



A strong quarter to cap a record year Increased dividend Dividend policy approved

JANUARY – DECEMBER 2016

NET SALES INCREASED BY 10.0 PERCENT TO SEK 2,426.2 (2,205.5) MILLION

THE EBITA PROFIT INCREASED BY 29.1 PERCENT, TO SEK 211.6 (163.9) MILLION;
EXCLUDING SALES OF OPERATIONS IN THE LAST YEAR, EBITA INCREASED BY SEK 75.2 MILLION

RESULTS AFTER TAXES INCREASED TO SEK 144.5 (92.0) MILLION

EARNINGS PER SHARE INCREASED TO SEK 7.39 (4.58)

THE EBITA MARGIN INCREASED TO 8.7 (7.4) PERCENT;
EXCLUDING SALES OF OPERATIONS IN THE LAST YEAR, THE EBITA MARGIN INCREASED TO 8.7 (6.2) PERCENT

CASH FLOW FROM OPERATING ACTIVITIES INCREASED TO SEK 193.1 (68.6) MILLION

THE BOARD PROPOSES AN INCREASED DIVIDEND OF SEK 3.75 (3.25) PER SHARE, IN TOTAL SEK 70.9 (59.8) MILLION

OCTOBER – DECEMBER 2016

NET SALES INCREASED BY 15.1 PERCENT, TO SEK 697.0 (605.8) MILLION

THE EBITA PROFIT INCREASED BY 70.2 PERCENT TO SEK 81.0 (47.6) MILLION

RESULTS AFTER TAXES INCREASED TO SEK 49.9 (30.5) MILLION

EARNINGS PER SHARE INCREASED TO SEK 2.56 (1.45)

THE EBITA MARGIN INCREASED TO 11.6 (7.9) PERCENT

CASH FLOW FROM OPERATING ACTIVITIES INCREASED TO SEK 102.6 (95.1) 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. This press release was made public at 8:30 AM on February 9, 2017.



COMMENTS FROM THE CEO

The best year ever

When we now make public the economic outcome for 2016, we are reporting the highest results and the highest net sales ever. We also have more employees than ever before. The development has been positive all year and during the fourth quarter we have continued to increase our net sales, profit and margin, as compared with earlier years.

We hold a strong position in relation to companies and authorities with digital transformation high up on the agenda. Success in the dynamic landscape requires openness and courage to challenge the accustomed patterns, both on our part and on that of our clients. During this year, we have created a more efficient organization, improved resource usage and focused even more on attractive customer offerings. At the same time, demand has been and remains high.

POSITIVE DEVELOPMENT IN ALL BUSINESS FIELDS

The effect of dividing our operations into three business fields is a clearer focus on our specialist competencies and increased clarity toward our clients.

In the business field Experience, we have a positive development that I am satisfied with, as we have improved both sales and profit during the second half of the year. The streamlining performed during the spring contributed to this positive development.

I am very pleased with the profit development in the business field Insight. Net sales, profit and margin have all developed well during the year. I look forward to a continued positive development with increased growth. We are seeing high demand for management consultants with an understanding for technology development, combined with innovative creative thinking.

The business field Solutions has, during the past year, focused on increased streamlining in everything from sales to deliveries. This has shown positive results, with increased sales, profit and margin. I am also proud that we work close to our clients' operations, to contribute high business in our projects.

A STRONG AND STABLE EMPLOYER BRAND

Knowit grows when we, together with our employees, identify and develop new offerings on a fast-paced, changing market. We have never been this many employees at Knowit before. We are known for making quick decisions in a decentralized organization. This attracts employees who like taking the initiative and finding new solutions alongside clients.

When employer branding companies like Universum ask students and young professionals to rate their ideal employers, Knowit is close to the top. It is gratifying that we have a strong position among potential employees. We see our popularity in the many job applications we get.

THE POSITIVE POWER OF DIGITAL TRANSFORMATION

The digital transformation of society is moving forward quickly and creating new value. When used correctly, technology contributes to a better environment, increased contact between people and a stronger economy.

This year, we have streamlined resource usage at Skåne's University Hospital through a project on indoor positioning of medical equipment. For DNB we have created a website for quicker handling of loan applications and for Statsbygg we have developed public buildings for better meetings between public officials and citizens.

It is important to me that our efforts contribute to a better society, a simpler life and more efficient companies and authorities.

WE CREATE UNIQUE VALUES

Now, the challenge is to continue helping our clients to develop in an increasingly dynamic world. Thanks to our strong strategic abilities, our enthusiasm for technology and our creative thinking, we create unique values for clients, employees and shareholders.

Per Wallentin,
CEO and President

Important events during the year

Knowit was nominated by **AMAZON WEB SERVICES (AWS)** to their new Public Sector Partner Program in the category Government

Knowit was chosen as a **PARTNER TO UPPSALA INNOVATION CENTER** and will contribute to the UIC companies' development through expert support in UIC's business development program, individual guidance and direct services.

Knowit's social media strategist, Sarah Larsson Bernhardt, is the founder of the podcast Social by Default, which was nominated for the **SWEDISH PODCAST AWARD** in the category Economy and business. In 2016, the podcast was ranked third on Cision's list of the fifteen best communication podcasts.

Knowit Experience's business field manager, Fredrik Ekerhovd, won the award as **BUSINESS DEVELOPER OF THE YEAR** from Ledertalentene in Norway.

