

Interim report

» Uncertain market affects the results of the second quarter

JANUARY – JUNE 2023

NET SALES INCREASED BY 11.7 PERCENT TO SEK 3,729.3 (3,340.0) MILLION
 THE OPERATING PROFIT (EBITA) WAS SEK 273.8 (328.5) MILLION
 THE ADJUSTED OPERATING PROFIT (EBITA) WAS SEK 274.9 (334.7) MILLION ¹⁾
 THE OPERATING MARGIN (EBITA) WAS 7.3 (9.8) PERCENT
 THE ADJUSTED OPERATING MARGIN (EBITA) WAS 7.4 (10.0) PERCENT ¹⁾
 RESULTS AFTER TAX INCREASED TO SEK 124.0 (252.0) MILLION
 EARNINGS PER SHARE INCREASED TO SEK 4.35 (9.05) ²⁾
 CASH FLOW FROM OPERATING ACTIVITIES INCREASED TO SEK 228.4 (135.9) MILLION

APRIL – JUNE 2023

NET SALES INCREASED BY 6.9 PERCENT TO SEK 1,758.8 (1,644.7) MILLION
 THE OPERATING PROFIT (EBITA) WAS SEK 76.6 (136.4) MILLION
 THE ADJUSTED OPERATING PROFIT (EBITA) WAS SEK 76.8 (140.5) MILLION ¹⁾
 THE OPERATING MARGIN (EBITA) WAS 4.4 (8.3) PERCENT
 THE ADJUSTED OPERATING MARGIN (EBITA) WAS 4.4 (8.5) PERCENT ¹⁾
 RESULTS AFTER TAX WERE SEK 19.9 (130.3) MILLION
 EARNINGS PER SHARE WAS SEK 0.71 (4.71) ²⁾
 CASH FLOW FROM OPERATING ACTIVITIES WAS SEK 121.9 (130.7) 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 28.
²⁾ Before and after dilution.
 The information contained herein is such as shall be made public by Knowit AB (publ) in accordance with the EU Market Abuse Regulation and the Securities Market Act. The information was made public through the agency of CEO and President Per Wallentin, at 07.30 CEST on July 20, 2023.

COMMENTS FROM THE CEO

Weaker development on uncertain market

The trend we saw at the start of the year, with greater hesitance among clients in some sectors, has remained and somewhat accelerated during the second quarter. We are seeing more uncertainty on the market, which has led to greater challenges in finding assignments for consultants and thus has a negative impact on both net sales and operating profit. Several actions have been taken to ensure increased resilience and improved profitability going forward.

A RECENT ANALYSIS by Radar Group shows that our entire sector is increasingly affected by the weaker economy. The effects of the economic slow-down have been harder and faster than expected and create increased uncertainty about the development on all markets where Knowit operates. We are seeing this primarily in longer sales cycles for new assignments and downsizing of ongoing projects for several clients. The challenge in finding assignments is most apparent for junior consultants and more administrative roles, while demand for more technical specialist competence remains fairly stable. We have succeeded well with adjusting prices to meet salary inflation, but have not succeeded in compensation for a lower utilization.

All four business areas are seeing a significantly more challenging market situation today compared with a year ago, with a worsening utilization and resulting decreased margins.

Weakened demand is most apparent in retail, but in the public sector, where unchanged expense budgets have also affected investment possibilities. Knowit is seeing continued high demand in areas where we have high competence and are well-positioned, like AI, defense solutions, cybersecurity, and law.

A FOCUS ON INTERNAL EFFICIENCY AND SALES

Several hands-on initiatives have been taken to balance the lower demand and simultaneously create improved profitability level. These activities encompass both cost savings in the form of reduced workforce and a decreased proportion of administrative resources, and a generally lowered of costs in the Group. On the current market, an increased focus on sales has top priority, for instance through close dialogues with existing clients regarding ongoing client projects, renegotiations, and extensions. Furthermore, our ability to quickly adapt to sectors and areas where demand remains high has grown even more important.

During the quarter, new client projects have been gained, creating new possibilities in both the short and long term. One example is the deal with the Norwegian Public Service Pension Fund (SPK), which was announced this quarter, shows our strong foothold in the Nordic region and the trust that is placed in Knowit, by both the public and private sectors. Over the coming ten years we, along with SPK and other partners, will create a completely new digital solution for managing bank loans.



WE ARE LEADING THE WAY TOWARDS A SUSTAINABLE SOCIETY

Contributing to the transition to a sustainable and inclusive society has high strategic and operative priority for us at Knowit. This means that we are working for decreased climate impact primarily through the assignments we take on for our clients. One of many examples of how we do this is the data and analytics platform that Knowit has built together with Europe's largest iron ore producer, LKAB. The platform enables for LKAB to make well-founded and data-based decisions that help them in their transition to carbon dioxide-free products and processes by 2045, an important strategic goal for our client.

WELL-POSITIONED FOR GROWTH AND PROFITABILITY

The digital transformation remains high up on our clients' agendas, even in a weaker economic climate, and we continue our constructive and proactive dialogues with them. The long-term need for high-quality, innovative solutions that meet Nordic companies' needs and help them grow and succeed in the digital era unchanged. This creates the possibility of a strong development for Knowit, which has both a strong brand and is viewed with trust as a digitalization partner. In the short term, our ability to be flexible and adapt to changing market conditions will be crucial to our success and in the coming quarters internal efficiency and a focus on costs will be at the top of our agenda to improve profitability. ■

PER WALLENTIN
CEO and President

EVENTS DURING THE QUARTER



APRIL – JUNE 2023

Knowit has been given the assignment to modernize the housing loan solution of the **NORWEGIAN PUBLIC SERVICE PENSION FUND (SPK)**. The new platform is a flexible, user-friendly, and complete component-based banking solution. The contract with SPK has a total value of up to NOK 100 million over a period of 10 years.

Knowit has been chosen as a supplier of **THE NEW VISA SYSTEM TO THE MINISTRY FOR FOREIGN AFFAIRS OF FINLAND**. Knowit will act as a supplier alongside Gofore, and the value of the project is estimated at EUR 70 million over a period of 7 years.

The contractor and real estate developer **GRANITOR** has chosen Knowit as its digital agency partner to get help develop digital solutions that contribute to Granitor's continued digital transformation.

Knowit and **SSF, THE SWEDISH THEFT PREVENTION ASSOCIATION**, have initiated a collaboration to make Sweden safer. Together, they offer three highly relevant courses to meet the increased need for competence provision in the protective security area.

Knowit's **SIGNPORT**, developed in-house, is a leading platform for secure contract management and advanced electronic signatures. Through a strategic partnership with Elastx, a Swedish ISO 14 001-certified operator with energy-efficient data centers, SignPort's initiative for working sustainably is strengthened.

During the quarter, Knowit has been given a **CERTIFICATION IN INFORMATION SECURITY MANAGEMENT (ISO 27 001)**, supplementing previous certifications in quality management (ISO 9 001) and environment management (ISO 14 001). The certification strengthens Knowit's position further, especially in work with the public sector.

Knowit has committed to setting long-term goals for the Company's carbon dioxide emissions in accordance with **THE SCIENCE-BASED TARGETS INITIATIVE'S CORPORATE NET ZERO STANDARD**. This supplements the existing goal of halving the Group's carbon dioxide emissions by 2030 with a new long-term goal of decreased emissions by 2030 and a plan for how any remaining carbon dioxide emissions are to be managed at that point.

Knowit won a procurement procedure for the Norwegian **CUSTOMS** involving updates to the digital flow of goods. The contract has a total value of NOK 270 million over 6 years.

