

# 01

# YEAR-END REPORT

## JANUARY – DECEMBER 2015

Strong development in the quarter  
Increased profit and margin  
Unchanged dividend

### **JANUARY – DECEMBER 2015**

NET SALES INCREASED BY 8.6 PERCENT TO SEK 2,205.6 (2,030.7) MILLION

THE EBITA PROFIT INCREASED TO SEK 163.9 (120.9) MILLION, WITH SEK 27.5 (-) MILLION FROM COMPANY DISPOSALS

RESULTS AFTER TAXES INCREASED TO SEK 91.9 (59.4) MILLION

EARNINGS PER SHARE INCREASED TO SEK 4.58 (2.83)

THE EBITA MARGIN INCREASED TO 7.4 (6.0) PERCENT

CASH FLOW FROM OPERATING ACTIVITIES TOTALED SEK 68.5 (97.7) MILLION

THE BOARD PROPOSES AN UNCHANGED DIVIDEND OF SEK 3.25 (3.25) PER SHARE, FOR A TOTAL OF SEK 59.8 (59.8) MILLION

### **OCTOBER – DECEMBER 2015**

NET SALES INCREASED BY 9.0 PERCENT TO SEK 605.8 (555.8) MILLION

THE EBITA PROFIT INCREASED TO SEK 47.6 (37.0) MILLION, WITH SEK 3.5 (-) MILLION FROM COMPANY DISPOSALS

RESULTS AFTER TAXES INCREASED TO SEK 30.5 (16.1) MILLION

EARNINGS PER SHARE INCREASED TO SEK 1.45 (0.76)

THE EBITA MARGIN INCREASED TO 7.9 (6.7) PERCENT

CASH FLOW FROM OPERATING ACTIVITIES TOTALED SEK 95.1 (86.8) MILLION

The information contained herein is such as shall be made public by Knowit, in accordance with the Securities Market Act and/or the Financial Instruments Trading Act. The report was made public at 8.30 AM on February 10, 2016.

The logo for Knowit, featuring the word "knowit" in a lowercase, teal-colored, sans-serif font.

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## Comments from the CEO

The digitalization of society, meaning that people and organizations can communicate with each other and their surroundings in new ways, creates opportunities for new deals and increased competitiveness. With over 25 years' experience of IT, strategy and creativity, we create unique values for our clients. Since Knowit's founding, we have gathered a solid knowledge and reference bank from a large range of industries, including banking and finance, retail, the manufacturing industry, the public sector and telecommunications.

### Digitization strengthens Knowit

During 2015 we have improved our profit and margin, with continued strong net sales growth. We are expanding further our two largest markets, Sweden and Norway. The Swedish operations have showed increased profit, margin and sales. In Norway, we have increased sales, while the profit decreased. It's primarily our company in business intelligence in Oslo, which has showed weak profitability. During the year we have replaced the management team and reduced redundancies. On the challenging Finnish market, we have during the year improved profit, margin and sales, with numbers in the black.

During the last quarter of the year, we have also increased profit, sales and margin compared with the year before. We have seen an increased demand for our Swedish operations and they have developed best during the quarter.

### Ongoing streamlining

We continually create better conditions for an even more efficient Knowit. Operations have been streamlined, overhead decreased and in areas with strong potential we have initiated new ventures. In this way, we create a sharper, more efficient and highly client-oriented organization.

During 2015, we sold our operations in hosting. Operations in Russia were liquidated. New operations were initiated in the fields of e-commerce, decision support and cloud services. In Stockholm and Oslo we streamlined operations and decreased overhead.

Our majority holdings in Vaimo's Norwegian sales company were sold during this quarter. Vaimo was part of the Metronet acquisition, which was done in early

2015. The reason for the disposal was that the company's operations do not match Knowit's strategic direction.

### A strong brand

We have received a number of awards during 2015. We have been ranked highly on career barometers, our blogs have been lauded and client solutions have been highlighted by various trade associations. During this year, we participated in a large supplier evaluation regarding social responsibility and received very high grades, not least in regards to environmental efforts. We were recently named Partner of the Year by Oracle in Norway. During the quarter, our solution for Norwegian TV 2 was awarded the Norwegian Computer Society's BI Award for best innovation 2015. The solution enables for TV 2 to make real-time decisions on TV shows, based on how well-liked they are by viewers.

### Innovation and improvement

Innovation is no longer a concern for just a few, but requires pioneering leaders, new processes and a culture that supports innovation in all parts of the organization. Digitalization contributes to increasing accessibility and efficiency within both companies and public authorities. The new technology is now integrated in the core operations of our clients. Pressure for change is obvious, as old business models lose power and new digital business concepts challenge the companies.

At Knowit, we understand digitalization and have the capacity to develop our clients' deals by combining competencies from our three business fields, now renamed Solutions, Experience and Insight. We are 1,100 IT specialists within Solutions, 500 communication experts within Experience, and 200 management consultants within Insight.

With our capacity to understand the operations of our clients, combined with our offerings in the interface between technology, design and management steering, we get deals on the part of the market that is growing most quickly. Together, we develop our clients, our company and value for Knowit investors.

*Per Wallentin, CEO and President*

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## The Group

### Operations

Knowit creates new business opportunities for our clients by digitalizing parts of their operations. Three strengths drive our role as consultants: our deep understanding of the client's operations; our ability to contribute proactively with new ideas and initiatives; our competence in user-friendly design making it easier for clients and users to make use of new technology.