Knowit won the assignment **STATSBYGG IN NORWAY**, creating a national database for properties.

One of Knowit's board members, Eva Elmstedt, won **THE WOMEN'S BOARD AWARD**.

The site of the Wasa Museum, developed by Knowit, was nominated as **INFORMATION SITE OF THE YEAR**.

Knowit was named SAS Institute's first **NORDIC GOLD PARTNER**.

When Norway's citizens state which apps they cannot live without, the travel and ticket app Ruter, developed by Knowit, is on **THE TOP TEN LIST**.

In Finland, Knowit has created **KIDDO, A DESIGN EDUCATION FOR CHILDREN** aged 8-11 years.

Knowit's solution for Norwegian TV 2 Livesenter won an award in the competition **»BEST OF SCANDINAVIAN NEWS DESIGN 2016.«**

In Universum's survey of most attractive employers among Nordic IT students, **KNOWIT RANKS HIGHEST AMONG THE NORDIC COMPANIES**.

Knowit is assisting **IMMUNOVIA** with expertise in security architecture and design of cloud services.

In May, Knowit and SLL released a new version of the **MOBILE TICKET SOLUTION SL BILJETTER**.

Knowit has helped **TELENOR SVERIGE** develop their new website, telenor.se.

MARKET ART FAIR turned to Knowit for help with developing its website.

LKAB selected Knowit as its partner for development of a new website.

Knowit won the awards for **»BEST PRODUCT/SERVICE - ENTERPRISE«** and **»MOST DISRUPTIVE OF THE YEAR«** at Gulltaggen 2016, Norway's main event in digital marketing.

VAGABOND has chosen Knowit as its partner for further development of its e-commerce solution.

The security company **FLEXIM** has chosen Knowit as its supplier of progressive quality assurance methods.

Knowit is **THE MOST POPULAR CONSULTANCY FIRM** in Sweden among IT students, according to Universum.

Knowit has been named **»SPECIALIZED PARTNER OF THE YEAR«** by Oracle in Norway.

High demand in all business fields

The main geographic market is the Nordic region, supplemented with operations in Estonia and Germany. Knowit creates unique client value in a world of accelerating digitization, by offering comprehensive solutions in three business fields: Experience, Insight and Solutions. It is our capacity to combine competence in design and communication, management consultancy and IT that sets us apart from other consultancy firms.

The common denominator is innovation and creativity within the digital development with the end user in mind – and our ability to handle the complex market, business environment and technology of today.

Within Knowit's three business fields, demand is quite high overall. Geographically, demand differs widely between different regions. In Sweden and Norway, demand during the year has been strong within the client segments and offerings where Knowit operates. In Finland, an improvement of demand has been seen, albeit with tough competition.

EXPERIENCE

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

For Toyota Material Handling Europe AB, Knowit is developing a new corporate website for 26 countries and a B2B e-commerce solution for purchasing and sales of vehicles.

Knowit is developing methods and design solutions for Statsbygg, to ensure that Statsbyggs buildings are optimally used. For Statsbygg's tenants, mainly municipalities and authorities, the meeting between officials and citizens is important. The goal is to create new, efficient floor plans that focus on this meeting.

A new corporate website is being developed by the forest products company SCA, which was formed after a corporate fission, separating SCA's forest industry from its hygiene products. Knowit has overall responsibility as regards application management and further development for SCA Forest Products' EPiServer platform in its entirety.

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 solutions. Our assignments, where we work closely with our clients, involve strategic and tactical implementation of change and improvement projects.

For the municipality of Järfälla, Knowit is in charge of project management and strategic support in a developmental project to create a new IT process. The project serves to handle the operations' needs for faster changes and the increasing pace of development within digital transformation. The project is run by Knowit and has, thus far, encompassed around ten sub-projects.

SOLUTIONS

In the business field Solutions, we have 1,100 consultants working in development projects with high requirements on traceability, performance and accessibility. We offer services for all aspects of the development process – from project

governance and architecture to programming, testing and security.

In a project for Skåne's University Hospital, Knowit has delivered a solution for indoor positioning of medical equipment. Using Bluetooth technology, signals are sent and transformed into information on where the equipment is. This is presented to maps on wall monitors and in staff computers and smartphones. The goal is to increase accessibility and decrease lead times when using equipment.

Knowit and Swedavia have created an innovation forum. Ideas are jointly developed into a proof of concept to be tested and evaluated at Arlanda flygplats. The work consists of four workshops (Idea, Design, Demo and Result). The aim is to test new technology and work methods.

DNB has chosen Applikator, Knowit's solution portfolio for banking and finance, as the framework for the business field Equipment Financing. Applikator is used in DNB's various sales and self-service channels as a supplement in performing credit and risk assessments. The flexibility and dynamic adaptability of Applikator means that DNB can further automate and digitally transform the business field.

Client industry fields

Knowit has a wide spread of clients in many industry fields. This creates stability, as the company is not dependent on the development in one or a few industry fields. The largest portion of net sales comes from the public sector, retail, banking and finance and manufacturing industry.