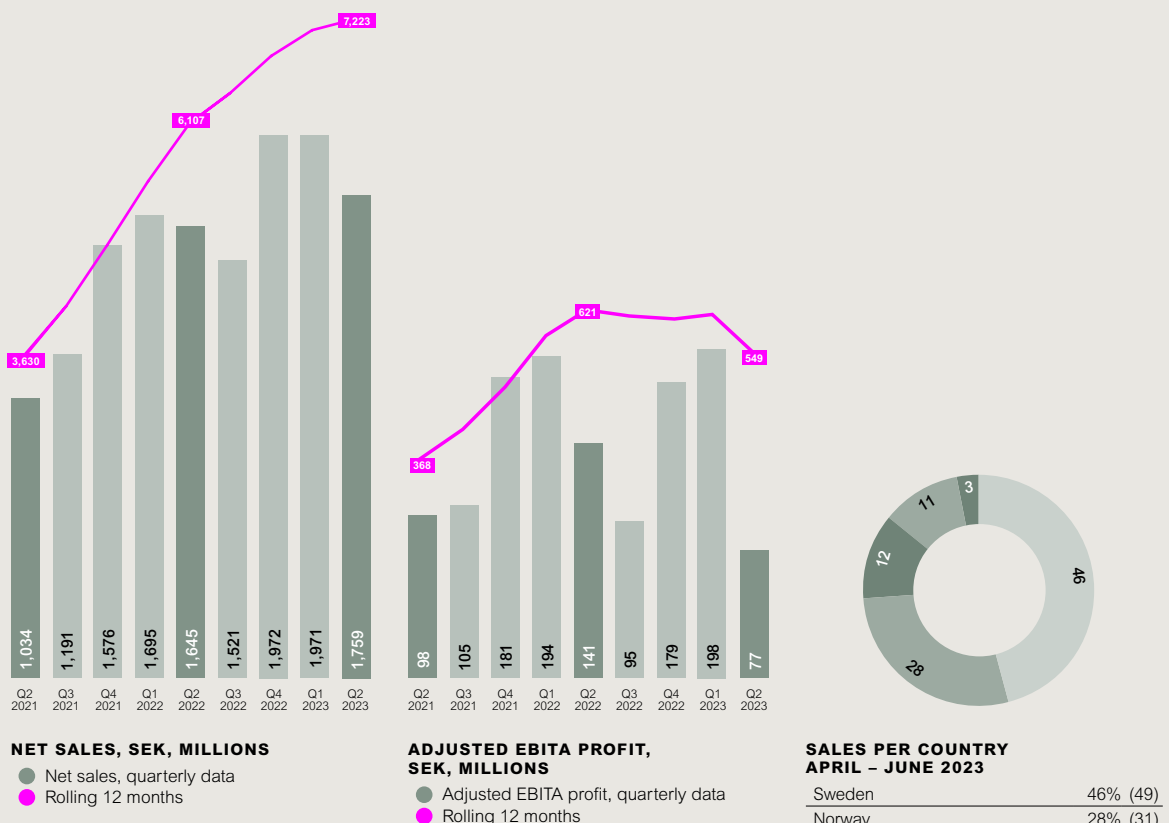
THE PERIOD IN BRIEF

A focus on sales activities and internal efficiency

APRIL – JUNE 2023

THE SECOND QUARTER of the year has been characterized by an increased uncertainty on the market and hesitance from clients in many sectors. The development mainly means that it takes longer to get more junior consultants and project administrative roles into projects, impacting on both the utilization and profitability. Growth was 6.9 percent and decreased by 1.8 percent when calculated as if this year's acquisitions had been included also in the previous year. The adjusted EBITA profit was SEK 76.8 million, which is a decreased of the adjusted EBITA margin to 4.4 (8.5) percent.

Adapting and digitalizing operations and business models is a top priority for Nordic companies and authorities even in a weaker economic climate, which benefits Knowit in the longer term. In the shorter term, sales activities, client dialogues, cost awareness, and optimization of internal resources are at the top of the agenda to achieve improved profitability this fall.



→ THE PERIOD IN BRIEF

APRIL – JUNE 2023

Financial development

The net sales for the period increased to SEK 1,758.8 (1,644.7). Profit before amortization of intangible assets (EBITA) was SEK 76.6 (136.4) million. The adjusted EBITA profit increased to SEK 76.8 (140.5) million, adjusted for acquisition and integration costs of SEK (0.2) 4.1 million.

Compared with the corresponding period last year, exchange rate developments had a positive effect on EBITA totaling SEK 12.0 million. Cash flow from operating activities was SEK 121.9 (130.7) million, affected mainly by poorer results. The change in operating capital was SEK 62.7 (31.2) million, affected mainly by decreased accounts receivable, but also by increased short-term liabilities. ■

The below table shows financial history that includes the acquisitions of Swedspot, Miracle, Marketing Clinic, Ascend, and Ionic for comparable periods, to facilitate for the reader to follow the development. See more information on page 26 in this report.

SEK, MILLIONS	APR-JUN 2023	APR-JUN 2022
Sales	1,758.8	1,644.7
Sales, acquisitions		146.2 ¹⁾
Sales, including acquisitions	1,758.8	1,790.9
Sales, change, %	-1.8	
of which is exchange rate effect, %	0.7	

1) Adjustments relate to addition of net sales in Swedspot, Miracle, Marketing Clinic, Ascend, and Ionic for the period April to June 2022.

The below table shows performance measures, EBITA and the EBITA margin are adjusted for items that impair comparability between different periods, to enable increased understanding for the Group's underlying operations.

SEK, MILLIONS	APR-JUN 2023	APR-JUN 2022
EBITA	76.6	136.4
Adjusted EBITA profit ¹⁾	76.8	140.5
EBITA margin, %	4.4	8.3
Adjusted EBITA margin, % ²⁾	4.4	8.5
Cash flow from operating activities	121.9	130.7
Intangible assets	4,626.3	4,066.5
Number of employees at the end of the period	4,347	3,933

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 significant digitalization partner in the Nordic region

Knowit contributes to a sustainable development of society by developing innovative solutions along with its clients and partners. Together, Knowit's four business areas create a complete offer in digitalization, covering the entire organization of each client. 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.

THE DIGITAL TRANSFORMATION means that companies and organizations are adapting their processes and business models to become entirely or partially digital and Knowit is there to support each part of this development. In a digitalized society, new possibilities are created for simplified and sustainable everyday activities for both possibilities for both citizens and companies. The solution to many of the main challenges in society, such as climate change, is dependent on mankind's ability to use new and existing technology in a sustainable way. Digital solutions that Knowit has developed along with clients and partners are found throughout all parts of society, from schools, healthcare services, and authorities, to e-commerce, transportation, security systems in vehicles, and new energy systems. Knowit's competence in new technology and digital solutions, such as artificial intelligence, automation, and robotization, creates good possibilities to have a positive impact on society and the climate challenges. Knowit has its largest operations in the Nordic

region, with a smaller organization in Germany and operations in Poland that support the Nordic operations with expertise in programming and system development. With its agile work method and client-tailored solutions, Knowit has a strong position on the Nordic digitalization market.

A STRONG CLIENT OFFERING

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

Knowit's clients often have a need for services from several business areas. This means that projects can be performed with the support of multiple competencies from more than one business area. These are collaborations that develop both Knowit's and the clients' businesses.

GOOD SPREAD ACROSS DIFFERENT CLIENT INDUSTRIES

Knowit meets clients in many different industries, where companies and organizations have the need for competent support to develop their operations and drive the change towards a digitalized society. The largest proportion of net sales is in the public sector, providing 39 percent of Knowit's total net sales. Other significant client sectors are retail and service companies, industry, and banking, finance, and insurance, which are behind 15, 15, and 11 percent of net sales, respectively.

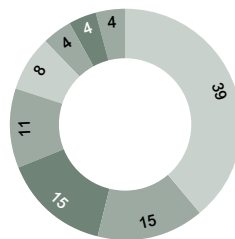
A FOCUS ON SUSTAINABILITY

Actively contributing to the development of a sustainable and carbon-neutral society is a top priority at Knowit. Knowit has established sustainability goals that serve to ensure that the Company, along with its clients and partners, contributes to a positive environmental and climate



**SALES PER BUSINESS AREA
APRIL - JUNE 2023**

Solutions	52% (52)
Experience	21% (23)
Connectivity	14% (15)
Insight	13% (10)



**SALES PER CLIENT INDUSTRY
APRIL - JUNE 2023**

Public sector	39% (37)
Retail and service companies	15% (18)
Industry	15% (15)
Banking, finance and insurance	11% (10)
Telecommunications	8% (9)
Energy	4% (4)
Media, education and gaming	4% (4)
Other	4% (3)

→ MARKET AND OPERATIONS

impact, and increased inclusivity. During the second quarter 2023, Knowit supplemented its long-term sustainability target of decreasing carbon dioxide emissions with at least 50 percent by 2030, within the framework of Fossil-free Sweden. The new target means that Knowit will also set a long-term goal for decreased emissions up until 2050 and a plan for how any remaining carbon dioxide emissions will be managed at that point. The goals are in line with the Science-Based Targets initiative's Corporate Net Zero Standard, an initiative that objectively reviews companies' goals for decreased emissions compared with scientific best practices.

Knowit is working in several client projects aimed at decreasing climate impact.

A STRONG EMPLOYER BRAND

During the second quarter, the continually recurring employee survey was performed. This is an important basis for ensuring that Knowit develops as a workplace. The results are used to identify strengths, improvement areas, and challenges in the organization, which leads to measures promoting commitment and well-being among employees and creates good conditions for the future.

Another prioritized area is inclusion and diversity and Knowit actively participated in the European Diversity Month during the second quarter. Through various events and seminars, awareness and understanding for these topics are increased among Knowit's employees.

AN INCREASED FOCUS ON PRODUCTS AND PLATFORMS

Knowit's business is based on a strong consultancy operation with a focus on supporting companies and organizations on their digitalization journeys. Further, there are a number of products and platforms, often springing from development projects, that have become important supplements to other services and offers within Knowit, both as a value creator in client relations and as a contribution to an innovative environment for Knowit's employees.

One good example is Dploy, a user-friendly platform for automating processing of loan applications, which is being used by Knowit in helping Norwegian Public Service Pension Fund (SPK) to modernize SPK's housing loan system.

FINANCIAL OUTCOME

The Group's operations are organized so that the corporate management team primarily follows four business areas: Solutions, Experience, Connectivity, and Insight.

The net sales for Solutions increased to SEK 961.8 (932.7) million, for Experience was SEK 395.1 (401.5) million, for Connectivity increased to SEK 266.8 (259.4) million, and for Insight to SEK 235.7 (170.7) million.

