dilution | 27,409 | 19,254 | 22,452 | 19,254 | 19,280 |
| After dilution | 27,409 | 19,254 | 22,452 | 19,254 | 19,280 |
| Number of shares on balance sheet day (000s) | | | | | |
| Before dilution | 27,409 | 19,254 | 27,409 | 19,254 | 19,652 |
| After dilution | 27,409 | 19,254 | 27,409 | 19,254 | 19,652 |

→ ACCOUNTS

Group segment reporting in summary

| JUL-SEP 2021 SEK, MILLIONS | Solutions ¹⁾ | Experience ¹⁾ | Connectivity ¹⁾ | Insight | Parent Company/ consol. adj. | Total |
|---|-------------------------|--------------------------|----------------------------|-------------|---------------------------------|----------------|
| External net sales | 679.5 | 252.3 | 164.5 | 78.2 | 16.4 | 1,190.9 |
| Net sales between segments | 19.7 | 18.5 | 21.4 | 8.1 | -67.7 | – |
| NET SALES | 699.2 | 270.8 | 185.9 | 86.3 | -51.3 | 1,190.9 |
| Operating result before depreciations of intangible assets (EBITA) | 70.2 | 14.3 | 17.1 | 2.4 | -9.5 | 94.5 |
| Depreciation of intangible assets | -10.9 | -4.0 | -8.7 | – | -1.5 | -25.1 |
| OPERATING PROFIT (EBIT) | 59.3 | 10.3 | 8.4 | 2.4 | -11.0 | 69.4 |
| Result after financial items | | | | | | 66.1 |
| RESULT FOR THE PERIOD | | | | | | 53.5 |
| EBITA margin,% | 10.0 | 5.3 | 9.2 | 2.7 | | 7.9 |
| Average number of employees | 1,702 | 819 | 644 | 280 | 96 | 3,541 |

| JUL-SEP 2020 SEK, MILLIONS | Solutions ¹⁾ | Experience ¹⁾ | Connectivity ¹⁾ | Insight | Parent Company/ consol. adj. | Total |
|---|-------------------------|--------------------------|----------------------------|-------------|---------------------------------|--------------|
| External net sales | 434.0 | 148.2 | 13.5 | 65.7 | – | 661.4 |
| Net sales between segments | 14.3 | 17.9 | 1.9 | 4.3 | -38.4 | – |
| NET SALES | 448.3 | 166.1 | 15.4 | 70.0 | -38.4 | 661.4 |
| Operating result before depreciations of intangible assets (EBITA) | 49.6 | 16.2 | 1.6 | -0.6 | -8.3 | 58.5 |
| Depreciation of intangible assets | -1.6 | -0.3 | – | – | -1.2 | -3.1 |
| OPERATING PROFIT (EBIT) | 48.0 | 15.9 | 1.6 | -0.6 | -9.5 | 55.4 |
| Result after financial items | | | | | | 57.9 |
| RESULT FOR THE PERIOD | | | | | | 46.6 |
| EBITA margin,% | 11.1 | 9.7 | 10.1 | -0.8 | | 8.8 |
| Average number of employees | 1,285 | 545 | 29 | 241 | 22 | 2,122 |

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 means that operations that had formerly been part of Solutions were moved to the new segment Connectivity. Further, on January 1, Knowit performed a reorganization, which meant that a smaller operation that was formerly part of the segment Solutions has moved to the segment Experience. As a new segment has been added, the comparative figures have been presented in accordance with the new segmentation. No items that impair comparison have affected the segments during the period.