BANKING AND FINANCE

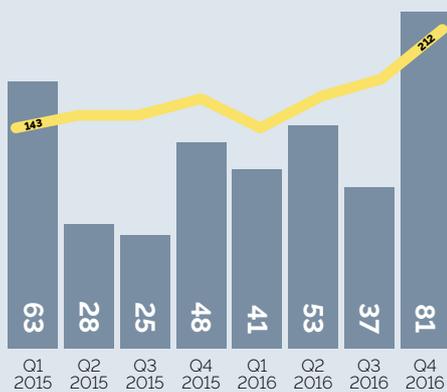
Traditional banking is facing competition from new parties using new, digital business models and use the new, emerging possibilities of technology. The development has created a new competitive

MARKET AND OPERATIONS, CONTINUED



NET SALES, SEK, MILLIONS

■ Quarterly data
— Rolling 12-monthly



EBITA, SEK, MILLIONS

■ Quarterly data
— Rolling 12-monthly

situation, where brands and user experiences are more important than ever.

We offer services in innovation, user experiences, system and process changes, brand development and marketing.

Our clients include Brage, Eika billänsportal, Landkreditt bank, Landshypotek Bank and Nordea.

RETAIL

Knowit has over the course of many years amassed a wide knowledge from various fields and today supplies services and solutions to many leading retail companies and chains of stores. With deep knowledge in e-commerce, purchasing, logistics systems, client management and business intelligence, we contribute to heightening our clients' competitiveness.

We offer competence, solutions and services in, for instance, IT use online, automation and optimization of mature IT processes through application management and offshoring support.

Clients include Clas Ohlson, Cloetta Norge, Ejendals, Jacob Douwe Egberts and Vagabond.

MANUFACTURING INDUSTRY

In the manufacturing industry, digital transformation is an important motive force for streamlining and renewal. For instance, in the vehicle industry,

digital transformation and IoT is having a huge effect – both in the vehicles themselves, which can have up to 100 embedded processors, and in the infrastructure being developed around vehicles to support connections, maintenance and repair.

Knowit supports clients with methods and architecture for faster, more efficient product development. We also contribute in procurement processes and collaboration with suppliers, to maximize benefits for our clients.

In the manufacturing sector we have clients like in Ahlstrom, Boliden, Ericsson AS, Saab, Scania and Volvo Trucks Aftermarket and ÅLÖ.

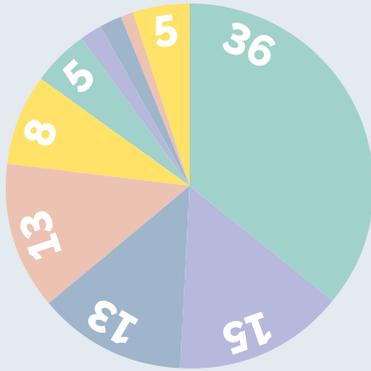
PUBLIC SECTOR

Within the public sector, there is a goal of streamlining operations and simplifying communications with citizens. Examples of solutions we develop include web solutions, mobile solutions, intranets, errand and document handling solutions, archiving solutions and operational systems connected to specific needs. Knowit works in all these areas and thanks to its long experience in the public sector has a strong position, which we continuously develop through competence expansion and knowledge transfer from other fields. Knowit has framework agreements with many large organizations in the sector, including Kammarkollegiet in Sweden and Hansel in Finland.

Examples of clients include the Swedish Agency for Government Employers, the Finnish Centre for

CORPORATE DEVELOPMENT

Streamlining has shown results



**SALES PER INDUSTRY FIELD
JANUARY – DECEMBER 2016**

Public sector	36% (34)
Retail	15% (17)
Banking, finance and insurance	13% (12)
Industry	13% (11)
Telecommunications operators	8% (8)
Energy	5% (5)
Telecommunications industry	2% (3)
Media, education and gaming	2% (3)
Pharmaceuticals	1% (2)
Other	5% (5)

Through Knowit's corporate structure, with three business fields where the operative daughter companies collaborate, regardless of where they are geographically located, there is room for investing in parts of the corporation, while streamlining others.

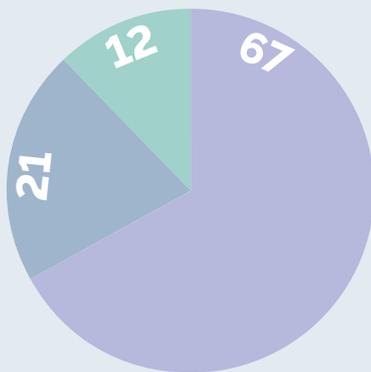
The streamlining carried out this year in the business field Experience involved merging seven companies into two in Bergen and decreasing the overhead in Jönköping. This has shown results.

Implementation of business fields has increased efficiency and contributed to the positive results and development of sales during the year.

Knowit's strategy for expansion and increasing growth is primarily to develop existing operations and secondarily to recruit and establish companies, as well as performing acquisitions. It is important that the people we recruit, the companies we found or acquire share the culture that characterizes Knowit.