Profit before amortization of intangible assets (EBITA) for Solutions was SEK 50.3 (89.6) million, for Experience was SEK 20.1 (38.8) million, for Connectivity was SEK 19.3 (25.4) million, and for Insight was SEK 17.9 (24.0) million.

The EBITA margin for Solutions was 5.2 (9.6) percent, for Experience was 5.14 (9.7) percent, for Connectivity was 7.2 (9.8) percent, and for Insight was 7.6 (14.1) percent.

Solutions

	APR-JUN 2023	APR-JUN 2022	APR-JUN 2022 incl. acquisition ¹⁾
Sales, SEK, million	961.8	932.7	1,007.2
EBITA, SEK, million	50.3	89.6	90.1
EBITA margin, %	5.2	9.6	8.9
Number of employees at the end of the period	1,892	1,720	1,856

1) Pertains to the acquisition of Miracle A/S from April to June 2022.

With a strong presence in the Nordic region and more than 1,900 employees, the business area Solutions is well-positioned to deliver high-quality digital solutions for companies and organizations and thereby support them in their digital development. By working close to its clients and using the latest technologies and methods, Solutions is an important partner to companies that want to future-proof their digital platforms and ensure a more data-driven operation. Solutions contributes with cutting-edge competence in all parts of the systems development process: from idea, architecture and project governance, to programming, implementation, testing, and security.

Solutions has the largest share of its clients in the public sector. Examples of clients include the Norwegian transport group VY (formerly NSB), several larger companies in retail and e-commerce, and leading companies in the telecommunications sector, such as Telia and Telenor. Examples of interesting organizations to which Solutions has delivered communication solutions include the aid organization Sida and SOS Alarm.

COMMENTS FROM THE EVP OF SOLUTIONS

The business area Solutions is challenged by fewer assignments, primarily in Sweden and Norway, as a result of longer sales cycles and downsizing by some clients. Towards the end of the quarter, a certain stabilization was seen and several new client agreements create the potential for improved profitability during the fall. The Finnish operations have continued to develop well with growth in both revenue and profitability. During the quarter, the work with increasing internal efficiency and balancing capacity with demand to improve profitability has had top priority.

"The second quarter has been characterized by clients in several segments taking longer to make decisions and in some cases scaling down their investments, which has had a negative impact on both sales and the margin. During the quarter, we have worked hard to plan for and implement measures that will show results this fall," says Åsa Holmberg.

→ MARKET AND OPERATIONS

Experience

	APR-JUN 2023	APR-JUN 2022	APR-JUN 2022 incl. acquisition
Sales, SEK, million	395.1	401.5	401.5
EBITA, SEK, million	20.1	38.8	38.8
EBITA margin, %	5.1	9.7	9.7
Number of employees at the end of the period	975	960	960

The business area Experience focuses on creating and delivering innovative digital experiences for Nordic companies at the interface between technology and communication. Knowit has unique expertise when it comes to integrating technology, design, and business strategies to create a coherent and simple user experience. By using agile methods and an iterative process, Knowit can ensure that clients' needs and expectations are met and exceeded.

The business area offers a range of different services, including UX design, interaction design, user surveys, information architecture, digital strategy, and development of web and mobile applications. Experience also has a strong offer in e-commerce, an area that along with data-driven marketing has grown quickly in recent years. By working close to its clients, Knowit can tailor solutions to their specific needs and goals. Examples of clients that Experience has a long-term collaboration with include Danish Arla, Nordic OKQ8, Inera 1177.se in Sweden and the Norwegian insurance company Storebrand.

COMMENTS FROM THE EVP OF EXPERIENCE

The business area Experience has had a relatively stable income development in both Denmark and Norway during the quarter, while it has weakened in Sweden. In Norway, we have performed a number of larger restructuring efforts of the operations during the quarter, costing both time and resources in the short term, but strengthening the operations going forward. The Swedish operations, which are also Experience's largest, has had greater challenges related to utilization and demand and work has begun to reduce capacity and decrease overhead costs, which will have an effect in the coming quarter.

“Our main challenge is in Sweden, where longer sales cycles and greater hesitance among clients has led to a decreased utilization. During the year, we have gone from focusing on recruitment to focusing on sales, which has created new possibilities and assignments. Still, the current market requires that we continue to work on optimizing our resources and keeping costs in check,” says Fredrik Ekerhovd.

Connectivity

	APR-JUN 2023	APR-JUN 2022	APR-JUN 2022 incl. acquisition ¹⁾
Sales, SEK, million	266.8	259.4	268.0
EBITA, SEK, million	19.3	25.4	27.2
EBITA margin, %	7.2	9.8	10.1
Number of employees at the end of the period	764	740	740

¹⁾ Pertains to the acquisition of Swedspot AB from April to May 2022.

Connectivity combines technical expertise and business competence for innovative, secure, and sustainable solutions in IT and communication technology. The business area's expertise extends from wireless technology and IoT to network architecture and security. The business area supports clients in everything from developing prototypes and proof-of-concepts to implementing large-scale solutions for smart homes, industrial automation, or smart cities.

Connectivity has over 750 consultants in Sweden and Poland and a smaller operation in Germany. 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). Modern technology has the potential to decrease costs, energy usage, emissions and waste, and to mitigate climate change. Connectivity is a leading supplier to clients in the telecommunications, vehicle and manufacturing industries and has been delivering services to the Swedish Armed Forces for many years. Connectivity collaborates with the companies' research and development departments, with clients like ABV, Assa Abloy, Ericsson, Scania, and Valmet.

COMMENTS FROM THE INTERIM EVP OF CONNECTIVITY

The business area Connectivity has had a relatively stable development during the second quarter, but is impacted by increased uncertainty in several sectors, for instance the vehicle industry. At the same time, we are seeing continued high demand from the defense industry. Thanks to intense and increased sales efforts during the spring, we have succeeded well in reallocating resources and extending existing assignments.

“We have a good development on the current market and the work done during the quarter to increase the utilization going forward give us a solid foundation for the coming quarter. I am pleased that our Polish unit continues to perform very well, with a high market presence and ability to quickly adapt and optimize the operations,” says Bo Strömqvist.

→ MARKET AND OPERATIONS

Insight

	APR-JUN 2023	APR-JUN 2022	APR-JUN 2022 (incl. acquisition ¹⁾)
Sales, SEK, million	235.7	170.7	233.7
EBITA, SEK, million	17.9	24.0	37.7
EBITA margin, %	7.6	14.1	16.1
Number of employees at the end of the period	552	370	483

1) Pertains to the acquisition of Marketing Clinic Oy, Ascend AB and Ionic AB from April to June 2022.

Insight supports its clients in creating agile organizations and performing digital transformations, from idea to result. With a focus on giving clients a deeper understanding for their operations and supporting them in their transformation efforts, from idea to result, Insight's consultants contribute to business models being shifted and adapted to the digital transformation. Using data analytics, Knowit Insight can help companies find possibilities, identify challenges, and make data-driven decisions to improve their operations.

Insight's roughly 550 employees support Nordic companies in areas like growth and profitability strategies, development of new business models, change management, and cybersecurity. Insight's offer in cybersecurity is in particularly high demand. Clients are found in both the public and the private sector. Investments in Knowit's management consulting operations in the past year have created a significantly broader and more attractive offer for Nordic clients.

COMMENTS FROM THE EVP OF INSIGHT

The business area Insight has been challenged by a decreased utilization, affecting both growth and profitability. The trend seen during the first quarter, with decreased demand for pure management consultancy, has continued during the second quarter and has led to a decreased utilization, affecting results negatively. Still, demand in cybersecurity and legal consultancy remains high. In Finland, we have managed to change the negative development seen towards the end of last year and are improving the margin for the second quarter running.

“On an increasingly uncertain and unpredictable market, we are seeing relatively stable development during the quarter, though with a lower utilization affecting our margins. Demand has decreased in several sectors, though the defense and energy sectors continue to request our specialist competence. Increased sales efforts, cost-cutting, and decreased overhead costs are our top priorities,” says Carin Strindmark. ■

REFERENCE CASES

Current projects that create client value

Knowit are digitalization consultants that create unique client values by offering digital solutions that help companies and organizations to future-proof their business models and simultaneously create 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.



UTOPUS INSIGHTS TRANSFORMS BIG DATA INTO USER-FRIENDLY ANALYTICAL TOOLS

Utopus Insights is an independent energy analytics company from New York, owned by the Danish energy company Vestas. The long-term ambition is to contribute to making it easier and cheaper to produce renewable energy and thereby hopefully unlock a significant potential in sustainable energy production.

The partnership between Knowit and Utopus Insights is a fusion between computer science and user interface design. During the first year of the collaboration, an entirely new software package has been deployed, redefining how leading analytical tools and customer experiences can work in tandem. Utopus Insights now offers a user-friendly and visually appealing platform that allows users worldwide to understand, predict, and optimize daily production of green energy.

The platform monitors many thousand wind turbines and solar panels, generating large amounts of data and insights. The system is designed to be seamlessly scalable from large operational centers to mobile devices in the hands of technicians working 100 meters above the ground. This approach has effectively moved big data from the large data centers into the hands of the people actually making the important day-to-day decisions on energy production. The platform has a real possibility of making a significant difference in the work with ensuring a more sustainable and environmentally friendly energy sector.