→ ACCOUNTS

Group segment reporting in summary, continued

| JAN-SEP 2021 SEK, MILLIONS | Solutions ¹⁾ | Experience ¹⁾ | Connectivity ¹⁾ | Insight | Parent Company/ consol. adj. | Total |
|---|-------------------------|--------------------------|----------------------------|--------------|---------------------------------|----------------|
| External net sales | 1,857.8 | 868.2 | 225.5 | 268.1 | 16.4 | 3,236.0 |
| Net sales between segments | 72.9 | 73.1 | 24.5 | 25.7 | -196.2 | – |
| NET SALES | 1,930.7 | 941.3 | 250.0 | 293.8 | -179.8 | 3,236.0 |
| Operating result before depreciations of intangible assets (EBITA) | 207.4 | 89.6 | 23.1 | 21.5 | -71.2 | 270.4 |
| Depreciation of intangible assets | -14.3 | -11.9 | -8.7 | – | -4.4 | -39.3 |
| OPERATING PROFIT (EBIT) | 193.1 | 77.7 | 14.4 | 21.5 | -75.6 | 231.1 |
| Result after financial items | | | | | | 221.5 |
| RESULT FOR THE PERIOD | | | | | | 169.1 |
| EBITA margin, % | 10.7 | 9.5 | 9.2 | 7.3 | | 8.4 |
| Average number of employees | 1,438 | 813 | 251 | 259 | 54 | 2,815 |
| Intangible assets | 1,892.6 | 593.1 | 1,105.7 | 60.3 | 20.8 | 3,672.5 |
| Tangible fixed assets | 8.5 | 6.5 | 0.3 | 0.1 | 326.0 | 341.4 |

| JAN-SEP 2020 SEK, MILLIONS | Solutions ¹⁾ | Experience ¹⁾ | Connectivity ¹⁾ | Insight | Parent Company/ consol. adj. | Total |
|---|-------------------------|--------------------------|----------------------------|--------------|---------------------------------|----------------|
| External net sales | 1,576.4 | 551.2 | 80.2 | 247.5 | – | 2,455.3 |
| Net sales between segments | 52.4 | 65.7 | 2.3 | 22.6 | -143.0 | – |
| NET SALES | 1,628.8 | 616.9 | 82.5 | 270.1 | 143.0 | 2,455.3 |
| Operating result before depreciations of intangible assets (EBITA) | 198.4 | 72.1 | 7.7 | 8.2 | -59.7 | 226.7 |
| Depreciation of intangible assets | -4.8 | -0.9 | – | – | -2.5 | -8.2 |
| OPERATING PROFIT (EBIT) | 193.6 | 71.2 | 7.7 | 8.2 | -62.2 | 218.5 |
| Result after financial items | | | | | | 228.3 |
| RESULT FOR THE PERIOD | | | | | | 117.5 |
| EBITA margin, % | 12.2 | 11.7 | 9.3 | 3.0 | | 9.2 |
| Average number of employees | 1,318 | 565 | 29 | 257 | 23 | 2,192 |
| Intangible assets | 702.1 | 238.4 | 11.5 | 59.5 | 21.7 | 1,033.2 |
| Tangible fixed assets | 9.3 | 3.1 | 0.5 | 0.2 | 179.5 | 192.6 |

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 means that operations that had formerly been part of Solutions were moved to the new segment Connectivity. Further, on January 1, Knowit performed a reorganization, which meant that a smaller operation that was formerly part of the segment Solutions has moved to the segment Experience. As a new segment has been added, the comparative figures have been presented in accordance with the new segmentation. No items that impair comparison have affected the segments during the period.