BRAND

Strong employer brand



**SALES PER SEGMENT
JANUARY – DECEMBER 2016**

Solutions	67% (65)
Experience	21% (23)
Insight	12% (12)

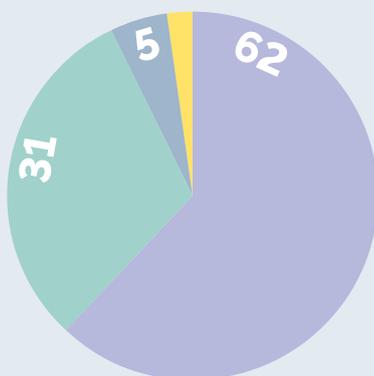
Knowit was founded on April 1 1990 and is thus a company with over 25 years' experience of the significance of IT for companies, organizations and individual people. Since Knowit was founded, we have developed our offerings with strategic and creative services, while also collecting an impressive knowledge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

Knowit was nominated by Amazon Web Services (AWS) to their Public Sector Partner Program in the category Government. AWS Public Sector Partner Program is aimed at partners with cutting-edge expertise in AWS and contributes to developing their deliveries to government authorities, education centers and NPOs.

Knowit actively participates in job fairs at secondary education

institutes. In most cases, the efforts are joint for all of Knowit, but our business fields have individually visited some niche fairs. As a supplement, Knowit also offers courses for students, both in Knowit's offices and at universities and colleges. Interest has been high and Knowit is a very strong employer brand.

Knowit Gävleborg's scholarship for the innovative thesis of the year 2016 for students at Gävle University College was awarded Johanna Bergström, a graduate of the industrial design program. In her thesis »Facing a greener future«, the service Vegokoll is developed. This is an application that in a simple, fun way helps families with young children eat more vegetarian meals and increase children's involvement in buying food and cooking meals.



**SALES PER COUNTRY
JANUARY – DECEMBER 2016**

Sweden	62% (65)
Norway	31% (31)
Finland	5% (4)
Other	2% (<1)

Increased sales, increased profit, increased margin

NET SALES AND PROFIT

JANUARY – DECEMBER

Net sales increased to SEK 2,426.2 (2,205.5) million, an increase by 10.0 percent as compared with the corresponding period last year.

Net sales increased to SEK 1,512.1 (1,431.8) million in Sweden, SEK 746.5 (676.3) million in Norway and SEK 112.2 (87.5) million in Finland. Sales per employee increased to SEK 1,397 (1,247) thousand.

The operating profit before amortization of intangible assets (EBITA) increased to SEK 211.6 (163.9) million. The figure for last year was positively affected by sales in Sweden and Norway totaling SEK 27.5 million. Excluding the sales last year, EBITA increased by SEK 75.2 million. In Sweden, EBITA increased to SEK 172.7 (131.2) million, in Norway to SEK 74.5 (53.4) million, excluding sales last year, and in Finland to SEK 7.1 (2.3) million.

The EBITA margin increased to 8.7 (7.4) percent. Excluding the sales last year, the EBITA margin increased to 8.7 (6.2) percent.

Amortization of intangible assets amounted to SEK -10.6 (-15.5) million. Last year, depreciation of goodwill totaling SEK -13.3 million was performed in connection with the sale of the Knowit Services companies.

The operating profit after financial items amounted to SEK 191.8 (116.0) million. The financial net was SEK -9.2 (-19.1) million. The financial net was affected by costs for interest relating to bank loans and leasing, as well as costs for synthetic options.

The results after taxes were SEK 144.5 (92.0) million. Tax for the period amounted to SEK -47.3 (-24.0) million, affected by lower non-taxable revenue and a lowered tax rate in Norway.

The non-controlling interests' share of profit for the year totaled SEK 6.1 (7.7) million.

Earnings per share increased to SEK 7.39 (4.58).

THE FOURTH QUARTER

Net sales increased to SEK 697.0 (605.8) million, an increase by 15.1 percent as compared with the corresponding period last year. Net sales increased to SEK 425.0 (400.1) million in Sweden, to SEK 223.4 (177.7) million in Norway and to 32.7 (24.3) million in Finland. Sales per employee increased to SEK 400 (347) thousand.

The operating profit before amortization of intangible assets (EBITA) increased to SEK 81.0 (47.6) million. Last year's figure was affected positively by the company sales in Norway totaling SEK 3.5 million. Excluding the sales in the last year, EBITA increased by SEK 36.9 million.

In Sweden, EBITA increased to SEK 60.7 (43.0) million, in Norway to SEK 24.8 (13.0) million and in Finland to SEK 1.0 (-0.9) million.

The EBITA margin increased to 11.6 (7.9) percent. Excluding the sales last year, the EBITA margin increased to 11.6 (7.3) percent.

Amortization of intangible assets amounted to SEK -1.5 (-3.1) million.

The operating profit after financial items increased to SEK 70.8 (37.0) million. The financial net was SEK -8.7 (-7.5) million. The financial net was affected by costs for interest relating to bank loans and leasing, as well as costs for synthetic options.

Results after taxes increased to SEK 49.9 (30.5) million.

Tax for the period amounted to SEK -20.9 (-6.5) million, affected by lower non-taxable revenue and a lowered tax rate in Norway.

The non-controlling interests' share of profit for the year totaled SEK 1.5 (3.9) million.

Earnings per share increased to SEK 2.56 (1.45).

SEGMENTS

JANUARY – DECEMBER

During 2015, three business fields were established within the group: Experience, Insight and Solutions. As a result of this, steering and follow-up has shifted focus, from countries to business fields, which in turn leads to altered segment reporting. As of January 2016, the interim reporting of segments will cover business fields, with comparison data for 2015.

Net sales for the segment Experience increased to SEK 537.7 (537.4) million, for the segment Insight they increased to SEK 320.8 (283.4) million and for the segment Solutions they increased to SEK 1,719.8 (1,520.9) million.