With our specialist competence in the business fields Experience, Insight and Solutions, Knowit contributes to the development of clients as regards web, operations, mobile and IT. The common denominator is innovation and creativity with the end-user in focus – and our ability to handle the complex market, business environment and technology of today.

### Experience

We see a clear trend with advertising and marketing converging with IT. Knowit has a strong position and is currently at the cutting edge of this development. With around 500 specialists in the Nordic region, we work with digitalization, web and smartphone development, market communication and various forms of client/user experience.

There is a clear connection between digitalization and business development. We see the strong digital driving force in most industry fields and work with digitalizing all kinds of processes, services and work flows for our clients.

Finnish Suunto has during the quarter introduced the Customizer, a new online tool that allows consumers to create unique, personalized sports watches. With the Customizer, users can choose their favorite colors and materials for every visible part of the watch. The array of design elements selectable makes possible thousands

of unique combinations. Knowit was responsible for the visual design and functionality of the Customizer as well as for the coordination of the tool's technical implementation. Knowit executed all the necessary platform development work on EPiServer and handled integration with the Canadian MyCustomizer application.

### Insight

Knowit's 200 specialists work to improve the business models, methods and business driving processes of clients, by identifying and realizing the opportunities created by new technology. We create ideas, act as advisors and develop tailored competence deliveries. Our assignments involve strategic and tactical implementation of change and improvement projects for our clients.

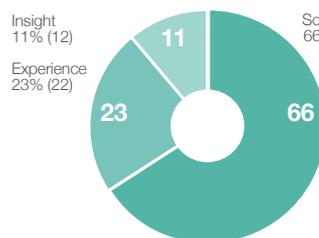
One of the most important tasks for a consultant and advisor is to stimulate a company's ability to be quicker and more innovative. On the competitive market of today, characterized by continual change, it is not enough simply to react. Our strengths are mainly strategic understanding, the ability to combine new deals and work methods with new technology, and the fact that our tailored expert teams can truly implement and create real values for clients.

Knowit has, on behalf of Lynx Asset Management, performed an analysis and drawn up a plan of action connected to international security-related regulations, with a focus on security requirements from the American self-regulatory organization NFA, National Futures Association. The results is a framework where security-related requirements from NFA, but also from the Swedish Financial Supervisory Authority and the EU, can be handled with high quality at a reasonable cost.

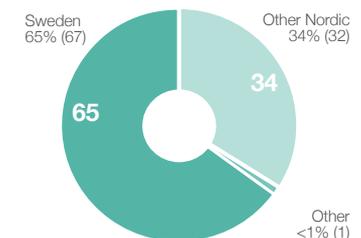
Knowit has, together with Västra Götalands Regionen, VGR, created and performed a specialized training program to strengthen the important role that project owners and steering groups have in project steering.



**Sales per industry field,**  
January – December 2015



**Sales per specialist field,**  
January – December 2015



**Sales per segment,**  
January – December 2015

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## Solutions

In the business field Solutions, we have 1,100 consultants working in development projects with high requirements on traceability, performance and accessibility. System development is the core of Knowit's operations. We offer services for all aspects of the development process – from project governance and architecture to programming, testing and security.

Many IT solutions are moving to the cloud – and thus challenging the traditional outsourcing solutions. The proportion of mobile services also continues to grow. We are steadily increasing accessibility in our clients' systems by moving existing services to new mobile channels. Another important trend is an increased focus on IT and information security.

Norwegian TV 2 has been awarded the Norwegian Computer Society's BI Award for best innovation 2015 for Program Monitor, a solution developed by Knowit and ID Management. It enables for TV 2 to react much faster and make decisions on shows and channels based on how they are perceived by viewers. The jury highlighted »how information from social media is integrated and analyzed together with data from internal sources and automated media measurements. The results are presented to the end user visually.« The solution gives TV 2 increased opportunities to predict how well a show will succeed and how many viewers it will get.

The Swedish Agency for Government Employers has signed an agreement with Knowit regarding development of a digital tool for wage analysis. The agreement covers services for implementation, operation, application management, maintenance and opens for further development. The agreement has a term of six years, with an option for extension. The tool for wage analysis will be used by all the around 250 member organizations of the Swedish Agency for Government Employers and will provide solid support for wage managers and executives with wage responsibilities.

Knowit has been chosen as testing service supplier to Valtori, the Finnish Government ICT Centre, up until 2019. Valtori provides sector-independent ICT services for the entire central government administration. Knowit's assignment is to provide quality assurance of central government ICT services.

## Market

Knowit operates on a market in constant development, with new purchasing patterns, a changing competitive situation and increasing technological maturity.

The main geographic market is the Nordic region, supplemented with operations in Estonia and Germany.

Demand in Sweden has increased during the quarter, while it remains weak in Finland, with low prices and tough competition. In Norway, demand has remained high within the client fields and offerings where Knowit operates, even if it is characterized by some uncertainty.

Knowit has a wide range of clients in a number of different industry fields. This creates stability, as the company is not affected by changes in one or just a few fields. The largest proportion of sales comes from the public sector, retail, banking and finance, and the manufacturing industry.

## The public sector

In the public sector, there is an objective to streamline operations and simplify communications with citizens. Examples of solutions we have developed include web solutions, mobile solutions, intranets, errand and document handling solutions, archiving solutions and business systems connected to specific needs.

Knowit operates in all these fields and, thanks to our long experience from the public sector, has a strong position, continually developed through transfer of competence and experience from other industry fields.

Examples of clients are the Swedish Defence Materiel Administration, the municipality of Kungsbacka, the Swedish National Service Administration, the Swedish National Agency for Education, Skatteetaten and Tekniska Verken.