→ ACCOUNTS

Group revenue from client contracts

| SEK, MILLIONS | JUL-SEP 2021 | JUL-SEP 2020 | JAN-SEP 2021 | JAN-SEP 2020 | JAN-DEC 2020 |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| GEOGRAPHIC CATEGORIZATION | | | | | |
| Fee revenue | | | | | |
| Sweden | 571.5 | 328.8 | 1,568.3 | 1,251.3 | 1,719.4 |
| Norway | 344.1 | 259.7 | 1,137.6 | 920.1 | 1,248.5 |
| Finland | 107.0 | 33.9 | 198.5 | 122.1 | 168.1 |
| Denmark | 81.6 | 13.8 | 162.1 | 46.7 | 71.7 |
| Poland | 35.8 | – | 35.8 | – | – |
| Other | 3.5 | 3.0 | 11.6 | 9.0 | 12.1 |
| TOTAL FEE REVENUE | 1,143.5 | 639.2 | 3,113.9 | 2,349.2 | 3,219.8 |
| Other revenue | | | | | |
| Sweden | 26.6 | 13.5 | 71.5 | 79.0 | 116.7 |
| Norway | 12.1 | 7.8 | 37.9 | 25.5 | 38.7 |
| Finland | 7.2 | 0.5 | 8.2 | 0.6 | 1.4 |
| Denmark | 0.9 | 0.2 | 3.9 | 0.9 | 2.3 |
| Poland | 0.6 | – | 0.6 | – | – |
| Other | 0.0 | 0.2 | 0.0 | 0.1 | 0.2 |
| TOTAL OTHER REVENUE | 47.4 | 22.2 | 122.1 | 106.1 | 159.3 |
| TOTAL NET REVENUE | 1,190.9 | 661.4 | 3,236.0 | 2,455.3 | 3,379.1 |
| SEGMENT CATEGORIZATION | | | | | |
| Fee revenue | | | | | |
| Solutions | 682.4 | 437.7 | 1,884.4 | 1,590.3 | 2,154.3 |
| Experience | 253.2 | 149.9 | 880.4 | 567.4 | 798.8 |
| Connectivity | 173.7 | 14.1 | 222.1 | 48.1 | 68.8 |
| Insight | 85.4 | 68.6 | 290.6 | 265.4 | 371.4 |
| Parent Company/consol. adjustments | -51.2 | -31.1 | -163.6 | -122.0 | -173.5 |
| TOTAL FEE REVENUE | 1,143.5 | 639.2 | 3,113.9 | 2,349.2 | 3,219.8 |
| Other revenue | | | | | |
| Solutions | 16.8 | 10.5 | 46.4 | 38.5 | 55.7 |
| Experience | 17.6 | 16.3 | 60.8 | 49.5 | 76.7 |
| Connectivity | 12.2 | 1.2 | 28.0 | 34.4 | 48.0 |
| Insight | 0.9 | 1.3 | 3.2 | 4.6 | 6.3 |
| Parent Company/consol. adjustments | -0.1 | -7.1 | -16.3 | -20.9 | -27.4 |
| TOTAL FEE REVENUE | 47.4 | 22.2 | 122.1 | 106.1 | 159.3 |
| TOTAL NET REVENUE | 1,190.9 | 661.4 | 3,236.0 | 2,455.3 | 3,379.1 |

As of 2021, figures for Denmark are reported separately, whereas in the past Denmark was included in the item Other. In connection with the acquisition of Cybercom, Poland has been included in the geographic categorization. The segmentation is updated in accordance with the segment reporting on pages 21-22. 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 | 2021-09-30 | | | 2020-09-30 | | |
|---|--|---|-------------------|--|---|-------------------|
| | 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⁾ | – | 3.2 | 3.2 ¹⁾ |
| Other long-term receivables | 4.3 | – | 4.3 | 1.4 | – | 1.4 |
| Accounts receivable and other receivables | 796.4 | – | 796.4 | 603.5 | – | 603.5 |
| Liquid assets | 792.4 | – | 792.4 | 484.6 | – | 484.6 |
| CASH EQUIVALENTS | 1,593.1 | 3.3 | 1,596.4 | 1,089.5 | 3.2 | 1,092.7 |

| SEK, MILLIONS | 2021-09-30 | | | 2020-09-30 | | |
|--|-----------------------------|--|---------------------|-----------------------------|--|--------------------|
| | 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 | – | 182.9 | 182.9 ²⁾ | – | 20.4 | 20.4 ²⁾ |
| Future consideration | 12.4 | – | 12.4 ²⁾ | 22.7 | – | 22.7 ²⁾ |
| Liabilities to sellers | – | – | – | – | – | – |
| Other interest-bearing liabilities | 345.4 | – | 345.4 | 258.0 | – | 258.0 |
| Accounts payable | 254.1 | – | 254.1 | 106.0 | – | 106.0 |
| Other liabilities | 862.9 | – | 862.9 | 249.7 | – | 249.7 |
| TOTAL | 1,474.8 | 182.9 | 1,657.7 | 636.4 | 20.4 | 656.8 |