The operating profit before amortization of intangible assets (EBITA) increased to SEK 35.8 (35.4) million for the segment Experience, increased to SEK 45.1 (30.7) for the segment Insight and increased to SEK 181.4 (124.6) for the segment Solutions.

The EBITA margin increased to 6.7 (6.6) percent for the segment Experience, increased to 14.1 (10.8) percent for the segment Insight and increased to 10.5 (8.2) percent for the segment Solutions.

The parent company's results and the company sales in the previous year are not included in segment reporting.

CASH FLOW AND FINANCIAL POSITION

JANUARY – DECEMBER

Cash flow from operating activities increased to SEK 193.1 (68.6) million, affected by a positive result development, increased accounts receivable and short-term liabilities.

Cash flow from investment activities totaled SEK -29.0 (5.7) million. Additional consideration paid to settle acquisitions made in earlier years

THE GROUP CONTINUED

totalled SEK -25.9 (-18.4) million. The sale of the Knowit Services companies has affected the cash flow from investment activities for last year positively, by SEK 41.3 million.

Cash flow from financing activities totalled SEK -135.1 (-157.7) million, affected by dividends to shareholders, taking out new bank loans, amortizations and payment of synthetic options.

Total cash flow increased to SEK 29.0 (-83.4) million.

Cash and cash equivalents totalled SEK 44.8 (6.7) million as per December 31, 2016.

Goodwill and other intangible assets amounted to SEK 915.7 (898.5) million, of which goodwill totalled SEK 905.0 (878.1) million, and other intangible assets totalled SEK 10.7 (20.4) million.

Equity totalled SEK 844.3 (752.2) million, affected by improved results,

dividends to shareholders and non-controlling interests in subsidiaries, changed provisions for additional considerations and offset issues.

Interest-bearing liabilities totalled SEK 163.8 (220.5) million on December 31, 2016, of which SEK 101.1 (81.6) million were long-term and SEK 62.7 (138.9) million were short-term. Bank loans totalled SEK 40.1 (31.0) million, a used overdraft facility totalled SEK 0 (60.2) million of a granted overdraft facility of SEK 170.0 (200.0) million, financial leases totalling SEK 26.2 (25.5) million and liabilities related to future consideration and synthetic options in subsidiaries totalled SEK 97.5 (103.8) million.

The equity ratio was 52.4 (51.0) percent as per December 31, 2016.

THE SHARE

In May, 525,092 shares were issued, as per the AGM resolution on an offset issue waiving the preferential

rights of shareholders. The issue was directed at the sellers of shares in Amende AS, Norway, as partial payment for the acquisition of these companies, acquisition of non-controlling interests in Knowit Experience Holding AS, Knowit Stavanger AS, Knowit Infra Syd AB and Knowit Infrastructure Göteborg AB, and payment for synthetic options in Knowit Skåne AB. Outstanding shares in Knowit AB were, before the new issue, 18,389,032 in total, and after the issue and withdrawal, 18,914,124 shares in total.

EMPLOYEES

On December 31, 2016, a total of 1,867 (1,802) people were employed by the corporation. The number of employees has increased by 65 persons during 2016. The average number of employees during the period was 1,737 (1,769).

PARENT COMPANY

Results and financial position

JANUARY – DECEMBER

The operating profit before amortization of intangible assets (EBITA) totalled SEK -48.8 (-52.3) million. The financial net increased to SEK 97.6 (71.2) million, affected mainly by group contributions,

dividends from subsidiaries and interest costs on bank loans. The result after financial net increased to SEK 48.8 (18.7) million. As per December 31, 2016, equity was SEK 370.9 (368.5) million, affected by dividends to shareholders and offset issues. Untaxed reserves, mainly accrual funds, were SEK 60.3 (56.1) million.

Increased dividend Dividend policy approved

DIVIDEND

Knowit's Board of Directors proposes an increased dividend of SEK 3.75 (3.25) per share, for a total of SEK 70.9 (59.8) million.

The Board has adopted a dividend policy aimed at equaling or increasing dividends each year. Dividends shall reflect the Board's views on expected market development over the next few years.

THE NOMINATION COMMITTEE

In accordance with the resolution of the Annual General Meeting on April 27, 2016, the nomination committee for the AGM 2017 shall consist of a representative for each of the three largest registered shareholders in terms of votes on September 30 2016, and the Chairman of the Board, who shall convene the nomination committee for its first meeting.

The nomination committee for the AGM 2017 consists of:

Malin Björkmo, SHB fonder

Lennart Francke, Swedbank

Robur fonder

Jan Sarlvik, Nordea Funds,

and Mats Olsson, Chairman of the Board and convener

The duties of the Nomination committee are to propose, during the AGM 2017, the Chairman of the AGM, Board members, the Chairman of the Board, auditors, Directors' fees, auditors' fees and the Nomination committee's procedures. Shareholders who desire to present suggestions to the nomination committee can do so via e-mail to valberedning@knowit.se.

AGM

The AGM will take place on Tuesday April 25, 2017 at 4 p.m. in Knowit's offices, 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, 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. For a comprehensive description of the essential risks and uncertainty factors, see Knowit's annual report for 2015, pages 72-73. No significant changes have occurred since.