## Retail

Knowit has over many years amassed a wide knowledge of the field and now supplies services and solutions to a number of leading retail companies and retail chains.

With deep knowledge of e-commerce, purchasing, logistics systems, client handling and business intelligence, we contribute to increasing our clients' competitiveness. We offer competence, solutions and services in, e.g., IT usage online, automation and optimization of mature IT processes through application management and offshoring support.

Among our clients are Euroflorist Group, Toyota and Suunto. Knowit also supplies and maintains the web-sites of several retail chains.

## Banking and finance

Traditional banking operations are getting competition from new parties using new digital business models and the growing technological opportunities. This development has caused a new competitive situation, where prices, brands and client experiences have gained in importance. We offer services for innovation, client experiences, system and process changes and

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development of brands and marketing.

Among our clients are Etera, Kommunal Landspensjonskasse, Monobank, Odin Förvaltning, SEB and Sparekassernes Data Center.

## The manufacturing industry

Within the manufacturing industry, digitalization is an important driving force for streamlining and renewal. In the vehicle industry, for example, digitalization is gaining momentum in many ways, both in vehicles, with around 100 onboard computers, and in the infrastructure developed around them to support internet connection, maintenance and repair.

Knowit supports clients with methods and architecture for a faster and more efficient product development. We also contribute to procurement and collaboration with suppliers to maximize benefits for the clients.

Among our clients are Assa Abloy, Saint-Gobain Gyproc, Siemens and Volvo Cars.

## Frame agreements

Frame agreements are an important basis for Knowit's operations. Assignments arising from the more than 150 frame agreements provide around half of Knowit's net sales. The agreements give Knowit a steady flow of queries.

During this quarter, Knowit has signed new or renewed existing frame agreements with the Norwegian Banks' Guarantee Fund, BillerudKorsnäs, the Norwegian National Office of Building Technology and Administration, the Swedish eHealth Agency, the Norwegian Directorate of Fisheries, Försäkringskassan, the Norwegian Directorate of Health, KL-Kuntahankinnat Oy, KS Kommit, the Swedish Civil Aviation Administration, NAF, Nettrans, RiksTV, the Swedish Maritime Administration, the municipality of Skellefteå and the Norwegian Public Service Pension Fund.

## Streamlining

Through Knowit's corporate structure with subsidiaries operating in different locations and in different offerings, there is space for investing in some areas of the Group while streamlining others.

During 2015, Knowit has continued to review its organization to increase efficiency. The operations have been streamlined, efficiency improved and overhead decreased. Operations in hosting were sold during the year. Operations in Russia were liquidated. New operations have been initiated in e-commerce, decision support and cloud services.

During the quarter, Knowit sold its shares in Vaimo's Norwegian sales company, with six employees, as the company's operations do not match Knowit's strategic direction.

Knowit's strategy for expansion and increased growth is mainly to develop existing operations, to recruit, and to establish and acquire companies. It is important that the people we recruit and the companies we found or acquire share the culture that characterizes Knowit.

## Brand

Knowit was founded on April 1 1990. This means that Knowit is a company with over 25 years' experience of the significance of IT for companies, organizations and individual people. Since Knowit was founded, we have developed our offerings with strategic and creative services, while also gaining an impressive knowledge and reference bank from many different industry fields: the manufacturing industry, banking and finance, telecommunications, pharmaceuticals, retail, government authorities and the public sector.

At the Oracle Partner Day in Oslo, Knowit was chosen as »Specialized Partner of the Year« in the category Database in Norway. The justification from Oracle was: »Knowit Norway is a leading competence center in Oracle databases in Norway and has been so over a long period of time. As part of a larger operation, they succeed in continually expanding their expert competence in new fields.«

Consultants at Knowit have chosen to carry out pro bono work in their leisure time. As a first stage of a long-term collaboration with the organization Wonsa – World of no sexual abuse, Knowit has now delivered part one of Wonsa's digital workplace. The goal is to create a more efficient workplace that invites communication and collaboration.

Norwegian TV 2's solution Program Monitor, developed by Knowit and ID Management, has been awarded the Norwegian Computer Society's BI Award for best innovation 2015. The solution was developed by Knowit and ID Management. The jury highlighted »how information from social media is integrated and analyzed together with data from internal sources and automated media measurements. The results are presented to the end user visually.«

In December, Knowit published the book »Ten truths about innovations.« It is a collection of thoughts on success and obstacles in innovation work, as well as the driving forces that both develop and limit the innovative capacity of organizations. The book is given to clients and sold in bookstores.

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## Net sales and results

### January – December

Net sales increased to SEK 2,205.6 (2,030.7) million, an increase by 8.6 percent as compared with the corresponding period last year. Net sales increased to SEK 1,431.8 (1,370.5) million in Sweden, SEK 676.3 (561.0) million in Norway and SEK 87.5 (74.6) million in Finland. Sales per employee increased to SEK 1,247 (1,169) thousand.

The operating profit before amortization of intangible assets (EBITA) increased to SEK 163.9 (120.9) million. EBITA was affected positively with SEK 27.5 million through company disposals in Norway and Sweden. Excluding the disposals, EBITA increased by 12.8 percent to SEK 136.4 (120.9) million. In Sweden, EBITA was SEK 121.6 (115.2) million, in Norway SEK 53.4 (61.6) million and in Finland SEK 2.3 (-13.3) million, not including company disposals.