VERISURE INNOVATION AB FINDS NEW WAYS TO SECURE COMPETENCE AND DEVELOPMENT

Verisure is a leading supplier of professionally monitored security solutions. The company has more than 4.5 million clients in 17 countries in Europe and Latin America. Verisure Innovation, which employs around 300 technicians in Malmö and Linköping, develops, updates, and operates products and services for end users and for Verisure's own operative units, such as alarm monitoring, support, and installation.

Like many other companies with a large need for technical competence, Verisure Innovation is challenged by a continuous need for expertise in various areas of its operations. By creating multifaceted development teams working across national borders, Verisure Innovation has succeeded in solving a problem that many companies struggle with today: finding the right talent at the right time. Knowit has long been a partner to Verisure Innovation and together these two companies create joint development teams consisting of Knowit's consultants in Sweden and Poland, in close collaboration with Verisure Innovation's internal competence.

The collaboration has accelerated Verisure Innovation's development towards working in hybrid teams, where some of the technicians in the 25 scrum teams are now working from Poland. The challenge lies in ensuring that innovation and team dynamics are retained and that the day-to-day informal communication continues to work well, despite the geographic distances. It has been important in the project to establish a critical mass of consultants from Knowit, in order to rotate competence between different scrum teams based on resource needs and thus minimize introduction times, create a deep understanding of corporate cultures, and realize the consultants' ambitions as regards development.

→ REFERENCE CASES



A DATA PLATFORM HELPS LKAB FOCUS ON SUSTAINABLE MINING

LKAB is Europe's largest producer of iron ore and the goal is to have carbon dioxide-free production by the year 2045.

Iron ore is the core product for LKAB and the group mines 80 percent of all the iron ore mined in Europe. The journey from the mine to steel and other products to customers around the world is long. Along the road, a large amount of data is gathered in a data platform shared with the entire group. This involves everything from vibrations, temperatures, speeds, and weights in the production line to emissions, energy usage, and costs related to production.

Knowit has helped LKAB build a new data and analytics platform consolidating data from a large number of source systems.

LKAB's old platform was restricted and not available to many people. In the new solution, data are available to more users and the system also gathers more types of data in a fast and effective way. With an automated data warehouse solution in Snowflake, data can now be gathered, processed, stored, and analyzed on a stable, easily managed, and scalable platform. Users from different parts of the operations can access data and benefit from using them in their analyses and reports.

An example where the new platform solution makes a real difference is in work environment. Mining is a complex process where safety always comes first and an important step in LKAB's systematic work environment management is getting a full overview of accidents, work-related injuries, incidents at work, and ill health. In the past, data needed to be gathered and compiled manually from several different systems, which was a time-consuming process for multiple people. Now, creating a monthly report and analysis is done in a matter of minutes. This enables for better follow-up and decision support in preventive work environment management.

With the new data platform, the operations can create analytics and reports from information shared throughout the group. Data make it possible to calculate and understand how the value chain from mine to steel affects the climate. This facilitates for LKAB to make well-founded decisions that help them in their transition and achieve their sustainability target of having carbon dioxide-free products and processes by 2045.



DIGITAL SOLUTIONS ENABLE FOR BETTER CARE

Knowit has performed a feasibility study for the municipality of Nynäshamn, presenting a number of examples of safety-creating technology and the benefits connected to use of different forms of housing.

The municipality of Nynäshamn wants to improve the quality and safety of care for the elderly and physically disabled using safety-creating technology. It has chosen to look more closely at how those living in their own homes (ordinary housing) or in specialized housing can get increased possibilities to be active, independent and safe, using this kind of technology.

One of the main effects that municipalities have seen is both increased security and greater freedom among users, as well as decreased concern. Safety-creating technology requires continuous identification and management of risk related to information security, data protection, and continuity planning. Municipalities must continue to work with these matters during any procurements, as well as during implementation and management of the technology.

The market for safety-creating technology is under development and many entities offer solutions for both specialized housing and ordinary housing. Some suppliers offer one-stop shop solutions that work regardless of housing form, others are aimed at one form or the other, while yet others offer different solutions for different housing forms.

To give the municipality increased knowledge of the market and improved conditions to procure technology that matches its future needs, Knowit performed a mapping of the market. Benefits were also mapped, to provide a better overview of the costs, benefits, and risks associated with the technology.

The decision support helps the municipality make well-founded decisions. The risk-benefit calculations are based on what would happen if a specific technology were to be introduced, or if an entire concept were to be implemented. These calculations encompass monetary, temporal, and qualitative values which are estimates – made by the companies and operations – of the benefits that the introduction of a specific product would generate. ■

THE GROUP

Moderate demand

Net sales and profit

The Group

JANUARY – JUNE

Net sales increased to SEK 3,729.3 (3,340.0) million, an increase by 11.7 percent as compared with the corresponding period last year. The exchange rate development of the year has had a positive impact on net sales of SEK 23.5 (79.8) million.

Net sales increased to SEK 1,694.3 (1,640.8) million in Sweden, to SEK 1,061.3 (1,051.6) million in Norway, to SEK 444.2 (254.7) million in Denmark, to SEK 399.7 (290.4) million in Finland, and to SEK 119.9 (92.8) in Poland. Sales per employee were KSEK 897 (912).

The operating profit before amortization of intangible assets (EBITA) was SEK 273.8 (328.5) million. The adjusted EBITA profit was SEK 274.9 (334.7) million, adjusted for acquisition costs of SEK – (3.8) million and integration costs of SEK 1.1 (2.4) million. The exchange rate development has had a negative impact on EBITA of SEK -1.6 (6.7) million.

In Sweden, EBITA was SEK 168.1 (234.8) million, in Norway it was SEK 90.4 (112.3) million, in Denmark it increased to SEK 24.2 (23.1) million, in Finland to SEK 28.1 (18.3) million, and in Poland to SEK 11.6 (9.2) million.

The EBITA margin was 7.3 (9.8) percent. The adjusted EBITA margin was 7.4 (10.0) percent.

Amortization of intangible assets amounted to SEK -85.8 (-63.0) million, affected by increased amortization related to the acquisitions of Swedspot AB, Miracle A/S, Marketing Clinic Oy, Ascend AB, and Ionic AB.

The operating profit after financial items was SEK 166.4 (309.8) million. The financial net was SEK -21.6 (44.3) million, affected mainly by increased interest revenue of SEK 6.4 (1.4) million, interest costs of SEK -31.2 (-9.7) million, and revaluation of additional consideration totaling SEK 15.5 (-13.2) million. The past year was positively affected by disposal of non-controlling interest shares in Stacc AS totaling SEK 65.6 million.

The results after tax were SEK 124.0 (252.0) million. Tax for the period was SEK -42.4 (-57.8) million. This year's taxes are affected by an adjustment for the previous year's taxes of SEK -5.8 million. The non-controlling interests' share of profit for the year increased to SEK 4.7 (4.0) million. Earnings per share were SEK 4.35 (9.05).

THE SECOND QUARTER

Net sales increased to SEK 1,758.8 (1,644.7) million, an increase by 6.9 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 12.0 (30.3) million. Net sales were SEK 801.9 (808.8) million in Sweden, SEK 486.3 (507.6) million in Norway, increased to SEK 208.7 (128.8) million in Denmark, to SEK 199.3 (146.8) million in Finland, and to SEK 57.8 (47.7) in Poland. Sales per employee were KSEK 424 (447).

The operating profit before amortization of intangible assets (EBITA) was SEK 76.6 (136.4) million. The adjusted EBITA profit was SEK 76.8 (140.5) million, adjusted

for acquisition costs of SEK – (3.8) million and integration costs of SEK 0.2 (0.3) million. Compared with the corresponding period last year, the exchange rate development has had a negative impact on EBITA of SEK -0.6 (1.9) million.

In Sweden, EBITA was SEK 54.3 (102.5) million, in Norway it was SEK 23.4 (46.9) million, in Denmark it was SEK 4.3 (10.8) million, in Finland it increased to SEK 11.7 (8.5) million, and in Poland to SEK 4.1 (4.0) million. The EBITA margin was 4.4 (8.3) percent and the adjusted EBITA margin was 4.4 (8.5) percent.

Amortization of intangible assets amounted to SEK -43.1 (-31.8) million, affected by increased amortization related to acquisitions.

The operating profit after financial items was SEK 33.1 (153.2) million. The financial net was SEK -0.4 (48.6) million, affected primarily by increased interest revenue of SEK 2.3 (0.9) and interest costs of SEK -15.5 (-6.4), as well as revaluation of additional consideration totaling SEK 18.1 (-10.0) million. The previous year was positively affected by disposal of non-controlling interest shares in Stacc AS totaling SEK 65.6 million.

The results after tax were SEK 19.9 (130.3) million. Tax for the period was SEK -13.2 (-22.9) million. This year's taxes are affected by an adjustment for the previous year's taxes of SEK -5.8 million. The non-controlling interests' share of profit for the year was SEK 0.4 (1.3) million. Earnings per share were SEK 0.71 (4.71).

The segments

JANUARY – JUNE

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. The Corporate Management Team primarily follows up on five segments: Solutions, Experience, Connectivity, Insight, and other. Other items include cloud services of a smaller scope, the parent companies' group-wide costs for management, financials, and marketing, and adjustments related to IFRS 16, which are not allocated to the segments.