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 interim report for the Parent company has been prepared in accordance with the Swedish Annual Accounts Act and the recommendation RFR 2 Accounting for legal entities. None of the new or amended standards or interpretations of existing standards, which have entered into force during 2016, have 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 2015, see Notes 1 and 2, pages 65-73. The group has begun the work of mapping the effects of IFRS 15 and does not currently expect any significant effects on the group's financial reports.

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.

ALTERNATIVE KEY FIGURES

In this interim report, we are using the following alternative key figures, as we believe they are relevant in follow-up of our long-term financial targets. The Board has, among other things, determined that the EBITA profit should exceed the net debt, that the EBITA margin should exceed a 10 percent average over a period of five years and that equity should exceed the intangible assets. We also monitor capital employed, as it is an important aspect of the working capital turnover. For more information on our long-term financial targets and further definitions of key figures, see the annual report for 2015, pages 12-13 and page 90.

EBITA profit

The profit before amortization of intangible assets

EBITA margin

The profit before amortization of intangible assets (EBITA) in relation to the turnover of the period.

Average equity

The average of the opening equity of the period and the closing equity of the period.

Earnings on equity

The profit after taxes in percent of average equity including non-controlling interest shares.

Capital employed

Total assets less non-interest-bearing liabilities and provisions.

Earnings on capital employed

Profit after financial items plus financial costs in percent of average.

**FORWARD-LOOKING
INFORMATION**

Forward-looking information in this report is based on the expectations of Knowit's management team at the time of the report. While Knowit's management team assesses these expectations to be reasonable, there is no guarantee that these expectations are or will turn out to be correct. Consequently, future outcomes may vary significantly compared with what is presented in the future-oriented information, depending for example on changed market conditions for the Knowit corporation's offerings and more general conditions related to economy, market, competition, regulatory changes and other alterations in policy, as well as variations on exchange rates. Knowit does not commit to update or correct such forward-looking information beyond what is required by law.

**FINANCIAL
CALENDAR**

April 25 2017, 8.30 AM,

Interim report Q1

April 25 2017, 4 PM,

AGM

July 17 2017, 8.30 AM,

Interim report Q2

Oct 26 2017, 1 PM,

Interim report Q3

Feb 7 2018, 8.30 AM,

Year-end report 2017

Stockholm, February 9, 2017

Per Wallentin
CEO

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

**ADDRESS
AND CONTACT
INFORMATION**

Knowit AB,
(Company reg.no. 556391-0354)
Box 3383, 103 68 Stockholm
Visiting address: Klarabergsgatan 60
Phone: +46 (0)8 700 66 00,
Fax: +46 (0)8 700 66 10
knowitgroup.com

**FOR MORE INFORMATION,
PLEASE CONTACT**

Per Wallentin, President and CEO,
Knowit AB (publ), +46 (0)8 700 66 00,
or Patrik Syrén, IRO, Knowit AB (publ),
+46 (0)8 700 66 00
or +46 (0)73 074 66 30,
or Anna Jennehov, CFO, Knowit AB
(publ), +46 (0)8 700 66 00

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: Experience, Insight and Solutions. 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.

Consolidated income statement and report concerning total results

SEK M	Oct-Dec 2016	Oct-Dec 2015	Jan-Dec 2016	Jan-Dec 2015
Net sales	697.0	605.8	2,426.2	2,205.5
Profit on disposal of operations	-	-	-	24.5
Operating costs	-614.0	-555.7	-2,202.8	-2,054.5
Depreciation of tangible fixed assets	-2.0	-2.5	-11.8	-11.6
OPERATING RESULT BEFORE DEPRECIATIONS OF INTANGIBLE ASSETS (EBITA)	81.0	47.6	211.6	163.9
Depreciation of intangible fixed assets	-1.5	-3.1	-10.6	-28.8
OPERATING RESULT (EBIT)	79.5	44.5	201.0	135.1
Financial income	-0.5	0.3	2.5	11
Financial cost	-8.2	-7.8	-11.7	-20.2
RESULT AFTER FINANCIAL ITEMS	70.8	37.0	191.8	116.0
Income taxes	-20.9	-6.5	-47.3	-24.0
RESULT FOR THE PERIOD	49.9	30.5	144.5	92.0
Result for the period assignable to shareholders in Parent Company	48.4	26.6	138.4	84.3
Result for the period assignable to non-controlling interests' holdings	1.5	3.9	6.1	7.7
Earnings per share				
Earnings per share before dilution (SEK)	2.56	1.45	7.39	4.58
Earnings per share after dilution (SEK)	2.56	1.45	7.39	4.58
Other total result				
Result for the period	49.9	30.5	144.5	92.0
<i>Items that may be reclassified subsequently to profit or loss</i>				
Hedging of netinvestment	0.1	1.0	-1.8	2.1
Tax effect hedging of netinvestment	0.0	-0.3	0.4	-0.5
Exchange rates difference	-1.6	-12.1	42.3	-29.4
OTHER TOTALRESULT FOR THE PERIOD, NET AFTER TAX	48.4	19.1	185.4	64.2
Total result for the period				
Total result assignable to shareholders in Parent Company	47.0	14.5	179.4	56.5
Total result assignable to non-controlling interests' holdings	1.4	3.9	6.0	7.7