The operating margin (EBITA) increased to 7.4 (6.0) percent. Excluding the company disposals, the EBITA margin increased to 6.2 (6.0) percent. Amortization of intangible assets totaled SEK -15.5 (-23.2) million. Depreciation of goodwill in connection with the disposal of the Knowit Services companies totals SEK -13.3 (-) million. Profit after financial items increased to SEK 116.0 (82.5) million. The financial net was SEK -19.1 (-15.2) million. The financial net is affected by costs for synthetic options in subsidiaries and interest for loans and leases.

The results after taxes increased to SEK 91.9 (59.4) million.

Tax for the period amounted to SEK -24.1 (-23.1) million. Non-controlling interests' shares of profit for the year totaled SEK 7.7 (8.2) million. Earnings per share were SEK 4.58 (2.83).

### The fourth quarter

Net sales increased to SEK 605.8 (555.8) million, an increase by 9.0 percent as compared with the corresponding period last year. Net sales were SEK 400.1 (371.9) million in Sweden, SEK 177.7 (157.8) million in Norway and SEK 24.3 (18.9) million in Finland. Sales per employee increased to SEK 347 (324) thousand.

The operating profit before amortization of intangible assets (EBITA) increased to SEK 47.6 (37.0) million. EBITA was affected positively by SEK 3.5 million through the disposal of Vaimo AS. Excluding the disposal, EBITA increased to SEK 44.1 (37.0) million. In Sweden, EBITA was SEK 38.6 (33.4) million, in Norway SEK 13.0 (16.4) million and in Finland SEK -0.9 (-4.2)

million. The operating margin (EBITA) increased to 7.9 (6.7) percent. Excluding the company disposal, the EBITA margin increased to 7.3 (6.7). Amortization of intangible assets amounted to SEK -3.1 (-5.8) million. The operating profit after financial items amounted to SEK 37.0 (20.3) million. The financial net was SEK -7.5 (-10.9) million. During this period, the financial net was affected by costs for synthetic options in subsidiaries and interest for loans and leases.

The results after taxes increased to SEK 30.5 (16.1) million. Tax for the period amounted to SEK -6.5 (-4.2) million. Non-controlling interests' shares of profit for the year totaled SEK 3.9 (2.1) million.

Earnings per share increased to SEK 1.45 (0.76).

## Disposal of operations

In December 2014 it was announced that Knowit Services AS with subsidiaries in Norway and Knowit Services AB with operations in Sweden would be disposed of as per January 2015. The disposal was a result of Knowit's strategic development. During the first quarter, the final purchase price was determined, which has had a positive effect on the operating profit. The disposal affected EBITA positively with SEK 24.0 million. After depreciation of goodwill relating to the disposals, totaling SEK -13.3 million, the positive effect on EBIT totals SEK 10.7 million. The consideration received for the disposal totals SEK 46.7 million, received in cash during 2015.

Knowit has, as of December 31 2015, sold the company's majority holdings in Vaimo AS. Vaimo was part of Metronet AS, which was acquired in January 2015. The reason for the disposal was that the operations of the company fall outside Knowit's core operations. The disposal affected EBITA positively by SEK 3.5 million.

## Segments

### January – December

Net sales for the segment Sweden totaled SEK 1,431.8 (1,370.5) million and for the segment Other Nordic countries totaled SEK 788.0 (645.0) million. For the segment Sweden, the operating profit before amortization of intangible assets (EBITA) increased to SEK 131.2 (115.2) million, with an EBITA margin of 9.2 (8.4) percent. For the segment Other Nordic countries, EBITA increased to SEK 58.1 (47.6) million, with an EBITA margin of 7.3 (7.4) percent. The parent company's results and company disposals are not included in the segmented results.

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## Cash flow and financial position

January – December

Cash flow from operating activities totaled SEK 68.5 (97.7) million, affected by increased accounts receivable and decreased short-term liabilities.

Cash flow from investment activities were 5.7 (-27.7). Cash flow from investment activities have, thanks to the disposal of the Knowit Services companies, increased by SEK 41.3 million. Cash flow from financial activities totaled SEK -157.7 (-83.8) million, affected by decreased usage of bank overdraft facilities, amortization, dividends to shareholders in Knowit AB and to non-controlling interests in Group companies. Total cash flow was -83.5 (-13.8).

Cash and cash equivalents totaled SEK 6.7 (91.3) million as per December 31 2015. As of September 2015, several of the Group's subsidiaries are part of joint corporate currency structure, to minimize the Group's usage of overdraft facilities.

Goodwill and other intangible assets amounted to SEK 898.5 (952.9) million, of which goodwill totaled SEK

878.1 (921.7) million, and other intangible assets totaled SEK 20.4 (31.2) million. During the period, goodwill was depreciated by SEK 13.3 million due to the disposal of the Knowit Services companies.

Equity totaled SEK 752.2 (798.0) million. Interest-bearing liabilities totaled SEK 220.5 (272.2) million on December 31, 2015, of which SEK 81.6 (93.6) million were long-term and SEK 138.9 (178.6) million short-term. Bank loans totaled SEK 31.0 (60.7) million, a used overdraft facility totaled SEK 60.2 (120.6) of a granted overdraft facility of SEK 200.0 (200.0) million, financial leases totaled SEK 25.5 (22.7) million and liabilities related to future consideration and synthetic options in subsidiaries totaled SEK 103.8 (68.3) million. The equity ratio was 51.0 (51.0) percent as per December 31, 2015.

## Employees

On December 31, 2015, a total of 1,802 (1,788) people were employed by the Group. The number of employees has increased by 14 people during 2015. The average number of employees in the Group during the period was 1,769 (1,737).