Net sales for the segment Solutions increased to SEK 2,053.3 (1,908.7) million, for the segment Experience they increased to SEK 842.2 (814.7) million, for the segment Connectivity to SEK 570.9 (505.3) million, and for the segment Insight to SEK 482.6 (340.6) million.

EBITA was SEK 165.3 (215.9) million for the segment Solutions, SEK 80.2 (98.0) million for the segment Experience, SEK 54.0 (54.9) million for the segment Connectivity, and increased to SEK 44.3 (44.2) million for the segment Insight.

The EBITA margin was 8.1 (11.3) percent for the segment Solutions, 9.5 (12.0) percent for the segment Experience, SEK 9.5 (10.9) for the segment Connectivity, and 9.2 (13.0) percent for the segment Insight.

THE SECOND QUARTER

Net sales for the segment Solutions increased to SEK 961.8 (932.7) million, for the segment Experience they were SEK 395.1 (401.5) million, for the segment Connectivity they increased to SEK 266.8 (259.4) million, and

→ THE GROUP

for the segment Insight to SEK 235.7 (170.7) million.

EBITA was SEK 50.3 (89.6) million for the segment Solutions, SEK 20.1 (38.8) million for the segment Experience, SEK 19.3 (25.4) million for the segment Connectivity, and SEK 17.9 (24.0) million for the segment Insight.

The EBITA margin was 5.2 (9.6) percent for the segment Solutions, 5.1 (9.7) percent for the segment Experience, 7.2 (9.8) for the segment Connectivity, and 7.6 (14.1) percent for the segment Insight.

Cash flow

JANUARY – JUNE

Cash flow from operating activities increased to SEK 228.4 (135.9) million. The previous year was affected negatively by tax paid, for instance related to restructuring effects in Finland. The change in working capital increased to SEK 23.1 (-73.6) million, affected mainly by increased short-term liabilities, but also by increased accounts receivable.

Cash flow from investment activities amounted to SEK -181.0 (-203.5) million, affected mainly by additional consideration and investments in tangible assets. Last year's figures were affected by disposal of financial assets.

Cash flow from financing activities was SEK -191.7 (-73.0) million, affected mainly by dividends, loans taken, and amortizations.

Total cash flow was SEK -144.3 (-140.6) million.

THE SECOND QUARTER

Cash flow from operating activities was SEK 121.9 (130.7) million, where the change in working capital had an impact of SEK 62.7 (31.2) million, affected mainly by decreased accounts receivable, but also increased short-term liabilities.

Cash flow from investment activities amounted to SEK -159.2 (-99.3) million, affected mainly by additional consideration and investments in tangible assets. Last year's figures were affected by disposal of financial assets.

Cash flow from financing activities was SEK -53.0 (-42.4) million, affected mainly by dividends, loans taken, and amortizations.

Total cash flow was SEK -90.3 (-11.0) million.

Financial position

JANUARY – JUNE

Cash and cash equivalents were SEK 365.1 (715.9) million as per June 30, 2023. Goodwill and other intangible assets increased to SEK 4,626.3 (4,066.5) million, of which goodwill was SEK 3,810.5 (3,313.0) million, and other intangible assets were SEK 815.8 (753.5) million.

Equity increased to SEK 4,289.0 (4,083.8) million. Interest-bearing liabilities totaled SEK 1,381.6 (1,191.1) million by June 30, 2023, with long-term liabilities totaling SEK 1,168.4 (1,080.6) million and short-term liabilities were SEK 213.2 (110.5) million. Knowit has a facility of SEK 300 million that falls due in 2026 and a facility of SEK 750 million that falls due in 2027. The credit facilities granted total SEK 1,050 million. As per June 30, 2023, SEK 700.0 (550.0) million of the credit facilities granted were used. Leasing debts increased to SEK 591.9 (450.7) million. Debts related to future consideration in subsidiaries totaled SEK 89.6 (190.4) million.

The equity/asset ratio was 57.3 (59.6) percent as per June 30, 2023.

Employees

JANUARY – JUNE

On June 30, 2023, a total of 4,347 (3,933) people were employed by the Group. During 2023, the number of employees has decreased by 63 people compared with December 31, 2022.

The average number of employees has during the period increased to 4,158.0 (3,662.6). The average number of employees in Sweden increased to 2,061.2 (1,925.7), in Norway to 1,014.2 (901.8), in Finland to 472.6 (399.3), in Poland to 307.7 (274.0), and in Denmark to 286.7 (150.4).

Long-term incentive program (LTIP)

At the AGM 2023, the decision was made to implement a long-term share-based incentive program. LTIP 2023 was offered to 36 employees consisting of members of the corporate management team and members of local and extended management teams at the business area level. To participate in the LTIP 2023, the participant must make an investment of their own in company shares, in accordance with the terms of the program, and these shares must be allocated to the program. Each participant may invest in investment shares up to a total corresponding to at most 10 percent of their fixed annual salary before taxes. Each share acquired for this purpose is an "investment share." Depending on the participant category that a participant belongs to, the participant is allocated a certain number of share rights per investment shares acquired. For category 1, each investment share entitles the holder to four share rights, for category 2, each investment share entitles the holder to three share rights, and for category 3, each investment share entitles the holder to two share rights.

Following the selected vesting period of three years, the participants will be allotted shares in the company, free of cost, if certain conditions are met. These conditions are, with some exceptions, continued employment in the Group during the vesting period, that the holders' shareholdings in the Company have been unchanged during that period, and that certain performance goals have been reached. The performance goals are earnings per share, EBITA margin, and an ESG measure. Final allocation of share rights shall be based to 45 percent on earnings per share, 45 percent on the EBITA margin, and 10 percent on the ESG measure. The performance goals include both a minimum level that must be reached in order for any allocation at all to be made, and a maximum level above which no further allocation will be made.

The maximum number of shares in the Company that can be allocated to the participants within the framework of the LTIP 2023 shall be limited to 110,000, corresponding to around 0.4 percent of the total shares and voting rights in the Company. The maximum value that a participant can get for each share right is limited to SEK 820. As of June 30, 2023, 92,235 share rights have been allocated to 35 employees.

The fair value of the share rights on the allocation day (SEK 184.64 per share) was calculated using Black & Scholes. In the valuation, account has been taken of the value limitations included in the program.

→ THE GROUP

The share

On May 3, 2023, the AGM authorized the Board to decide on a program for repurchasing of own shares, to cover undertakings within the framework of the long-term incentive program (LTIP) 2023. Repurchasing of a maximum of 137,423 shares may take place on one or more occasions before the AGM 2024. As of June 30, 2023, no own shares have been repurchased.

Seasonal variation

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

The quarter that includes the Easter period – the first or second – has lower revenue, leading to a lower profit,

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

Transactions with related parties

No significant transactions have occurred during the period. For more information, see Note 29 Transactions with related parties, page 99 in the Annual Report 2022. ■

PARENT COMPANY

Results and financial position

JANUARY – JUNE

The operating profit/loss before amortization of intangible assets (EBITA) was SEK -57.3 (-67.5) million. The financial net was SEK 23.2 (5.5) million, affected mainly by increased interest costs and exchange rates. The profit/loss

after financial net was SEK -36.8 (-64.7) million.

As per June 30, 2023, equity was SEK 2,843.4 (2,491.8) million. Untaxed reserves, mainly accrual funds, increased to SEK 159.6 (128.0) million. ■

OTHER INFORMATION

Accounting principles and forward-looking information

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.

Knowit is affected by general political, financial, and economic circumstances. The current situation with war in our vicinity and high inflation, combined with high interest rates, has significantly raised the risk level and shapes the market, with large negative effects. Decreased demand for the Company's services creates short-term challenges with a decreased utilization, where the business model creates a lead time in adjusting the capacity to return to higher levels. Furthermore, the decentralized steering model creates a need for each subsidiary to quickly

→ OTHER INFORMATION

realize short-term measures regarding costs. In the short term, this can affect the Company's ability to generate revenue and growth in line with historic values and its financial targets.

For more information on risks, see the Annual Report 2022, pages 60-63 and 83-84.

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.

REMUNERATION TO EMPLOYEES, SHARE RIGHTS

The fair value of the share rights that are allocated to employees free of cost through the Group's long-term incentive program (LTIP) are carried as expenses during the vesting period. The fair value is calculated as per the allocation day and is reported in the balance sheet. The assessment of how many shares are expected to be allocated is performed anew at the end of each reporting period and any deviations are reported in the income statement, with corresponding adjustments made to equity.

The social fees that result from allocations of share rights are reported in the same way as share-related remuneration settled in cash. Costs for social fees are reported over the period during which the service is performed. The fair value of the liability is revalued at the end of each reporting period.

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 above.

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.

All amounts in this report are given in million Swedish kronor (SEK, millions), unless otherwise stated. Rounding differences may occur.

Events after the end of the interim period

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

Forward-looking information

Forward-looking information in this report is based on the expectations of Knowit's management team at the time of the report. While Knowit's management team assesses these expectations to be reasonable, there is no guarantee that these expectations are or will turn

out to be correct. Consequently, future outcomes may vary significantly compared with what is presented in the forward-looking information, depending for example on changed market conditions for the Knowit corporation's offerings and more general conditions related to economy, market, competition, regulatory changes and other alterations in policy, as well as variations on exchange rates. Knowit does not commit to update or correct such forward-looking information beyond what is required by law.