Consolidated balance sheet

SEK M	2016-12-31	2015-12-31
Assets		
Intangible fixed assets	915.7	898.5
Tangible fixed assets	42.3	43.4
Financial fixed assets	5.6	18
Deferred tax assets	5.7	7.6
Current assets	597.5	517.3
Liquid funds	44.8	6.7
TOTAL ASSETS	1,611.6	1,475.3
Equity and liability		
Share capital	18.9	18.4
Other paid-up capital and other provisions	511.3	440.9
Recognized profits including result for the period	304.8	279.6
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF PARENT COMPANY	835.0	738.9
Non-controlling interests' holdings	9.3	13.3
TOTAL EQUITY	844.3	752.2
Long-term provisions	34.8	36.2
Interest-bearing long-term liabilities	101.1	81.6
Interest-bearing short-term liabilities	62.7	138.9
Other short-term liabilities	568.7	466.4
TOTAL EQUITY AND LIABILITIES	1,611.6	1,475.3

Key figures

	Oct-Dec 2016	Oct-Dec 2015	Jan-Dec 2016	Jan-Dec 2015
Average number of employees	1,741	1,745	1,737	1,769
Sales per average number of employee (000)	400	347	1,397	1,247
Result after financial items per average number of employee (000)	41	21	110	66
Return on total capital %	5.0	3.0	13.2	9.0
Return on equity %	6.0	4.0	18.1	11.9
Return on capital employed %	7.8	4.4	20.5	13.2
EBITA-margin %	11.6	7.9	8.7	7.4
Equity ratio %	52.4	51.0	52.4	51.0

Data per share

	Oct-Dec 2016	Oct-Dec 2015	Jan-Dec 2016	Jan-Dec 2015
Earnings per share (SEK)				
Before dilution	2.56	1.45	7.39	4.58
After dilution	2.56	1.45	7.39	4.58
Equity per share (SEK)				
Before dilution	44.15	40.18	44.15	40.18
After dilution	44.15	40.18	44.15	40.18
Average number of shares (000)				
Before dilution	18,914	18,389	18,716	18,389
After dilution	18,914	18,389	18,716	18,389
Average number of shares (000)				
Before dilution	18,914	18,389	18,914	18,389
After dilution	18,914	18,389	18,914	18,389

Consolidated cash flow analysis

SEK M	Oct-Dec 2016	Oct-Dec 2015	Jan-Dec 2016	Jan-Dec 2015
Cash flow current operations before changes in working capital	74.6	8.1	175.7	97.8
Change in working capital	28.0	87.0	17.4	-29.2
CASH FLOW FROM CURRENT OPERATIONS	102.6	95.1	193.1	68.6
Cash flow from investing activities	-3.3	-4.6	-29.0	5.7
Cash flow from financing activities	-74.4	-96.4	-135.1	-157.7
CASH FLOW FOR THE PERIOD	24.9	-5.9	29.0	-83.4
Opening balance	11.3	14.1	6.7	91.3
Exchange rates differences	8.6	-1.5	9.1	-1.2
CLOSING BALANCE	44.8	6.7	44.8	6.7

Change in equity

SEK M	Oct-Dec 2016	Oct-Dec 2015	Jan-Dec 2016	Jan-Dec 2015
Opening balance	813.2	757.5	752.2	798.0
Exchange rates differences	-1.6	-12.7	42.3	-29.4
Hedging of net investment	0.1	1.8	-1.8	2.1
Tax effect hedging of net investment	0.0	-0.5	0.4	-0.5
Result for the period	49.9	30.5	144.5	92.0
TOTAL RESULT FOR THE PERIOD	48.4	19.1	185.4	64.2
Total before transactions with shareholders	861.6	776.6	937.6	862.2
Non-controlling interest's holdings	-0.3	-	-11.4	-
Additional capital from non-controlling interest's holdings	-	-0.1	-	0.2
Changed provision for acquisition of minority	-17.0	-24.0	-40.7	-40.6
Dividend payment	-	-0.3	-72.1	-69.6
Share issue for the acquisition of non-controlling interests	-	-	30.9	-
CLOSING BALANCE	844.3	752.2	844.3	752.2

Financial assets and liabilities

2016-12-31 SEK M	Loans and receivables	Fair value
Assets in balance sheet		
Other long-term securities holdings	3.7	3.7
Other long-term receivables	1.8	1.8
Accounts receivable and other receivable	512.3	512.3
Cash	44.8	44.8
TOTAL	562.6	562.6
2016-12-31 SEK M	Other financial liabilities	Fair value
Liabilities in the balance sheet		
Interest-bearing liabilities	163.8	163.8
Accounts payable	96.0	96.0
Other liabilities	158.2	158.2
TOTAL	418.0	418.0

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.