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 | 6.8 | – | – |
| Recognized in equity | – | -1.5 | – |
| Settlement of future additional considerations, options and future consideration | – | -13.4 | -54.1 |
| Cost of acquisitions | 7.1 | – | – |
| Fair value, 2021-09-30 | 182.9 | 12.4 | – |
| Fair value, 2020-01-01 | 52.0 | 14.6 | – |
| Total recognized profits and losses: | | | |
| Recognized in profit/loss for the year | -4.4 | – | – |
| Recognized in equity | – | -1.0 | – |
| Settlement of future additional considerations, options and future consideration | -27.2 | -7.8 | – |
| Cost of acquisitions | – | 16.9 | – |
| Fair value, 2020-09-30 | 20.4 | 22.7 | – |

→ ACCOUNTS

Income statement Parent Company in summary

| SEK, MILLIONS | JUL-SEP 2021 | JUL-SEP 2020 | JAN-SEP 2021 | JAN-SEP 2020 | JAN-DEC 2020 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net sales | 119.3 | 91.5 | 404.8 | 306.5 | 433.5 |
| Operating costs | -186.8 | -102.7 | -512.7 | -355.8 | -496.9 |
| Depreciation of tangible fixed assets | -0.3 | -0.3 | -0.9 | -0.9 | -1.2 |
| OPERATING RESULT BEFORE DEPRECIATION OF INTANGIBLE ASSETS (EBITA) | -67.8 | -11.5 | -108.8 | -50.2 | -64.6 |
| Depreciation of intangible fixed assets | -1.2 | -1.2 | -3.5 | -2.5 | -3.5 |
| OPERATING RESULT (EBIT) | -69.0 | -12.7 | -112.3 | -52.7 | -68.1 |
| Financial items | 37.5 | -0.3 | 51.7 | 16.4 | 100.0 |
| RESULT AFTER FINANCIAL ITEMS | -31.5 | -13.0 | -60.6 | -36.3 | 31.9 |
| Appropriations | – | – | – | – | -3.9 |
| Income taxes | 0.5 | 0.1 | 0.5 | 0.5 | -6.2 |
| RESULT FOR THE PERIOD | -31.0 | -12.9 | -60.1 | -35.8 | 21.8 |

Balance sheet Parent Company in summary

| SEK, MILLIONS | 2021-09-30 | 2020-09-30 | 2020-12-31 |
|--|----------------|----------------|----------------|
| Assets | | | |
| Intangible fixed assets | 16.6 | 18.0 | 17.8 |
| Tangible fixed assets | 1.5 | 2.7 | 2.4 |
| Financial fixed assets | 3,894.4 | 949.0 | 1,272.6 |
| Current assets | 160.7 | 142.0 | 108.6 |
| Cash equivalents | 577.0 | 470.3 | 593.8 |
| TOTAL ASSETS | 4,650.2 | 1,582.0 | 1,995.2 |
| Equity and liabilities | | | |
| Share capital | 27.4 | 19.3 | 19.7 |
| Statutory reserve | 68.0 | 68.0 | 68.0 |
| Fund for development costs | 1.7 | 6.2 | 5.2 |
| Unrestricted share capital including result for the period | 2,420.9 | 306.8 | 480.4 |
| TOTAL EQUITY | 2,518.0 | 400.3 | 573.3 |
| Untaxed reserves | 115.7 | 111.8 | 115.7 |
| Long-term provisions | 136.1 | 5.2 | 172.8 |
| Interest-bearing short-term liabilities | 510.9 | 91.3 | 198.3 |
| Other short-term liabilities | 1,369.5 | 965.5 | 935.1 |
| TOTAL EQUITY AND LIABILITIES | 4,650.2 | 1,582.0 | 1,995.2 |

→ ACCOUNTS

Acquired operation

On July 1, Knowit acquired 100 percent of Cybercom. Cybercom will supplement Knowit's offer with more tech-associated services and a sustainability offer. The Cybercom Group has around 1,250 employees.