Financial calendar

INTERIM REPORT JANUARY – SEPTEMBER 2023

October 25, 2023, 7:30 AM

YEAR-END REPORT 2023

February 8, 2024, 7:30 AM

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About Knowit

Knowit are digitalization consultants with a vision 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 now has around 4,350 employees, mainly in the Nordic countries, but also in Poland and Germany. 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. ■

→ OTHER INFORMATION

Certification

The Chief Executive Officer certifies that the Interim Report gives a fair overview of the Group's and the Parent Company's operations, position and profit, and describes the

significant risks and uncertainty factors faced by the Parent Company and the companies within the Group.

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

STOCKHOLM, JULY 20, 2023

JON RISFELT
Chairman

CAMILLA MONEFELDT KIRSTEIN
Board Member

OLOF CATO
Board Member

KARIN (KIA) ORBACK PETTERSSON
Board Member

STEFAN GARDEFJORD
Board Member

PER WALLENTIN
Chief Executive Officer

SOFIA KARLSSON
Board Member

FINANCIAL STATEMENTS

Consolidated income statement in summary

SEK, MILLIONS	APR-JUN 2023	APR-JUN 2022	JAN-JUN 2023	JAN-JUN 2022	JAN-DEC 2022
Net sales	1,758.8	1,644.7	3,729.3	3,340.0	6,833.8
Operating costs	-1,637.1	-1,473.6	-3,364.6	-2,942.0	-6,088.5
Depreciation of tangible fixed assets	-45.1	-34.7	-90.9	-69.5	-148.8
Operating result before amortization of intangible assets (EBITA)	76.6	136.4	273.8	328.5	596.5
Amortization of intangible fixed assets	-43.1	-31.8	-85.8	-63.0	-149.3
OPERATING RESULT (EBIT)	33.5	104.6	188.0	265.5	447.2
Financial incomes	55.0	66.5	59.2	67.0	94.9
Financial expenses	-55.4	-17.9	-80.8	-22.7	-58.4
RESULT AFTER FINANCIAL ITEMS	33.1	153.2	166.4	309.8	483.7
Tax	-13.2	-22.9	-42.4	-57.8	-91.5
RESULT FOR THE PERIOD	19.9	130.3	124.0	252.0	392.2
Result for the period attributable to shareholders in Parent Company	19.5	129.0	119.3	248.0	385.0
Result for the period attributable to non-controlling interests' holdings	0.4	1.3	4.7	4.0	7.2
EARNINGS PER SHARE					
Earnings per share, before dilution, SEK	0.71	4.71	4.35	9.05	14.05
Earnings per share, after dilution, SEK	0.71	4.71	4.35	9.05	14.05

Consolidated comprehensive income in summary

SEK, MILLIONS	APR-JUN 2023	APR-JUN 2022	JAN-JUN 2023	JAN-JUN 2022	JAN-DEC 2022
Profit for the period	19.9	130.3	124.0	252.0	392.2
<i>Items that may later be reclassified to profit or loss</i>					
Profit/loss from hedging of exchange rate risks in foreign operations	37.7	11.0	47.6	19.8	51.4
Tax effect of hedging of exchange rate risks	-7.7	-2.3	-9.8	-4.1	-10.6
Translation differences for the period from recalculation of foreign operations	70.5	-1.7	34.6	41.0	103.8
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	100.5	7.0	72.4	56.7	144.6
Total comprehensive income for the period	120.4	137.3	196.4	308.7	536.8
Total comprehensive income attributable to shareholders in Parent Company	119.0	135.6	191.6	304.7	529.2
Total comprehensive income attributable to non-controlling interests' holdings	1.4	1.7	4.8	4.0	7.6

→ FINANCIAL STATEMENTS

Consolidated balance sheet in summary

SEK, MILLIONS	2023-06-30	2022-06-30	2022-12-31
Assets			
Intangible fixed assets	4,626.3	4,066.5	4,629.7
Tangible fixed assets	680.5	500.0	723.9
Financial fixed assets	10.4	6.7	11.4
Deferred tax asset	112.9	96.8	106.5
Current assets	1,693.6	1,470.5	1,636.5
Cash equivalents	365.1	715.9	497.6
TOTAL ASSETS	7,488.8	6,856.4	7,605.6
Equity and liabilities			
Share capital	27.4	27.4	27.4
Other capital provided and provisions	3,046.2	2,888.6	2,976.1
Retained earnings, including profit for the period	1,200.6	1,167.6	1,183.0
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY	4,274.2	4,083.6	4,186.5
Non-controlling interests	14.8	0.2	21.2
TOTAL EQUITY	4,289.0	4,083.8	4,207.7
Non-current provisions	265.0	239.5	276.5
Interest-bearing non-current liabilities	1,168.4	1,080.6	1,303.3
Interest-bearing current liabilities	213.2	110.5	291.4
Other current liabilities	1,553.2	1,342.0	1,526.7
TOTAL EQUITY AND LIABILITIES	7,488.8	6,856.4	7,605.6

→ FINANCIAL STATEMENTS

Consolidated cash flow statement in summary

SEK, MILLIONS	APR-JUN 2023	APR-JUN 2022	JAN-JUN 2023	JAN-JUN 2022	JAN-DEC 2022
Operating activities					
Profit before taxes	33.1	153.2	166.4	309.8	483.7
Adjustment for non-cash items	42.4	-28.7	105.9	67.9	245.0
Paid taxes	-16.3	-25.0	-67.0	168.2	-195.1
CASH FLOW BEFORE CHANGES IN OPERATING CAPITAL	59.2	99.5	205.3	209.5	533.6
Changes in operating capital	62.7	31.2	23.1	-73.6	-58.3
CASH FLOW FROM OPERATING ACTIVITIES	121.9	130.7	228.4	135.9	475.3
Investing activities					
Acquisition of businesses	-146.9	-151.0	-146.9	-248.6	-752.9
Acquisition on intangible assets	-3.0	-0.0	-6.7	-1.5	-10.0
Acquisition of property, plant and equipment	-9.3	-23.6	-27.4	-28.7	-63.3
Disposal of financial assets	–	75.3	–	75.3	75.3
CASH FLOW FROM INVESTING ACTIVITIES	-159.2	-99.3	-181.0	-203.5	-750.9
Financing activities					
Amortization of loans and leasing liabilities	-38.0	-29.9	-176.7	-60.5	-228.7
Loans raised	100.0	94.6	100.0	94.6	344.7
Dividend	-115.0	-107.1	-115.0	-107.1	-204.1
CASH FLOW FROM FINANCING ACTIVITIES	-53.0	-42.4	-191.7	-73.0	-88.1
CASH FLOW FOR THE PERIOD	-90.3	-11.0	-144.3	-140.6	-363.7
Cash and cash equivalents at the beginning of the period	444.6	722.8	497.6	851.4	851.4
Translation differences in cash and cash equivalents	10.8	4.1	11.8	5.1	9.9
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	365.1	715.9	365.1	715.9	497.6

→ FINANCIAL STATEMENTS

Consolidated statement of changes in equity in summary

SEK, MILLIONS	APR-JUN 2023	APR-JUN 2022	JAN-JUN 2023	JAN-JUN 2022	JAN-DEC 2022
Opening balance	4,283.7	4,063.2	4,207.7	3,892.4	3,892.4
Profit/loss from hedging of exchange rate risks in foreign operations	37.7	-1.7	47.6	41.0	51.4
Tax effect of hedging of exchange rate risks	-7.7	11.0	-9.8	19.8	-10.6
Translation differences for the period from recalculation of foreign operations	70.5	-2.3	34.6	-4.1	103.8
Result for the period	19.9	130.3	124.0	252.0	392.2
TOTAL PROFIT FOR THE PERIOD RECOGNIZED IN THE INCOME STATEMENT	120.4	137.3	196.4	308.7	536.8
TOTAL BEFORE TRANSACTIONS WITH SHAREHOLDERS	4,404.1	4,200.5	4,404.1	4,201.1	4,429.2
Non-controlling interests	–	–	–	–	6.3
Additional capital from non-controlling interests	-0.3	-9.6	-0.3	-10.2	-28.4
Dividend paid	-115.0	-107.1	-115.0	-107.1	-204.1
Share-based payment	0.2	–	0.2	–	–
Acquisition of partially owned subsidiary with non-controlling interests	–	–	–	–	4.7
CLOSING BALANCE	4,289.0	4,083.8	4,289.0	4,083.8	4,207.7