# Parent company

## Results and financial position

January – December

The operating profit before amortization of intangible assets (EBITA) totaled SEK -52.3 (-46.1) million. The financial net totaled SEK 71.2 (14.5) million, mainly affected by group contributions and dividends from subsidiaries. The

result after financial net was SEK 18.7 (-32.1) million. As per December 31, 2015, equity was SEK 368.5 (416.3) million and untaxed reserves, mainly accrual funds, were SEK 56.2 (56.7) million.

# Other information

## Dividend

Knowit's Board of Directors proposes to the Annual General Meeting a dividend of SEK 3.25 (3.25) per share, for a total of SEK 59.8 (59.8) million.

## Nomination committee

In accordance with the resolution of the Annual General Meeting on April 28, 2015, the nomination committee

for the AGM 2016 shall consist of a representative for each of the three largest registered shareholders as per September 30, 2015, and the chairman of the board, who shall convene the nomination committee to its first meeting.

The Nomination committee for the AGM 2016 consists of

Mats Olsson, Chairman of the Board and convener  
Pia Axelsson, Fjärde AP-fonden (AP4)

Katja Bergqvist, Handelsbanken fonder  
Lennart Francke, Swedbank Robur fonder

The duties of the nomination committee are to propose, during the AGM 2016, the Chairman of the AGM, the board members to be elected by the AGM, the Chairman of the Board, Directors' fees, auditors' fees and the Nomination committee's procedures.

The nomination committee proposes to the AGM of April 27 that the board members Carl-Olof By, Liselotte Hägertz Engstam, Camilla Monefeldt Kirstein, Mats Olsson, Jon Risfelt and Pekka Seitola are re-elected. Cecilia Lager does not wish to be re-elected. For new election, the committee proposes Eva Elmstedt. Mats Olsson is proposed as Chairman of the Board.

Eva Elmstedt has a background from management positions at Nokia Networks and Ericsson. She is a board member of the listed companies Addtech, Gunnebo and Proact.

Information on the board members proposed for reelection can be found at [knowitgroup.com](http://knowitgroup.com). The nomination committee has attached importance to the matter of even gender distribution within the board. If the AGM accepts the proposal of the nomination committee, the proportion of female board members will remain unchanged at 42 percent.

All board members are independent in relation to the Company, management and major shareholders. All board members have experience of the requirements placed on a listed company.

## Annual General Meeting

The AGM will take place on April 27, 2016 at 4 p.m. in the Company's offices at Klarabergsgatan 60, Stockholm. Notice to attend will be announced in a press release, in the newspapers Post och Inrikes Tidningar and Dagens Industri, and on Knowit's website.

## Essential risks and uncertainty factors

Knowit's general essential business risks consist of reduced demand for consultancy services, difficulties in 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. For a comprehensive description of the essential risks and uncertainty factors, see Knowit's annual report for 2014, pages 59-60. No significant changes have arisen thereafter.

## Accounting principles

This report has been prepared in accordance with IAS 34, Interim Financial Reporting and the Swedish Annual Accounts Act. The Group accounts have been prepared in accordance with the International Financial Reporting Standards, IFRS, as adopted by the European Union, and the Swedish Annual Accounts Act. The accounts for the Parent company has been prepared in accordance with the Swedish Annual Accounts Act and the recommendation RFR 2 Accounting for legal entities. The new or amended standards or interpretations of existing standards, which have entered into force during 2015, have not had any significant impact on the company's financial position or financial reporting. The accounting principles and calculation methods are unchanged as compared with the description in the annual report for 2014, see Notes 1 and 2, pages 56-60.

## Disclosure requirements per quarter in accordance with IFRS

*Financial instruments reported at other than actual value*

There are no significant differences between reported values and actual values for financial instruments in the balance sheet.

## 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 Group's offerings and more general changed conditions related to economy, market, competition, regulatory changes and other alterations in policy, as well as variations on exchange rates.

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## Financial calendar

April 27 2016 08.30 AM, Interim report Q1  
April 27 2016 04.00 PM, AGM  
July 18 2016 08.30 AM, Interim report Q2  
October 25 2016 08.30 AM, Interim report Q3  
February 9 2017 08.30 AM Year-end report 2016

Stockholm February 10, 2016

*Per Wallentin, CEO*

*This year-end report has not been reviewed by Knowit's auditors.*

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**KNOWIT AB** (publ) is a consultancy firm which, within the ever swifter digitalization, creates unique client value by offering interdisciplinary deliveries from three business fields: Solutions, Experience and Insight. It is the capacity to combine competencies within IT, design and communication and management consultancy that sets us apart from other consultancy firms. Our culture is characterized by openness, understanding of the client's business, high competence and a drive to constantly develop. Knowit was founded in 1990 and currently has around 1,800 employees in 17 locations in Sweden, five locations in Norway, and one each in Denmark, Estonia, Finland and Germany. Knowit AB (publ) is quoted on NASDAQ OMX in Stockholm. For further information about Knowit, please visit [knowitgroup.com](http://knowitgroup.com).