The companies will jointly form a Nordic powerhouse for the digital solutions of the future. Both organizations will be gathered under the Knowit brand.

SEK, MILLIONS

Consideration paid

| | |
|--|--------------|
| Cash | 467 |
| Shares (5,760,833 newly issued shares) | 1,602 |
| Total consideration to sellers | 2,069 |
| New issue in Cybercom | 25 |
| Total acquisition value IFRS 2 | 2,094 |

On July 1, the Board, based on authorization from the EGM on May 28, performed a non-cash share issue of 5,760,833 new shares as payment of part of the consideration. The fair value of the newly issued shares (SEK 1,602 million) was based on the listed share price on July 1 of SEK 278.

The transaction costs of SEK 13.1 million, which are directly attributable to the share issue, have been reported as a deduction from equity.

The assets and liabilities reported as a result of the acquisition are the following:

| SEK, MILLIONS | Fair value |
|---|--------------|
| Client relationships | 477 |
| Brand | 59 |
| Software | 27 |
| Property, plant, and equipment, and other tangible assets | 16 |
| Deferred tax assets | 6 |
| Accounts receivable | 401 |
| Other short-term receivables ¹⁾ | 68 |
| Liquid assets | 253 |
| Interest-bearing provisions | 17 |
| Deferred taxes | 133 |
| Financial debts | 416 |
| Other short-term liabilities | 254 |
| Accounts payable | 125 |
| Acquired identifiable net assets | 362 |
| Goodwill | 1,733 |
| Acquired net assets | 2,094 |

¹⁾ SEK 25 million of the receivables are related to redemption of subscription options and paid out in connection with the acquisition. They have therefore been reported, net, in the item Cash flow from investment activities in the cash flow analysis.

Goodwill is attributable to the employees and synergies thanks to Cybercom's client offers supplementing Knowit's client offers well in the tech, industry, and telecom sectors. Through the acquisition, the Group is significantly strengthening its position on the Nordic market.

Cybercom contributed with revenue of SEK 362.1 million and EBITA of SEK 46.7 million during the period July-September 2021. If the acquisition had been performed on January 1, 2021, Cybercom would have contributed with revenue of SEK 1,232.3 million and EBITA of SEK 107.8 million for the period.

→ ACCOUNTS

Acquired operation, continued

SEK, MILLIONS

| Cash flow from acquiring subsidiaries, less acquired liquid assets | |
|---|-------------|
| Cash consideration | -467 |
| Acquired liquid assets | 253 |
| Impact on the Group's liquid assets | -214 |

ACQUISITION-RELATED COSTS

In total, acquisition-related costs of SEK 22.2 million, which are not directly attributable to the share issue,

are included. They are included in EBITA in the income statement and in the operating activities in the cash flow analysis.