Performance measures and data per share

	APR-JUN 2023	APR-JUN 2022	JAN-JUN 2023	JAN-JUN 2022	JAN-DEC 2022
Number of employees at end of period	4,347	3,933	4,347	3,933	4,410
Average number of employees	4,144.3	3,679.2	4,158.0	3,662.6	3,877.2
Sales per average number of employees (SEK, 000s)	424	447	897	912	1,763
Result after financial items per average number of employees, (SEK, 000s)	8	42	40	85	125
Return on total capital, %	1.2	2.6	3.3	5.0	7.8
Return on equity, %	0.5	3.2	2.9	6.3	9.7
Return on capital employed, %	1.5	3.3	4.3	6.6	10.2
EBITA margin, %	4.4	8.3	7.3	9.8	8.7
Adjusted EBITA margin, %	4.4	8.5	7.4	10.0	8.9
Equity ratio, %	57.3	59.6	57.3	59.6	55.3
Net debt ratio, multiples	0.2	0.1	0.2	0.1	0.3
Earnings per share, SEK					
Before dilution	0.71	4.71	4.35	9.05	14.05
After dilution	0.71	4.71	4.35	9.05	14.05
Equity per share, SEK					
Before dilution	155.94	148.99	155.94	148.99	152.74
After dilution	155.94	148.99	155.94	148.99	152.74
Average number of shares, 000s					
Before dilution	27,409	27,409	27,409	27,409	27,409
After dilution	27,409	27,409	27,409	27,409	27,409
Number of shares on balance sheet day, 000s					
Before dilution	27,409	27,409	27,409	27,409	27,409
After dilution	27,409	27,409	27,409	27,409	27,409

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Consolidated segment reporting in summary

APRIL – JUNE 2023, SEK, MILLIONS	Solutions	Experience	Connectivity	Insight	Other	Total
External net sales	891.9	368.2	258.7	224.7	15.3	1,758.8
Net sales between segments	69.9	26.9	8.1	11.0	-115.9	–
NET SALES	961.8	395.1	266.8	235.7	-100.6	1,758.8
Operating result before amortization of intangible assets (EBITA)	50.3	20.1	19.3	17.9	-31.0	76.6
Amortization of intangible assets	-17.6	-6.6	-10.6	-6.5	-1.8	-43.1
OPERATING PROFIT (EBIT)	32.7	13.5	8.7	11.4	-32.8	33.5
Result after financial items						33.1
RESULT FOR THE PERIOD						19.9
EBITA margin, %	5.2	5.1	7.2	7.6		4.4
Average number of employees	1,830.6	927.6	719.3	523.9	142.9	4,144.3
APRIL – JUNE 2022, SEK, MILLIONS	Solutions	Experience	Connectivity	Insight	Other	Total
External net sales	866.5	377.1	236.8	151.0	13.3	1,644.7
Net sales between segments	66.2	24.4	22.6	19.7	-132.9	–
NET SALES	932.7	401.5	259.4	170.7	-119.6	1,644.7
Operating result before amortization of intangible assets (EBITA)	89.6	38.8	25.4	24.0	-41.4	136.4
Amortization of intangible assets	-12.0	-6.3	-9.9	-1.8	-1.8	-31.8
OPERATING PROFIT (EBIT)	77.6	32.5	15.5	22.2	-43.2	104.6
Result after financial items						153.2
RESULT FOR THE PERIOD						130.3
EBITA margin, %	9.6	9.7	9.8	14.1		8.3
Average number of employees	1,656.2	880.4	664.9	355.1	122.6	3,679.2

The Group's operations are organized so that the Corporate Management Team 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 companies' group-wide costs for management, financials, and marketing, and adjustments related to IFRS 16, which are not allocated to the segments.

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Consolidated segment reporting in summary, continued

JANUARY – JUNE 2023, SEK, MILLIONS	Solutions	Experience	Connectivity	Insight	Other	Total
External net sales	1,902.0	784.0	553.0	458.0	32.3	3,729.3
Net sales between segments	151.3	58.2	17.9	24.6	-252.0	–
NET SALES	2,053.3	842.2	570.9	482.6	-219.7	3,729.3
Operating result before amortization of intangible assets (EBITA)	165.3	80.2	54.0	44.3	-70.0	273.8
Amortization of intangible assets	-35.0	-13.1	-21.2	-12.9	-3.6	-85.8
OPERATING PROFIT (EBIT)	130.3	67.1	32.8	31.4	-73.6	188.0
Result after financial items						166.4
RESULT FOR THE PERIOD						124.0
EBITA margin, %	8.1	9.5	9.5	9.2		7.3
Average number of employees	1,837.4	933.0	721.4	524.2	142.0	4,158.0
Intangible assets	2,111.0	738.0	1,178.8	589.1	9.4	4,626.3
Tangible fixed assets	17.5	4.9	11.2	3.3	643.6	680.5
JANUARY – JUNE 2022, SEK, MILLIONS	Solutions	Experience	Connectivity	Insight	Other	Total
External net sales	1,780.6	760.3	469.9	301.6	27.6	3,340.0
Net sales between segments	128.1	54.5	35.4	39.0	-257.0	–
NET SALES	1,908.7	814.7	505.3	340.6	-229.4	3,340.0
Operating result before amortization of intangible assets (EBITA)	215.9	98.0	54.9	44.2	-84.5	328.5
Amortization of intangible assets	-24.0	-12.7	-19.3	-3.6	-3.4	-63.0
OPERATING PROFIT (EBIT)	191.9	85.3	35.6	40.6	-87.9	265.5
Result after financial items						309.8
RESULT FOR THE PERIOD						252.0
EBITA margin, %	11.3	12.0	10.9	13.0		9.8
Average number of employees	1,653.8	876.2	651.3	356.8	124.5	3,662.6
Intangible assets	1,885.1	741.4	1,186.5	237.4	16.1	4,066.5
Tangible fixed assets	19.4	5.2	9.4	1.0	465.0	500.0

The Group's operations are organized so that the Corporate Management Team 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 companies' group-wide costs for management, financials, and marketing, and adjustments related to IFRS 16, which are not allocated to the segments.

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Group revenue from client contracts

SEK, MILLIONS	APR-JUN 2023	APR-JUN 2022	JAN-JUN 2023	JAN-JUN 2022	JAN-DEC 2022
GEOGRAPHIC CATEGORIZATION					
Fee revenue					
Sweden	748.8	775.6	1,577.4	1,578.5	3,047.7
Norway	469.7	494.5	1,031.2	1,024.1	2,057.0
Denmark	185.1	126.9	392.4	250.5	615.7
Finland	190.3	138.6	382.8	275.8	580.8
Poland	56.9	47.3	118.0	91.5	197.2
Other	4.7	4.9	9.9	9.6	22.7
TOTAL FEE REVENUE	1,655.4	1,587.8	3,511.6	3,230.1	6,521.1
Other revenue					
Sweden	53.1	33.3	116.9	62.3	162.8
Norway	16.7	13.1	30.2	27.5	53.0
Denmark	23.6	1.9	51.8	4.2	61.1
Finland	9.0	8.2	16.9	14.5	33.3
Poland	0.9	0.4	1.9	1.4	2.5
Other	0.0	0.0	0.0	0.0	0.0
TOTAL OTHER REVENUE	103.3	56.9	217.7	109.9	312.7
TOTAL NET REVENUE	1,758.8	1,644.7	3,729.3	3,340.0	6,833.8
SEGMENT CATEGORIZATION					
Fee revenue					
Solutions	917.8	911.1	1,955.4	1,864.6	3,769.3
Experience	372.2	382.6	798.5	778.8	1,502.6
Connectivity	231.8	232.3	497.1	464.1	951.7
Insight	227.8	167.0	469.3	333.4	716.1
Other	-94.2	-105.2	-208.7	-210.8	-418.6
TOTAL FEE REVENUE	1,655.4	1,587.8	3,511.6	3,230.1	6,521.1
Other revenue					
Solutions	44.0	21.5	97.9	44.1	155.1
Experience	22.9	18.9	43.7	35.9	82.8
Connectivity	35.0	27.1	73.8	41.3	88.6
Insight	7.9	3.7	13.3	7.3	14.8
Other	-6.5	-14.4	-11.0	-18.7	-28.6
TOTAL OTHER REVENUE	103.3	56.9	217.7	109.9	312.7
TOTAL NET REVENUE	1,758.8	1,644.7	3,729.3	3,340.0	6,833.8

The revenue category Licensing revenue is reported under the category Other revenue, as the amount is not significant. For more information, see Note 1 Accounting and valuation principles, pages 77-83 in the Annual Report 2022.

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Financial assets and liabilities at fair value and categorization

SEK, MILLIONS	2023-06-30			2022-06-30		
	Financial assets valued at amortized costs	Financial assets valued at fair value in income statement	Fair value	Financial assets valued at amortized costs	Financial assets valued at fair value in income statement	Fair value
Assets in balance sheet						
Other long-term securities	–	2.7	2.7 ¹⁾	–	0.5	0.5 ¹⁾
Other long-term receivables	3.0	–	3.0	3.6	–	3.6
Accounts receivable and other receivables	1,428.0	–	1,428.0	1,303.1	–	1,303.1
Cash equivalents	365.1	–	365.1	715.9	–	715.9
TOTAL	1,796.1	2.7	1,798.8	2,022.6	0.5	2,023.1

SEK, MILLIONS	2023-06-30			2022-06-30		
	Other financial liabilities	Financial liabilities valued at fair value in income statement	Fair value	Other financial liabilities	Financial liabilities valued at fair value in income statement	Fair value
Liabilities in balance sheet						
Future additional considerations	–	68.5	68.5 ²⁾	–	142.1	142.1 ²⁾
Future consideration	21.1	–	21.1 ²⁾	48.4	–	48.4 ²⁾
Other interest-bearing liabilities	1,292.0	–	1,292.0	940.6	–	940.6
Accounts payable	373.8	–	373.8	271.0	–	271.0
Other liabilities	53.1	–	53.1	460.4	–	460.4
TOTAL	1,740.0	68.5	1,808.5	1,720.4	142.1	1,862.5

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 22 in the Annual Report for 2022.