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## Consolidated income statement and report concerning total results

SEK M	OCT-DEC 2015	OCT-DEC 2014	JAN-DEC 2015	JAN-DEC 2014
Net sales	605.8	555.8	2,205.6	2,030.7
Operating costs	-555.7	-515.3	-2,030.1	-1,897.3
Depreciation of tangible fixed assets	-2.5	-3.5	-11.6	-12.5
<b>OPERATING RESULT BEFORE DEPRECIATIONS OF INTANGIBLE ASSETS (EBITA)</b>	<b>47.6</b>	<b>37.0</b>	<b>163.9</b>	<b>120.9</b>
Depreciation of intangible fixed assets	-3.1	-5.8	-28.8	-23.2
<b>OPERATING RESULT (EBIT)</b>	<b>44.5</b>	<b>31.2</b>	<b>135.1</b>	<b>97.7</b>
Financial income	0.3	1.4	1.1	2.7
Financial cost	-7.8	-12.3	-20.2	-17.9
<b>RESULT AFTER FINANCIAL ITEMS</b>	<b>37.0</b>	<b>20.3</b>	<b>116.0</b>	<b>82.5</b>
Income taxes	-6.5	-4.2	-24.1	-23.1
<b>RESULT FOR THE PERIOD</b>	<b>30.5</b>	<b>16.1</b>	<b>91.9</b>	<b>59.4</b>
Result for the period assignable to shareholders in Parent Company	26.6	14.0	84.2	51.2
Result for the period assignable to non-controlling interests' holdings	3.9	2.1	7.7	8.2
<b>Earnings per share</b>				
Earnings per share before dilution (SEK)	1.45	0.76	4.58	2.83
Earnings per share after dilution (SEK)	1.45	0.76	4.58	2.83
<b>Other total result</b>				
Result for the period	30.5	16.1	91.9	59.4
<i>Items that may be reclassified subsequently to profit or loss</i>				
Hedging of netinvestment	1.0	3.1	1.3	-0.1
Tax effect hedging of netinvestment	-0.3	-0.7	-0.3	0.0
Exchange rates differences	-12.1	-20.7	-28.7	-0.3
<b>OTHER TOTAL RESULT FOR THE PERIOD, NET AFTER TAX</b>	<b>19.1</b>	<b>-2.2</b>	<b>64.2</b>	<b>59.0</b>
<b>Total result for the period</b>				
Total result assignable to shareholders in Parent Company	14.5	-4.3	55.8	50.7
Total result assignable to non-controlling interests' holdings	3.9	2.1	7.7	8.3

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## Consolidated balance sheet

SEK M	2015-12-31	2014-12-31
<b>Assets</b>		
Intangible fixed assets	898.5	952.9
Tangible fixed assets	43.4	35.3
Financial fixed assets	1.8	0.7
Deferred tax assets	7.6	6.7
Current assets	517.3	463.8
Liquid funds	6.7	91.3
Assets of disposal group classified as held for sale	–	15.3
<b>TOTAL ASSETS</b>	<b>1,475.3</b>	<b>1,566.0</b>
<b>Equity and liabilities</b>		
Share capital	18.4	18.4
Other paid-up capital and other provisions	439.9	468.5
Recognized profits including result for the period	280.6	299.8
<b>Equity attributable to shareholders of Parent Company</b>	<b>738.9</b>	<b>786.7</b>
Non-controlling interests' holdings	13.3	11.3
<b>Total equity</b>	<b>752.2</b>	<b>798.0</b>
Long-term provisions	36.2	44.4
Interest-bearing long-term liabilities	81.6	93.6
Interest-bearing short-term liabilities	138.9	178.7
Other short-term liabilities	466.4	436.5
Liabilities of disposal group classified as held for sale	–	14.8
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,475.3</b>	<b>1,566.0</b>

## Key figures

	OCT-DEC 2015	OCT-DEC 2014	JAN-DEC 2015	JAN-DEC 2014
Average number of employees	1,745	1,718	1,769	1,737
Sales per employee (000)	347	324	1,247	1,169
Result after financial items per employee (000)	21	12	66	47
Return on total capital %	3.0	1.9	9.0	6.3
Return on equity %	4.0	2.0	11.9	7.5
Return on capital employed %	4.4	2.7	13.2	9.2
EBITA-margin %	7.9	6.7	7.4	6.0
Equity ratio %	51.0	51.0	51.0	51.0

For definitions of key figures see Knowit's Annual Report 2014, page 72.

## Data per share

	OCT-DEC 2015	OCT-DEC 2014	JAN-DEC 2015	JAN-DEC 2014
<b>Earnings per share (SEK)</b>				
Before dilution	1.45	0.76	4.58	2.83
After dilution	1.45	0.76	4.58	2.83
<b>Equity per share (SEK)</b>				
Before dilution	40.18	42.79	40.18	42.79
After dilution	40.18	42.79	40.18	42.79
<b>Average number of shares (000)</b>				
Before dilution	18,389	18,389	18,389	18,097
After dilution	18,389	18,389	18,389	18,097
<b>No. of shares on balance day (000)</b>				
Before dilution	18,389	18,389	18,389	18,389
After dilution	18,389	18,389	18,389	18,389

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## Change in equity

SEK M	OCT-DEC 2015	OCT-DEC 2014	JAN-DEC 2015	JAN-DEC 2014
<b>Opening balance</b>	<b>757.5</b>	<b>825.6</b>	<b>798.0</b>	<b>786.6</b>
Exchange rates differences	-12.7	-20.7	-29.3	-0.3
Hedging of net investment	1.8	3.1	2.1	-0.1
Tax effect hedging of net investment	-0.5	-0.7	-0.5	0.0
Result for the period	30.5	16.1	91.9	59.4
<b>TOTAL RESULT FOR THE PERIOD</b>	<b>19.1</b>	<b>-2.2</b>	<b>64.2</b>	<b>59.0</b>
<b>TOTAL BEFORE TRANSACTIONS WITH SHAREHOLDERS</b>	<b>776.6</b>	<b>823.5</b>	<b>862.2</b>	<b>845.6</b>
Non-controlling interest's holdings	0.0	0.0	0.0	0.0
Additional capital from non-controlling interest's holdings	-0.1	0.2	0.2	6.0
Changed provision for acquisition of minority	-24.0	-25.6	-40.6	-37.6
Dividend payment	-0.3	0.0	-69.6	-69.6
New share issue, acquisitions	0.0	0.0	0.0	53.6
<b>Closing balance</b>	<b>752.2</b>	<b>798.0</b>	<b>752.2</b>	<b>798.0</b>