Income statement Parent company

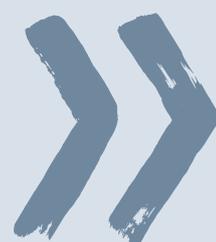
SEK M	Oct-Dec 2016	Oct-Dec 2015	Jan-Dec 2016	Jan-Dec 2015
Net sales	83.7	92.5	289.1	304.3
Operating costs	-95.6	-105.1	-336.7	-355.5
Depreciation of tangible fixed assets	-0.3	-0.3	-1.2	-1.1
OPERATING RESULT BEFORE DEPRECIATIONS OF INTANGIBLE ASSETS (EBITA)	-12.2	-12.9	-48.8	-52.3
Depreciation of intangible fixed asset	0.0	0.0	0.0	-0.2
OPERATING RESULT (EBIT)	-12.2	-12.9	-48.8	-52.5
Financial items	100.9	65.8	97.6	71.2
RESULT AFTER FINANCIAL ITEMS	88.7	52.9	48.8	18.7
Appropriations	-4.2	0.5	-4.2	0.5
Income taxes	-13.3	-7.3	-13.3	-7.3
RESULT FOR THE PERIOD / OTHER TOTAL RESULT	71.2	46.1	31.3	11.9

Balance sheet Parent company

SEK M	2016-12-31	2015-12-31
Assets		
Intangible fixed assets	-	0.0
Tangible fixed assets	5.1	6.0
Financial fixed assets	797.3	782.5
Current assets	90.4	134.2
Liquid funds	34.6	0.0
TOTAL ASSETS	927.4	922.7
Equity and liabilities		
Share capital	18.9	18.4
Statutory reserve	68.0	68.0
Unrestricted share capital including result for the period	284.0	282.1
TOTAL EQUITY	370.9	368.5
Untaxed reserves	60.3	56.1
Interest-bearing long-term liabilities	25.6	15.5
Long-term provision	0.3	-
Interest-bearing short-term liabilities	14.5	85.3
Other liabilities	455.8	397.3
TOTAL EQUITY AND LIABILITIES	927.4	922.7

Segment reporting

2016 October – December	Experience	Insight	Solutions	Parent Company/ Group adj.	Total
External net sales	138.4	80.7	477.9	–	697.0
Net sales between segments	17.5	9.7	15.8	-43.0	–
NET SALES	155.9	90.4	493.7	-43.0	697.0
Operating result before depreciations of intangible fixed assets (EBITA)	14.4	14.7	59.3	-7.4	81.0
Depreciation of intangible fixed assets	-0.1	–	-1.4	0.0	-1.5
Operating result (EBIT)	14.3	14.7	57.9	-7.4	79.5
Result after financial items					70.8
PROFIT FOR THE PERIOD					49.9
EBITA-margin, %	9.2	16.3	12.0		11.6
Average numbers of employees	428	201	1,101	11	1,741
2016 Januari – December	Experience	Insight	Solutions	Parent Company/ Group adj.	Total
External net sales	473.4	280.1	1,672.7	–	2,426.2
Net sales between segments	64.3	40.7	47.1	-152.1	–
NET SALES	537.7	320.8	1,719.8	-152.1	2,426.2
Operating result before depreciations of intangible fixed assets (EBITA)	35.8	45.1	181.4	-50.7	211.6
Depreciation of intangible fixed assets	-0.3	–	-10.3	0.0	-10.6
Operating result (EBIT)	35.5	45.1	171.1	-50.7	201.0
Result after financial items					191.8
PROFIT FOR THE PERIOD					144.5
EBITA-margin, %	6.7	14.1	10.5		8.7
Average numbers of employee	433	200	1,093	11	1,737
Intangible fixed assets	203.3	60.7	651.7	–	915.7
2015 October – December	Experience	Insight	Solutions	Parent Company/ Group adj.	Total
External net sales	116.8	70.6	418.4	–	605.8
Net sales between segments	18.6	10.4	13.9	-42.9	–
NET SALES	135.4	81.0	432.3	-42.9	605.8
Operating result before depreciations of intangible fixed assets (EBITA)	5.3	9.0	42.6	-9.3	47.6
Depreciation of intangible fixed assets	0.0	–	-3.1	0.0	-3.1
Operating result (EBIT)	5.3	9.0	39.5	-9.3	44.5
Result after financial items					37.0
PROFIT FOR THE PERIOD					30.5
EBITA-margin, %	3.9	11.1	9.9		7.9
Average numbers of employees	433	181	1,120	11	1,745



Segment reporting continued

2015 Januari – December	Experience	Insight	Solutions	Parent Company/ Group adj.	Total
External net sales	484.1	255.1	1,466.3	–	2,205.5
Net sales between segments	53.3	28.3	54.6	-136.2	–
NET SALES	537.4	283.4	1,520.9	-136.2	2,205.5
Operating result before depreciations of intangible fixed assets (EBITA)	35.4	30.7	124.6	-26.8¹⁾	163.9
Depreciation of intangible fixed assets	-2.7	–	-12.7	-13.4 ²⁾	-28.8
Operating result (EBIT)	32.7	30.7	111.9	-40.2	135.1
Result after financial items					79.0
PROFIT FOR THE PERIOD					61.4
EBITA-margin, %	6.6	10.8	8.2		7.4³⁾
Average numbers of employees	429	182	1,146	12	1,769
Intangible fixed assets	195.6	58.7	644.2	0.0	898.5

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

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

3) Excluding the company disposals, the EBITA-margin was 6.2 percent.

During 2015, three business fields were established within the group: Insight, Experience and Solutions. As a result of this, steering and follow-up has shifted focus, from countries to business fields, which in turn leads to altered segment reporting. As of January 2016, the interim reporting of segments will cover business fields, with comparison data for 2015. The group's operations are organized such that the corporate management primarily follows up on sales, EBITA profit and average number of employees per group segment. Excluding intangible assets, no other balance sheet items per operating segment are followed up on by the corporate management. Non-distributed costs consist of the parent company's corporate-wide costs for management, financing and marketing.