→ ACCOUNTS

Financial overview per business area

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

| SEK, MILLIONS | JUL-SEP 2021 | JUL-SEP 2020 ¹⁾ | JUL-SEP 2020 incl. acquisition ²⁾ | JAN-SEP 2021 | JAN-SEP 2020 ¹⁾ | JAN-SEP 2020 incl. acquisition ³⁾ |
|-----------------------|--------------|----------------------------|--|--------------|----------------------------|--|
| The Group | | | | | | |
| Sales | 1,190.9 | 661.4 | 1,107.4 | 3,236.0 | 2,455.3 | 3,102.7 |
| EBITA | 94.5 | 58.5 | 105.2 | 270.4 | 226.7 | 294.6 |
| EBITA margin, % | 7.9 | 8.8 | 9.5 | 8.4 | 9.2 | 9.5 |
| Number of employees | 3,857 | 2,310 | 3,806 | 3,857 | 2,310 | 3,806 |
| Business areas | | | | | | |
| Solutions | | | | | | |
| Sales | 699.2 | 448.3 | 640.7 | 1,930.7 | 1,628.8 | 1,821.2 |
| EBITA | 70.2 | 49.6 | 68.4 | 207.4 | 198.4 | 217.1 |
| EBITA margin, % | 10.0 | 11.1 | 10.7 | 10.7 | 12.2 | 11.9 |
| Number of employees | 1,808 | 1,363 | 1,833 | 1,808 | 1,363 | 1,833 |
| Experience | | | | | | |
| Sales | 270.8 | 166.1 | 252.9 | 941.3 | 616.9 | 905.0 |
| EBITA | 14.3 | 16.2 | 21.9 | 89.6 | 72.1 | 99.0 |
| EBITA margin, % | 5.3 | 9.7 | 8.7 | 9.5 | 11.7 | 10.9 |
| Number of employees | 934 | 608 | 916 | 934 | 608 | 916 |
| Connectivity | | | | | | |
| Sales | 185.9 | 15.4 | 180.8 | 250.0 | 82.5 | 248.0 |
| EBITA | 17.1 | 1.6 | 18.4 | 23.1 | 7.7 | 24.5 |
| EBITA margin, % | 9.2 | 10.1 | 10.1 | 9.2 | 9.3 | 9.9 |
| Number of employees | 677 | 32 | 693 | 677 | 32 | 693 |
| Insight | | | | | | |
| Sales | 86.3 | 70.0 | 86.7 | 293.8 | 270.1 | 286.8 |
| EBITA | 2.4 | -0.6 | -1.5 | 21.5 | 8.2 | 7.3 |
| EBITA margin, % | 2.7 | -0.8 | -1.7 | 7.3 | 3.0 | 2.6 |
| Number of employees | 335 | 283 | 340 | 335 | 283 | 340 |

1) The comparative figures have been recalculated retroactively based on the new segmentation implemented as of this report.

2) The adjustments of net sales pertain to the acquisitions of Creuna and Cybercom from July 1 to September 30 2020.

3) The adjustments of net sales pertain to the acquisitions of Creuna, from January 1 to September 30 2020, and Cybercom, from July 1 to September 30 2020.

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. $(270.4 + 83.1 = 353.5)$

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. $(270.4 + 36.5 = 306.9)$

EBITA MARGIN Profit before amortization of intangible noncurrent assets (EBITA) in relation to net sales for the period. $(270.4 / 3,236.0 = 8.4\%)$

ADJUSTED EBITA MARGIN Adjusted EBITA profit in relation to net sales for the period. $(306.9 / 3,236.0 = 9.5\%)$

NET LIABILITIES Interest-bearing liabilities less financial interest-bearing assets. $(326.5 + 624.6 - 792.4 = 158.7)$

AVERAGE EQUITY The average of the period's opening equity balance and the period's closing equity balance. $((1,545.0 + 3,741.6) / 2 = 2,643.3)$

RETURN ON EQUITY Profit after full tax as a percentage of average equity including non-controlling interests. $(169.1 / 2,643.3 = 6.4\%)$

AVERAGE CAPITAL EMPLOYED Equity plus interest-bearing liabilities. $((3,741.6 + 326.5 + 624.6 + 1,545.0 + 326.7 + 277.6) / 2 = 3,421.0)$

RETURN ON CAPITAL EMPLOYED Profit after financial items plus financial expenses expressed as a percentage of average capital employed. $((221.5 + 17.7) / 3,421.0 = 7.0\%)$