## Consolidated cash flow analysis

SEK M	OCT-DEC 2015	OCT-DEC 2014	JAN-DEC 2015	JAN-DEC 2014
Cash flow current operations before changes in working capital	8.1	18.7	97.7	83.4
Change in working capital	87.0	68.1	-29.2	14.3
<b>Cash flow from current operations</b>	<b>95.1</b>	<b>86.8</b>	<b>68.5</b>	<b>97.7</b>
Cash flow from investing activities	-4.6	-8.5	5.7	-27.7
Cash flow from financing activities	-96.4	-49.5	-157.7	-83.8
<b>Cash flow for the period</b>	<b>-5.9</b>	<b>28.8</b>	<b>-83.5</b>	<b>-13.8</b>
Opening balance	14.1	66.4	91.3	104.4
Exchange rates differences	-1.5	-3.9	-1.1	0.7
Closing balance	6.7	91.3	6.7	91.3

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## Income statement Parent company

SEK M	OCT-DEC 2015	OCT-DEC 2014	JAN-DEC 2015	JAN-DEC 2014
Net sales	92.5	95.5	304.3	346.6
Operating costs	-105.1	-104.7	-355.5	-391.6
Depreciation of tangible fixed assets	-0.3	-0.3	-1.1	-1.1
<b>OPERATING RESULT BEFORE DEPRECIATIONS OF INTANGIBLE ASSETS (EBITA)</b>	<b>-12.9</b>	<b>-9.5</b>	<b>-52.3</b>	<b>-46.1</b>
Depreciation of intangible fixed assets	0.0	-0.1	-0.2	-0.5
<b>OPERATING RESULT (EBIT)</b>	<b>-12.9</b>	<b>-9.6</b>	<b>-52.5</b>	<b>-46.6</b>
Financial items	65.8	2.1	71.2	14.5
<b>RESULT AFTER FINANCIAL ITEMS</b>	<b>52.9</b>	<b>-7.5</b>	<b>18.7</b>	<b>-32.1</b>
Appropriations	0.5	2.4	0.5	2.4
Income taxes	-7.3	-0.5	-7.3	-0.5
<b>RESULT FOR THE PERIOD / OTHER TOTAL RESULT</b>	<b>46.1</b>	<b>-5.6</b>	<b>11.9</b>	<b>-30.2</b>

## Balance sheet Parent company

SEK M	2015-12-31	2014-12-31
<b>Assets</b>		
Intangible fixed assets	0.0	0.2
Tangible fixed assets	6.0	2.0
Financial fixed assets	782.5	816.2
Current assets	264.0	257.8
Liquid funds	0.0	0.0
<b>TOTAL ASSETS</b>	<b>1,052.5</b>	<b>1,076.2</b>
<b>Equity and liabilities</b>		
Share capital	18.4	18.4
Statutory reserve	68.0	68.0
Unrestricted share capital including result for the period	282.1	329.9
<b>Total equity</b>	<b>368.5</b>	<b>416.3</b>
Untaxed reserves	56.2	56.7
Interest-bearing long-term liabilities	15.5	36.5
Interest bearing short-term liabilities	85.3	149.0
Other liabilities	527.0	417.7
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,052.5</b>	<b>1,076.2</b>

# Segment reporting

2015 OCTOBER-DECEMBER, SEK M	SWEDEN	OTHER NORDIC	OTHER	MOTHER COMPANY/ADJ	TOTAL
<b>External net sales</b>	400.1	211.3	2.8	-8.5	605.7
<b>Operating result before depreciations of intangible fixed assets (EBITA)</b>	43.0	13.6	0.7	-9.7	47.6
Depreciation of intangible fixed assets	-2.3	-0.8	-	0.0	-3.1
<b>Operating result (EBIT)</b>	38.6	14.9	0.7	-9.7	44.5
Result after financial items					37.0
<b>Profit for the period</b>					30.5
<b>2015 JANUARY-DECEMBER, SEK M</b>	<b>SWEDEN</b>	<b>OTHER NORDIC</b>	<b>OTHER</b>	<b>MOTHER COMPANY/ADJ</b>	<b>TOTAL</b>
<b>External net sales</b>	1,431.8	788.0	12.2	-26.5	2,205.5
<b>Operating result before depreciations of intangible fixed assets (EBITA)</b>	131.2	58.1	1.4	-26.8 <sup>1)</sup>	163.9
Depreciation of intangible fixed assets	-9.6	-5.8	-	-13.4 <sup>2)</sup>	-28.8
<b>Operating result (EBIT)</b>	121.6	52.3	1.4	-40.2	135.1
Result after financial items					116.0
<b>Profit for the period</b>					91.9
<b>Intangible fixed assets</b>	589.1	309.2	0.2	0.0	898.5
<b>Average numbers of employees</b>	1,154	582	21	12	1,769
<b>2014 OCTOBER-DECEMBER, SEK M</b>	<b>SWEDEN</b>	<b>OTHER NORDIC</b>	<b>OTHER</b>	<b>MOTHER COMPANY/ADJ</b>	<b>TOTAL</b>
<b>External net sales</b>	371.9	180.0	3.9	0.0	555.8
<b>Operating result before depreciations of intangible fixed assets (EBITA)</b>	33.4	12.3	0.8	-9.5	37.0
Depreciation of intangible fixed assets	-2.4	-3.3	-	-0.1	-5.8
<b>Operating result (EBIT)</b>	31.0	9.0	0.8	-9.6	31.2
Result after financial items					20.3
<b>Profit for the period</b>					16.1
<b>2014 JANUARY-DECEMBER, SEK M</b>	<b>SWEDEN</b>	<b>OTHER NORDIC</b>	<b>OTHER</b>	<b>MOTHER COMPANY/ADJ</b>	<b>TOTAL</b>
<b>External net sales</b>	1,370.5	645.0	15.2	0.0	2,030.7
<b>Operating result before depreciations of intangible fixed assets (EBITA)</b>	115.2	47.6	4.2	-46.1	120.9
Depreciation of intangible fixed assets	-9.7	-13.0	-	-0.5	-23.2
<b>Operating result (EBIT)</b>	105.5	34.6	4.2	-46.6	97.7
Result after financial items					82.5
<b>Profit for the period</b>					59.4
<b>Intangible fixed assets</b>	598.9	353.7	0.1	0.2	952.9
<b>Average numbers of employees</b>	1,176	524	25	12	1,737