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

SEK, MILLIONS	Future contingent additional considerations	Future considerations
Fair value, 2023-01-01	196.4	54.4
Total recognized profits and losses:		
Recognized in profit/loss for the year	-15.6	–
Recognized in equity	–	0.3
Settlement of future additional considerations, options and future consideration	-112.3	-33.6
Cost of acquisitions	–	–
Fair value, 2023-06-30	68.5	21.1
Fair value, 2022-01-01	177.7	12.3
Total recognized profits and losses:		
Recognized in profit/loss for the year	13.2	–
Recognized in equity	–	10.2
Settlement of future additional considerations, options and future consideration	-63.7	-11.6
Cost of acquisitions	14.9	37.5
Fair value, 2022-06-30	142.1	48.4

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Income statement Parent Company

SEK, MILLIONS	APR-JUN 2023	APR-JUN 2022	JAN-JUN 2023	JAN-JUN 2022	JAN-DEC 2022
Net sales	177.8	176.1	375.0	362.6	730.9
Operating costs	-205.7	-214.2	-428.6	-429.4	-863.2
Depreciation of property, plant and equipment	-1.9	-0.4	-3.7	-0.7	-2.3
OPERATING RESULT BEFORE AMORTIZATION OF INTANGIBLE ASSETS (EBITA)	-29.8	-38.5	-57.3	-67.5	-134.6
Amortization of intangible assets	-1.4	-1.4	-2.7	-2.7	-5.4
OPERATING RESULT (EBIT)	-31.2	-39.9	-60.0	-70.2	-140.0
Financial items	30.2	0.2	23.2	5.5	724.1
RESULT AFTER FINANCIAL ITEMS	-1.0	-39.7	-36.8	-64.7	584.1
Appropriations	–	–	–	–	-31.6
Income tax	0.9	–	0.9	–	-31.2
RESULT FOR THE PERIOD	-0.1	-39.7	-35.9	-64.7	521.3

Balance sheet Parent Company

SEK, MILLIONS	2023-06-30	2022-06-30	2022-12-31
Assets			
Intangible assets	7.3	12.7	10.0
Property, plant and equipment	35.1	9.8	22.7
Financial non-current assets	5,131.4	5,263.8	5,514.0
Current assets	233.6	161.2	440.9
Cash equivalents	267.8	588.3	329.3
TOTAL ASSETS	5,675.2	6,035.8	6,316.9
Equity and liabilities			
Share capital	27.4	27.4	27.4
Statutory reserve	68.0	68.0	68.0
Unrestricted share capital including result for the period	2,748.0	2,396.4	2,886.4
TOTAL EQUITY	2,843.4	2,491.8	2,981.8
Untaxed reserves	159.6	128.0	159.6
Non-current provisions	15.7	131.6	84.1
Interest-bearing non-current liabilities	702.5	1,309.3	1,438.3
Interest-bearing current liabilities	–	2.5	–
Other current liabilities	1,954.0	1,972.6	1,653.1
TOTAL EQUITY AND LIABILITIES	5,675.2	6,035.8	6,316.9

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Financial overview by business area

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

SEK, MILLIONS	APR-JUN 2023	APR-JUN 2022	APR-JUN 2022 incl. acquisition ¹⁾	JAN-JUN 2023	JAN-JUN 2022	JAN-JUN 2022 incl. acquisition ¹⁾
The Group						
Net sales	1,758.8	1,644.7	1,791.0	3,729.3	3,340.0	3,650.2
Adjusted EBITA profit	76.8	140.5	156.3	274.9	334.7	368.1
Adjusted EBITA margin, %	4.4	8.5	8.7	7.4	10.0	10.1
Number of employees at the end of the period	4,347	3,933	4,182	4,347	3,933	4,182
Business areas						
Solutions						
Net sales	961.8	932.7	1,007.2	2,053.3	1,908.7	2,071.4
Adjusted EBITA profit	50.3	89.6	90.1	165.3	215.9	219.8
Adjusted EBITA margin, %	5.2	9.6	8.9	8.1	11.3	10.6
Number of employees at the end of the period	1,892	1,720	1,856	1,892	1,720	1,856
Experience						
Net sales	395.1	401.5	401.5	842.2	814.7	814.8
Adjusted EBITA profit	20.1	38.8	38.8	80.2	98.0	98.0
Adjusted EBITA margin, %	5.1	9.7	9.7	9.5	12.0	12.0
Number of employees at the end of the period	975	960	960	975	960	960
Connectivity						
Net sales	266.8	259.4	268.0	570.9	505.3	526.7
Adjusted EBITA profit	19.3	25.4	27.2	54.0	54.9	58.8
Adjusted EBITA margin, %	7.2	9.8	10.1	9.5	10.9	11.2
Number of employees at the end of the period	764	740	740	764	740	740
Insight						
Net sales	235.7	170.7	233.7	482.6	340.6	466.7
Adjusted EBITA profit	17.9	24.0	37.7	44.3	44.2	69.8
Adjusted EBITA margin, %	7.6	14.1	16.1	9.2	13.0	15.0
Number of employees at the end of the period	552	370	483	552	370	483

1) Adjustment pertains to the acquisitions of Swedspot from January to May and Miracle, Marketing Clinic, Ascend, and Ionic from January to June 2022.

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Financial overview by country

The table shows the profit/loss by quarter and period where comparative figures are shown to facilitate analysis.

SEK, MILLIONS	APR-JUN 2023	APR-JUN 2022	JAN-JUN 2023	JAN-JUN 2022	JAN-DEC 2022
Sweden					
Net sales	801.9	808.8	1,694.3	1,640.8	3,210.4
EBITA	54.3	102.5	168.1	234.8	421.4
EBITA margin, %	6.8	12.7	9.9	14.3	13.1
Norway					
Net sales	486.3	507.6	1,061.3	1,051.6	2,110.0
EBITA	23.4	46.9	90.4	112.3	204.5
EBITA margin, %	4.8	9.2	8.5	10.7	9.7
Denmark					
Net sales	208.7	128.8	444.2	254.7	676.8
EBITA	4.3	10.8	24.2	23.1	44.4
EBITA margin, %	2.0	8.4	5.4	9.1	6.6
Finland					
Net sales	199.3	146.8	399.7	290.4	614.1
EBITA	11.7	8.5	28.1	18.3	28.2
EBITA margin, %	5.9	5.8	7.0	6.3	4.6
Poland					
Net sales	57.8	47.7	119.9	92.8	199.7
EBITA	4.1	4.0	11.6	9.2	22.3
EBITA margin, %	7.2	8.4	9.7	9.9	11.2

OTHER

Definitions

Alternative performance measures

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

The calculations of alternative performance measures on this page pertain to the period January to June.

For more information on our long-term financial targets and further definitions of performance measures, see pages 12 and 110 in the Annual Report for 2022. ■

EBITDA PROFIT Profit before depreciation and amortization of tangible and intangible non-current assets, respectively. $(273.8 + 90.9 = 364.7)$

EBITA PROFIT Profit before amortization of intangible non-current assets. (273.8)

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

This year's adjustments of SEK 1.1 million include acquisition costs totaling SEK – million which encompass expenses for legal and financial consultancy in connection with acquisition transactions. They also include adjustments of SEK 1,1 million for integration and restructuring expenses such as financial and legal consultancy regarding restructuring, project management of integrations, financing expenses, and tax expenses connected to internal disposal of acquired foreign operations. $(273.8 + 1.1 = 274.9)$

EBITA MARGIN Profit before amortization of intangible non-current assets (EBITA) in relation to net sales for the period. $(273.8 / 3,729.3 = 7.3\%)$

ADJUSTED EBITA MARGIN Adjusted EBITA profit in relation to net sales for the period. $(274.9 / 3,729.3 = 7.4\%)$

NET DEBT Interest-bearing liabilities less financial interest-bearing assets. $(1,168.4 + 213.2 - 365.1 = 1,016.5)$

NET DEBT RATIO Used to show the Company's indebtedness. Net debt in relation to equity. $(1,016.5 / 4,289.0 = 0.2)$

AVERAGE EQUITY The average of the period's opening equity balance and the period's closing equity balance. $((4,207.7 + 4,289.0) / 2 = 4,248.4)$

RETURN ON EQUITY Profit after full tax as a percentage of average equity including non-controlling interests. $(124.0 / 4,248.4 = 2.9\%)$

AVERAGE CAPITAL EMPLOYED The average of the period's opening and closing balances of equity plus interest-bearing liabilities. $((4,207.7 + 1,303.3 + 291.4 + 4,289.0 + 1,168.4 + 213.2) / 2 = 5,736.5)$

RETURN ON CAPITAL EMPLOYED Profit after financial items plus financial expenses expressed as a percentage of average capital employed. $((166.4 + 80.8) / 5,736.5 = 4.3\%)$