1) EBITA includes the result of the sale of Knowit Services AS in Norway and Knowit Services AB in Sweden and Vaimo AS in Norway.

2) This item includes depreciation of goodwill connected to the sale of Knowit Services AS.

The group's operations are organized such that the corporate management team follows up on EBITA profit generated by the corporate segments. Aside from intangible assets, the corporate management team does not follow up on other balance sheet items per operating segment. Non-distributed costs consist of the parent company's corporate-wide costs relating to management, finances and market. Other units pertain to the operations in Estonia and Germany.

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## Financial assets and liabilities

2015-12-31 SEK M	LOANS AND RECEIVABLES	FAIR VALUE
<b>Assets in balance sheet</b>		
Other long-term securities holdings	0.3	0.3
Other long-term receivables	1.5	1.5
Accounts receivable and other receivable	432.7	432.7
Cash	6.7	6.7
<b>Total</b>	<b>441.2</b>	<b>441.2</b>
<b>OTHER FINANCIAL LIABILITIES</b>		
<b>Liabilities in the balance sheet</b>		
Interest-bearing liabilities	220.5	220.5
Accounts payable	73.0	73.0
Other liabilities	135.8	135.8
<b>Total</b>	<b>429.3</b>	<b>429.3</b>

*Reported value of the Group's financial assets and liabilities, divided into valuation category per IAS 39 are presented in the above table. No financial assets or liabilities are reported at a value that significantly deviates from fair value.*

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## Acquired group companies 2015

In December 2014, three acquisitions in Norway were announced and possession was taken in January 2015. Knowit AS acquired 53 percent of Dataess AS, operating in Oslo, which is a company in system development and strategic consultancy, focused on Oracle technology and services. The acquisition will be consolidated to 100 percent as the remaining shares will be acquired over the next two years. Knowit's specialist company in advertising and design in Norway, Knowit Neolab Group AS, acquired Metronet AS through a merger. The acquisition makes Knowit Neolab Group AS one of the largest communication agencies in Norway. Knowit reinforced its offering in offshore, oil and gas, shipping and marine industries in Norway, through the acquisition of the design and communication agency Colours, with operations in Bergen, Oslo and Stavanger.

For the acquired companies, the value of assets and liabilities, consideration and effect on group equity were as follows:

SEK M	DATAESS AS	OTHERS	TOTAL
<b>Consideration</b>			
paid in cash	5.6	1.1	6.7
provisions for additional/deferred consideration	11.1	–	11.1
<b>Total consideration</b>	<b>16.7</b>	<b>1.1</b>	<b>17.8</b>
Depreciation and amortization	<b>-5.2</b>	<b>3.9</b>	<b>-1.2</b>
<b>Goodwill and other intangible assets</b>	<b>11.6</b>	<b>5.0</b>	<b>16.6</b>

*Goodwill is attributable to the profitability of the acquired companies and the synergy effects expected to be created with other Knowit companies.*

*The assets and liabilities included in the acquisitions are as follows:*

SEK M	DATAESS AS	OTHERS	TOTAL
Property, plant and equipment	0.2	1,4	1,6
Current assets	7.4	18,3	25,7
Cash equivalents	6.8	-3.9	2.9
Other liabilities	-9.2	-19.7	-28.9
<b>Identifiable net assets</b>	<b>5.2</b>	<b>-3.9</b>	<b>1.3</b>
Consideration paid in cash	-5.6	-1.1	-6.7
Cash equivalents in acquired companies	6.8	-3.9	2.9
<b>Effect on group cash equivalents from acquisitions made this year</b>	<b>1.2</b>	<b>-5.0</b>	<b>-3.8</b>
Additional consideration paid for acquisitions made earlier years	–	-18.4	-18.4
<b>Effect on group cash equivalents from acquisitions</b>	<b>1.2</b>	<b>-23.4</b>	<b>-21.9</b>

*The acquired companies have during the period contributed with SEK 83.7 million in net sales and SEK 2.6 million in Profit before amortization of intangible assets (EBITA).*